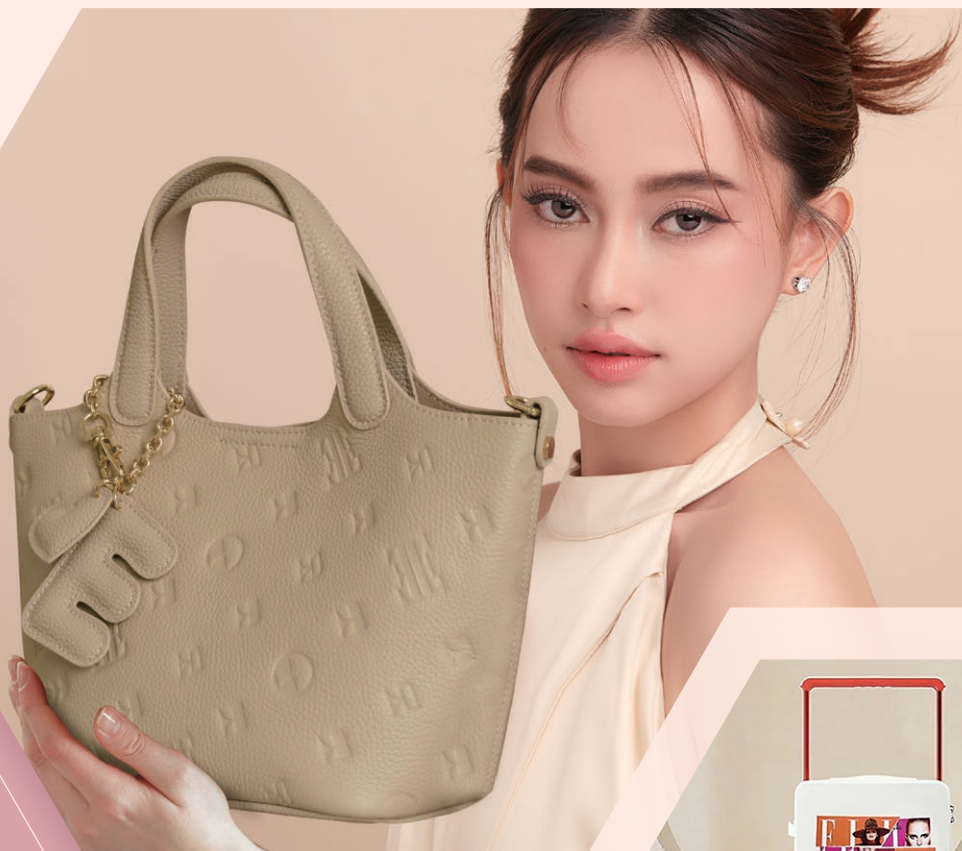


SLING GROUP HOLDINGS LIMITED

森浩集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8285



2025
INTERIM REPORT





CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board of the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this

report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Re-presented)
CONTINUING OPERATIONS			
Revenue	3	32,222	36,247
Cost of sales		(13,682)	(17,683)
Gross profit		18,540	18,564
Other revenue and other income		3,532	1,456
Selling and distribution costs		(16,246)	(19,095)
Administrative and other operating expenses		(5,008)	(6,203)
Finance costs		(749)	(745)
Profit/(Loss) before income tax from continuing operations	6	69	(6,023)
Income tax expense	5	—	—
Profit/(Loss) for the period from continuing operations		69	(6,023)
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	15	—	(891)
Profit/(Loss) for the period		69	(6,914)

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Re-presented)
Other comprehensive income			
<i>Item that may be reclassified subsequently to the profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		(5)	37
Total comprehensive income/(loss) for the period		64	(6,877)
Profit/(Loss) for the period attributable to:			
Equity holders of the Company			
— Continuing operations		69	(6,023)
— Discontinued operations		—	(207)
Non-controlling interests			
— Continuing operations		—	—
— Discontinued operations		—	(684)
		69	(6,914)
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company			
— Continuing operations		64	(5,986)
— Discontinued operations		—	(207)
Non-controlling interests			
— Continuing operations		—	—
— Discontinued operations		—	(684)
		64	(6,877)

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
			(Re-presented)
		RMB cents	RMB cents
Profit/(Loss) per share attributable to equity holders of the Company			
Basic and diluted			
— From continuing operations	8	0.01	(1.08)
— From discontinued operations	8	—	(0.03)
		0.01	(1.11)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	667	425
Intangible assets		1,637	1,605
Financial asset at fair value through profit or loss ("FVTPL")	10	1,156	1,174
Deferred tax assets		1,244	1,244
Other receivables	11	583	583
		5,287	5,031
Current assets			
Inventories		9,715	11,081
Trade and other receivables	11	5,893	5,985
Amounts due from shareholders		9	9
Amount due from a non-controlling shareholder		987	2,779
Income tax recoverable		372	372
Restricted cash		3	1
Cash and bank balances		4,587	8,168
		21,566	28,395
Assets of disposal group classified as held for sale			
	15	1,905	—
		23,471	28,395
Current liabilities			
Trade and other payables	12	12,197	16,484
Contract liabilities		38	24
Bank borrowings		15,772	16,767
Lease liabilities		345	50
Income tax payable		206	217
		28,558	33,542

