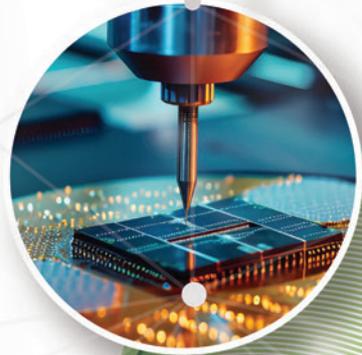


# TAYANG 大洋

## Ta Yang Group Holdings Limited

### 大洋集團控股有限公司

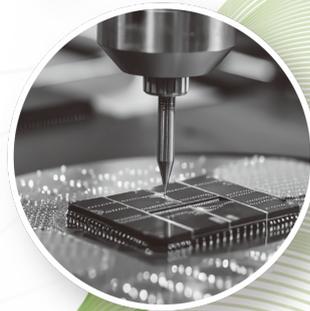
(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1991)



## 2024 INTERIM REPORT

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# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Ms. Shi Qi (*Chairlady*)  
Mr. Li Jiu Hua (*Chief Executive Officer*)  
Mr. Gao Feng

### Non-Executive Directors

Mr. Chan Tsun Hong Philip  
Mr. Han Lei  
Mr. Gu Shixiang

### Independent Non-Executive Directors

Mr. Chan Siu Tat  
Mr. Hu Jiangbing  
Ms. Wang Lina  
Mr. Zheng Changxing

## COMMITTEES

### Executive Committee

Mr. Li Jiu Hua (*chairman*)  
Ms. Shi Qi

### Audit Committee

Mr. Chan Siu Tat (*chairman*)  
Mr. Hu Jiangbing  
Ms. Wang Lina

### Nomination Committee

Mr. Chan Siu Tat (*chairman*)  
Mr. Hu Jiangbing  
Ms. Shi Qi

### Remuneration Committee

Mr. Hu Jiangbing (*chairman*)  
Mr. Chan Siu Tat  
Ms. Shi Qi

## AUTHORISED REPRESENTATIVES

Ms. Shi Qi  
Ms. Xu Jiayuan

## COMPANY SECRETARY

Ms. Xu Jiayuan

# CORPORATE INFORMATION

## AUDITOR

CL Partners CPA Limited  
Certified Public Accountants  
(Registered Public Interest Entity Auditor)

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
Grand Cayman KY1-1111  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22/F, H Code  
45 Pottinger Street  
Central  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586, Gardenia Court  
Camana Bay, Grand Cayman  
KY1-1100, Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited  
Suites 3301-04, 33/F  
Two Chinachem Exchange Square  
338 King's Road, North Point  
Hong Kong

## PRINCIPAL BANKERS

Dongguan Rural Commercial Bank Co., Ltd.  
China CITIC Bank International Limited  
OCBC Wing Hang Bank Limited

## COMPANY WEBSITE

<http://www.tayanggroup.com>

## FINANCIAL YEAR END

31 December

## STOCK CODE

1991

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3	<b>514,096</b>	518,673
Cost of sales		<b>(476,972)</b>	(437,990)
Gross profit		<b>37,124</b>	80,683
Other income and net gain		<b>20,666</b>	40,136
Selling and distribution expenses		<b>(12,755)</b>	(23,181)
Administrative expenses		<b>(63,441)</b>	(67,095)
Other operating expenses		<b>(3)</b>	(6,399)
Share of results of associates		<b>–</b>	(47)
Finance costs	5	<b>(12,486)</b>	(16,776)
<b>(Loss)/profit before tax</b>		<b>(30,895)</b>	7,321
Income tax expense	6	<b>(762)</b>	(10,423)
<b>Loss for the period</b>	7	<b>(31,657)</b>	(3,102)
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		<b>(18,833)</b>	(20,922)
Non-controlling interests		<b>(12,824)</b>	17,820
		<b>(31,657)</b>	(3,102)
<b>Loss per share</b>	8		
Basic and diluted (HK cents)		<b>(1.44)</b>	(1.60)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Loss for the period</b>	<b>(31,657)</b>	(3,102)
<b>Other comprehensive income</b>		
Item that will not be reclassified subsequently to profit or loss:		
Fair value gain on financial assets at fair value through other comprehensive income ("FVTOCI")	200	180
	<b>200</b>	180
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translating foreign operations	4,030	4,544
Share of other comprehensive income of associates	–	1
	<b>4,030</b>	4,545
<b>Other comprehensive income for the period</b>	<b>4,230</b>	4,725
<b>Total comprehensive (expenses)/income for the period, net of income tax</b>	<b>(27,427)</b>	1,623
<b>Total comprehensive (expenses)/income for the period, net of income tax, attributable to:</b>		
Owners of the Company	(15,217)	(13,378)
Non-controlling interests	(12,210)	15,001
	<b>(27,427)</b>	1,623

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		71,492	68,387
Right-of-use assets		94,699	121,789
Investment properties		21,000	21,000
Goodwill		22,718	22,718
Financial assets at FVTOCI		3,205	2,957
Financial asset at fair value through profit or loss		495	495
Interests in associates		423	–
Deferred tax assets		441	441
Loan receivables		52,434	52,435
Deposit	10	15,927	15,927
		<b>282,834</b>	306,149
<b>Current assets</b>			
Inventories		38,504	38,074
Trade and other receivables	10	350,298	276,971
Loan receivables		26,113	49,968
Bank balances and cash		18,939	28,024
		<b>433,854</b>	393,037
<b>Current liabilities</b>			
Trade and other payables	11	382,750	344,280
Income tax payable		15,165	16,711
Borrowings	12	164,937	148,351
Lease liabilities		14,163	17,291
		<b>577,015</b>	526,633
<b>Net current liabilities</b>		<b>(143,161)</b>	(133,596)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>139,673</b>	172,553

