



2025

INTERIM REPORT

中期報告

PuraPharm Corporation Limited
培力農本方有限公司

Stock code 股票代號 : 1498



2025 INTERIM REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Chan Yu Ling, Abraham (*Chairman*)
Ms. Man Yee Wai, Viola
Dr. Tsoi Kam Biu, Alvin
(appointed on 30 June 2025)

NON-EXECUTIVE DIRECTOR

Mr. Leung Stephen Kwok Keung

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Leung Lim Kin, Simon
Prof. Tsui Lap Chee
Mr. Ho Kwok Wah, George
(resigned on 4 July 2025)
Dr. Hung Ting On, John
(appointed on 29 August 2025)

AUDIT COMMITTEE

Dr. Leung Lim Kin, Simon
Prof. Tsui Lap Chee
Mr. Ho Kwok Wah, George (*Chairman*)
(resigned on 4 July 2025)
Dr. Hung Ting On, John (*Chairman*)
(appointed on 29 August 2025)

NOMINATION COMMITTEE

Mr. Chan Yu Ling, Abraham (*Chairman*)
Ms. Man Yee Wai, Viola
(appointed on 30 June 2025)
Prof. Tsui Lap Chee
Dr. Leung Lim Kin, Simon
(appointed on 30 June 2025)
Mr. Ho Kwok Wah, George
(resigned on 4 July 2025)
Dr. Hung Ting On, John
(appointed on 29 August 2025)

REMUNERATION COMMITTEE

Dr. Leung Lim Kin, Simon (*Chairman*)
Prof. Tsui Lap Chee
Mr. Ho Kwok Wah, George
(resigned on 4 July 2025)
Dr. Hung Ting On, John
(appointed on 29 August 2025)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Dr. Tsoi Kam Biu, Alvin (*Chairman*)
(appointed on 30 June 2025)
Mr. Siu, Anthony (appointed on 9 April 2025)
Mr. Kwong Kar Fai
Ms. Zhou Jian
Dr. Norimoto Hisayoshi (*Chairman*)
(resigned on 30 June 2025)

COMPANY SECRETARY

Ms. Chan Charmayne, ACG (CS, CGP),
HKACG (CS, CGP)

AUTHORIZED REPRESENTATIVES

Mr. Chan Yu Ling, Abraham
Ms. Chan Charmayne, ACG (CS, CGP),
HKACG (CS, CGP)

AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS

ONC Lawyers (As to Hong Kong law)
Appleby (As to Cayman Islands law)

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman
KY1-1205, Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong Science Park
Tai Po, New Territories, Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East,
Wan Chai, Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman, KY1-1108
Cayman Islands

SHARE INFORMATION

Date of listing: 8 July 2015
Place of incorporation: Cayman Islands
Place of listing: Main Board of
The Stock Exchange of Hong Kong Limited
Stock Code: 1498
Board lot: 500 shares
Financial year end: 31 December

COMPANY'S WEBSITE

www.purapharm.com

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of PuraPharm Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**” or “**PuraPharm**”), I present the interim results of the Company for the six months ended 30 June 2025 (the “**2025 Interim Period**”). Amid a dynamic and competitive market landscape, this period presented both hurdles and strategic openings.

Performance Overview

The Group achieved revenue of HK\$172.3 million in the first half of 2025, a 17.0% decline from the corresponding period of prior year, driven by subdued consumption in Hong Kong and heightened competition. Nonetheless, our gross profit margin held steady at 55.2%, underscoring our rigorous production efficiencies and steadfast adherence to superior quality standards – a key differentiator from cost-driven rivals.

We recorded a net loss of HK\$21.8 million, up from HK\$18.7 million in the comparable period, largely due to revenue pressures. Proactive cost discipline yielded a 42.5% reduction in selling and distribution expenses, complemented by a 30.8% drop in finance costs due to less interest payments from continued debt repayment.

Business Highlights

- **Hong Kong and Overseas CCMG:** Revenue fell 14.4% to HK\$92.1 million amid economic headwinds, yet we reinforced our dominant position with over 80% market share in Hong Kong's CCMG sector, prioritizing outreach to private Chinese medicine practitioners.
- **China CCMG:** New national standards precipitated a 95.3% revenue drop. In response, we are pioneering a direct-to-consumer channel via expanded Nong's® clinics, commencing in the Greater Bay Area (“**GBA**”), to foster resilience and diminish B2B dependency.
- **Chinese Healthcare Products:** Revenue grew 16.3%, fueled by strategic marketing and rising health consciousness. We will amplify this momentum by prioritizing innovative, high-quality products for global markets.
- **Nong's® Chinese Medicine Clinics:** Revenue dipped 12.5% to HK\$25.8 million due to Hong Kong's slowdown. We are optimizing local operations while channeling expansion into the GBA to bolster CCMG distribution in China.



Strategic Initiatives

To surmount challenges and seize growth, the Company is executing these focused strategies:

1. **China Direct Channel Expansion:** building a proprietary network of Nong's® clinics, beginning in the GBA, to directly engage consumers and propel CCMG sales.
2. **Healthcare Products Acceleration:** intensifying investments in innovation to roll out premium products worldwide, tapping into escalating demand.
3. **Quality Differentiation:** sustaining excellence in product efficacy to uphold our premium brand against low-cost competition.
4. **Cost Discipline:** enforcing stringent controls to bolster profitability and cash flow.

Outlook

The Company approaches the latter half of 2025 with measured optimism. Despite economic uncertainties, the Group's targeted expansion in GBA clinics and healthcare products will drive performance. Bolstered by robust brand and quality ethos of the Group, the Group is poised to capitalize on opportunities and generate enduring shareholder value.

On behalf of the Board, I extend sincere thanks to our shareholders, customers, partners, and employees for their steadfast commitment. Together, we will chart a resilient path forward for PuraPharm.