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Liabilities of disposal group classified as held for sale	15	23	—
		28,581	33,542
Net current liabilities		(5,110)	(5,147)
Total assets less current liabilities		177	(116)
Non-current liabilities			
Loans from shareholders		10,784	10,572
Loan from a director		917	900
		11,701	11,472
Net liabilities		(11,524)	(11,588)
EQUITY			
Share capital	13	4,470	4,470
Reserves		(14,251)	(14,315)
Capital deficiency attributable to equity holders of the Company		(9,781)	(9,845)
Non-controlling interests		(1,743)	(1,743)
Capital deficiency		(11,524)	(11,588)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2025

	Attributable to equity holders of the Company									Non-controlling interests	
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Put option reserve RMB'000	Other reserve RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2024 (Audited)	4,470	35,026	10,520	1,195	(3,658)	904	2,261	(53,424)	(2,706)	(1,067)	(3,773)
Derecognition of put option liability	—	—	—	—	3,658	—	—	(1,185)	2,473	—	2,473
Transactions with owners	—	—	—	—	3,658	—	—	(1,185)	2,473	—	2,473
Loss for the period	—	—	—	—	—	—	—	(6,230)	(6,230)	(684)	(6,914)
Other comprehensive income:											
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	—	—	37	—	37	—	37
Total comprehensive loss for the period	—	—	—	—	—	—	37	(6,230)	(6,193)	(684)	(6,877)
As at 30 June 2024 (Unaudited)	4,470	35,026	10,520	1,195	—	904	2,298	(60,839)	(6,426)	(1,751)	(8,177)
As at 1 January 2025 (Audited)	4,470	35,026	10,520	1,195	—	1,167	2,399	(64,622)	(9,845)	(1,743)	(11,588)
Profit for the period	—	—	—	—	—	—	—	69	69	—	69
Other comprehensive income:											
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	—	—	(5)	—	(5)	—	(5)
Total comprehensive income for the period	—	—	—	—	—	—	(5)	69	64	—	64
As at 30 June 2025 (Unaudited)	4,470	35,026	10,520	1,195	—	1,167	2,394	(64,553)	(9,781)	(1,743)	(11,524)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash used in operating activities	(2,518)	(967)
Net cash (used in)/generated from investing activities	(47)	21
Net cash used in financing activities	(1,016)	(2,527)
Net decrease in cash and cash equivalents	(3,581)	(3,473)
Cash and cash equivalents at the beginning of the period	8,168	7,445
Cash and cash equivalents at the end of the period	4,587	3,972

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 6 January 2017. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Unit 1, 21st Floor, Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the design and sale of women’s handbags, small leather goods, luggage and travel goods.

The Company’s immediate and ultimate holding company is Yen Sheng Investment Limited (“**Yen Sheng BVI**”), a company incorporated in the British Virgin Islands and controlled by Mr. Yau Tai Leung Sammy (“**Mr. Sammy Yau**”), Mr. Yau Sonny Tai Nin (“**Mr. Sonny Yau**”), Mr. Yau Frederick Heng Chung (“**Mr. Fred Yau**”), Mr. Yau Nicholas Heng Wah (“**Mr. Nicholas Yau**”) and Ms. Hiang Siu Wei Cecilia (“**Ms. Cecilia Hiang**”).

The Company’s shares are listed on GEM of the Stock Exchange on 16 January 2018.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial asset at FVTPL which is stated at fair value.

On 16 June 2025, the Company's indirect wholly owned subsidiary, Senxuan Shangmao (Shanghai) Company Limited ("**Senxuan Shangmao**") entered into an Equity Transfer Agreement (the "**Agreement**"), to sell 51% of registered capital of its non-wholly owned subsidiary, Sencai Trading (Shanghai) Company Limited ("**Sencai Trading**") at consideration of RMB3,000 and sale loan at consideration of approximately RMB3,198,000, being indebtedness owing by Sencai Trading to Senxuan Shangmao, which amounted to approximately RMB4,934,000 respectively. The principal activity of Sencai Trading is retail of luggage, clothes and accessories. Due to the Group has committed to a plan to sell the Sencai Trading (the "**Disposal Group**") prior to 30 June 2025, the Disposal Group has been reclassified as "Discontinued operations" and its assets and liabilities also reclassified as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale."

The details of the discontinued operations are set out in note 15.