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>Capital and reserves</b>			
Share capital	13	<b>130,677</b>	130,677
Reserves		<b>(71,462)</b>	(56,245)
Equity attributable to owners of the Company		<b>59,215</b>	74,432
Non-controlling interests		<b>(19,066)</b>	(6,856)
<b>Total equity</b>		<b>40,149</b>	67,576
<b>Non-current liabilities</b>			
Borrowings	12	<b>12,698</b>	10,760
Lease liabilities		<b>47,449</b>	54,865
Deferred income		<b>1,760</b>	1,760
Deferred tax liabilities		<b>2,809</b>	2,784
Convertible bond		<b>34,808</b>	34,808
		<b>99,524</b>	104,977
		<b>139,673</b>	172,553

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company											Non-controlling interests	Total
	Share capital	Share premium	Other reserve	Accumulated losses	Exchange reserve	Investments revaluation reserve	Properties revaluation reserve	Capital redemption reserve	Statutory surplus reserve	Convertible bond equity reserve	Total		
	HK\$'000	HK\$'000	HK\$'000 (Note 1)	HK\$'000	HK\$'000	HK\$'000 (Note 2)	HK\$'000	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2023 (audited)	130,677	761,380	(5,081)	(913,536)	123,218	(4,283)	6,739	2,420	35,929	-	137,463	(1,083)	136,380
Loss for the period	-	-	-	(20,922)	-	-	-	-	-	-	(20,922)	17,820	(3,102)
Other comprehensive income/ (expenses) for the period:													
Exchange differences arising on translating foreign operations	-	-	-	-	7,363	-	-	-	-	-	7,363	(2,819)	4,544
Gain on revaluation of properties, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value gain on financial assets at fair value through other comprehensive income ("FVOCI")	-	-	-	-	-	180	-	-	-	-	180	-	180
Share of other comprehensive income of associates	-	-	-	-	1	-	-	-	-	-	1	-	1
Total comprehensive (expenses)/ income for the period	-	-	-	(20,922)	7,364	180	-	-	-	-	(13,378)	15,001	1,623
Capital contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	8,035	8,035
As at 30 June 2023 (unaudited)	130,677	761,380	(5,081)	(934,458)	130,582	(4,103)	6,739	2,420	35,929	-	124,085	21,953	146,038

	Attributable to owners of the Company											Non-controlling interests	Total
	Share capital	Share premium	Other reserve	Accumulated losses	Exchange reserve	Investments revaluation reserve	Properties revaluation reserve	Capital redemption reserve	Statutory surplus reserve	Convertible bond equity reserve	Total		
	HK\$'000	HK\$'000	HK\$'000 (Note 1)	HK\$'000	HK\$'000	HK\$'000 (Note 2)	HK\$'000	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024 (audited)	130,677	761,380	(5,081)	(1,001,571)	141,885	(4,483)	6,739	2,420	35,929	6,537	74,432	(6,856)	67,576
Loss for the period	-	-	-	(18,833)	-	-	-	-	-	-	(18,833)	(12,824)	(31,657)
Other comprehensive income for the period:													
Exchange differences arising on translating foreign operations	-	-	-	-	3,416	-	-	-	-	-	3,416	614	4,030
Fair value gain on financial assets at fair value through other comprehensive income ("FVOCI")	-	-	-	-	-	200	-	-	-	-	200	-	200
Total comprehensive (expenses)/ income for the period	-	-	-	(18,833)	3,416	200	-	-	-	-	(15,217)	(12,210)	(27,427)
As at 30 June 2024 (unaudited)	130,677	761,380	(5,081)	(1,020,404)	145,301	(4,283)	6,739	2,420	35,929	6,537	59,215	(19,066)	40,149

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Notes:

**1. Other reserve**

Other reserve represents the difference between the capital contribution received from (paid to) a non-controlling interest of a subsidiary and the increase (decrease) in its shares of net asset value of that subsidiary.

**2. Investments revaluation reserve**

Investment revaluation reserve represents the change in fair value of equity investments classified as financial assets at fair value through other comprehensive income.

**3. Capital redemption reserve**

Capital redemption reserve represents the nominal value of the shares repurchased which has been paid out of the distributable reserves of the Company.

**4. Statutory surplus reserve**

As stipulated by regulations in the People's Republic of China (the "PRC"), the Company's subsidiaries established and operated in the PRC are required to appropriate 10% of their after-tax-profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of dividends to equity owners.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>OPERATING ACTIVITIES</b>		
Net cash (used in)/generated from operating activities	<b>(35,797)</b>	10,844
<b>INVESTING ACTIVITIES</b>		
Net cash generated from investing activities	<b>18,656</b>	33,978
<b>FINANCING ACTIVITIES</b>		
Net cash generated from/(used in) financing activities	<b>7,839</b>	(24,092)
Net (decrease)/increase in cash and cash equivalents	<b>(9,302)</b>	20,730
Cash and cash equivalents at 1 January	<b>28,024</b>	24,005
Effect of foreign exchange rate changes	<b>217</b>	6,647
Cash and cash equivalents at 30 June, Represented by bank balances and cash	<b>18,939</b>	51,382
<b>Analysis of bank balances and cash</b>		
Bank balances and cash	<b>18,939</b>	51,382

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1. GENERAL

Ta Yang Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is situated at 22/F, H Code, 45 Pottinger Street, Central, Hong Kong. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in manufacturing and sale of silicone rubber and related products, providing retail services, providing healthcare and hotel services and providing international digital marketing services.