By order of the Board

Chan Yu Ling, Abraham
Chairman

Hong Kong, 26 August, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHT

	Six months ended 30 June					
	2025		2024		Change	
	Revenue HK\$'000	% of total	Revenue HK\$'000	% of total	HK\$'000	%
HK and overseas CCMG	92,103	53.5%	107,643	51.8%	(15,540)	(14.4%)
China CCMG	966	0.6%	20,675	10.0%	(19,709)	(95.3%)
Chinese healthcare products	52,699	30.6%	45,313	21.8%	7,386	16.3%
Nong's® (農本方®) Chinese medicine clinics	25,765	14.9%	29,429	14.2%	(3,664)	(12.5%)
Plantation	762	0.4%	4,567	2.2%	(3,805)	(83.3%)
Total	172,295	100.0%	207,627	100.0%	(35,332)	(17.0%)
Loss for the period	(21,806)		(18,686)		3,120	16.7%

The Group's revenue for the 2025 Interim Period was HK\$172.3 million, representing a decrease of HK\$35.3 million or 17.0%, compared to HK\$207.6 million for the corresponding period in last year. The revenue decrease was principally due to the slowing down of consumption in Hong Kong and keen market competition as well as the Group's continued de-emphasis of the hospital channels for its China CCMG market.

The Group recorded a net loss for the 2025 Interim Period of HK\$21.8 million as compared with the net loss of HK\$18.7 million, a slight increase of HK\$3.1 million during the corresponding period in last year. Gross margin remained stable at 55.2% in the 2025 Interim Period as compared to 54.6% for the corresponding period in 2024. The increase in loss was mainly attributable to the decrease in sales revenues. Total selling and administrative expenses decreased slightly to HK\$109.3 million in the 2025 Interim Period as compared to HK\$115.9 million for the corresponding period in last year by HK\$6.7 million. Finance costs were reduced to HK\$9.2 million in the 2025 Interim Period as compared to HK\$13.3 million for the corresponding period in last year due to less interest payments from continued debt repayment.

Hong Kong and overseas CCMG

According to a market research performed in 2025, the Group continued to maintain its leading market position in Hong Kong and sell its CCMG products directly to customers comprising hospitals, Chinese medicine clinics, non-profit organisations and private Chinese medicine practitioners. During the 2025 Interim Period, the direct sales of CCMG products in Hong Kong was HK\$92.1 million, representing a decrease of HK\$15.5 million or 14.4% compared to HK\$107.6 million for the corresponding period in last year. The decrease in sales was mainly due to a slow down of consumption in the Hong Kong economy during this period and intense competition. Nevertheless, with the established brand and product reputation, high-quality product and customer service, the segment contributed a healthy profit contribution to the Group.

During the 2025 Interim Period, the Group remained as a leading CCMG supplier to the major non-profit organisations in Hong Kong, and continued to expand its customer base in private Chinese medicine practitioners sector.

China CCMG

During the 2025 Interim Period, the China CCMG market has continuously affected by the implementation of the new national standards since November 2021. The standard was still in the process of modifying. The lowest price contract system to hospitals for CCMG reduced significantly the margin and attractiveness of the business. Hence, the sales of CCMG in China was HK\$1.0 million, representing a decrease of HK\$19.7 million or 95.3% compared to HK\$20.7 million for the corresponding period in last year. The management was well aware of the change in the market landscape and started developing the Group's own branded clinics and explored growth opportunities to establish new and sustainable channels for the sale and healthy growth of the Group's CCMG business in China.

Chinese healthcare products

	Six months ended 30 June					
	2025			2024		
	Revenue HK\$'000	% of total	Revenue HK\$'000	% of total	Change HK\$'000	%
United States of America (the "U.S.")	20,265	38.5%	16,357	36.1%	3,908	23.9%
Japan	4,965	9.4%	4,313	9.5%	652	15.1%
Hong Kong and Mainland	27,469	52.1%	24,643	54.4%	2,826	11.5%
	52,699	100%	45,313	100.0%	7,386	16.3%

During the 2025 Interim Period, revenue from sales of Chinese healthcare products in the U.S., Japan, Hong Kong and Mainland markets was HK\$52.7 million in aggregate, representing an increase of HK\$7.4 million or 16.3% as compared to HK\$45.3 million in the corresponding period in last year.

Among the Group's Chinese healthcare products segment, the sales recorded an increase of HK\$2.8 million which is mainly attributable to the growth of the sales in Mainland market. The increase in revenue was benefited from more resources in the marketing and advertising of Chinese healthcare products being invested by the Group.

The Group has invested more during the period ended 30 June 2025 in marketing and advertising of Chinese healthcare products, the expenses of which are recognized as an expense but will benefit the sales of the Group's various products in near future.

As the COVID-19 pandemic has brought profound changes to the society, the Group believes that consumers' health awareness will be increased and the growth in demand for healthcare products will render further opportunities for the Group's Chinese healthcare products segment. The Group will continue to proactively develop new and innovative healthcare products to enrich the products portfolio, devote more focus to market the Group's healthcare products through the online platform in order to reach the PRC and overseas markets with great growth potential.

Nong's® (農本方®) Chinese medicine clinics

During the 2025 Interim Period, the Group's optimization of the clinic segment is substantially completed. With the 22 clinics operated in Hong Kong and 4 clinics operated in Shenzhen as at 30 June 2025, which is the same number as at 31 December 2024, the revenue generated by the Group's Nong's® (農本方®) Chinese medicine clinics through the sales of CCMG products and provision of Chinese medical diagnostic services was HK\$25.8 million, representing a decrease of HK\$3.7 million or 12.5% compared to HK\$29.4 million for the corresponding period in last year.

The decrease in revenue of Nong's clinics segment during the 2025 Interim Period is attributable to the slow down in consumption of the Hong Kong economy and the loss of revenue contribution from one closed clinic since September of last year.

By leveraging the Group's brand awareness in Hong Kong, the Group is seeking to explore the market opportunity in the GBA by continuing opening more clinics there. The Group will continue to review and improve the performance of the existing clinic portfolio and proactively negotiate with the landlords on rental reduction in order to improve clinic profitability.

Plantation

For the 2025 Interim Period, the upstream plantation segment contributed HK\$0.8 million to the Group's overall revenue, representing a decrease from HK\$4.6 million recorded in the corresponding period in last year by HK\$3.8 million or 83.3%. The revenue from the plantation segment was mainly derived from the plantation and trading of raw Chinese herbs.