Adoption of amended HKFRS Accounting Standards

Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 January 2025

The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024. The accounting policies used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 December 2024, except for the adoption of the Amendments to HKAS 21 "Lack of Exchangeability" which are effective as of 1 January 2025.

The amendments did not have a material impact on the condensed consolidated interim financial statements of the Group.

Issued but not yet effective HKFRS Accounting Standards

As at the date of authorisation of the unaudited condensed consolidated interim financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group. The Directors anticipate the adoption of these new and amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

Going concern basis

During the six months ended 30 June 2025, the Group generated a net profit from continuing operations of approximately RMB69,000 and cash generated from operations of approximately RMB2,341,000. The Group's operations are financed by bank borrowings, loans from related parties and internal resources. As at 30 June 2025, the Group had net current liabilities and capital deficiency of approximately RMB5,110,000 and approximately RMB11,524,000 respectively. The Group's cash and bank balances amounting to approximately RMB4,587,000 as at 30 June 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company has reviewed the current performance, the business model of distributing luggage and accessories, and cash flow forecast. The Company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the unaudited condensed consolidated interim financial statements have been prepared on a going concern basis.

The preparation of the unaudited condensed consolidated interim financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the accounting policies of the Group. The accounting estimates and assumptions used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 December 2024.

The unaudited condensed consolidated interim financial statements have not been audited by the Company's auditor, but have been reviewed by the Company's audit committee.

3. REVENUE

Revenue represents the fair value of consideration received and receivable from sale of women's handbags, small leather goods, luggage and travel goods by the Group to external customers.

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time through different channels were analysed as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Re-presented)
Continuing operations		
Online retail sales	28,210	33,789
Wholesale to online retailers	3,918	1,870
Wholesale to offline retailers	46	3
Offline retail sales	48	585
	32,222	36,247
Discontinued operations		
Online retail sales	—	18,097

4. SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing primarily on the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision maker (the "**CODM**"), being the executive directors of the Company. The CODM mainly reviews revenue derived from the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. The CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, other than the entity-wide disclosure, no segment analysis is presented.

Geographical information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment (including right-of-use assets) and intangible assets ("**specified non-current assets**"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment (including right-of-use assets), and the location of the operations to which they are allocated, in the case of intangible assets.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Re-presented)
Continuing operations		
Revenue from external customers		
The People's Republic of China (the " PRC ") (excluding Hong Kong)*	32,222	36,247

* Revenue from the PRC not including the revenue from discontinued operations amounting to RMB18,097,000 for the six months ended 30 June 2024.

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Specified non-current assets		
The PRC (excluding Hong Kong)	2,294	2,016
Hong Kong	10	14
	2,304	2,030

Information about major customers

During the six months ended 30 June 2025, none of the Group's customers contributed more than 10% of the Group's revenue (2024: Nil).

5. INCOME TAX EXPENSE

The PRC Enterprise Income Tax (the "PRC EIT") rate in respect of the Group's operations in the PRC is 25% (2024: 25%).

For the six months ended 30 June 2025 and 2024, Hong Kong Profits Tax and PRC EIT have not been provided in the unaudited condensed consolidated interim financial statements as no assessable profits subject to Hong Kong Profits Tax and the PRC EIT.

6. PROFIT/(LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS

Profit/(Loss) before income tax from continuing operations is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Re-presented)
Cost of inventories recognised as an expense	13,544	17,483
Write-down of inventories to net realisable value	210	569
Amortisation of intangible assets	17	9
Impairment losses on trade and other receivables, net	—	119
Depreciation of property, plant and equipment		
— Owned assets	39	42
— Right-of-use assets	260	240
Total depreciation	299	282
Exchange (gain)/loss, net	(352)	179
Staff costs (including directors' emoluments)		
— Salaries, allowances and other benefits	2,887	3,879
— Contributions to retirement benefit schemes (note)	445	553
Total staff costs	3,332	4,432
Operating lease charges premises:		
— Short-term leases	569	214

Note: During the six months ended 30 June 2025 and 2024, there are no forfeited contribution used to reduce the level of employer's contributions. As at 30 June 2025 and 31 December 2024, there are no forfeited contribution available to reduce the contributions payable in the future years.

7. DIVIDENDS

The board of directors (the “**Board**”) does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

8. PROFIT/(LOSS) PER SHARE

From continuing and discontinued operations

The calculation of basic profit/(loss) per share attributable to equity holders of the Company is based on the following:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited) (Re-presented)
Profit/(Loss)		
Profit/(Loss) for the period attributable to equity holders of the Company (in RMB'000)		
— Continuing operations	69	(6,023)
— Discontinued operations	—	(207)
	69	(6,230)
Number of shares		
Weighted average number of ordinary shares	560,000,000	560,000,000

The weighted average number of ordinary shares used to calculate the basic profit/(loss) per share for the six months ended 30 June 2025 and 2024 represents 560,000,000 ordinary shares in issue throughout the periods.