The condensed consolidated interim financial information is presented in Hong Kong dollars (“**HK\$**”). Other than those subsidiaries established in the PRC and the United Kingdom whose functional currencies are Renminbi (“**RMB**”) and Pound Sterling (“**GBP**”) respectively, the functional currency of the Group is HK\$. As the Company is listed in Hong Kong, the directors of the Company (the “**Directors**”) consider that it is appropriate to present the condensed consolidated interim financial information in HK\$.

At 30 June 2024, the Directors consider the ultimate holding company of the Company to be Lyton Maison Limited which was incorporated in the British Virgin Islands (the “**BVI**”).

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to Rules Governing the Listing of Securities on the Stock Exchange.

The interim condensed consolidated financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain investment properties and financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2023, except for the adoption of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group’s operations and mandatory for accounting periods beginning on 1 January 2024.

The preparation of the condensed consolidated interim financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise their judgments in the process of applying the Group’s accounting policies.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

In the current period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The application of the amendments to HKFRSs in the current period has no material impact on the Group's performance and financial positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. REVENUE

Revenue represents fair value of the consideration received or receivable and for goods sold and healthcare and hotel services rendered in the normal course of business to customers, net of discounts and sales related taxes.

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of silicon rubber and related products – point in time	118,369	106,866
Retail services – point in time	60,419	29,930
Online marketing solution services – point in time	335,308	381,827
Healthcare and hotel services – overtime	–	50
	<b>514,096</b>	<b>518,673</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 4. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chief operating decision maker ("CODM"), being the chief executive officer of the Company, for the purpose of resource allocation and performance assessment focuses on type of goods or services delivered or provided are as follows:

- Silicone rubber and related products – manufacturing and sale of silicone rubber and related products;
- Retail services – providing retail services in the United Kingdom;
- Healthcare and hotel services – providing healthcare and hotel services; and
- Online marketing solution services – providing digital marketing services.

No reporting segment identified by the CODM has been aggregated in arriving at the reportable segment of the Group.

### Segment revenue and results

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

	Silicone rubber and related products HK\$'000 (unaudited)	Retail services HK\$'000 (unaudited)	Healthcare and hotel services HK\$'000 (unaudited)	Online marketing solution services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Six months ended 30 June 2024</b>					
<b>Revenue</b>					
Sales to external customers	118,369	60,419	–	335,308	514,096
Segment results	9,396	628	(2,580)	(22,182)	(14,738)
Unallocated income					6,683
Unallocated expense					(22,840)
Loss before tax					(30,895)
<b>Six months ended 30 June 2023</b>					
<b>Revenue</b>					
Sales to external customers	106,866	29,930	50	381,827	518,673
Segment results	(5,484)	(6,855)	(407)	41,400	28,654
Unallocated income					8,582
Unallocated expense					(29,915)
Profit before tax					7,321

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 4. SEGMENT INFORMATION *(Continued)*

### Segment assets and liabilities

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

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>Assets</b>		
Silicone rubber and related products	<b>257,457</b>	239,211
Retail services	<b>72,064</b>	72,937
Healthcare and hotel services	<b>95,450</b>	113,273
International digital marketing	<b>101,638</b>	123,670
	<b>526,609</b>	549,091
Total segment assets	<b>526,609</b>	549,091
Unallocated corporate assets	<b>190,079</b>	150,095
	<b>716,688</b>	699,186
<b>Liabilities</b>		
Silicone rubber and related products	<b>199,733</b>	151,115
Retail services	<b>66,246</b>	64,158
Healthcare and hotel services	<b>215,461</b>	236,998
International digital marketing	<b>93,244</b>	128,589
	<b>574,684</b>	580,860
Total segment liabilities	<b>574,684</b>	580,860
Unallocated corporate liabilities	<b>101,855</b>	50,750
	<b>676,539</b>	631,610

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 5. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
Borrowings	10,484	13,510
Lease liabilities	2,002	3,266
	<b>12,486</b>	16,776

## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current Taxation		
Provision for the period	707	10,338
Under-provision in prior periods	55	85
	<b>762</b>	10,423
Deferred Taxation		
Current period	-	-
	<b>762</b>	10,423

No provision for Hong Kong Profits Tax has been made in the condensed consolidated interim financial information since the Group has sufficient tax losses brought forward to set off against current and prior periods assessable profits.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the current and prior periods.

No provision for UK Corporate Tax for the current period has been made as the Group did not generate any assessable profits in UK.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Accordingly, provision for PRC Enterprise Income Tax for the PRC subsidiaries is calculated at 25% of estimated assessable profits for the current and prior periods.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold (Note)	<b>125,513</b>	102,244
Depreciation of property, plant and equipment	<b>4,383</b>	7,904
Depreciation of right-of-use assets	<b>8,891</b>	9,077
Exchange gain, net	<b>(635)</b>	(4,179)
Government grants	<b>(6,480)</b>	–
Gross rental income	<b>(280)</b>	(369)
Net rental income	<b>(280)</b>	(369)
Interest income	<b>(131)</b>	(4,286)
(Gain)/loss on disposal of property, plant and equipment	<b>(364)</b>	511
Gain on disposal of right-of-use assets	<b>(13,210)</b>	(30,166)

Note: Cost of inventories sold includes approximately HK\$4,139,000 (2023: approximately HK\$4,267,000) relating to depreciation of property, plant and equipment and depreciation of right-of-use assets charges which amounts are also included in the respective total amounts disclosed separately above.

