



**TOUYUN BIOTECH GROUP LIMITED**  
**透雲生物科技集團有限公司**

(Incorporated in Bermuda with limited liability)  
Stock Code: 1332

**2025**  
Interim Report

**Chlamydomonas  
Reinhardtii**

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# Corporate Information

## DIRECTORS

### Executive directors

Mr. Wang Liang (*Chairman*)

Mr. Du Dong

### Non-executive directors

Mr. Chen Hui

Ms. Tian Yuze

Mr. Zhang Lele

Mr. Jia Wenjie (resigned on 13 June 2025)

### Independent non-executive directors

Mr. Cheung Wing Ping

Mr. Ha Kee Choy Eugene

Mr. To Shing Chuen

Mr. Hu Guohua (resigned on 13 June 2025)

## AUDIT COMMITTEE

Mr. Ha Kee Choy Eugene (*Chairman*)

Mr. Cheung Wing Ping

Mr. To Shing Chuen

## NOMINATION COMMITTEE

Mr. Cheung Wing Ping (*Chairman*)

(re-designated as chairman on 4 July 2025)

Mr. Ha Kee Choy Eugene

Mr. To Shing Chuen (resigned on 6 June 2025)

Mr. Du Dong (resigned on 4 July 2025)

Mr. Wang Liang (resigned on 4 July 2025)

Ms. Tian Yuze (appointed on 6 June 2025)

## REMUNERATION COMMITTEE

Mr. To Shing Chuen (*Chairman*)

Mr. Wang Liang

Mr. Du Dong

Mr. Cheung Wing Ping

Mr. Ha Kee Choy Eugene

## AUTHORISED REPRESENTATIVES

Mr. Du Dong

Mr. Wang Liang

## COMPANY SECRETARY

Ms. Li On Lok

## REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

12/F, Kwan Chart Tower

6 Tonnochy Road

Wanchai, Hong Kong

## INDEPENDENT AUDITORS

Moore CPA Limited

*Certified Public Accountants*

## PRINCIPAL BANKERS

The Hongkong and Shanghai

Banking Corporation Limited

## SHARE REGISTRARS AND TRANSFER OFFICES

### Principal share registrar and transfer office

Appleby Global Corporate Services (Bermuda) Limited

Canon's Court

22 Victoria Street

PO Box HM1179

Hamilton HMEX

Bermuda

### Hong Kong branch share registrar and transfer office

Tricor Secretaries Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## WEBSITE

[www.touyunbiotech.com.hk](http://www.touyunbiotech.com.hk)

## STOCK CODE

1332

# Management Discussion and Analysis

On behalf of the Board of Directors (the “Directors” or the “Board”) of Touyun Biotech Group Limited (the “Company”), I am pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025.

## BUSINESS REVIEW

The Group recorded a profit for the period of HK\$28.1 million for the six months ended 30 June 2025, representing a significant improvement of HK\$76.9 million as compared to the loss for the period of HK\$48.8 million for the six months ended 30 June 2024. The improvement was mainly resulted from increase in fair value gain of financial assets at fair value through profit or loss.

During the six months ended 30 June 2025, the Group recorded a revenue for continuing operations of approximately HK\$36.6 million (six months ended 30 June 2024: HK\$46.2 million, representing a decrease of approximately 20.8% as compared to the corresponding period of last year. The Group’s overall gross profit margin was 37.0% (six months ended 30 June 2024: 41.4%).

## FINANCIAL REVIEW AND PROSPECT

### Continuing Operations

#### Packaging products business

The packaging products business reported a revenue of HK\$32.7 million for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$41.5 million), representing a decrease of 21.2% as compared with the corresponding period of last year. A segment loss of HK\$5.0 million was recorded during the six months ended 30 June 2025 (six months ended 30 June 2024 HK\$2.7 million). The increase in segment loss was mainly due to the decrease in revenue primarily from decrease in sale orders from major customers.

#### Treasury investment business

During the period, the Group recorded fair value gain of HK\$31.6 million on listed investments classified as financial assets at fair value through profit or loss. Fair value gain on unlisted investments classified as financial assets at fair value through profit or loss amounting to HK\$35.7 million was recognised during the period (six months ended 30 June 2024: fair value loss of HK\$10.0 million). It was mainly due to the fair value of the assets of the Group’s unlisted investments increased during the period.

#### Chlamydomonas reinhardtii products business

During the period, the Chlamydomonas reinhardtii products business recorded a revenue of HK\$3.9 million (six months ended 30 June 2024: HK\$4.7 million) and a segment loss of HK\$15.2 million (six months ended 30 June 2024: HK\$12.7 million), such increase in segment loss was mainly due to the decrease in sales and decrease in reversal of impairment of inventories. The Company is currently developing a series of new products as such vegan fish, shrimp, and plant-based milk and continuously expanding the market and customers base. The Board considers that there is growth potential for the Chlamydomonas reinhardtii, micro-algae products market as the population becomes more health conscious.

# Management Discussion and Analysis

## Discontinued Operation

### QR code business

Revenue from QR code business was HK\$16.0 million and its segment loss was HK\$8.1 million during the six months ended 30 June 2025 (six months ended 30 June 2024: Revenue of HK\$26.0 million and segment loss of HK\$13.2 million). The QR code business has been discontinued in the current period after the disposal of Fortune Road. Details of which were disclosed in the circular of special general meeting of the Company dated 28 May 2025.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position was actively reviewed throughout the period. As at 30 June 2025, from the continuing operations, the Group had outstanding: (i) approximately HK\$58.2 million secured bank borrowing, repayable in 1–2 years; (ii) approximately HK\$22.1 million secured other borrowings, repayable within 1 year; (iii) approximately HK\$313.1 million unsecured other borrowings repayable within 1 year; (iv) approximately HK\$99.5 million due to a Director of the Company which is unsecured and repayable on demand; (v) approximately HK\$23.0 million due to a Shareholder of the Company which is unsecured and repayable on demand. As at 30 June 2025, the Group had cash balances amounting to approximately HK\$11.5 million. The gearing ratio (net borrowings to total capital) was approximately 102% (31 December 2024: 113%). The decrease of gearing ratio was primarily due to improvement of net profit noted in current period.

## SHARE CAPITAL

There was no movement of share capital during the six months ended 30 June 2025.

## PLEDGE OF ASSETS

The Group's buildings, leasehold lands and machinery which had an aggregate carrying value of HK\$19.5 million, HK\$61.5 million and HK\$35.8 million respectively were pledged to secure bank borrowings of approximately HK\$58.2 million as at 30 June 2025. In addition, the Group's equity interests in certain subsidiaries were pledged to secure two other borrowings of HK\$22.1 million as at 30 June 2025.

## CONTINGENT LIABILITIES

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

## CAPITAL COMMITMENTS

As at 30 June 2025, the Group did not have any capital commitment.

## FINANCE LEASE OBLIGATIONS

As at 30 June 2025, the Group did not have any outstanding obligations under finance lease.

## FOREIGN EXCHANGE RISK

Most of the Group's revenues are transacted in US dollars and Hong Kong dollars while expenses are mainly in US dollars, Hong Kong dollars and Renminbi. In view of the prevailing financial market situation, the Group did not engage in any foreign exchange hedging products for the exposure of currency risk of Renminbi during the period. The Group still monitors fluctuations in exchange rates closely and manages the currency risk involved actively.

## EVENTS AFTER THE REPORTING PERIOD

On 31 July 2025, the Group entered into a sale and purchase agreement with an independent third party to sell certain fixed assets located in Shanxi, at a cash consideration of approximately RMB14,817,000. Details are set out in the Company's announcements dated 31 July 2025.

## SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

On 6 March 2025, the Group disposed of 30% equity interest in Fortune Road International Limited ("Fortune Road"), a wholly-owned subsidiary of the Group, at a cash consideration of HK\$5,333,000 (equivalent to RMB5,000,000) to an independent third party. Details are set out in the Company's announcements dated 6 March 2025.

On 6 May 2025, the Group has entered a conditional disposal agreement with a substantial shareholder of Fortune Road to further dispose the 70% equity interest in Fortune Road at a cash consideration of HK\$13,867,000 (equivalent to RMB13,000,000) (the "70% Disposal"). Details of which were disclosed in the circular of special general meeting of the Company dated 28 May 2025. As at 30 June 2025, the 70% Disposal has not yet completed and the Group retained its control in Fortune Road.