There were no dilutive potential ordinary shares during the six months ended 30 June 2025 and 2024 and therefore, diluted profit/(loss) per share equals to basic profit/(loss) per share.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025 and 2024, there is no property, plant and equipment acquired. During the six months ended 30 June 2025 and 2024, there is no property, plant and equipment disposed.

During the six months ended 30 June 2025, the Group entered into one renewed lease agreement from continuing operations. During the six months ended 30 June 2025, the Group initially recognised right-of-use assets and lease liabilities amounting to approximately RMB541,000 and RMB541,000 respectively. During the six months ended 30 June 2024, the Group had no new lease agreement.

During the six months ended 30 June 2025 and 2024, there are no early termination on lease agreement.

As at 30 June 2025, the carrying amounts of the Group's right-of-use assets in relation to premises is RMB361,000 (31 December 2024: RMB80,000).

10. FINANCIAL ASSET AT FVTPL

The Group entered into a life insurance policy (the “**Policy**”) with an insurance company to insure a director of the Company. The Group is the policy holder and the beneficiary of the Policy. The Group is eligible to surrender the Policy at any time for cash equivalent to the net cash value.

The financial asset at FVTPL represents the carrying amount of the net cash value of the Policy as at 30 June 2025 which comprised of guaranteed cash value of RMB1,106,000 (31 December 2024: RMB1,127,000) together with accumulated annual dividends and its accrued interests of RMB50,000 (31 December 2024: RMB47,000).

The financial asset at FVTPL is denominated in Hong Kong dollars (“**HK\$**”) and the fair value is determined by reference to the net cash value as provided by the insurance company.

11. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables	5,285	4,431
Less: Expected credit losses ("ECL") allowance	(2,963)	(2,963)
	2,322	1,468
Prepayments and other receivables		
Prepaid expenses	2,335	2,313
Rental and other deposits	650	1,126
Other receivables	1,209	1,701
Less: ECL allowance	(40)	(40)
	4,154	5,100
	6,476	6,568
Classified as:		
— Current assets	5,893	5,985
— Non-current assets	583	583
	6,476	6,568

As at 30 June 2025 and 31 December 2024, prepaid expenses mainly comprised of marketing and advertising fee prepaid, online shop expenses prepaid and royalty fee prepaid.

As at 30 June 2025 and 31 December 2024, rental and other deposits mainly comprised of the deposits paid to online platforms for services deposits and rental deposits.

The ageing analysis of trade receivables, based on the revenue recognition dates and net of ECL allowance, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
0–90 days	2,107	1,324
91–180 days	—	107
181–365 days	2	37
Over 365 days	213	—
	2,322	1,468

12. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables	8,235	9,432
Accrued charges and other payables		
Accrued expenses	2,986	5,712
Deposits received	286	589
Other tax payables	626	728
Other payables	64	23
	3,962	7,052
	12,197	16,484

As at 30 June 2025 and 31 December 2024, accrued expenses mainly represents accrued commission, accrued management fee, accrued legal and professional fee and accrued courier fee.

The Group was granted by its suppliers credit periods ranging from 0 to 90 days (31 December 2024: 0 to 90 days). Based on the date of goods received, the ageing analysis of trade payables is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
0-90 days	8,073	8,967
91-180 days	—	—
181-365 days	—	—
Over 365 days	162	465
	8,235	9,432

13. SHARE CAPITAL

	Number of shares	RMB'000
Authorised: Ordinary shares of HK\$0.01 each As at 31 December 2024 and 30 June 2025	1,110,000,000	9,243
Issued and fully paid: Ordinary shares of HK\$0.01 each As at 31 December 2024 and 30 June 2025	560,000,000	4,470

14. RELATED PARTY TRANSACTIONS

Other than as disclosed in these unaudited condensed consolidated interim financial statements, the Group entered into the following material related party transactions during the six months ended 30 June 2025.

(a) Transactions with related parties

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Rental paid to a related company		
— Unigrade International Limited (note a)	30	30
Sales of goods from discontinued operations to a non-controlling shareholder		
— Guangzhou Caige (note b)	—	6,423
Service income from non-controlling shareholder		
— Guangzhou Caige (note b)	1,171	527
Interest expenses on loans from: Shareholders		
— Mr. Sammy Yau (note c)	100	50
— Mr. Sonny Yau (note c)	100	50
— Mr. Fred Yau (note d)	144	123
A director		
— Mr. Lee Tat Fai Brian (note e)	29	25
	373	248

Notes:

- (a) Unigrade International Limited is a related company controlled by Mr. Sammy Yau, Mr. Sonny Yau, Mr. Fred Yau and Mr. Nicholas Yau.
- (b) During the six months ended 30 June 2025 and 2024, Guangzhou Caige International Trading Company Limited ("**Guangzhou Caige**") was a non-controlling shareholder and holding 49% of shares in subsidiary of the Company. This related party transactions constituted continuing connected transactions under the GEM Listing Rules.