## 8. LOSS PER SHARE

### Basic and diluted

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	<b>(18,833)</b>	(20,922)
Weighted average number of ordinary shares in issue ('000)	<b>1,306,767</b>	1,306,767

For the six months ended 30 June 2024, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bond since their assumed exercise would result in a decrease in loss per share.

For the six months ended 30 June 2023, the basic loss per share and the diluted loss per share are the same because there are no potential dilutive shares outstanding.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 and 2023.

## 10. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Trade and bills receivables		
– from third parties	<b>71,129</b>	62,054
Less: Allowance for expected credit losses (“ECLs”)	<b>(5,747)</b>	(5,747)
	<b>65,382</b>	56,307
Prepayments, deposits and other receivables	<b>300,843</b>	236,591
	<b>366,225</b>	292,898
Presented as:		
– Non-current assets	<b>15,927</b>	15,927
– Current assets	<b>350,298</b>	276,971
	<b>366,225</b>	292,898

The Group normally grants to its customers credit periods ranging from 30 days to 120 days which are subject to periodic review by the management.

As of the end of the reporting period, the ageing analysis of trade receivables, net of allowance for ECLs and based on the invoice date, which approximated the respective revenue recognition date, is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
0–90 days	<b>58,777</b>	47,138
91 days to 1 year	<b>6,605</b>	9,169
	<b>65,382</b>	56,307

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 11. TRADE AND OTHER PAYABLES

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Trade and bills payables	<b>70,623</b>	61,967
Accrued expenses	<b>39,162</b>	28,000
Other payables	<b>82,175</b>	45,620
Other tax payables	<b>904</b>	755
Deposits received	<b>94,038</b>	120,223
Contract liabilities	<b>95,848</b>	87,715
	<b>312,127</b>	282,313
	<b>382,750</b>	344,280

As of the end of the reporting period, the ageing analysis of trade and bills payables based on the invoice date, is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Within 30 days or on demand	<b>18,907</b>	15,294
31–90 days	<b>20,456</b>	12,751
91 days to 1 year	<b>26,757</b>	29,874
Over 1 year	<b>4,503</b>	4,048
	<b>70,623</b>	61,967

## 12. BORROWINGS

The effective interest rates on the Group's borrowings ranged from 3.3% to 14.0% per annum during the six months ended 30 June 2024 (six months ended 30 June 2023: 3.3% to 14.0%).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 13. SHARE CAPITAL

### Authorised and issued share capital

	Number of shares		Share capital	
	2024 '000	2023 '000	2024 HK\$'000	2023 HK\$'000
<b>Ordinary shares of HK\$0.1 each</b>				
<b>Authorised:</b>				
At 1 January, 30 June and 31 December	<b>20,000,000</b>	20,000,000	<b>2,000,000</b>	2,000,000

	Number of shares '000	Share capital HK\$'000
	<b>Issued and fully paid:</b>	
At 1 January 2023 (audited), 30 June 2023 (unaudited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	1,306,767	130,677

## 14. RELATED PARTY TRANSACTIONS

### (a) Compensation of key management personnel

The remuneration of the Directors and other members of key management during the six months ended 30 June 2024 and 2023 is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term benefits	–	3,153

The remuneration of the Directors and key executives is determined by the board of Directors and the remuneration committee of the Company having regard to the performance of individuals and market trends.

## 15. CAPITAL COMMITMENTS

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
	Capital expenditure contracted for but not provided for in the condensed consolidated interim financial information in respect of: – Acquisition of property, plant and equipment	<b>5,270</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

For the six months ended 30 June 2024, the Group was principally engaged in (i) the designing and manufacturing of silicone rubber products (the “**Silicone Business**”); (ii) international digital marketing business (the “**Digital Marketing Business**”); (iii) the provision of retail services (the “**Retail Business**”) in the United Kingdom; and (iv) healthcare and hotel services (the “**Healthcare and Hotel Business**”).

In the first half of 2024, while continuing to operate diversified businesses, the Group is also actively adjusting strategies to adapt to market changes and seeking new growth opportunities. As the global economic environment gradually improves, our business performance is also showing a positive trend. Facing the ever-changing business environment, while focusing on its principal business, the Group has continuously optimised its internal operating processes and organisational structure, and made great efforts to expand new business segments and explore broader development room. For the six months ended 30 June 2024, the Group has devoted most of its resources to (i) strengthen product competitiveness of its core business (i.e. the Silicone Business); (ii) strengthen technological innovation and service optimization in the digital marketing field, and enhance market competitiveness through technological innovation; (iii) expand sales in the UK supermarkets and sales of its branded products (i.e. the Retail Business); and (iv) explore monetisation opportunities for underperforming businesses (i.e. the Healthcare and Hotel Business).

For the six months ended 30 June 2024, the Group recorded a sales revenue of approximately HK\$514,096,000 (2023: approximately HK\$518,673,000), representing a decrease of approximately 0.88% as compared with the corresponding period in 2023. The Silicone Business maintained a stable customer base, and its overall revenue increased as compared with the previous year. The Retail Business performed well, and the performance in the first half of the year showed an obvious upward trend. The Digital Marketing Business, an emerging business segment and as the Group’s newly explored segment, has shown stable performance, gradually unleashing development potential. In view of the aforesaid, the management believes that the Group’s development and investment strategies were feasible and appropriate for the six months ended 30 June 2024.