Profitability

	Six months ended 30 June		
	2025 HK\$'000	2024 HK\$'000	Change HK\$'000
Revenue	172,295	207,627	(35,332)
Cost of sales	(77,172)	(94,365)	17,193
Gross profit	95,123	113,262	(18,139)
Gross profit margin	55.2%	54.6%	

The Group's gross profit margin for the 2025 Interim Period was 55.2%, representing an increase of 0.6 percentage points, as compared to 54.6% in the corresponding period in last year. The gross profit margin remained stable due to continued effort to control production cost amidst a changing market environment of raw material and a decrease in production volume.

Other income and gains

The Group's other income and gains mainly comprised of government grants, gain from sale of equipment and accessories, fair value gain on financial assets at fair value through profit or loss and bank interest income. For the 2025 Interim Period, the Group's other income and gain was HK\$4.9 million, representing a decrease of HK\$0.8 million or 14.0% as compared to HK\$5.7 million for the corresponding period in last year.

The decrease in other income and gains was mainly due to a decrease in government grants received in the 2025 Interim Period compared to the corresponding period in last year, this drop was partly offset by increase gain from the sales of equipment and accessories as a whole.

Selling and distribution expenses

The Group's selling and distribution expenses mainly comprised of advertising and promotion expenses, sales and marketing staff costs, delivery and storage costs, depreciation expense, travel and business development expenses and sales and marketing departmental expenses. For the 2025 Interim Period, the Group's selling and distribution expenses was HK\$23.1 million, representing a decrease of HK\$17.1 million or 42.5% as compared to HK\$40.2 million for the corresponding period in last year. The decrease was mainly attributable to the result of effective control in the marketing expenses.

For the 2025 Interim Period, selling and distribution expenses as a percentage to revenue decreased from 19.4% for the corresponding period in last year to 13.4%. Without damaging the Group's market position, the Group has controlled some of the variable marketing expenses but some selling and distribution expenses, which are fixed in nature, may not be able to be adjusted accordingly, which are important for the expected sales rebound in the near future.

Administrative expenses

	Six months ended 30 June		Change	
	2025 HK\$'000	2024 HK\$'000	HK\$'000	%
Clinics operating expenses	16,046	15,875	171	1.1%
Research and development costs	6,546	5,597	949	17.0%
General administrative expenses	63,557	54,236	9,321	17.2%
Total administrative expenses	86,149	75,708	10,441	13.8%

The Group's administrative expenses included both operating expenses for clinics and general administrative expenses. The expenses mainly comprised of staff costs, research and development costs, office and clinics rental expenses, legal and professional fees, clinic management fee, depreciation and amortisation and other general administrative expenses.

For the 2025 Interim Period, the Group's operating expenses for clinics was HK\$16.0 million, representing an increase of HK\$0.2 million or 1.1% as compared to HK\$15.9 million for the corresponding period in last year. The operating expenses for clinics were rather stable as the number of clinics in operation in Hong Kong remained at 22 and in Shenzhen remained at 4 as at 30 June 2025 which is the same as at 31 December 2024.

The research and development costs for the 2025 Interim Period increased by HK\$1.0 million or 17%, mainly due to the increase in the testing and sampling fee of the products need to be registered and filed with the authority required under the standards during the 2025 Interim Period.

Other expenses

The Group's other expenses mainly comprised of loss on disposal of property, plant and equipment, net foreign exchange loss, voluntary charity donation, and other non operating expenses. For the 2025 Interim Period, the Group's other expenses was HK\$1.3 million, representing a decrease of HK\$4.4 million as compared to HK\$5.7 million for the corresponding period in last year. The significant decrease in other expenses was mainly attributable to the decrease of other non operating expenses during the 2025 Interim Period.

Finance costs

For the 2025 Interim Period, the Group's finance costs amounted to HK\$9.2 million, which represented a decrease of HK\$4.1 million from HK\$13.3 million in the corresponding period in last year. The decrease is due to less interest payments from continued debt repayment.

Income tax expense

During the 2025 Interim Period, the Group's income tax expenses decreased from HK\$3.9 million in the corresponding period in last year to HK\$1.3 million for the 2025 Interim Period. The income tax expense arose from the profitable subsidiaries. The decrease was mainly due to decrease in sales turnover during the 2025 Interim Period.

Loss for the period

The Group recorded a net loss for the 2025 Interim Period of HK\$21.8 million as compared with the net loss of HK\$18.7 million during the corresponding period in last year. The increase in loss was mainly attributable to the revenue decrease which was principally due to the slowing down of consumption in Hong Kong and keen market competition.

CAPITAL EXPENDITURES

The Group's capital expenditures primarily comprised of payments and deposits for purchase of property, plant and equipment, right-of-use assets and intangible assets. During the 2025 Interim Period, the total capital expenditure was HK\$12.1 million (six months ended 30 June 2024: HK\$9.4 million). The capital expenditures during the 2025 Interim Period was mainly incurred for new production equipment for meeting the new national standards in the Nanning factory, which would be financed by internal resources of the Group .

CAPITAL STRUCTURE

During the 2025 Interim Period, there was no change in the capital structure of the Company. The capital structure of the Group consists of bank and other borrowings, cash and cash equivalents and equity attributable to shareholders of the Company comprising issued share capital and reserves. The issued share capital of the Company comprises Shares only. Total equity of the Company amounted to approximately HK\$101.7 million as at 30 June 2025 (as at 31 December 2024: approximately HK\$111.2 million). During the 2025 Interim Period, the Company held no treasury shares and did not sell any treasury shares.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had net current liabilities of HK\$216.1 million (31 December 2024: net current liabilities of HK\$222.6 million), which included cash and cash equivalents of HK\$16.8 million (31 December 2024: HK\$12.8 million) and interest-bearing bank and other borrowings amounting to HK\$241.8 million (31 December 2024: HK\$250.5 million), which were principally denominated in Hong Kong Dollar and RMB. As at 30 June 2025, bank borrowings of the Group amounted to approximately HK\$338.8 million, which were principally denominated in Hong Kong Dollar and RMB. For details of the interest-bearing bank and other borrowings made by the Group, please refer to note 20 to the interim condensed consolidated financial statement in this interim report.