The above transactions with related parties were conducted in the Group's normal course of business and reference of the market price of goods provided by the Group to independent third-party customers.

- (c) Mr. Sammy Yau and Sonny Yau are also non-executive directors of the Company.
- (d) Mr. Fred Yau is an executive director, chairman and controlling shareholder of the Company.
- (e) Mr. Lee Tat Fai Brian is an executive director and chief executive officer of the Company.

(b) Key management personnel remuneration

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and other benefits	769	867
Contributions to retirement benefit schemes	17	75
	786	942

15. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES INCLUDED IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The Group's indirectly wholly-owned subsidiary, Senxuan Shangmao holds 51% of Sencai Trading, which was principally engaged in distributing luggage and accessories under ELLE brand in the PRC. Guangzhou Caige holds 49% of Sencai Trading.

On 16 June 2025, Senxuan Shangmao entered into the Agreement to sell 51% of the registered capital of its non-wholly owned subsidiary, Sencai Trading, as well as its indebtedness owing to the Senxuan Shangmao, to Guangzhou Caige and its shareholders. The share transfer has been completed on 6 August 2025 with the State Administration for Industry and Commerce of PRC.

Detail of which is set out in the Company's announcement on 17 June 2025.

(a) Assets and liabilities of the Disposal Group are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)
ASSETS	
Trade and other receivables	1,081
Amount due from a non-controlling shareholder	824
	1,905
LIABILITIES	
Trade and other payables	13
Income tax payable	10
	23
NET ASSETS	1,882

- (b) Loss for the six months ended 30 June 2025 and 2024 from discontinued operations of the Disposal Group are as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	—	18,097
Cost of sales	—	(13,132)
Gross profit	—	4,965
Other income	—	255
Selling and distribution costs	—	(5,590)
Administrative and other operating expenses	—	(425)
Finance costs	—	(96)
Loss before income tax	—	(891)
Income tax expense	—	—
Loss for the period	—	(891)

Loss for the period from discontinued operations include depreciation of property, plant and equipment of RMB Nil and depreciation of right-of-use assets of RMB Nil.

- (c) The cash flows of discontinued operations of the Disposal Group are as follows:

	Six months ended 30 June 2025 RMB'000 (Unaudited)
Net cash flows used in operating activities	(4)
Net cash outflows	(4)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2025, the Group's continuing operations and discontinued operations recorded a revenue of approximately RMB32.2 million, which represents a decrease of approximately 40.7% as compared to the same period of 2024. The main reason for the decrease was attributable to a new business arrangement in distributing luggage and accessories since April 2024. The Group sub-licenses ELLE brand luggage and accessories to the non-controlling shareholder under their full control, rather than through our indirect held subsidiary. By doing so, the management would be focused on key elements in marketing and distributing women's handbag, secure higher visibility in business performance, and avoid capital support to the section of luggage and accessories. Operating cash flow has been strengthened with steady license fee income. Also, the Group might further explore licensing the brand to other merchandises if the management could seek suitable partners and work closely with the principal of ELLE.

For the first half of 2025, total revenue declined by RMB22.1 million to RMB32.2 million. This business section of luggage and accessories accounted for the most, approximately RMB18.1 million, as it was no longer recorded in revenue. The revenue from continuing operations under women's handbags amounted to RMB32.2 million, compared to RMB36.2 million, in the corresponding period in 2024. The revenue decline of RMB4.0 million was approximately 11.0%. Other income arising from sub-licensing the brand for luggage and accessories amounted to RMB1.2 million in the first half of 2025. After the move to sub-licensing the brand for luggage and accessories, the continuing operations has shown positive result of achieving break-even in profitability, compared to a loss of RMB6.0 million from continuing operations in the same period of 2024. As planned, the Group is able to preserve capital, and the management keeps focused on the core business.

Despite there are signs of rebound in the consumer markets in general, the weak demands for non-necessity items have persisted. The negative impact from the burst of property market in China and the trending of causal lifestyle have significant bearings to our businesses, which require constant monitoring and adjustment in marketing and product design to suit consumers' need.

The Group's revenue from continuing operations is principally derived from online retail sales representing 87.5% sales. Together with wholesales to online retailers, they account for 99.7% sales in total. The Group continues to maximize our business result within our reach and plan for the future.

In terms of revenue from both continuing operations and discontinued operations among the brands of ELLE and Jessie & Jane, the distribution mix is approximately 99.6% and 0.4% respectively in the first half of 2025, compared to 99.4% and 0.6% in the same period of 2024.