Looking back at the first half year of 2024, global economics recovery has slowed, and domestic economic downward pressure has been significant. The Retail Business has gotten on track, showing a trend of revenue growth, and is gradually expanding its sales coverage area according to the Group’s deployment. The digital marketing segment has been affected by the intense competition within the industry, and its overall sales shows a slightly decrease compared with the corresponding period in 2023. Although the Group has adjusted the personnel structure and cut expenses, the net loss of the period has increased.

For the six months ended 30 June 2024, the Group had a loss of approximately HK\$31,657,000 (2023: approximately HK\$3,102,000). Compared with the corresponding period of last year, the Group’s overall profit-generating ability has significantly weakened.

# MANAGEMENT DISCUSSION AND ANALYSIS

## The Silicone Business

For the six months ended 30 June 2024, as the Group's traditional core business, the Silicone Business remained the main source of the Group's revenue and is the principal business of the Group. As the economic environment showed a recovery trend, the performance of the Group's Silicone Business improved slightly in the first half of the year and the operating performance of the Silicone Business increased as compared with the previous year. For the six months ended 30 June 2024, the Silicone Business recorded a sales revenue of approximately HK\$118,369,000 (2023: approximately HK\$106,866,000).

The core production facilities of the Silicone Business are located in Dongguan, Guangdong Province and Huzhou, Zhejiang Province, the People's Republic of China (the "PRC"). The current operational strategies for the Silicone Business include: On one hand, continuously and steadily producing high-quality silicone components and products for existing customers, while constantly seeking new customer resources to capture market share with efficient production capacity and excellent quality; on the other hand, the Group's silicone production base has been strengthening its research and development of new materials, focusing on the development of new environmentally friendly silicone materials as the main direction to promote the eco-friendly concept of replacing leather with silicone materials to more fields. For the six months ended 30 June 2024, the main products of the Silicone Business include new energy vehicles, photovoltaic modules, medical devices, consumer electronics and peripheral items, as well as various daily necessities. Customers coverage of the Silicone Business include Asia, Europe and North America.

## International Digital Marketing Business

For the six months ended 30 June 2024, the Digital Marketing Business recorded a sales revenue of approximately HK\$335,308,000 (2023: HK\$381,827,000). After more than a year of development, the Group continues to support the growth of this emerging business, believing that customer demand in this business area will continue to increase in the future with great potential for growth. As one of the cooperation parties of Douyin's operation in mainland China, Jusheng Technology's services include Douyin account setup, content planning, fan interaction, data analysis, e-commerce operations, proxy broadcasting and advertising, brand advertising and others. It possesses extensive practical experience and keen insight into new technology trends. While adhering to the concept of "enabling brands to better communicate with consumers", it promotes customers' business growth through continuous innovation and service optimization.

## The Retail Business

For the six months ended 30 June 2024, the Retail Business recorded a sales revenue of approximately HK\$60,419,000 (2023: HK\$29,930,000). At present, the Retail Business mainly includes supermarket operation and sales of the Group's branded products. The distribution of physical stores of supermarkets is mainly concentrated in the prosperous regions with concentrated residents in the urban area of London, the UK. The stores are operated under the brand of "YOHOME Oriental Life Style", providing local residents with a variety of food and daily necessities with oriental characteristics. Since the opening of the supermarkets, they have been praised and recognised by many overseas Chinese and local customers who love Asian culture. By 30 June 2024, the supermarket operation has opened seven physical stores in the urban area of London.

Additionally, the self-owned brand Ekau is developing steadily. As a self-owned brand of the Group, the Ekau Brand mainly produces and sells a full range of kitchen utensils including pots, knives, porcelain and other silicone kitchen accessories. By providing quality and affordable products, it can meet the cooking needs of different families. Products under the Ekau Brand are mainly sold in the UK, and all products have passed the British standard tests. Currently, the brand is sold all over the UK through the sales network of well-known local supermarkets. In addition, the brand has also cooperated with online platforms such as Amazon in order to expand its market coverage and strengthen the brand's influence on the Internet.

# MANAGEMENT DISCUSSION AND ANALYSIS

Since the operation of the Retail Business mainly relies on the long-term consumption of fixed target customer groups, the Group believes that the operation and expansion of this business will be based on establishing a good brand image and continuously launching products that meet market demand while ensuring the quality of its products. As such, the management of the Group decided to increase the placement of brand advertisements, upgrade the decoration and maintenance of retail stores, expand the scope of promotion of own brands, and establish long-term and stable cooperative relationships with its suppliers and distributors in the future. Although the initial investment will increase the cost and prolong the return period of investment, such investment will lay a solid foundation for the long-term development of the Retail Business, thereby enhancing the customer loyalty and ensuring stable sales. Based on the current trend, the Retail Business will also become the main business segment of the Group, making a positive contribution to its overall revenue.

## The Healthcare and Hotel Business

For the six months ended 30 June 2024, the Healthcare and Hotel Business showed no significant improvement in operations and was still regarded as a business segment of low strategic importance. For the six months ended 30 June 2024, the Healthcare and Hotel Business recorded negligible sales gains. In light of such poor business performance, the Group remains conservative towards the long-term prospects of the Healthcare and Hotel Business, and will reorganise resources at an appropriate time and seek possibilities of realizing its business assets.