TREASURY POLICY AND RISK MANAGEMENT

The Directors will continue to follow a prudent treasury policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities, while no unnecessary risks are taken with the Group's assets. No investment in financial instruments other than cash or bank deposits was used during the 2025 Interim Period. As at 30 June 2025, the Group's credit risk is primarily attributable to trade receivables, deposits, bank deposits with original maturity over three months and bank balances and cash. As at 30 June 2024 and 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

GEARING RATIO

As at 30 June 2025, the gearing ratio of the Group, which is calculated by dividing total interest-bearing bank and other borrowings by total equity, was 3.3 (31 December 2024: 3.1). Such increase was mainly attributable to the decrease in the Group's equity as a result of the net loss for the six months ended 30 June 2025.

EXCHANGE RISK

The Group conducts business primarily in Hong Kong and China with most of its transactions denominated and settled in Hong Kong Dollars and Renminbi. During the 2025 Interim Period, the Group has not entered into any foreign exchange contracts or instruments to hedge against the fluctuations in exchange rate between currencies. However, the Group regularly monitors foreign exchange exposure and assesses if there is a need to hedge against significant foreign currency exposure from time to time.

HUMAN RESOURCES

As at 30 June 2025, the Group had a total of 469 employees (31 December 2024: 479 employees). During the six months ended 30 June 2025, total staff costs excluding Directors' remuneration was HK\$32.9 million (six months ended 30 June 2024: HK\$42.0 million). The Group offers competitive remuneration packages to its employees, including mandatory retirement funds, insurance and medical coverage. In addition, discretionary bonus, share options and share awards may be granted to eligible employees based on the Group and individual performance. The Group also allocated resources for continuing education and training for management and employees to improve their skills and knowledge.

PLEDGE OF ASSETS

The following assets were pledged as security for interest-bearing bank and other borrowings as at 31 December 2024 and 30 June 2025:

	Carrying value	
	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Property, plant and equipment	145,272	152,285
Investment property	3,931	3,871
Right-of-use assets	35,493	34,678
Financial assets at fair value through profit or loss	12,855	19,119
Inventories	10,789	10,558
Trade and bills receivables	25,138	27,915
Pledged bank deposits	5,000	5,000
	238,478	253,426

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL COMMITMENT

The Group had the following future plan for material investments and capital commitment as at 31 December 2024 and 30 June 2025:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Land and Buildings	26,289	26,289
Plant and machinery	32	32
	26,321	26,321

The capital commitments are expected to be settled by internal resources of the Group.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures, and no significant investment was held by the Group during the six months ended 30 June 2025.

CONTINGENT LIABILITIES

There were no material contingent liabilities of the Group as at 30 June 2025.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering in July 2015, after deduction of related issuance expenses, amounted to approximately HK\$288.4 million (the “**Net Proceeds**”). As at the beginning of the 2025 Interim Period, the Net Proceeds brought forward from the year 2024 amounted to HK\$6.4 million. As at 30 June 2025, the Group had utilised approximately HK\$282.0 million of the Net Proceeds in accordance with the proposed applications set out in the Company's listing prospectus, as follows:

Use	Total approximate amount of Net Proceeds (in HK\$ million)	Approximate percentage of Net Proceeds	Approximate amount utilised as at 30 June 2025 (in HK\$ million)	Approximate amount utilised during the 2025 Interim Period (in HK\$ million)	Approximate amount unutilised as at 30 June 2025 (in HK\$ million)	Expected timeline for intended use
To expand manufacturing facilities and enhance existing production lines	86.5	30%	86.5	—	—	—
To establish new Nong's® Chinese medicine clinics in Hong Kong and the PRC	72.1	25%	72.1	—	—	—
To expand distribution network into new target cities in the PRC	57.7	20%	57.7	—	—	—
To fund the development and launch of two new proprietary Chinese medicine products	43.3	15%	36.9	—	6.4	by December 2026
Additional working capital of the Group	28.8	10%	28.8	—	—	—
	288.4	100%	282.0	—	6.4	

There was a delay in application in the use of Net Proceeds as to funding the development and launch of two new proprietary Chinese medicine products. The reason for the delay is due to the fact that research and development of new products were still in progress and is expected to take a longer time than previous estimation. The Company will utilise the remaining unutilised balance of the Net Proceeds in accordance with the disclosure in the listing prospectus of the Company.

DISCLOSURE OF INTERESTS

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

As at 30 June 2025, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("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 they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of Director	Nature of interest	Number of ordinary Shares held or interested ⁽¹⁾	Percentage of the Company's issued share capital
Mr. Chan Yu Ling, Abraham ("Mr. Abraham Chan")	Interest of controlled corporations	177,854,830 (L) ⁽²⁾⁽³⁾⁽⁴⁾	44.92%
	Beneficial owner	40,008,267 (L)	10.11%
	Interest of spouse	8,226,050 (L) ⁽⁵⁾	2.08%
	Beneficiary of a trust	30,000 (L) ⁽⁸⁾	0.008%
Ms. Man Yee Wai, Viola ("Ms. Viola Man")	Interest of a controlled corporation	76,349,750 (L) ⁽⁶⁾	19.29%
	Beneficial owner	8,211,050 (L)	2.07%
	Interest of spouse	141,543,347 (L) ⁽⁷⁾	35.75%
	Beneficiary of a trust	15,000 (L) ⁽⁸⁾	0.004%
Dr. Tsoi Kam Biu, Alvin	Beneficial owner	2,572,000 (L)	0.65%
Mr. Ho Kwok Wah, George (resigned on 4 July 2025)	Beneficial owner	18,000 (L)	0.005%
	Beneficiary of a trust	2,000 (L) ⁽⁸⁾	0.001%
Dr. Leung Lim Kin, Simon	Beneficial owner	18,000 (L)	0.005%
	Beneficiary of a trust	2,000 (L) ⁽⁸⁾	0.001%
Prof. Tsui Lap Chee	Beneficial owner	18,000 (L)	0.005%
	Beneficiary of a trust	2,000 (L) ⁽⁸⁾	0.001%