FUTURE PROSPECTS

The conservative business plan in rearranging the business of luggage and accessories, improving efficiency through the uses of artificial intelligence in marketing, and controlling operating costs have been put in place. Gross profit margin and the ratio of selling and distribution expenses to revenue have all been improved. The Group has managed to achieve breakeven level for the first half of 2025.

There are a few positive signs, including increased consumption after the Chinese government putting forward incentive schemes, much lower domestic interest rate, and the bottoming out of the stock market in China. The benefit among different business sectors however varies widely. The market of non-essential items continues to be under pressure.

The Group continues to focus on providing the best value proposition on women's handbags to our customers through livestreaming online marketing, social media, and key opinion leaders. The Group continually looks for better ways to streamline our supply chain, maximize financial resources for businesses, and keeping lean and fit in operations. Given still challenging economic environment, the management forecasts the business would be stable in the second half of 2025.

FINANCIAL REVIEW

Revenue

The Group's revenue from continuing operations and discontinued operations decreased by approximately RMB22.1 million, or 40.7%, from approximately RMB54.3 million for the six months ended 30 June 2024 to approximately RMB32.2 million for the six months ended 30 June 2025. Excluding the impact from discontinued operations, the revenue from continuing operations decreased by approximately RMB4.0 million, or 11.0%, from approximately RMB36.2 million for the six months ended 30 June 2024 to approximately RMB32.2 million for the six months ended 30 June 2025.

For the first quarter, the revenue from continuing operations decreased by RMB0.9 million, or 5.4%, from RMB16.7 million for the three months ended 31 March 2024, to RMB15.8 million for the same period in 2025. For the second quarter, the revenue from continuing operations decreased by approximately RMB3.1 million, or 15.9%, from approximately RMB19.5 million for the three months ended 30 June 2024 to approximately RMB16.4 million for the same period in 2025.

Gross Profit and Gross Profit Margin

The Group's gross profit from continuing operations is stable at approximately RMB18.5 million and RMB18.6 million for the six months ended 30 June 2025 and 2024 respectively. The similar gross profit was largely attributable to improved gross profit margin which compensated the lower revenue in the first half of 2025.

Our gross profit margin from continuing operations for the six months ended 30 June 2025 and 2024 were approximately 57.5% and 51.2% respectively. The gross profit margin increased by 6.3 percentage. During the period, the Group was selective in executing marketing programs and was conscious in pricing strategy.

Selling and Distribution Costs

The Group's selling and distribution costs from continuing operations decreased by approximately RMB2.9 million, or 15.2%, from approximately RMB19.1 million for the six months ended 30 June 2024 to approximately RMB16.2 million for the six months ended 30 June 2025. The decrease was mainly attributable to (i) lower online shop expenses, (ii) lower commission, and (iii) lower transportation cost, and (iv) reduced salary expense for the period.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses from continuing operations decreased by approximately RMB1.2 million, or 19.4%, from approximately RMB6.2 million for the six months ended 30 June 2024 to approximately RMB5.0 million for the six months ended 30 June 2025. During the period, the Group actively managed down staff number and thus lowered salary expenses. Also, the Group recorded lower write-down of inventories, compared to the corresponding period.

Income Tax Expense

The Group's income tax expense from continuing operations was RMB nil as the operations are still in accumulated assessable loss.

Profit/(Loss) for the Period

Together with the sub-licensing fee of RMB1.2 million from luggage and accessories, the profit for the period from continuing operations was RMB69,000 for the six months ended 30 June 2025, compared to a loss of approximately RMB6.0 million for the six months ended 30 June 2024. The turnaround was attributable to the effort of improving gross profit margin, tightly controls on selling and distribution costs, and reducing staff costs.

FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO

As at 30 June 2025,

- (a) the Group's total assets decreased to approximately RMB28.8 million (31 December 2024: approximately RMB33.4 million) while the total equity deficiency roughly changed at RMB11.5 million (31 December 2024: deficiency approximately RMB11.6 million); the Group's current assets decreased to approximately RMB23.5 million (31 December 2024: approximately RMB28.4 million) while the current liabilities decreased to approximately RMB28.6 million (31 December 2024: approximately RMB33.5 million);
- (b) the Group had approximately RMB4.6 million in cash and cash equivalents (31 December 2024: approximately RMB8.2 million), and the current ratio of the Group was approximately 0.82 times (31 December 2024: approximately 0.85 times);
- (c) the Group had bank borrowings of approximately RMB15.8 million (31 December 2024: approximately RMB16.8 million), leaving RMB31.8 million uncommitted banking facilities available for future utilisation; and
- (d) the gearing ratio (calculated based on total debt divided by total equity as at the end of the year and multiplied 100%) of the Group was not applicable (2024: not applicable).