There were no other disposals, or any material acquisitions and disposals of any subsidiaries, associated companies and joint ventures during the six months ended 30 June 2025.

## EMPLOYEES

As at 30 June 2025, the Group had a total workforce of approximately 465 full time employees in Hong Kong and Mainland China. The Group remunerates its staff based on their merit, qualification, competence and prevailing market salaries trend. In addition to salary and year-end bonus, the remuneration packages also comprised of share option scheme, provident fund contributions, medical and life insurances.

## INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025.

# Management Discussion and Analysis

## APPRECIATION

On behalf of the Board, I would like to express our utmost gratitude to our customers, bankers, suppliers, strategic partners and most valued shareholders for their continued support. We also wish to thank the Group's management and staff for their professionalism, loyalty and contribution to the Group.

By order of the Board

**Wang Liang**

*Chairman*

Hong Kong, 22 August 2025

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 30 June 2025, details of the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) (the "SFO")) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Interests in shares of the Company (long positions)

Name of directors	Capacity in which interests are held	Number of shares held	Approximate percentage
Mr. Wang Liang (Note 1)	Beneficial owner	620,300,000	22.11
Mr. Du Dong (Note 2)	Beneficial owner	3,500,000	0.12
Mr. Cheung Wing Ping (Note 2)	Beneficial owner	500,000	0.02
Mr. Ha Kee Choy Eugene (Note 2)	Beneficial owner	500,000	0.02
Mr. To Shing Chuen (Note 2)	Beneficial owner	500,000	0.02
Mr. Zhang Lele (Note 2)	Beneficial owner	3,500,000	0.12
Ms. Tian Yuze	Beneficial owner	145,805,135	5.20

Notes:

- The 620,300,000 shares included 2,800,000 share options granted to Mr. Wang Liang under the share option scheme of the Company on 30 September 2024, which will be vested on 1 January 2026. Ms. Qiao Yanfeng ("Ms. Qiao", a substantial shareholder of the Company and Mr. Wang Liang's mother) is deemed to be interested in 150,000,000 shares through TY Technology Group Limited which is in turn owned as to 90% by Wise Tech Enterprises Incorporated (wholly-owned by Ms. Qiao) and 10% by Truthful Bright International Holding Limited (wholly-owned by Ms. Qiao). Mr. Wang Liang together with Ms. Qiao were interested in the aggregate of 767,500,000 shares, representing approximately 27.35% of the issued shares of the Company.
- The interest held by these directors represents the share options granted to the Directors under the share option scheme of the Company on 30 September 2024, which will be vested on 1 January 2026.

Save as disclosed above, as at 30 June 2025, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

# Disclosure of Interests

## SHARE OPTIONS

The Company adopted a new share option scheme on 13 June 2025, details of which were disclosed in the Appendix III of the circular of annual general meeting of the Company dated 13 May 2025 and are set out in note 20 to these unaudited interim condensed consolidated financial statements.

As at the date of this interim report, an aggregate of 354,940,500 shares, representing approximately 12.65% of the total number of issued shares as at the date of this interim report, may be issued upon full exercise of all vested and unvested share options granted and outstanding under the share option schemes, out of which 70,321,750 shares are immediately exercisable and issuable, representing approximately 2.51% of the total number of issued shares as at the date of this interim report, and 284,618,750 shares will be exercisable and issuable upon fully vested of share options, representing approximately 10.14% of the total number of issued shares as at the date of this interim report.

## DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 30 June 2025, details of the interests and short positions of every person, other than directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

<b>Name of shareholders</b>	<b>Capacity in which interests are held</b>	<b>Number of shares held (long position)</b>	<b>Approximate percentage</b>
Mr. Wang Liang (Note 1)	Beneficial owner	620,300,000	22.11
Ms. Qiao Yanfeng (Note 2)	Interest in controlled corporations	150,000,000	5.35
Mr. Qin Fen	Beneficial owner	197,470,000	7.04
Ms. Tian Yuze	Beneficial owner	145,805,135	5.20

Notes:

1. The 620,300,000 shares included 2,800,000 share options granted to Mr. Wang Liang under the share option scheme of the Company on 30 September 2024, which will be vested on 1 January 2026.
2. Ms. Qiao Yanfeng (“Ms. Qiao”) is deemed to be interested in 150,000,000 shares through TY Technology Group Limited which is in turn owned as to 90% by Wise Tech Enterprises Incorporated (wholly-owned by Ms. Qiao) and 10% by Truthful Bright International Holding Limited (wholly-owned by Ms. Qiao).

Save as disclosed above, as at 30 June 2025, the Company had not been notified of any interests or short positions of any person, other than directors or the chief executive of the Company, in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

## UPDATE ON USE OF PROCEEDS IN RELATION TO FUND RAISING ACTIVITIES

The Company would like to provide the update in respect of the use of the net proceeds in relation to the past fund raising activities as at 30 June 2025:

Reference is made to the announcements of the Company dated 10 August 2016, 9 November 2016, 18 November 2016, 24 January 2017, 21 February 2017, 3 October 2017, 10 November 2017, 31 August 2018, 13 March 2020, 14 April 2020, 17 July 2020 and 12 April 2021 in relation to the placing/ subscription of shares and issue of convertible bond (collectively refer as to “Announcements”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
(1) The Company raised HK\$406.1 million net proceeds from the placing of shares in November 2016 and the net proceeds were intended to use as follow:	
(a) An amount of HK\$263.4 million was used for the redemption of the Promissory Note.	An amount of HK\$263.4 million was utilised for the full redemption of the Promissory Note in the principal amount of HK\$258 million and payment of accrued interest.
(b) An amount of HK\$142.7 million is for the expansion and development of its QR code business as to:	
(i) an amount of RMB55 million (equivalent to approximately HK\$63 million) towards an acquisition (the “Acquisition”) of 透雲物聯網科技(北京)有限公司 (TY Technology (Beijing) Co., Ltd*) in the People’s Republic of China (the “PRC”) by 上海透雲物聯網科技有限公司 (Shanghai TY Technology Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, under the relevant acquisition agreement dated 24 January 2017 which was completed in March 2017;	(i) The Acquisition was completed in March 2017 and an amount of HK\$63 million were fully used towards the Acquisition.

## Other Information

Intended use of proceeds	Actual use of proceeds
(ii) approximately HK\$14.4 million for the acquisition of plant and equipment (the “Plant and Equipment Acquisition”);	(ii) An amount of HK\$14.4 million was fully used towards the Plant and Equipment Acquisition.
(iii) approximately HK\$58.7 million for research and development, recruitment of technical staff and other personnel and other working capital needs for QR codes packaging business (the “Research & Development”); and	(iii) An amount of HK\$58.7 million were fully utilised in the Research & Development.
(iv) approximately HK\$6.6 million for the purchase of transportation and office supplies to support the “Finding the origins of the edible goods program” in different provinces in the PRC (the “Purchase of Transportation and Supplies”).	(iv) An amount of HK\$3.2 million was utilised in the Purchase of Transportation and Supplies and HK\$3.4 million has not yet been utilised and expected to be utilised in 2025 and applied for the same purpose as disclosed in the Announcements.
(2) An amount of net proceeds of US\$39.6 million (equivalent to HK\$309.4 million) was raised from issue of US\$40 million 7% interest convertible bond in November 2017. The Company early redeemed US\$13 million (equivalents to HK\$101.4 million) in principal amount of the CB in August 2018. Therefore, the net proceeds of HK\$203.3 million were intended to use as follows:	
(a) An amount of HK\$172.5 million were used for expansion and development of QR codes business;	An amount of HK\$172.5 million was fully utilised for the expansion and development of QR codes business.
(b) An amount of HK\$30.8 million were used for general working capital of corporate office.	An amount of HK\$30.8 million was fully utilised for general working capital of corporate office.