## OUTLOOK

Over the past year, various industries have begun to show signs of recovery, and economic vitality will gradually revive. As international trade policies are unpredictable and business operations are affected by high inflation and exchange rate changes, the Group will closely monitor the development and policy changes of its main businesses and the upstream and downstream industries, make timely predictions and adjustments of operating strategies, and prepare for any operational risks that may arise. Opportunities always coexist with challenges, and the management believes that the Group's prospects remain promising.

## The Silicone Business

The Silicone Business will remain to be the principal business of the Group and the main source of the Group's revenue. From a long-term perspective, the Group will continue to implement its existing development strategy, which is to simultaneously enhance the traditional silicone manufacturing as well as develop and apply new environmentally friendly silicone materials. In the past decades, the Group has obtained enriched experience in the production of traditional silicone products and has won the trust of domestic and overseas clients. In the future, it will continue to supply high quality products and maintain stable cooperative relationship with upstream suppliers and downstream clients. Meanwhile, the Group will continue to strengthen innovation of silicone technologies. In the future, the Silicone Business segment will fully utilize the existing silicone production system and use new environmentally friendly silicone materials as the core product to expand the market, achieve the upgrading of silicone products and expand the scope of target clients. The new environmentally friendly silicone products designed, developed and produced by the Group cover the categories of new energy vehicles, photovoltaic modules, aerospace materials, medical devices, consumer electronics products and beauty products. The wider application of new environmentally friendly silicone products will create more revenue for the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **International Digital Marketing Business**

With the notable shift from traditional offline consumption to online e-commerce consumption mode, newsfeed advertising and new e-commerce have become important development trends in the advertising industry and e-commerce fields, continuously reshaping the market landscape. Jusheng Technology, as a pioneer in the internet e-commerce traffic business in mainland China, has been widely recognized by brand customers through precise target customer positioning and improved advertising placement efficiency, bringing significant marketing effects for clients. In the second half of 2024, Jusheng Technology will continue to expand its leading advantage in the digital marketing business. With the continuous innovation and optimisation of technologies, we will utilise more cutting-edge technical means to improve the accuracy and efficiency of advertising placement. The ongoing improvement of big data analysis technology will enable our newsfeed advertising to reach target audience more accurately, further consolidating digital marketing's position as the most effective contemporary promotional method. Jusheng Technology will further strengthen team building, attract industry experts to form a high-quality service team to provide better customer service. Meanwhile, it will expand cooperation with renowned domestic and international brands and develop more innovative marketing solutions to meet clients' diverse needs. As the global digital marketing market expands, we will explore new market opportunities and expand our international business footprint. Facing a constantly changing market environment, Jusheng Technology will maintain flexible strategy adjustments and rapid response capabilities to ensure leadership in digital marketing. We are confident about the future and look forward to creating broader business prospects with all our partners.

## **The Retail Business**

Since 2024, the growth momentum of the Retail Business has been increasingly evident, and it has received positive feedback from local customers. We will continue to utilise our proven and mature operational model, providing cost-effective oriental specialty food and daily necessities to meet the needs of local Chinese residents and consumers who are fond of Asian culture. On the other hand, the Ekau Brand is gradually gaining a foothold in the UK kitchenware market, with an increasing number of orders and a wider range of sales channels. The Group will integrate the synergy between kitchenware products and silicone production and improve the profit margin of brand sales by controlling costs and optimising distribution channels.

In the long run, the Group will leverage the platform of the Retail Business to launch more diversified business types, such as opening brand flagship stores and life experience halls. These new businesses will help expand our market presence and attract a wider range of consumer groups. As the profitability of the Retail Business has gradually unveiled and continued to rise, the management holds a positive attitude towards its business model and expects such business to continue to generate stable and sustainable cash flows for the Group and become an important source of income for the Group in the future. Facing the rapid development of the Retail Business, the Group will continue to dedicate itself to expanding market share, enhancing brand influence, and providing consumers with a better shopping experience through innovative business models and services. We are confident about the future of our Retail Business and look forward to achieving greater breakthroughs in the new year.

## **The Healthcare and Hotel Business**

Since the early performance of the Healthcare and Hotel Business is relatively unsatisfactory, and the poor performance of such business may not be reversed in the short term, the Group will continue to seize opportunities and explore ways to realise the value of its investment in this segment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2024, the Group recorded a revenue of approximately HK\$514,100,000 (2023: approximately HK\$518,700,000), representing a decrease of 0.9% as compared with the corresponding period in 2023.

For the six months ended 30 June 2024, the Silicone Business recorded a revenue of approximately HK\$118,400,000 (2023: approximately HK\$107,000,000), which accounted for approximately 23.0% of the total revenue of the Group (2023: approximately 20.6%).

The Digital Marketing Business generated a revenue of approximately HK\$335,300,000 (2023: approximately HK\$381,800,000), which accounted for approximately 65.2% of the total revenue of the Group (2023: 73.6%).

The Retail Business has made significant contribution to the total revenue of the Group. For the six months ended 30 June 2024, the Retail Business recorded a revenue of approximately HK\$60,400,000 (2023: HK\$29,900,000), which accounted for approximately 11.7% of the total revenue of the Group (2023: 5.8%).

Finally, the Healthcare and Hotel Business remained unsatisfactory and recorded a minimal revenue for the six months ended 30 June 2024. Due to the slumping business performance of the segment, it is not expected that the Healthcare and Hotel Business will significantly boost its sales in the near future.

### Gross profit

For the six months ended 30 June 2024, the gross profit of the Group was approximately HK\$37,100,000 (2023: approximately HK\$80,700,000), representing a decrease of approximately 54.0% as compared with the corresponding period in 2023. For the six months ended 30 June 2024, the gross profit margin decreased to approximately 7.2% (2023: approximately 15.6%).