The Company's shares are listed on GEM of the Stock Exchange on 16 January 2018. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares. The Group actively and regularly reviews the capital structure and makes adjustments in light of changes in economic conditions. The Group monitors the capital structure on the basis of the net debt to equity ratio.

The Group is of the opinion that, after taking into consideration of the internal available financial resources, the current banking facilities and the additional support from the shareholders and the director, it has adequate funds to finance business operations and meet the financial obligations in the near future. If required, the Group might seek additional funding from these sources in the future.

CONTINGENT LIABILITIES

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

SIGNIFICANT INVESTMENTS

As at 30 June 2025, the Group did not hold any significant investments.

INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS

As at 30 June 2025, the Group did not have any assets pledged to secure general banking facilities.

FOREIGN CURRENCY EXPOSURE

The Group's businesses are solely operated in China. The sales and purchases are mainly denominated in Renminbi ("RMB") and customers rarely request to settle our billing by other foreign currencies such as United States dollar or HK\$.

The Directors are of the view that the Group's operations are not subject to significant foreign exchange rate risk. Therefore, no hedging arrangements are made. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

HUMAN RESOURCES

As at 30 June 2025, the Group had 38 employees (30 June 2024: 44) in Hong Kong and the PRC. We believe that hiring, motivating and retaining qualified employees are crucial to our success as an online and offline distributor. Total staff costs (including Directors' emoluments) were RMB3.3 million for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB4.4 million). The remuneration policies of the Group are formulated based on the Group's operating results, employees' individual performance, experience, respective responsibilities, merit, qualifications and competence, as well as comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly.

EVENTS AFTER THE REPORTING PERIOD

On 17 June 2025, the disposal of 51% equity interests in the Sencai Trading, an indirect non-wholly owned subsidiary of the Company, and indebtedness owing to Senxuan Shangmao by Sencai Trading for a consideration of RMB3,000 and RMB3,198,000 respectively pursuant to the Equity Transfer Agreement was approved by the board of Directors. After the completion of the transfer, Guangzhou Caige and its shareholder owns 100% of each of the legal entities that collectively operate or engage in the distribution luggage and accessories.

On 6 August 2025, the Equity Transfer Agreement to sell 51% of registered capital of Sencai Trading has been completed.

Upon the closing of the disposal, Sencai Trading ceased to be subsidiaries of the Group, and the financial results of Sencai Trading would no longer be consolidated into the financial statements of the Group.

OTHER INFORMATION

A. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the Company's shares (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 (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"), which were required: (i) 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 they are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred therein (the "**Register**"); or (iii) pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

(i) Long Position in the Shares of the Company

Name of Directors	Capacity/ Nature of Interest	Number of shares held/ interested in	Percentage of shareholding
Mr. Yau Tai Leung Sammy (Note)	Interests held jointly with other persons; Interest in a controlled corporation	291,838,960	52.1141%
Mr. Yau Sonny Tai Nin (Note)	Interests held jointly with other persons; Interest in a controlled corporation	291,838,960	52.1141%

Note: Yen Sheng Investment Limited ("**Yen Sheng BVI**") was beneficially owned by Mr. Yau Tai Leung Sammy and Mr. Yau Sonny Tai Nin as to approximately 49.3120% and 49.2321%, respectively. By virtue of the SFO, Mr. Yau Tai Leung Sammy and Mr. Yau Sonny Tai Nin are deemed to be interested in all the Shares held by Yen Sheng BVI.

(ii) Long Position in the Shares of the Associated Corporations

Name of Directors	Position in the associated corporations	Number of shares held	Percentage of interest in the associated corporation
Mr. Yau Tai Leung Sammy	Director of Yen Sheng BVI	493,120	49.31% in Yen Sheng BVI
Mr. Yau Sonny Tai Nin	Director of Yen Sheng BVI	492,321	49.23% in Yen Sheng BVI
Mr. Yau Frederick Heng Chung	Director of Yen Sheng BVI	6,863	0.69% in Yen Sheng BVI

Save as disclosed above, as at 30 June 2025, none of the Directors and the chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the Register, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

B. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

So far as the Directors are aware, as at 30 June 2025, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting Shares:

Name of Shareholders	Long/Short position	Nature of interest	Shares held	Percentage of shareholding
Yen Sheng BVI	Long position	Beneficial owner	291,838,960	52.1141%
Yau Tai Leung Sammy (Note 1)	Long position	Interests held jointly with other persons; interest in a controlled corporation	291,838,960	52.1141%
Chan Yee Ling Elaine (Note 2)	Long position	Interests of spouse	291,838,960	52.1141%
Yau Sonny Tai Nin (Note 1)	Long position	Interests held jointly with other persons; interest in a controlled corporation	291,838,960	52.1141%
Hiang Siu Wei Cecilia (Note 3)	Long position	Interests of spouse	291,838,960	52.1141%
Summit Time Resources Limited	Long position	Beneficial owner	128,161,040	22.8859%
Li Wing Chi Agnes (Note 4)	Long position	Interest in a controlled corporation	128,161,040	22.8859%
Lee Shui Kwai Victor (Note 5)	Long position	Interests of spouse	128,161,040	22.8859%