Intended use of proceeds	Actual use of proceeds
(3) An amount of net proceeds of HK\$49.88 million was raised from subscription of new shares in March 2020 and applied as general working capital of the Group.	An amount of HK\$49.88 million was fully utilised as general working capital of the Group.
(4) An amount of net proceeds of HK\$49.98 million was raised from subscription of new shares in April 2020 and applied as general working capital of the Group.	An amount of HK\$49.98 million was fully utilised as general working capital of the Group.
(5) An amount of net proceeds of HK\$19.98 million was raised from subscription of new shares in July 2020 and the Group intends to apply 70% of the net proceeds as repayment of interest of the convertible bond and the remaining 30% of the net proceeds are applied as general working capital of the Group.	70% of the net proceeds was fully utilised as repayment of interest of the convertible bond and 30% of the net proceeds was fully utilised as general working capital of the Group.
(6) An amount of net proceeds of HK\$28.18 million was raised from subscription of new shares in April 2021 and is applied as general working capital of the Group.	An amount of HK\$28.18 million was fully utilised as general working capital of the Group.

## Other Information

### SIGNIFICANT INVESTMENT HELD

As at 30 June 2025, the Group held listed investments and unlisted investments of approximately HK\$58.7 million and HK\$164.6 million respectively. An investment with a fair value of 5% or more of the Group's total assets is considered as a significant investment. A breakdown of the significant investments as at 30 June 2025 is set out below:

Nature of investments	Number of	Percentage of	Fair value	Fair value		Percentage to	Investment	Net profit/ (loss) of the investee	Notes
	shares held	shareholding	change	as at	as at	the Group's			
	as at	as at	for period	as at	31 December	as at	cost	(loss) of the	
	30 June 2025	30 June 2025	ended	30 June 2025	2024	30 June 2025		investee	
		%	HK\$'000	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	
<b>Financial assets at fair value through profit or loss</b>									
<i>Listed Investment</i>									
Oshidori International Holdings Limited ("Oshidori")	130,326,000	2.11	36,883	58,647	21,764	9.56	22,235	(194,680)	(a)
<i>Unlisted Investments</i>									
FreeOpt Holdings Limited ("FreeOpt")	1,500,000	17.61	24,341	52,885	28,544	8.62	150,000	97,573	(b)
Tre 29 Investment (Holdings) Limited ("Tre 29")	2,625	11.32	5,680	40,630	24,950	6.63	40,000	7,098	(b)

Notes:

The net profit/(loss) of the above investees is based on the investee's financial information, which was:

- (a) Based on its annual report for year ended 31 December 2024.
- (b) Based on its management accounts for six months ended 30 June 2025.

Oshidori is an investment holding company principally engaged in the trading and investment of securities. Oshidori operates its business through three segments. The Financial Services segment engages in the provision of securities brokerage services as well as financial, consultancy and corporate financial advisory services. The Securities Trading and Investments segment includes providing the trading of securities and other investments services. The Money Lending segment provides consumer lending services. Oshidori also engages in the placing and underwriting services, investment advisory and asset management services and margin financing services.

FreeOpt is principally engaged in the provision of finance and money lending businesses.

Tre 29 is principally engaged in securities investment.

The Group has established and always maintained extensive and robust internal investment policies, which are designed to ensure strict adherence to all applicable regulatory requirements and select the potential investments that are intended to maximise shareholders' value. The investment objective of the Group is to create shareholders' value through strategic growth initiatives and a commitment to sustainable practices. The Group focuses on potential investments with strong fundamentals, including but not limited to consistent earnings growth, robust cash flow and competitive advantages. The Group mitigates investment risks through diversifications across various sectors. The management of the Group comprises executive directors of the Company and internal and external investment professionals who perform thorough due diligence before making investment decisions, including conducting financial analysis, industry research and risk assessment.

The Group's investment decisions considered potential liquidity risks and those were actively reviewed and managed throughout the period. The management of the Group manages its exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of the investments. The management of the Group has also implemented risk management measures, conducting regular reviews of the investment strategy and performance, making necessary adjustments based on market conditions and organisation goals, and reporting material risks to the Board.

The Board is responsible for evaluating and maintaining appropriate and effective risk management. The Company maintains an internal audit function which conducts regular internal audits of investment practices to ensure internal guidelines are adhered to, identify areas for improvement and ensure full compliance with all rules and regulations.

Going forward, the overall economic outlook and global markets still remains uncertain, the management will continue to take a prudent capital management and liquidity risk management approach to manage the Group's investment portfolio.

### **CORPORATE GOVERNANCE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025 and most of the recommended best practices contained therein except for the deviation below. Code provision F.2.2 of the Corporate Governance Code stipulates that the chairman of the board should attend the annual and special general meetings. Mr. Wang Liang, the Chairman of the Board, was unable to attend the annual and special general meetings of the Company held on 13 June 2025 (the "Meetings") due to other business arrangements. In his absence, Mr. Du Dong, took th chair of the Meetings. Other members of the Board, chairman of each of the Audit Committee and Remuneration Committee, as well as the external auditor, who also attended the Meetings, were of sufficient calibre for answering questions at the Meetings.

## Other Information

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made on all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

### REVIEW OF INTERIM RESULTS

The Audit Committee has discussed with the management and independent auditors the accounting policies and practices adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025.

### CHANGE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in Directors' information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) during the period between 26th March 2025 (i.e. the date of approval of the Company's FY2024 Annual Report) and the date of this Interim Report are as follows:

- With effective from 4 July 2025, (i) Mr. Wang Liang, an existing executive Director, has ceased to be a member and the chairman of the nomination committee of the Board (the "Nomination Committee"); (ii) Mr. Du Dong, an existing executive Director, has ceased to be a member of the Nomination Committee; and (iii) Mr. Cheung Wing Ping, an existing independent non-executive Director and a member of the nomination committee, has been appointed as the chairman of the Nomination Committee.
- Mr. Jia Wenjie and Mr. Hu Guohua retired as directors of the Company with effective from commencement of the annual general meeting of shareholders of the Company on 13 June 2025;
- With effective from 6 June 2025, Mr. To Shing Chuen, an independent non-executive Director of the Company, has ceased to be a member of the Nomination Committee and Ms. Tian Yuze, a non-executive Director of the Company has been appointed as a member of the Nomination Committee.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited) (Re-presented)
<b>CONTINUING OPERATIONS</b>			
<b>Revenue from treasury investment</b>			
Fair value losses on financial assets at fair value through profit or loss held for trading, net	4	(5,235)	–
Interest income from money lending business		175	1,675
<b>Revenue from sales of goods and services rendered</b>	4	<b>36,581</b>	46,202
Cost of sales		(23,033)	(27,074)
<b>Gross profit</b>		<b>13,548</b>	19,128
Provision for impairment loss of trade receivables, net		(332)	(1,012)
Reversal of/(provision for) impairment loss of loan and interest receivables		963	(851)
Other income, gains and losses, net	5	74,814	(7,761)
Selling and distribution expenses		(4,098)	(4,274)
Administrative expenses		(39,276)	(39,296)
Finance costs	6	(4,362)	(4,254)
<b>Profit/(loss) before tax</b>	7	<b>36,197</b>	(36,645)
Income tax (expense)/credit	8	(11)	326
<b>Profit/(loss) for the period from continuing operations</b>		<b>36,186</b>	(36,319)
<b>DISCONTINUED OPERATION</b>			
<b>Loss for the period from discontinued operation</b>	24	<b>(8,132)</b>	(12,500)
<b>Profit/(loss) for the period</b>		<b>28,054</b>	(48,819)
Profit/(loss) for the period attributable to owners of the Company:			
– From continuing operations		16,935	(35,469)
– From discontinued operation		(5,692)	(12,500)
		<b>11,243</b>	(47,969)
Profit/(loss) for the period attributable to non-controlling interests:			
– From continuing operations		19,251	(850)
– From discontinued operation		(2,440)	–
		<b>16,811</b>	(850)
		<b>28,054</b>	(48,819)

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited) (Re-presented)
<b>Profit/(loss) per share attributable to owners of the Company</b>	10		
From continuing and discontinued operations			
– Basic and diluted		<b>HK0.40 cents</b>	HK(1.71) cents
From continuing operations			
– Basic and diluted		<b>HK0.60 cents</b>	HK(1.26) cents
<b>Profit/(loss) for the period</b>		<b>28,054</b>	(48,819)
<b>Other comprehensive (loss)/income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<b>(1,117)</b>	552
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<b>(1,117)</b>	552
<b>Total comprehensive income/(loss) for the period</b>		<b>26,937</b>	(48,267)
Total comprehensive income/(loss) for the period attributable to owners of the Company:			
– From continuing operations		<b>15,755</b>	(34,698)
– From discontinued operation		<b>(5,629)</b>	(12,719)
		<b>10,126</b>	(47,417)
Total comprehensive income/(loss) for the period attributable to non-controlling interests:			
– From continuing operations		<b>19,251</b>	(850)
– From discontinued operation		<b>(2,440)</b>	–
		<b>16,811</b>	(850)
		<b>26,937</b>	(48,267)

# Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<i>Non-current assets</i>			
Property, plant and equipment	11	<b>197,523</b>	202,980
Right-of-use assets		<b>70,313</b>	77,196
Intangible assets		–	–
Goodwill		–	–
Loan receivables	14	<b>194</b>	188
Financial assets at fair value through profit or loss	12	<b>223,237</b>	95,902
		<b>491,267</b>	376,266
<i>Current assets</i>			
Inventories		<b>17,232</b>	24,585
Trade receivables	13	<b>12,270</b>	22,284
Prepayments, contract costs, deposits and other receivables		<b>49,519</b>	40,880
Loan and interest receivables	14	<b>2,458</b>	15,236
Financial assets at fair value through profit or loss	12	–	53,327
Restricted bank deposit		–	1,424
Cash and cash equivalents		<b>11,526</b>	16,317
Assets classified as held for sale	24	<b>28,945</b>	–
		<b>121,950</b>	174,053

# Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<i>Current liabilities</i>			
Trade payables	15	6,735	12,528
Contract liabilities		11,481	22,156
Other payables and accruals	16	38,488	49,697
Margin loans payable		–	2,164
Lease liabilities		6,395	10,129
Bank and other borrowings	17	389,559	339,318
Amount due to a director	18	99,492	97,192
Amount due to a shareholder of the Company	18	22,963	24,632
Tax payable		171	167
Liabilities directly associated with assets classified as held for sale	24	39,338	–
		<b>614,622</b>	557,983
<b>Net current liabilities</b>		<b>(492,672)</b>	(383,930)
<b>Total assets less current liabilities</b>		<b>(1,405)</b>	(7,664)
<i>Non-current liabilities</i>			
Bank and other borrowings	17	3,813	26,807
Lease liabilities		949	6,171
		<b>4,762</b>	32,978
<b>Net liabilities</b>		<b>(6,167)</b>	(40,642)
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	19	112,238	112,238
Deficits		(176,075)	(195,438)
		<b>(63,837)</b>	(83,200)
<b>Non-controlling interests</b>		<b>57,670</b>	42,558
<b>Total deficit</b>		<b>(6,167)</b>	(40,642)

# Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company										
	Note	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 31 December 2023 (audited)		112,238	1,907,658	27,049	(34,425)	39,402	7,893	(2,060,663)	(848)	21,921	21,073
Loss for the period		-	-	-	-	-	-	(47,969)	(47,969)	(850)	(48,819)
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations		-	-	-	-	-	552	-	552	-	552
Total comprehensive income/(loss) for the period		-	-	-	-	-	552	(47,969)	(47,417)	(850)	(48,267)
Recognition of equity settled share-based payments	20	-	-	-	-	1,620	-	-	1,620	-	1,620
Share option lapsed		-	-	-	-	(12,124)	-	12,124	-	-	-
Transactions with equity shareholders and non-controlling interests		-	-	-	-	(10,504)	-	12,124	1,620	-	1,620
At 30 June 2024 (unaudited)		112,238	1,907,658	27,049	(34,425)	28,898	8,445	(2,096,508)	(46,645)	21,071	(25,574)
	Attributable to owners of the Company										
	Note	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 31 December 2024 (audited)		112,238	1,907,658	29,194	(34,425)	30,865	8,434	(2,137,164)	(83,200)	42,558	(40,642)
Profit for the period		-	-	-	-	-	-	11,243	11,243	16,811	28,054
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations		-	-	-	-	-	(1,117)	-	(1,117)	-	(1,117)
Total comprehensive loss/(income) for the period		-	-	-	-	-	(1,117)	11,243	10,126	16,811	26,937
Recognition of equity settled share-based payments	20	-	-	-	-	2,204	-	-	2,204	-	2,204
Share option lapsed		-	-	-	-	(2,009)	-	2,009	-	-	-
Partial disposal of subsidiaries (note)		-	-	-	-	-	-	7,033	7,033	(1,699)	5,334
Transactions with equity shareholders and non-controlling interests		-	-	-	-	195	-	9,042	9,237	(1,699)	7,538
At 30 June 2025 (unaudited)		112,238	1,907,658	29,194	(34,425)	31,060	7,317	(2,116,879)	(63,837)	57,670	(6,167)

Note: On 6 March 2025, the Group entered into an agreement to dispose of 30% equity interest in Fortune Road International Limited ("Fortune Road"), a wholly-owned subsidiary of the Group, at a cash consideration of HK\$5,334,000 (equivalent to RMB5,000,000) to an independent third party. The disposal was completed on 21 March 2025 and had been accounted for as equity transaction. After the disposal, the Group retained its control in Fortune Road as at 30 June 2025.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Cash flows from operating activities</b>		
Cash used in operations	<b>(28,927)</b>	(30,918)
Interest received	<b>921</b>	38
Interest paid	<b>(4,513)</b>	(4,686)
Net cash flows used in operating activities	<b>(32,519)</b>	(35,566)
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	<b>(54)</b>	(1,352)
Proceeds from disposal of property, plant and equipment	<b>7</b>	442
Decrease in restricted deposits	<b>1,023</b>	–
Net cash flows from/(used in) investing activities	<b>976</b>	(910)
<b>Cash flows from financing activities</b>		
New bank and other borrowings raised, net	<b>30,738</b>	18,170
Repayment of lease liabilities	<b>(6,059)</b>	(8,194)
Repayment of margin loans	<b>(2,164)</b>	–
Advance from a director	<b>2,300</b>	2,800
(Repayment to)/advance from a shareholder of the Company	<b>(1,669)</b>	2,745
Proceeds from partial disposal of a subsidiary	<b>5,334</b>	–
Net cash flows from financing activities	<b>28,480</b>	15,521
<b>Net decrease in cash and cash equivalents</b>	<b>(3,063)</b>	(20,955)
Cash and cash equivalents at beginning of period	<b>16,317</b>	34,493
Effect of foreign exchange rate changes, net	<b>(30)</b>	219
Transferred to disposal group classified as held for sale	<b>(1,698)</b>	–
<b>Cash and cash equivalents at end of period</b>	<b>11,526</b>	13,757

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 1. GENERAL AND BASIS INFORMATION

### Corporate information

Touyun Biotech Group Limited (the “Company”) was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company with limited liability on 24 October 2011. The principal place of business of the Company is located at 12th Floor, Kwan Chart Tower, 6 Tonnochy Road, Wan Chai, Hong Kong.

During the period, the principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are (i) provision of QR codes on product packaging and solutions; (ii) the manufacture and sale of packaging products; (iii) investments and trading in securities and money lending; and (iv) production and sale of *Chlamydomonas reinhardtii*, micro-algae and related products.

## 2. PRINCIPAL ACCOUNTING POLICIES

At 30 June 2025, the Group had net current liabilities and net liabilities of approximately HK\$492,672,000 and HK\$6,167,000 respectively.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Group has developed and implemented the following liquidity plan to address the going concern issue:

- (i) The Group is negotiating with financial institutions with a view to obtaining new financing at reasonable cost for repayment to the existing lenders and/or additional working capital;
- (ii) The Group will closely communicate with Mr. Wang Liang, a director of the Company and Ms. Qiao Yanfeng, a shareholder of the Company to request for undertaking that they would not demand repayment of the amounts due to them with aggregate amounts of HK\$122,455,000 or extend the advances until the Group has excess cash to repay;
- (iii) The Group will actively obtain additional new sources of financing (such as additional advances from directors of the Company) as and when needed. Starting from May 2025, the Group has been negotiating with one of its lenders (the “Lender”) for the extension of a loan with a principal amount of RMB60,000,000 and maturity date of 7 June 2025. Up to the date when the condensed consolidated financial statements are authorised for issue, the Lender had indicated its willingness to negotiate for an extension of the maturity date of such loan and no debt recovery action will be taken in the course of the negotiation;

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

- (iv) The Group is further exploring the market in Mainland China for sales of the Group's *Chlamydomonas reinhardtii* and related products to improve the liquidity, profitability and revenue of the Group, together with applying cost control measures in cost of sales, administrative expenses and capital expenditures, to increase the Group's internally generated funds and operating cash inflows in coming years continuously; and
- (v) The Group will also continue to seek for other alternatives to increase its working capital such as disposing of the Group's unlisted investments included in financial assets at fair value through profit or loss, if needed.