### Other income and net gain

For the six months ended 30 June 2024, the other income and net gain was approximately HK\$20,700,000 (2023: approximately HK\$40,100,000), representing a decrease of approximately 48.4% as compared with the corresponding period in 2023. Such other income and net gain mainly included gain on realisation of certain properties under the Healthcare Business Segment and exchange gain.

### Expenses

For the six months ended 30 June 2024, the selling and distribution expenses were approximately HK\$12,800,000 (2023: approximately HK\$23,200,000), representing a decrease of approximately 44.8% as compared with the corresponding period in 2023. For the six months ended 30 June 2024, the administrative expenses were approximately HK\$63,400,000 (2023: approximately HK\$67,100,000), representing a decrease of approximately 5.5% as compared with the corresponding period in 2023. Such changes in the selling and distribution expenses and the administrative expenses were mainly caused by personnel restructuring and reduced expansion expenses compared to the same period of last year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Loss attributable to owners of the Company

For the six months ended 30 June 2024, the Group recorded loss attributable to owners of the Company of approximately HK\$18,800,000 (2023: approximately HK\$20,900,000), representing a decrease of approximately 10.0% as compared with the corresponding period in 2023. For the six months ended 30 June 2024, loss per share was approximately HK1.44 cent (2023: approximately HK1.60 cent), representing a decrease of approximately 10.0% as compared with the corresponding period in 2023. Such change in the loss attributable to owners of the Company was mainly due to (i) tightened gross profit margin of the Silicone Business which was caused by higher material and logistics costs under the worldwide inflation; and (ii) expenditures for the expansion and marketing fees of the Retail Business. The management believes that such a change in performance was impacted by the external economic environment and competition in the industry and the Group will be able to achieve better performance in terms of revenue in the future.

## Liquidity and financial resources

For the six months ended 30 June 2024, the Group's major source of funds was cash generated from operating activities and the Group's working capital remained healthy.

	At 30 June 2024	At 30 June 2023
Cash and cash equivalents (HK\$'000)	18,939	51,382
Current ratio	0.75	0.86
Quick ratio	0.69	0.78
Gearing ratio	4.42	1.12

## BUSINESS RISK

Performance of the Silicone Business and Retail Business of the Group is primarily affected by fluctuations in market prices of raw materials/products and market demands of the final products. For example, both the Silicone Business and the Retail Business require stocking of raw materials or retail inventories and the Group does not enter into any material contracts to hedge against such price fluctuations. As such, any price fluctuation in raw materials or retail inventories will exert pressures on the business costs and then impact competitiveness of the final products or services of the Group. If the Group fails to adapt and respond successfully to the changing demands and supplies, it may adversely affect business performance and development prospects.

On the other hand, the Digital Marketing Business relies on internet marketing and traffic promotion as its main source of revenue, which is to some extent influenced by internet regulatory policies and relies on consistent and stable customer relationship. Therefore, the Group should ensure that the operation of the Digital Marketing Business is in compliance with the regulatory rules and is in line with the most popular marketing initiatives and strategies in order to provide customers with efficient services.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY RISK

All business segments of the Group are operating in highly competitive industries. For example, the Silicone Business faces competitions not only from other silicone rubber products, but also from products that are made of new materials; the Retail Business is competing with other local retail brands, as well as online shopping platforms; and the number of competitors joining the segment of the Digital Market Business is increasing. Competition may also intensify as the competitors expand their product categories, lower their selling prices, increase their qualities, or conduct promotions. If the Group does not compete successfully against existing or new competitors, its existing business scale may decline and the operation performance may shrink.

## CREDIT RISK

As at 30 June 2024, the Group recorded total current assets of approximately HK\$433,854,000 and total current liabilities of approximately HK\$577,015,000. The bank balances and cash on hand of the Group remained tight when compared with its current liabilities. If the receivables are not fully recovered, the Group may not have sufficient resources to repay its short-term obligations as they fall due.

## EVENT RISK

Event risk refers to the risk of a negative impact on the Company's operational performance and financial position as a result of an unexpected event like a natural disaster or an industrial accident. These kinds of events may interrupt the Group's operations, increase prices of raw material and outsourced services, and exacerbate other risks and uncertainty that the Group is facing. Due to the unpredictable nature of such event risks, there is no guarantee that the Group's responsive measures can be sufficient.

## CAPITAL STRUCTURE

For the six months ended 30 June 2024, there was no change to the authorised share capital of the Company which is HK\$2,000,000,000 dividable into 20,000,000,000 shares in the par value of HK\$0.1 each.

From 1 January 2024 to 30 June 2024, the Company had issued a total of 1,306,767,000 shares with par value of HK\$0.1 each, all of which were fully paid and rank *pari passu* with each other in all respects.

## PLEDGE OF ASSETS

Capital commitments contracted by the Group but not yet provided for in the financial statements as at 30 June 2024 were approximately HK\$5,300,000 (31 December 2023: approximately HK\$4,800,000), mainly related to expanding production capacity of the Silicone Business. Such capital commitments will be financed by the net proceeds from operating activities. As at 30 June 2024, certain land and buildings, investment properties, right-of-use assets and trade receivables of the Group of approximately HK\$107,400,000 (31 December 2023: approximately HK\$116,300,000) were pledged to secure borrowings granted to the Group.

## CONTINGENT LIABILITIES

No material contingent liabilities of the Group were noted as at 30 June 2024 (31 December 2023: nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this report, the Group had no significant investments, material acquisition or disposal of any subsidiaries, associates or joint ventures for the six months ended 30 June 2024.