Notes:

1. Yen Sheng BVI was beneficially owned by Mr. Yau Tai Leung Sammy and Mr. Yau Sonny Tai Nin as to approximately 49.3120% and 49.2321%, respectively. By virtue of the SFO, Mr. Yau Tai Leung Sammy and Mr. Yau Sonny Tai Nin are deemed to be interested in all the Shares held by Yen Sheng BVI.
2. Ms. Chan Yee Ling Elaine is the spouse of Mr. Yau Tai Leung Sammy. By virtue of the SFO, Ms. Chan Yee Ling Elaine is deemed to be interested in all the Shares held by Mr. Yau Tai Leung Sammy.
3. Ms. Hiang Siu Wei Cecilia is the spouse of Mr. Yau Sonny Tai Nin. By virtue of the SFO, Ms. Hiang Siu Wei Cecilia is deemed to be interested in all the Shares held by Mr. Yau Sonny Tai Nin.
4. Summit Time Resources Limited was wholly owned by Ms. Li Wing Chi Agnes. By virtue of the SFO, Ms. Li Wing Chi Agnes is deemed to be interested in all the Shares held by Summit Time Resources Limited.
5. Mr. Lee Shui Kwai Victor is the spouse of Ms. Li Wing Chi Agnes. By virtue of the SFO, Mr. Lee Shui Kwai Victor is deemed to be interested in all the Shares held by Ms. Li Wing Chi Agnes.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had 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.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

SHARE OPTION SCHEME

The Company has a share option scheme which was approved and adopted by the shareholders of the Company by way of the written resolution passed on 15 December 2017 (the **“Share Option Scheme”**). No share option has been granted, exercised, lapsed or cancelled under the Share Option Scheme since its adoption and there was no share option outstanding as at 30 June 2025.

NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDERS

Each of the controlling Shareholders, namely Yen Sheng BVI, Mr. Yau Sonny Tai Nin, Mr. Yau Tai Leung Sammy, Mr. Yau Frederick Heng Chung, Mr. Yau Nicholas Heng Wah and Ms. Hiang Siu Wei Cecilia, entered into the Non-Competition Undertaking in favour of the Company on 15 December 2017, details of which have been set out in the prospectus of the Company dated 29 December 2017 (the **“Prospectus”**).

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have other future plans for material investments or capital assets as at 30 June 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2025 save as disclosed in this report, the Group did not have any material acquisitions nor disposals of subsidiaries and affiliated companies.

CORPORATE GOVERNANCE

The Group is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the GEM Listing Rules. During the six months ended 30 June 2025, the Company has complied with the applicable code provisions of the CG Code.

DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

None of the Directors and controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or had any other conflict of interests with the Group during the six months ended 30 June 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (the "**Code of Conduct**") regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors that all the Directors have complied with the Code of Conduct for the six months ended 30 June 2025 and up to the date of this report.

CHANGE IN INFORMATION OF DIRECTOR

The change in information of Director of the Company subsequent to the 2024 Annual Report of the Company is set out below:

Mr. Won Chik Kee, an Independent Non-executive Director of the Company, was appointed as an Independent Non-executive Director of Datronix Holdings Limited on 30 June 2025, the shares of which are listed on Main Board of the Stock Exchange (stock code: 889).

Mr. Wai Yau Hang, an independent Non-executive Director of the Company, has ceased his job in Hong Kong University of Science and Technology in June 2025. He is currently a professor of MBA & EMBA of Global Business at the College of Business and Public Management of Wenzhou KEAN University.

AUDIT COMMITTEE

The Company had established the Audit Committee on 15 December 2017 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Company, make recommendations to the Board on the appointment, reappointment and removal of the independent auditor, and review the Company's financial information.

The Audit Committee comprises three members, all being Independent Non-executive Directors, namely Mr. Won Chik Kee (chairman of the Audit Committee), Ms. Sit Ting Fong and Mr. Wai Yau Hang. It has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing and financial reporting matters, including review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025.

By order of the Board
Sling Group Holdings Limited
Yau Frederick Heng Chung
Chairman

Hong Kong, 26 August 2025

As at the date of this report, the executive Directors are Mr. Yau Frederick Heng Chung (Chairman) and Mr. Lee Tat Fai Brian; the non-executive Directors are Mr. Yau Sonny Tai Nin and Mr. Yau Tai Leung Sammy; and the independent non-executive Directors are Mr. Won Chik Kee, Ms. Sit Ting Fong and Mr. Wai Yau Hang.