The directors of the Company are confident that, after the abovementioned measures progressively take effect, the financial condition of the Group will be restored and the uncertainties relating to going concern will be properly addressed. The directors of the Company therefore hold the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 30 June 2025. Accordingly, the unaudited interim condensed consolidated financial statements have been prepared on a going concern basis.

However, should the Group fail to implement the abovementioned mitigation measures, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise.

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost conversion, except for equity investments classified as financial assets at fair value through profit or loss, which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is the Company’s functional currency, and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) (which also include HKASs and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong, except for the application of the amendments to HKFRSs which are mandatory effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking.

The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

### **Significant changes in significant judgements and key sources of estimation uncertainty**

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last financial statements.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 3. OPERATING SEGMENT INFORMATION

The Group has three reportable continuing operating segments. The segments are managed separately as each business offers different products or provides different services and requires different business strategies. No operating segments have been aggregated in arriving of the reportable segments of the Group.

The following summary describes the operations in each of the Group's reportable segments:

Packaging products business segment	–	Manufacture and sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units
Treasury investment business segment	–	Investments and trading in securities and money lending
Chlamydomonas reinhardtii products business segment	–	Production and sale of Chlamydomonas reinhardtii, micro-algae and related products

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that finance costs, and head office and corporate income and expenses are excluded from such measurement.

There was no inter-segment sale or transfer during the period (six months ended 30 June 2024: Nil). Corporate and unallocated income, gains and losses and expenses, and finance costs are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision makers for assessment of segment performance.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 3. OPERATING SEGMENT INFORMATION *(Continued)*

An operating segment regarding QR code business was classified as discontinued operation in the current period. The segment information reported does not include any amounts for this discontinued operation, which are described in more detail in note 24.

	Packaging products business		Treasury investment business		Chlamydomonas reinhardtii products business		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Re-presented)	(Unaudited)	(Re-presented)	(Unaudited)	(Re-presented)	(Unaudited)	(Re-presented)
Group's revenue	32,708	41,494	-	-	3,873	4,708	36,581	46,202
Fair value losses on financial assets at fair value through profit or loss ("FVTPL") held for trading, net	-	-	(5,235)	-	-	-	(5,235)	-
Interest income from money lending business	-	-	175	1,675	-	-	175	1,675
Segment revenue	32,708	41,494	(5,060)	1,675	3,873	4,708	31,521	47,877
Segment results	(4,993)	(2,655)	68,076	847	(15,150)	(12,738)	47,933	(14,546)
Corporate and unallocated income, gains and losses							1,514	(7,764)
Corporate and unallocated expenses							(8,888)	(10,081)
Finance costs							(4,362)	(4,254)
Profit/(loss) before tax from continuing operations							36,197	(36,645)

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, value of services rendered, net fair value gains/(losses) on financial assets at fair value through profit or loss and interest income from money lending business.

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Re-presented)
<b>Continuing operations</b>		
Manufacturing and sales of packaging products	<b>32,708</b>	41,494
Manufacturing and sale of Chlamydomonas reinhardtii products	<b>3,873</b>	4,708
	<b>36,581</b>	46,202
Fair value losses on financial assets at fair value through profit or loss held for trading, net (note a)	<b>(5,235)</b>	–
Interest income from money lending business	<b>175</b>	1,675
	<b>31,521</b>	47,877

Notes:

- During the six months ended 30 June 2025, the gross proceeds from disposal of listed equity investments classified as financial assets at fair value through profit or loss held for trading were approximately HK\$24,128,000.
- The revenue within the scope of HKFRS 15 for the six months ended 30 June 2025 were categorised by timing of revenue recognition at a point in time of HK\$36,581,000 (six months ended 30 June 2024: HK\$46,202,000).

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 4. REVENUE (Continued)

Revenue analysed by geographical locations of customers is presented as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Re-presented)
<b>Continuing operations</b>		
Packaging products business		
– Hong Kong and the PRC	<b>9,154</b>	15,984
– Europe	<b>18,436</b>	17,974
– North and South America	<b>2,363</b>	2,132
– Others	<b>2,755</b>	5,404
	<b>32,708</b>	41,494
Chlamydomonas reinhardtii products business		
– Hong Kong and the PRC	<b>3,873</b>	4,708
Treasury investment business		
– Hong Kong and the PRC	<b>(5,060)</b>	1,675
	<b>31,521</b>	47,877

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 5. OTHER INCOME, GAINS AND LOSSES, NET

An analysis of the Group's other income, gains and losses, net is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited) (Re-presented)
<b>Continuing operations</b>		
Bank interest income	9	34
Rental income	1,635	1,510
Foreign exchange differences, net	(301)	468
Fair value change on financial assets at fair value through profit or loss (not held for trading), net		
– Unlisted equity investments	35,650	(10,001)
– Listed equity investments	36,869	–
Government grant (note)	165	217
Others	787	11
	<b>74,814</b>	<b>(7,761)</b>

Note: For the six months ended 30 June 2025, the Group recognised concession of approximately HK\$165,000 (equivalent to RMB154,400) related to subsidy granted by Changzhi Municipal People's Government, as incentives for the Group's economic contributions at Lucheng District, Changzhi City, Shanxi Province, the PRC.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Re-presented)
<b>Continuing operations</b>		
Interest on lease liabilities	280	446
Interest on bank and other borrowings	4,082	3,808
	<b>4,362</b>	4,254

## 7. PROFIT/(LOSS) BEFORE TAX

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Re-presented)
<b>Continuing operations</b>		
Depreciation of property, plant and equipment	455	510
Depreciation of right-of-use assets	5,067	5,337
Employee benefits expenses (including directors' remuneration):		
Salaries, wages and other benefits	22,545	23,493
Pension scheme contributions	1,729	1,681
Equity-settled share option expenses	2,204	1,620
	<b>26,478</b>	26,794

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 8. INCOME TAX

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of profits of the qualifying group entity are taxed at 8.25%, and profits above HK\$2,000,000 are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

Qualipak Manufacturing Limited, a subsidiary of the Group, is qualified for the two-tiered profits tax rates regime and accordingly its profits tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000, and profits of other group entities in Hong Kong are taxed at 16.5%.

In accordance with the PRC Corporate Income Tax Law, the PRC Corporate Income Tax is calculated at a statutory rate of 25% (six months ended 30 June 2024: 25%) of the assessable profits.

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited) (Re-presented)
<b>Continuing operations</b>		
Current tax — Hong Kong Profits Tax		
Provision for the period	—	—
Over-provision in respect of previous period	—	(344)
Current tax — PRC Corporate Income Tax		
Provision for the period	—	18
Under-provision in respect of prior period	<b>11</b>	—
Deferred tax	—	—
Income tax expense/(credit)	<b>11</b>	(326)

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 9. DIVIDEND

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## 10. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of basic and diluted profit/(loss) per share attributable to owners of the Company for the six months ended 30 June 2025 and 2024 are based on the following data:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Re-presented)
Profit/(loss) for the period attributable to owners of the Company		
– From continuing operations	<b>16,935</b>	(35,469)
– From discontinued operation	<b>(5,692)</b>	(12,500)
	<b>11,243</b>	(47,969)
Weighted average number of ordinary shares for the purpose of basic and diluted profit/(loss) per share	<b>2,805,952</b>	2,805,952

The computation of diluted profit/(loss) per share for the six months ended 30 June 2025 and 2024 do not assume the exercise of share options since the exercise price of the share options exceeds the average market price of ordinary shares during the period.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group incurred HK\$54,000 (six months ended 30 June 2024 (unaudited and re-presented): HK\$1,352,000) for acquisition of property, plant and equipment. Property, plant and equipment with aggregate carrying amount of HK\$2,316,000 were disposed of/written off during the six months ended 30 June 2025 (six months ended 30 June 2024 (unaudited and re-presented): HK\$1,431,000).