Notes:

1. The letter "L" denotes the person's long position in such securities.
2. Mr. Abraham Chan beneficially owns 50% of the issued share capital of Joint Partners Investments Limited ("**Joint Partners**"), which in turn wholly owns the entire issued capital of PuraPharm Corporation Limited ("**PuraPharm Corp**"), a limited liability company incorporated in the British Virgin Islands on 5 May 1998. PuraPharm Corp owns 76,349,750 Shares. By virtue of the SFO, Mr. Abraham Chan is deemed to be interested in the Shares held by PuraPharm Corp.
3. Mr. Abraham Chan beneficially owns the entire issued share capital of Fullgold Development Limited ("**Fullgold Development**"), which in turn owns 81,929,000 Shares. By virtue of the SFO, Mr. Abraham Chan is deemed to be interested in the Shares held by Fullgold Development.
4. Mr. Abraham Chan beneficially owns the entire issued share capital of Gold Sparkle Limited ("**Gold Sparkle**"), which in turn owns 19,576,080 Shares. By virtue of the SFO, Mr. Abraham Chan is deemed to be interested in the Shares held by Gold Sparkle.
5. Mr. Abraham Chan is the spouse of Ms. Viola Man. By virtue of the SFO, Mr. Abraham Chan is deemed to be interested in the Shares held by Ms. Viola Man.
6. Ms. Viola Man beneficially owns 50% of the issued share capital of Joint Partners, which in turn wholly owns the entire issued capital of PuraPharm Corp. PuraPharm Corp owns 76,349,750 Shares. By virtue of the SFO, Ms. Viola Man is deemed to be interested in the Shares held by PuraPharm Corp.
7. Ms. Viola Man is the spouse of Mr. Abraham Chan. By virtue of the SFO, Ms. Viola Man is deemed to be interested in the Shares held by Mr. Abraham Chan.
8. These shares represent Shares granted to such directors pursuant to the Share Award Scheme, which are held on trust by the Share Award Scheme Trust until the Shares are vested. For further detail, please refer to the paragraph headed "Share Award Scheme" below.
9. All interests are calculated based on the total Shares in issue as at 30 June 2025, being 395,897,275.

Save as disclosed above, as at 30 June 2025, none of the Directors, chief executive of the Company and/or their respective associates had any personal, family, corporate or other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2025, so far as was known to the Directors, the following entity (not being the Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company, its Group members and/or associated corporations 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 recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of entity	Nature of Interest	Number of Shares held or interested ⁽¹⁾	Percentage of the Company's issued share capital
PuraPharm Corp	Beneficial owner	76,349,750 (L) ⁽²⁾	19.29%
Joint Partners	Interest of a controlled corporation	76,349,750 (L) ⁽²⁾⁽³⁾	19.29%
Fullgold Development	Beneficial owner	81,929,000 (L)	20.69%

Notes:

1. The letter "L" denotes the person's long position in such securities and the letter "S" denotes the person's short position in such securities.
2. Mr. Abraham Chan and Ms. Viola Man beneficially own 50% and 50% of the issued share capital of Joint Partners, which in turn wholly owns the entire issued share capital of PuraPharm Corp.
3. PuraPharm Corp is wholly owned by Joint Partners. By virtue of the SFO, Joint Partners is deemed to be interested in the Shares held by PuraPharm Corp.
4. All interests are calculated based on the total Shares in issue as at 30 June 2025, being 395,897,275.

Save as disclosed above, as at 30 June 2025, no person, other than a Director or chief executive of the Company, had registered an interest or short position in the Shares, underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

On 12 June 2015, the share option scheme (the “**Share Option Scheme**”) was adopted by the then Shareholders and will be valid and effective for a period of 10 years from the adoption date on 12 June 2015 and shall expire on the day immediately preceding the tenth anniversary period (which expired on 12 June 2025). The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants who would contribute to the success of the Group’s operations. Under the terms of the Share Option Scheme, the Board may, at its discretion, grant share options to, among others, any full-time employee and any Director of the Company or its subsidiaries, including any executive, non-executive or independent non-executive directors.

The exercise price for shares options under the Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average of the closing prices of the shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share on the date of grant. Any share options granted under the Share Option Scheme shall lapse in any event not later than ten years from the date of grant. A nominal value of HK\$1.00 is payable on acceptance of each grant of share options. The period within which payments or calls must or may be made or loans for such purposes must be repaid for the amount payable on acceptance of the option under the rules of Share Option Scheme is 30 days after the relevant date of grant of the options. The Board shall have the discretion to decide the period within which the shares must be taken up under the share options and the minimum period for which the share option must be held before it can be exercised. There is no prescribed vesting period of the option granted under the Share Option Scheme, which is subject to the general vesting period of 12 months under the Listing Rules.

During the 2025 Interim Period, no options were granted by the Board. No options were exercised, lapsed or cancelled during the 2025 Interim Period. As at 30 June 2025, as the Share Option Scheme has lapsed, no options can be granted thereunder.

As at 1 January 2025 and 30 June 2025, and up to the date of this report, the total number of share which may be issued upon the exercise of all options granted under the Share Option Scheme was 23,962,424 shares, 23,962,424 shares and 23,962,424 shares, respectively, which represent approximately, 6.05%, 6.05% and 6.05% of the total number of issued shares of the Company, respectively.

As at 1 January 2025 and 12 June 2025, the total number of share available for issue for the options available to be granted under the scheme mandate limit of the Share Option Scheme was 31,789,294 and 31,789,294, which represents approximately 8.03% and 8.03% of the total number of issued shares of the Company, respectively. There was no service provider sublimit set for the Share Option Scheme. Since the Share Option Scheme was lapsed on 12 June 2025, no further options can be issued thereunder after 12 June 2025.