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, no major events occurred after the reporting period and up to the date of this report.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any concrete plan for material investments or capital assets as at 30 June 2024.

## CURRENCY MANAGEMENT AND TREASURY POLICY

For the six months ended 30 June 2024, the Group's cash receipts were denominated in US dollars, Hong Kong dollars, Pound Sterling ("**GBP**") and Renminbi, while the labour costs, manufacturing overheads, selling and administrative expenses of the Group were mostly negotiated, measured and settled in Renminbi, Hong Kong dollars and GBP. As at 30 June 2024, the majority of the cash and cash equivalents were held in US dollars, Hong Kong dollars, GBP and Renminbi.

The revenue of the Group was mainly generated by the Silicone Business in the PRC, the Digital Marketing Business in the PRC and the Retail Business in the UK. Therefore, fluctuations of Renminbi and GBP will affect the Group's profitability. For the six months ended 30 June 2024, the Group did not enter into any financial instruments for hedging purpose. The Group will closely monitor the currency movements and take appropriate measures to deal with such exchange-rate exposure.

## HUMAN RESOURCES AND REMUNERATION POLICIES

As the Group is committed to improving production capacity, developing high-quality products, and expanding industry chain, experienced workers, engineers and professionals are crucial to the Group. The Group offers on-the-job training and encourages staff to attend continuous professional training in order to enhance their skills and knowledge. The Group also offers competitive remuneration packages, including quality staff quarters, training, medical care, insurance coverage and retirement benefits to all employees. As at 30 June 2024, the Group employed 771 permanent and temporary employees (31 December 2023: 717).

## INTERIM DIVIDEND

The Board does not recommend payment of interim dividend for the six months ended 30 June 2024 (2023: nil).

# OTHER INFORMATION

## CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to enhancing Shareholder value and safeguarding interests of Shareholders and other stakeholders. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

To the best knowledge of the Board, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules. Specific enquiries had been made to all Directors and each Director had confirmed that she/he had complied with the Model Code for the six months ended 30 June 2024.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions 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 corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 and short positions which he was deemed or taken 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 the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Name	Nature of interest	Total number of shares/underlying shares held	Approximate percentage of interest in the Company (Note 1)
Ms. Shi Qi (Note 2)	Interest of controlled corporation	796,875,490 (Long)	60.98%
		654,810,600 (Short)	50.11%
Mr. Hu Jiangbing	Beneficial owner	850,000 (Long)	0.07%

### Notes:

1. The total number of issued Shares as at 30 June 2024 (i.e. 1,306,767,000 Shares) has been used in the calculation of the approximate percentage.
2. Lyton Maison Limited, a limited company incorporated in the British Virgin Islands and solely owned by Ms. Shi Qi, was interested in 796,875,490 shares. Of the 796,875,490 shares held by Lyton Maison Limited, 654,810,600 shares were charged to Mason Resources Finance Limited, which was indirectly wholly-owned by Mason Group Holdings Limited.

## OTHER INFORMATION

As at 30 June 2024 and save as disclosed, none of the Directors or the chief executive of the Company had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was 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 and short positions which he was deemed or taken to have under such provisions of the SFO) or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which was required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, so far as was known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or which were recorded in the register required to be kept by the Company under Section 336 of the SFO; or who is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company:

Name	Nature of interest	Total number of shares/underlying shares held	Approximate percentage of interest in the Company (Note 1)
Lyton Maison Limited (Note 2)	Beneficial owner	796,875,490 (Long)	60.98%
		654,810,600 (Short)	50.11%
Mason Resources Finance Limited (Note 2)	Person having a security interest in shares	654,810,600 (Long)	50.11%
Mason Group Holdings Limited (Note 2)	Interest of controlled corporation	654,810,600 (Long)	50.11%

Notes:

- The total number of issued Shares as at 30 June 2024 (i.e. 1,306,767,000 Shares) has been used in the calculation of the approximate percentage.
- Lyton Maison Limited was interested in 796,875,490 shares. Of the 796,875,479 shares held by Lyton Maison Limited, 654,810,600 shares were charged to Mason Resources Finance Limited, which was indirectly wholly-owned by Mason Group Holdings Limited.

As at 30 June 2024 and save as disclosed, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO; or who is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company or options in respect of such share capital.

# OTHER INFORMATION

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## SHARE OPTION SCHEME

At the annual general meeting of the Company held on 13 December 2018, the shareholders of the Company approved the adoption of the share option scheme of the Company (the "**Scheme**"). The Scheme was later adopted by the Company. For the six months ended 30 June 2024, no options or securities had been granted, exercised, cancelled or lapsed under the Scheme. As at 1 January 2024 and 30 June 2024, there was no outstanding option under the Scheme.

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

Currently, the audit committee of the Company (the "**Audit Committee**") comprised Mr. Chan Siu Tat, Mr. Hu Jiangbing and Ms. Wang Lina, all being independent non-executive Directors. Mr. Chan Siu Tat is the chairman of the Audit Committee, who has appropriate professional qualifications and experience in accounting. The Audit Committee had reviewed with the management the accounting principles and practices adopted by the Company and discussed financial reporting matters. The interim results of the Group for the six months ended 30 June 2024 have not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 and is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions and sufficient disclosures have been made.

On behalf of the Board  
**Ta Yang Group Holdings Limited**  
**Shi Qi**  
*Chairlady*

Hong Kong, 27 September 2024