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
<b>Non-current assets</b>		
Unlisted equity investments, at fair value (Note (a))		
Company A	<b>9,799</b>	10,196
Company B	–	–
Company C	<b>784</b>	1,218
Company D	<b>7,108</b>	7,830
Company E	<b>52,885</b>	28,544
Company F	<b>526</b>	526
Company G	<b>12,172</b>	10,987
Company H	<b>17,648</b>	11,651
Company I	<b>40,630</b>	24,950
Company J	<b>23,000</b>	–
Listed equity investments, at fair value	<b>58,685</b>	–
	<b>223,237</b>	95,902
<b>Current assets</b>		
Listed equity investments held for trading, at fair value	–	51,180
Wealth management products	–	2,147
	–	53,327

Notes:

- (a) As at 30 June 2025, the unlisted equity investments relate to investments in ten (31 December 2024: nine) private entities, which were intended to hold for long-term strategic purpose at the time of acquisition. The investees are engaged in the provision of advisory and financial services, property holding, research and development and marketing of micro-algae products, securities brokerage and assets management, investment in securities trading and money lending.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 13. TRADE RECEIVABLES

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Trade receivables	<b>15,122</b>	37,319
Less: Impairment loss allowance	<b>(2,852)</b>	(15,035)
	<b>12,270</b>	22,284

The Group's trading terms with other customers are mainly on credit, except for new customers where payment in advance is normally required. The credit period generally ranges from 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Within 1 month	<b>5,932</b>	12,971
1 to 2 months	<b>3,001</b>	2,287
2 to 3 months	<b>1,465</b>	3,272
Over 3 months	<b>1,872</b>	3,754
	<b>12,270</b>	22,284

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 14. LOAN AND INTEREST RECEIVABLES

The exposure of the Group's fixed rate loan to interest rate risks and their contractual maturity dates are as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Unsecured loan and interest receivables	<b>2,821</b>	16,555
Less: Impairment loss allowance	<b>(169)</b>	(1,131)
	<b>2,652</b>	15,424
Analysed for reporting purpose as:		
Current portion	<b>2,458</b>	15,236
Non-current portion	<b>194</b>	188
	<b>2,652</b>	15,424

As at 30 June 2025, unsecured loan and interest receivables of HK\$2,652,000 (31 December 2024: HK\$15,424,000) are unsecured and will be matured within four years (31 December 2024: five years).

The range of effective interest rates which are equal to contractual interest rates on the Group's loan and interest receivables are as follows:

	<b>Effective interest rate per annum</b>	
	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Unsecured loan and interest receivables	<b>6%</b>	6%–7%

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 15. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Within 1 month	<b>4,628</b>	5,989
1 to 2 months	<b>882</b>	1,194
2 to 3 months	<b>427</b>	383
Over 3 months	<b>798</b>	4,962
	<b>6,735</b>	12,528

The trade payables are non-interest bearing and are normally settled on terms of 30 to 60 days.

## 16. OTHER PAYABLES AND ACCRUALS

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Other payables	<b>21,329</b>	30,803
Accruals	<b>17,159</b>	18,894
	<b>38,488</b>	49,697

Other payables and accruals are non-interest bearing and are normally settled with three months. Included in other payables are construction payables of HK\$11,962,000 (31 December 2024: HK\$18,217,000), for the construction of the *Chlamydomonas reinhardtii* and related products facilities in Lucheng District, Changzhi City, Shanxi Province, PRC.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 17. BANK AND OTHER BORROWINGS

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Secured bank borrowings	<b>58,185</b>	68,739
Secured other borrowings	<b>22,063</b>	–
Unsecured other borrowings	<b>313,124</b>	297,386
	<b>393,372</b>	366,125

  

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Current portion	<b>389,559</b>	339,318
Non-current portion	<b>3,813</b>	26,807
	<b>393,372</b>	366,125

The Group's secured bank and other borrowings as at 30 June 2025 are secured by way of the following:

- a. mortgages over the Group's buildings which had an aggregate carrying value at the end of the reporting period of HK\$19,546,000 (equivalent to RMB18,137,000) (31 December 2024: HK\$20,895,000 (equivalent to RMB19,485,000)).
- b. mortgages over the Group's leasehold lands which had an aggregate carrying value at the end of the reporting period of HK\$61,535,000 (equivalent to RMB56,474,000) (31 December 2024: HK\$61,262,000 (equivalent to RMB57,132,000)).
- c. mortgages over the Group's machinery which had an aggregate carrying value at the end of the reporting period of HK\$35,848,000 (equivalent to RMB32,900,000) (31 December 2024: HK\$36,894,000 (equivalent to RMB34,407,000)).

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 17. BANK AND OTHER BORROWINGS *(Continued)*

- d. two of the other borrowings which had an aggregate carrying value at the end of the reporting period of HK\$22,063,000 were secured by shares of several subsidiaries of the Company.

Secured bank borrowings carry interest at rates ranging from 0.37% to 0.6% per month (31 December 2024: 0.29% to 0.63%) and are repayable within one to two years (31 December 2024: repayable within one to two years), secured other borrowings carry interest at rates ranging from 0.42% to 1% per month (31 December 2024: nil) and are repayable within one year (31 December 2024: nil), remaining unsecured other borrowings carry interest ranging from 0.42% to 1% per month (31 December 2024: 0.42% to 1% per month) and are repayable within one year (31 December 2024: repayable within one to two years).

## 18. AMOUNTS DUE TO A DIRECTOR/A SHAREHOLDER OF THE COMPANY

The amounts are unsecured, non-interest bearing and repayable on demand.

## 19. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary share of HK\$0.04 each		
Authorised:		
At 31 December 2024 and 30 June 2025	12,500,000	500,000
Issued and fully paid:		
At 31 December 2024 and 30 June 2025	2,805,592	112,238

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 20. SHARE OPTION SCHEME

The Company adopted a share option scheme (the “2012 Scheme”) which became effective on 18 May 2012 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the 2012 Scheme include (i) any director, officer, employee, consultant, professional, customer, supplier (whether of goods or services), agent, partner or adviser of or contractor to any member of the Group or its Related Group or a company in which the Group holds an interest or a subsidiary of such company (collectively the “Eligible Group”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include the Eligible Group; or (iii) a company beneficially owned by the Eligible Group. The 2012 Scheme was already expired on 17 May 2022. On 2 June 2022, a share option scheme (the “2022 Scheme”) was passed by way of an ordinary resolution in the annual general meeting. On 13 June 2025, the 2022 Scheme was terminated and a new share option scheme (the “2025 Scheme”) was passed by way of an ordinary resolution in the annual general meeting. No further options may be granted under 2022 Scheme, but the provision of the 2022 Scheme shall remain in force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination or otherwise as may be required in accordance with the provisions of the 2022 Scheme. Options granted under the 2022 Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2022 Scheme. The 2025 Scheme does not impose minimum period requirement, each grant will be considered on an individual basis to achieve the purpose of the 2025 Scheme including retaining human resources that are valuable to the growth and development of the Group if the grantees are required to hold the share options for a certain period of time prior to vesting.

“Related Group” means (i) each of the substantial shareholders of the Company, and (ii) each associate and substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the Company or of a substantial shareholder referred to in (i) above, and (iii) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (ii) above, and (iv) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (iii) above, and (v) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (iv) above.

Pursuant to the 2012 and 2022 Schemes, details of share options granted to eligible participants were as follows:

<b>Date of grant</b>	<b>Number of share options granted</b>	<b>Exercise price</b>
8/10/2020	47,000,000	0.40
16/11/2020	68,900,000	0.60
25/4/2022	14,314,750	1.34
30/9/2024	279,000,000	0.20

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 20. SHARE OPTION SCHEME *(Continued)*

Movements of the options granted under the 2012, 2022 and 2025 Schemes, during the period were as follows:

Date of grant	Exercise price HK\$	Exercisable period	Number of options outstanding at 1 January 2025	Lapsed/ cancelled during the period	Number of options outstanding at 30 June 2025
Employees					
8/10/2020	0.40	08/10/2023 to 07/10/2028	2,500,000	–	2,500,000
8/10/2020	0.40	08/10/2024 to 07/10/2028	2,500,000	–	2,500,000
8/10/2020	0.40	08/10/2025 to 07/10/2028	2,500,000	–	2,500,000
8/10/2020	0.40	08/10/2026 to 07/10/2028	2,500,000	–	2,500,000
			10,000,000	–	10,000,000

As at 30 June 2025, 5,000,000 share options were exercisable (31 December 2024: 5,000,000).