Details of the options under the Share Option Scheme are as follows:

					As at 1 January 2025	Number of options granted during the 2025 Interim Period	Exercised during the 2025 Interim Period	Lapsed during the 2025 Interim Period	As at 30 June 2025			
Grantees	Name of Director	Grant date	Exercise price	Vesting date								
Directors	Mr. Chan Yu Ling, Abraham	9 May 2019	HK\$2.3 (Note)	10 May 2020	1,085,228	—	—	—	1,085,228			
				10 May 2021	1,085,228	—	—	—	1,085,228			
		24 Jul 2020	HK\$0.8	23 Jul 2021	1,740,000	—	—	—	1,740,000			
				23 Jul 2022	1,740,000	—	—	—	1,740,000			
		29 Dec 2022	HK\$1.292	29 Dec 2023	1,925,000	—	—	—	1,925,000			
				29 Dec 2024	1,925,000	—	—	—	1,925,000			
	Ms. Man Yee Wai, Viola	9 May 2019	HK\$2.3 (Note)	10 May 2020	354,275	—	—	—	354,275			
				10 May 2021	354,275	—	—	—	354,275			
		24 Jul 2020	HK\$0.8	23 Jul 2021	1,740,000	—	—	—	1,740,000			
				23 Jul 2022	1,740,000	—	—	—	1,740,000			
		29 Dec 2022	HK\$1.292	29 Dec 2023	1,925,000	—	—	—	1,925,000			
				29 Dec 2024	1,925,000	—	—	—	1,925,000			
	Dr. Tsoi Kam Biu, Alvin (retired on 28 May 2021 and was appointed as Executive Director on 30 June 2025)	9 May 2019	HK\$2.3 (Note)	10 May 2020	354,275	—	—	—	354,275			
				10 May 2021	354,275	—	—	—	354,275			
		24 Jul 2020	HK\$0.8	23 July 2022	871,000	—	—	—	871,000			
Sub-total for Directors					19,118,556	—	—	—	19,118,556			
	Mr. Chan Kin Man, Eddie (retired on 28 May 2021)	9 May 2019	HK\$2.3 (Note)	10 May 2020	1,085,228	—	—	—	1,085,228			
				10 May 2021	1,085,228	—	—	—	1,085,228			
		24 Jul 2020	HK\$0.8	23 Jul 2021	871,000	—	—	—	871,000			
				23 Jul 2022	871,000	—	—	—	871,000			
	Dr. Norimoto Hisayoshi (retired on 20 November 2023, currently the Chief Executive Officer of PuraPharm Japan Corporation)	9 May 2019	HK\$2.3 (Note)	10 May 2020	44,285	—	—	—	44,285			
				10 May 2021	44,285	—	—	—	44,285			
				10 May 2022	44,284	—	—	—	44,284			
				10 May 2023	44,284	—	—	—	44,284			
				24 Jul 2020	HK\$0.8	23 Jul 2021	66,667	—	—	—	66,667	
		23 Jul 2022	66,667	—		—	—	66,667				
		23 Jul 2023	66,666	—		—	—	66,666				
		Sub-total					4,289,594	—	—	—	4,289,594	

Grantees	Name of Director	Grant date	Exercise price	Vesting date	As at 1 January 2025	Number of options granted during the 2025 Interim Period	Exercised during the 2025 Interim Period	Lapsed during the 2025 Interim Period	As at 30 June 2025
Employees		9 May 2019	HK\$2.3 (Note)	10 May 2020 10 May 2021 10 May 2022 10 May 2023	88,570 88,568 88,568 88,568	— — — —	— — — —	— — — —	88,570 88,568 88,568 88,568
					354,274	—	—	—	354,274
		24 July 2020	HK\$0.8	23 July 2022 23 July 2023	100,000 100,000	— —	— —	— —	100,000 100,000
					200,000	—	—	—	200,000
Sub-total for Employees					554,274	—	—	—	554,274
Total					23,962,424	—	—	—	23,962,424

Note:

As a result of the completion of the Rights Issue, assuming no other adjustment events under the terms and conditions of the Share Option Scheme having been triggered and pursuant to (i) the terms and conditions of Share Option Scheme; and (ii) Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price of the Share Options and the number of shares which may fall to be issued upon exercise of the subscription rights attaching to the outstanding Share Options granted before the completion of the Rights Issue has been adjusted.

During the Reporting Period, no options under the Share Option Scheme were granted, exercised, cancelled or lapsed.

SHARE AWARD SCHEME

The Board adopted a share award scheme on 22 February 2016 (the “**Share Award Scheme**”) in which any employee and Director of the Company and/or any member of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any member of the Group (the “**Eligible Award Participants**”) will be entitled to participate by awarding the award Shares to them.

Purpose

The purposes of the Share Award Scheme are:

1. to recognise and motivate the contributions by certain Eligible Award Participants and to give incentives thereto in order to retain them for the continual operation and development of the Group;
2. to attract suitable personnel for further development of the Group; and
3. to provide certain Eligible Award Participants with a direct economic interest in attaining a long-term relationship between the Group and certain Eligible Award Participants.

Eligible Award Participants of the Share Award Scheme

The Eligible Award Participants of the Share Award Scheme are employees and non-executive Directors of the Company and/or any member of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any member of the Group, but excluding any employees and non-executive Directors of any member of the Group who has tendered his/her resignation or who has been given a notice of dismissal by the Company and/or the relevant member of the Group.

Total number of shares available to be granted

The Share Award Scheme does not involve any issue of new shares.

The Group has set up a trust (the **"Share Award Scheme Trust"**) for the purpose of administering the Share Award Scheme by a professional trustee (the **"Trustee"**). The Share Award Scheme Trust will acquire the Shares from the Stock Exchange, with a maximum amount of funds to be allocated by the Board, and hold such Shares until they are vested. Unless early terminated by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date.

The Board has resolved in February 2016 that a sum of HK\$10,000,000 be provided for the purchase of the Shares to be awarded to the Eligible Award Participants to be selected by the Board.