Date of grant	Exercise price HK\$	Exercisable period	Number of options outstanding at 1 January 2025	Lapsed/ cancelled during the period	Number of options outstanding at 30 June 2025
Employees					
16/11/2020	0.60	16/11/2022 to 15/11/2027	3,399,993	–	3,399,993
16/11/2020	0.60	16/11/2023 to 15/11/2027	3,399,993	–	3,399,993
16/11/2020	0.60	16/11/2024 to 15/11/2027	3,400,014	–	3,400,014
			10,200,000	–	10,200,000
Other participants (Note)					
16/11/2020	0.60	16/11/2022 to 15/11/2027	16,666,666	–	16,666,666
16/11/2020	0.60	16/11/2023 to 15/11/2027	16,666,666	–	16,666,666
16/11/2020	0.60	16/11/2024 to 15/11/2027	16,666,668	–	16,666,668
			50,000,000	–	50,000,000
Total			60,200,000	–	60,200,000

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 20. SHARE OPTION SCHEME *(Continued)*

Note: The above other participants represented 3 consultants of the Group, namely technology consultant, strategic financial planning consultant and sales and marketing consultant – South Asia Region. 26,000,000, 12,000,000 and 12,000,000 share options were granted to technology consultant, strategic financial planning consultant and sales and marketing consultant – South Asia Region respectively. The Company considers that (i) technology consultant will be able to provide the latest information technology industry updates related to the Group's business and business advisory for business improvements for the Group; (ii) strategic financial planning consultant will be able to make use of his investment bank connections and network in finding potential investors and projects for the Company; and (iii) sales and marketing consultant – South Asia Region will be able to provide the sales networking related to the Group's businesses and explore the new potential customers in South Asia Region to the Group, and whose contribution are expected to be beneficial to the Group.

As at 30 June 2025, 60,200,000 share options were exercisable (31 December 2024: 60,200,000).

Date of grant	Exercise price HK\$	Exercisable period	Number of options outstanding at 1 January 2025	Lapsed/cancelled during the period	Number of options outstanding at 30 June 2025
Employees					
25/4/2022	1.34	25/4/2023 to 24/4/2026	3,531,000	(1,765,500)	1,765,500
25/4/2022	1.34	25/4/2023 to 24/4/2027	2,018,750	(837,500)	1,181,250
25/4/2022	1.34	25/4/2024 to 24/4/2027	2,018,750	(837,500)	1,181,250
25/4/2022	1.34	25/4/2025 to 24/4/2027	2,018,750	(837,500)	1,181,250
25/4/2022	1.34	25/4/2026 to 24/4/2027	2,018,750	(837,500)	1,181,250
			11,606,000	(5,115,500)	6,490,500

As at 30 June 2025, 5,309,250 share options were exercisable (31 December 2024: 7,568,500).

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 20. SHARE OPTION SCHEME (Continued)

Date of grant	Exercise price HK\$	Exercisable period	Number of options outstanding at 1 January 2025	Lapsed/ cancelled during the period	Number of options outstanding at 30 June 2025
Directors					
30/9/2024	0.20	1/1/2026 to 31/12/2028	3,929,400	–	3,929,400
30/9/2024	0.20	1/1/2027 to 31/12/2028	3,929,400	–	3,929,400
30/9/2024	0.20	1/1/2028 to 31/12/2028	3,941,200	–	3,941,200
			11,800,000	–	11,800,000
Employees					
30/9/2024	0.20	1/1/2026 to 31/12/2028	17,049,600	–	17,049,600
30/9/2024	0.20	1/1/2027 to 31/12/2028	17,049,600	–	17,049,600
30/9/2024	0.20	1/1/2028 to 31/12/2028	17,100,800	–	17,100,800
			51,200,000	–	51,200,000
Other Participants (Note)					
30/9/2024	0.20	1/1/2026 to 31/12/2028	71,928,000	–	71,928,000
30/9/2024	0.20	1/1/2027 to 31/12/2028	71,928,000	–	71,928,000
30/9/2024	0.20	1/1/2028 to 31/12/2028	72,144,000	–	72,144,000
			216,000,000	–	216,000,000
Total			279,000,000	–	279,000,000

Note: The above “other participants” represented 14 service providers of the Group, who work for the Group as independent contractors where the continuity and frequency of their services are akin to those of employees in providing management services, marketing and promotion services for the Group’s *Chlamydomonas reinhardtii*, micro-algae and related products business. Around 1,000,000 to 20,000,000 share options were granted to each of them respectively. The Company considered that the benefits from the services provided by the relevant Grantees for the effectiveness of the Group’s operation and the long-term business development are beneficial to the Group.

As at 30 June 2025, no (31 December 2024: nil) share options were exercisable.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 20. SHARE OPTION SCHEME (Continued)

The fair value of the share options granted on 8 October 2020, 16 November 2020, 25 April 2022 and 30 September 2024 are determined using the Binomial Option Pricing Model (the "Model"), was HK\$12,731,000, HK\$25,407,000, HK\$6,929,000 and HK\$8,732,000 respectively. The inputs into the Model and the estimated fair value of the share options are as follows:

	8 October 2020	16 November 2020	25 April 2022	30 September 2024
Closing price of the shares	HK\$0.36	HK\$0.53	HK\$0.90	HK\$0.171
Exercise price	HK\$0.40	HK\$0.60	HK\$1.34	HK\$0.20
Dividend yield	Nil	Nil	Nil	Nil
Expected volatility	92.04%	94.06%	85.88% to 92.38%	91%
Risk-free interest rate	0.42%	0.33%	2.52% to 2.57%	2.51%
Fair value per share option	HK\$0.255 to HK\$0.283	HK\$0.348 to HK\$0.386	HK\$0.451 to HK\$0.545	HK\$0.0921 to HK\$0.1097

Expected volatility was estimated based on the historical volatilities of the Company's share price while dividend yield was estimated by the historical dividend payment record of the Company.

During the six months ended 30 June 2025, the Group recognised an expense of HK\$2,204,000 (six months ended 30 June 2024: HK\$1,620,000) as equity-settled share based payments in the condensed consolidated statement of profit or loss with reference to their respective vesting period.

## 21. PLEDGE OF ASSETS

As at 30 June 2025, except for the pledge of assets mentioned in note 17, the Group did not have other pledge of assets.

## 22. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT OTHER THAN FAIR VALUE

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance department headed by a director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the directors and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

As at 31 December 2024, the fair value of private equity investment fund classified in Level 2 of the fair value measurement hierarchy was determined with reference to recent transaction prices and amounted to RMB2,002,000 (equivalent to approximately HK\$2,147,000). The private equity investment fund had been sold during the period ended 30 June 2025.

The following table represents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation techniques as follows:

Level 1 valuations:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2 valuations:	Fair value measured using Level 2 i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
Level 3 valuations:	Fair value measured using significant unobservable inputs.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

*(Continued)*

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### As at 30 June 2025

Assets measured at fair value:

	Fair value measurement using			Total HK\$'000 (Unaudited)
	Quoted prices in active markets (Level 1) HK\$'000 (Unaudited)	Significant observable inputs (Level 2) HK\$'000 (Unaudited)	Significant unobservable inputs (Level 3) HK\$'000 (Unaudited)	
Financial assets at fair value through profit or loss:				
Listed equity investments	58,685	-	-	58,685
Unlisted equity investments	-	-	164,552	164,552

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

**Fair value hierarchy** (Continued)

**As at 31 December 2024**

Assets measured at fair value:

	Fair value measurement using			Total HK\$'000 (Audited)
	Quoted prices in active markets (Level 1) HK\$'000 (Audited)	Significant observable inputs (Level 2) HK\$'000 (Audited)	Significant unobservable inputs (Level 3) HK\$'000 (Audited)	
Listed equity investments	51,180	-	-	51,180
Private equity investment fund	-	2,147	-	2,147
Unlisted equity investments	-	-	95,902	95,902

Financial assets at fair value through  
profit or loss:

Listed equity investments	51,180	-	-	51,180
Private equity investment fund	-	2,147	-	2,147
Unlisted equity investments	-	-	95,902	95,902

During the six months ended 30 June 2025, there were no transfers of fair value measurements between Level 1, Level 2 and Level 3 for both financial assets and financial liabilities (31 December 2024: nil).

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

### Information of level 3 fair value measurements

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable inputs		Sensitivity of fair value to the inputs
			Range	
Unlisted equity instruments	The value is based on market value of invested capital-to-total asset and price-to-net assets	Market value of invested capital-to-total asset multiple	0.34 to 0.54 (31 December 2024: 0.34 to 0.52)	5% increase in market value of invested capital-to-total asset multiple would result in increase fair value by HK\$2,513,000 (31 December 2024: 5% increase in market value of invested capital-to-total asset multiple would result in increase in fair value by HK\$2,435,000)
		Price-to-net assets multiple	0.32 to 0.47 (31 December 2024: 0.38 to 0.43)	5% increase in price-to-net assets multiple would result in increase fair value by HK\$953,000 (31 December 2024: 5% increase in price-to-net assets multiple would result in increase in fair value by HK\$1,585,000)
		Lack of marketability discount	15.7% (31 December 2024: 15.6%)	5% increase in lack of marketability discount would result in decrease fair value by HK\$2,302,000 (31 December 2024: 5% increase in lack of marketability discount would result in decrease in fair value by HK\$2,097,000)

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

### Information of level 3 fair value measurements (Continued)

Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the inputs
Option pricing method. The value is relied on the Black-Scholes option pricing model, which requires various inputs including time to maturity, volatility and risk free rate under consideration of probability for liquidation and probability for initial public offerings ("IPO"). Implied equity value is back-solved by using the Black-Scholes option pricing model, benchmarked with recent transaction and adjusted with market index, i.e., future food index.	Probability for liquidation	95% (31 December 2024: 95%)	5% increase in probability for liquidation would result in increase in fair value by HK\$20,000 (31 December 2024: 5% increase in probability for liquidation would result in increase in fair value by HK\$20,000)
	Probability for IPO	5% (31 December 2024: 5%)	5% increase in probability for IPO would result in decrease in fair value by HK\$21,000 (31 December 2024: 5% increase in probability for IPO would result in decrease in fair value by HK\$21,000)
	Enterprise value-to-sales ratio	3.73% (31 December 2024: 3.73%)	5% increase in EV/Sales Ratio would result in increase in fair value by HK\$27,000 (31 December 2024: 5% increase in enterprise value-to-sales ratio would result in increase in fair value by HK\$27,000)
	Time to maturity	1.08 years (31 December 2024: 1.08 years)	5% increase in time to maturity would result in decrease in fair value by HK\$1,000 (31 December 2024: 5% increase in time to maturity would result in decrease in fair value by HK\$1,000)
	Volatility	106.02% (31 December 2024: 106.02%)	5% increase in volatility would result in decrease in fair value by HK\$1,000 (31 December 2024: 5% increase in volatility would result in decrease in fair value by HK\$1,000)
Asset-based approach	Risk free rate	4.24% (31 December 2024: 4.24%)	5% increase in risk free rate would result in decrease in fair value by HK\$1,000 (31 December 2024: 5% increase in risk free rate would result in decrease in fair value by HK\$1,000)
	Lack of control	18.90% (31 December 2024: 19.16%)	5% increase in lack of control would result in decrease in fair value by HK\$490,000 (31 December 2024: 5% increase in lack of control would result in decrease in fair value by HK\$350,000)
Recent transaction	Recent transaction prices	HK\$403,000 per share (31 December 2024: nil)	5% increase in price per share would result in increase in fair value by HK\$1,150,000 (31 December 2024: nil)

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

*(Continued)*

### Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy

	Assets unlisted equity instruments HK\$'000
At 1 January 2024	134,026
Net loss from fair value adjustment recognised in profit or loss	
– Unlisted equity instruments	(38,124)
<hr/>	
At 31 December 2024 (audited) and 1 January 2025	<b>95,902</b>
Acquisitions	<b>33,000</b>
Net gain from fair value adjustment recognised in profit or loss	
– Unlisted equity instruments	<b>35,650</b>
<hr/>	
<b>At 30 June 2025 (unaudited)</b>	<b>164,552</b>

For level 3 fair value measurement at 30 June 2025, fair values of unlisted investments were determined by the directors of the Company.

## 24. DISCONTINUED OPERATION

On 6 May 2025, the Group entered into an agreement to sell its entire 70% equity interest in Fortune Road International Limited (“Fortune Road”) to a substantial shareholder of Fortune Road for a consideration of RMB13,000,000. This disposal was undertaken to enhance the Group’s liquidity and strengthen its overall financial position. Details are set out in the Company’s circular dated 28 May 2025. The agreement was approved by the Company’s shareholders in a special general meeting held on 13 June 2025.

As of 30 June 2025, and up to the date when the condensed consolidated financial statements are authorised for issue, the disposal has not yet been completed.

Consequently, the assets and liabilities of Fortune Road and its subsidiaries (collectively referred to as the “Disposal Group”) have been classified as held for sale and are presented separately in the condensed consolidated statement of financial position at 30 June 2025. As the operations of the Disposal Group constitute a separate major business line of providing QR code solutions for product packaging, including custom manufacturing and maintenance services, its results have been reclassified and presented as a discontinued operation in the condensed consolidated statement of profit or loss and other comprehensive income. Comparative figures have been re-presented accordingly to ensure consistency in presentation. Upon completion of the disposal, the Group will no longer hold any interest in the Disposal Group, and it will cease to be consolidated within the Group’s financial statements.

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 24. DISCONTINUED OPERATION *(Continued)*

The financial performance and cashflow information of the discontinued operation presented below are for the six months ended 30 June 2025 and 2024.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue from treasury investment</b>		
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	<b>1</b>	(455)
<b>Revenue from sales of goods and services rendered</b>		
Provision of QR code packaging products and solutions:		
QR code packaging products	<b>1,516</b>	2,644
QR code solutions	<b>14,505</b>	23,381
Chlamydomonas reinhardtii products business	<b>–</b>	820
	<b>16,021</b>	26,845
Cost of sales	<b>(7,968)</b>	(14,034)
<b>Gross profit</b>	<b>8,053</b>	12,811
Provision for impairment loss of trade receivables, net	<b>(144)</b>	(685)
Other income, gains and losses, net	<b>(1,781)</b>	(562)
Selling and distribution expenses	<b>(1,727)</b>	(4,307)
Administrative expenses	<b>(12,383)</b>	(19,094)
Finance costs	<b>(151)</b>	(208)
<b>Loss before tax</b>	<b>(8,132)</b>	(12,500)
Income tax expense	<b>–</b>	–
<b>Loss for the period from the discontinued operation</b>	<b>(8,132)</b>	(12,500)
<b>Cash flow from discontinued operation</b>		
Net cash outflow from operating activities	<b>(2,743)</b>	(7,761)
Net cash inflow/(outflow) from investing activities	<b>976</b>	(213)
Net cash inflow from financing activities	<b>1,136</b>	8,068
<b>Net cash (outflow)/inflow</b>	<b>(631)</b>	94

# Notes to Condensed Consolidated Financial Information

For the six months ended 30 June 2025

## 24. DISCONTINUED OPERATION *(Continued)*

The major classes of assets and liabilities of the discontinued operation classified as held for sale as at 30 June 2025 are as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>
<b>Assets</b>	
Property, plant and equipment	<b>1,049</b>
Intangible assets	-
Goodwill	-
Right-of-use assets	<b>3,136</b>
Inventories	<b>3,578</b>
Trade receivables	<b>8,940</b>
Prepayments, contract costs, deposits and other receivables	<b>10,143</b>
Restricted bank deposit	<b>401</b>
Cash and cash equivalents	<b>1,698</b>
<b>Assets classified as held for sale</b>	<b>28,945</b>
<b>Liabilities</b>	
Trade payables	<b>6,095</b>
Contract liabilities	<b>13,234</b>
Other payables and accruals	<b>7,833</b>
Lease liabilities	<b>3,315</b>
Bank and other borrowings	<b>8,861</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>39,338</b>

## 25. EVENT AFTER THE REPORTING PERIOD

On 31 July 2025, the Group entered into a sale and purchase agreement with an independent third party to sell certain fixed assets located in Shanxi, at a cash consideration of approximately RMB14,817,000. Details are set out in the Company's announcement dated 31 July 2025.