As at the beginning and as at the end of the 2025 Interim Period and up to the date of this report, the Share Award Scheme Trust held 844,335 shares, 844,335 shares and 844,335 shares, respectively (the **"Award Shares"**) (31 December 2024: 844,335 Award Shares), which were available to be granted to the Eligible Award Participants, representing approximately 0.2%, 0.2% and 0.2% of the issued shares as at the date of the beginning and as at the end of the 2025 Interim Period and up to the date of this report, respectively. During the six months ended 30 June 2025, no share (2024: nil) was purchased by the Share Award Scheme Trust through the Stock Exchange and no share (2024: nil) was vested, granted, cancelled or lapsed under the Share Award Scheme on during the six months ended 30 June 2025.

No share award expense was recognised for the six months ended 30 June 2025 and 2024.

Maximum Entitlement of the Eligible Award Participants

The Board may, from time to time, at its absolute discretion select any Eligible Award Participant for participation in the Share Award Scheme as a selected participant (the **"Selected Participant"**) and determine the number of Awarded Shares to be awarded to the respective Selected Participants, the terms and conditions before the Awarded Shares may be vested and other related matters as expressly provided under the Share Award Scheme.

The Board shall not make any further grant of award of shares under the Share Award Scheme such that the total number of shares granted under the Share Award Scheme will exceed 5% of the total number of issued shares as of 22 February 2016, being the date of which the Share Award Scheme was adopted.

Vesting Period of the Awarded Shares

A Selected Participant shall be entitled to receive the Awarded Shares held by the Trustee in accordance with the vesting schedule upon when the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the award. Vesting of the Shares will be conditional on the Selected Participant remaining a director or employee of the Group until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the Trustee. There is no exercise period in relation to the Awarded Shares.

Amount payable on acceptance of the Awarded Shares

The Board shall be at its discretion entitled to determine the amount payable on acceptance of the Awarded Shares. There is no exercise price or purchase price of the Awarded Shares under the Share Award Scheme.

Remaining life of the Share Award Scheme

The Share Award Scheme shall terminate on the earlier of the 10th anniversary date from 22 February 2016 or such date of early termination as determined by the Board.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any unvested Shares held under the Share Award Scheme Trust (including but not limited to the Awarded Shares, further shares acquired out of the income derived therefrom, the returned shares, any bonus shares and scrip shares).

Awarded Shares

During the 2025 Interim Period and up to the date of this report, there was no outstanding or unvested Awarded Shares under the Share Award Scheme.

During the 2025 Interim Period, no Award Shares were granted (2024: nil).

The Share Award Scheme does not involve any issue of new Share.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. Throughout the six months ended 30 June 2025, save as disclosed below, the Company has complied with all applicable code provisions set out in the Code.

Pursuant to code provision C.2.1 of the Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. However, due to the nature and extent of the Group’s operations and Mr. Abraham Chan’s in-depth knowledge and experience in Chinese medicine and healthcare products and his familiarity with the operations of the Group, the Company considers that it is not preferable to find an alternative candidate to replace Mr. Abraham Chan and serve in either of the positions at this stage. As such, the roles of the chairman and chief executive officer of the Company are not being separated pursuant to the requirement under code provision C.2.1 of the Code.

For response to the amendments to the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, which require the appointment of at least one Director of a different gender to the nomination committee of the Board (the “**Nomination Committee**”), came into effect on 1 July 2025. As such, Ms. Man Yee Wai, Viola, a female Director, has been appointed as a member of the Nomination Committee. In addition, the Nomination Committee should comprise of a majority of independent non-executive Directors. As such, Dr. Leung Lim Kin, Simon, an independent non-executive Director, has been appointed as a member of the Nomination Committee. All the above changes were with effect from 30 June 2025. The Board believes that implementing these changes could strengthen the effectiveness and diversity of the Board, and further enhances good corporate governance practices of the Company as a whole.

Following the resignation of Mr. Ho Kwok Wah, George as an independent non-executive Director on 4 July 2025, the Board comprises of three executive Directors, one non-executive Director and two independent non-executive Directors. As a result of the foregoing, the Company was not in compliance with the requirements of (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors; (ii) Rule 3.10(2) of the Listing Rules that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise; (iii) Rule 3.21 of the Listing Rules that the audit committee of the Board (the “**Audit Committee**”) must comprise a minimum of three members and must be chaired by an independent non-executive Director; (iv) Rule 3.25 of the Listing Rules that the remuneration committee of the Board (the “**Remuneration Committee**”) must comprise a majority of independent non-executive Directors; and (v) Rule 3.27A of the Listing Rules that the Nomination Committee comprises a majority of independent non-executive Directors.

On 29 August 2025, Dr. Hung Ting On, John (“**Dr. Hung**”) was appointed as the independent non-executive Director, the chairman of the Audit Committee, the member of the Remuneration Committee and the member of the Nomination Committee. Upon the appointment of Dr. Hung, the Company had recompiled with Rules 3.10(1), 3.10(2), 3.21, 3.25 and 3.27A of the Listing Rules.

COMPETING INTEREST

For the six months ended 30 June 2025, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition dated 16 June 2015 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed “Relationship with our Controlling Shareholders” of the prospectus of the Company dated 25 June 2015. The Directors are of the view that the controlling shareholders have been in compliance with the deed of non- competition during the 2025 Interim Period.

AUDIT COMMITTEE

The Company established an Audit Committee on 12 June 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Code. As at the date of this report, the Audit Committee consists of two independent non-executive Directors, Dr. Leung Lim Kin, Simon and Prof. Tsui Lap Chee. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process, to develop and review the Group's policies and to perform other duties and responsibilities as assigned by our Board. The Audit Committee discussed the accounting principles and policies adopted by the Group together with the management. The interim results of the Group for the six months ended 30 June 2025 contained in this report has also been reviewed and passed by the Audit Committee, but the financial information contained in this interim report has not been audited by the auditor of the Company.

THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by Directors. Having made specific enquiries of all Directors, all Directors confirmed that, they have complied with the required standard of dealing as set out in the Model Code throughout the six months ended 30 June 2025.

UPDATE ON DIRECTORS' INFORMATION

The update on Directors' information as required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules is set out below:

1. Ms. Man Yee Wai, Viola, an executive Director, has been appointed as a member of the Nomination Committee with effect from 30 June 2025; and
2. Dr. Leung Lim Kin, Simon, an independent non-executive Director, has been appointed as a member of the Nomination Committee with effect from 30 June 2025.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares, as defined under the Listing Rules) throughout the six months ended 30 June 2025. During the six months ended 30 June 2025, the Company did not hold any treasury shares and did not sell any treasury shares.

IMPORTANT EVENTS SINCE THE END OF THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 25 July 2025.

On 25 July 2025, the Company and BAGI Research Limited (the “**Licensor**”) a company indirectly controlled by Mr. Chan Yu Ling, Abraham, an executive Director and the controlling shareholder of the Company, and therefore, a connected person of the Company, entered into the patent licence agreement, pursuant to which the Licensor has conditionally agreed to grant to the Company an exclusive non-transferable licence of certain intellectual properties (the “**Licensed IP**”). In consideration of the grant of Licensed IP, the Company has conditionally agreed to allot and issue the Consideration Shares to the Licensor as a one-off non-refundable licence fee of HK\$40,200,000.

On the same date, the Company also entered into the subscription agreement with Providence Discovery Fund (the “**Subscriber**”), which is an independent third party, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 46,512,000 subscription shares at the subscription price of HK\$0.43 per subscription share. The gross Subscription proceeds will be HK\$20,000,160.

The circular containing, among other things, (i) further details of the patent licence agreement and the transactions contemplated thereunder; (ii) a letter from the independent board committee in relation to the patent licence agreement; (iii) a letter of advice from the independent financial adviser to the independent board committee and the independent Shareholders in relation to the patent licence agreement and the transactions contemplated thereunder; (iv) the valuation report; (v) the subscription agreement and the transactions contemplated thereunder; and (vi) a notice of the extraordinary general meeting, was expected to be despatched to the Shareholders no later than 17 October 2025.

Saved as disclosed above, there were no significant event affecting the Company nor any of its subsidiaries after the end of the 2025 Interim Period up to the date of this report which requires disclosure in this report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
REVENUE	5	172,295	207,627
Cost of sales		(77,172)	(94,365)
Gross profit		95,123	113,262
Other income and gains	5	4,855	5,693
Selling and distribution expenses		(23,126)	(40,204)
Administrative expenses		(86,149)	(75,708)
Share of loss of a joint venture		–	(149)
(Impairment)/reversal of impairment loss on financial assets, net		(744)	1,264
Other expenses		(1,269)	(5,671)
Finance costs	7	(9,176)	(13,252)
LOSS BEFORE TAX	6	(20,486)	(14,765)
Income tax expense	8	(1,320)	(3,921)
LOSS FOR THE PERIOD		(21,806)	(18,686)
Attributable to:			
Owners of the parent		(21,806)	(18,686)
LOSS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For loss for the period (expressed in HK cents per share)	10	(5.52)	(4.73)
LOSS FOR THE PERIOD		(21,806)	(18,686)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		12,264	(5,031)
Reclassification of reserve upon deregistration of a subsidiary		–	227
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		12,264	(4,804)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		(9,542)	(23,490)
Attributable to:			
Owners of the parent		(9,542)	(23,490)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	11	263,638	267,605
Investment properties		3,931	3,871
Right-of-use assets		100,264	87,781
Goodwill	12	17,944	17,944
Other intangible assets		29,699	31,560
Investments in a joint venture	13	953	953
Financial assets at fair value through profit or loss	14	15,333	21,866
Prepayments for non-current assets	17	8,004	8,003
Deferred tax assets		7,290	7,701
Total non-current assets		447,056	447,284
CURRENT ASSETS			
Inventories	15	83,340	123,557
Trade and bills receivables	16	37,949	57,497
Prepayments, other receivables and other assets	17	69,924	49,113
Restricted cash and pledged deposits	18	23,691	25,480
Cash and cash equivalents	18	16,797	12,794
Total current assets		231,701	268,441
CURRENT LIABILITIES			
Trade and bills payables	19	118,619	132,214
Other payables and accruals		62,239	86,797
Interest-bearing bank and other borrowings	20	241,782	250,548
Lease liabilities		19,385	13,633
Tax payable		5,604	7,710
Government grants		162	165
Total current liabilities		447,791	491,067
NET CURRENT LIABILITIES		(216,090)	(222,626)
TOTAL ASSETS LESS CURRENT LIABILITIES		230,966	224,658

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Other payables and accruals		12,294	11,015
Interest-bearing bank and other borrowings	20	97,031	89,162
Lease liabilities		16,250	10,416
Government grants		2,380	1,897
Deferred tax liabilities		1,355	970
Total non-current liabilities		129,310	113,460
Net assets		101,656	111,198
EQUITY			
Equity attributable to owners of the parent			
Share capital	21	306,820	306,820
Shares held for share award scheme	22(b)	(2,859)	(2,859)
Reserves	23	(202,305)	(192,763)
Total equity		101,656	111,198

Director

Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent									
			Shares held for share award scheme	Reserve for share award and share option scheme	Merger reserve	Surplus reserves	Capital reserve	Exchange fluctuation reserve	Accumulated losses	Total equity
	Share capital	Share premium	award scheme	option scheme	reserve	reserves	reserve	fluctuation reserve	losses	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 21)	(note 21)	(note 22(b))	(note 22)	(note 23)	(note 23)	(note 23)			
At 31 December 2024 (audited)	306,820	221,571	(2,859)	14,672	1,814	29,635	(7,505)	(29,186)	(423,764)	111,198
Loss for the period	-	-	-	-	-	-	-	-	(21,806)	(21,806)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	12,264	-	12,264
Total comprehensive expense for the period	-	-	-	-	-	-	-	12,264	(21,806)	(9,542)
Recognition of equity-settled share option expenses	-	-	-	-	-	-	-	-	-	-
At 30 June 2025 (unaudited)	306,820	221,571*	(2,859)	14,672*	1,814*	29,635*	(7,505)*	(16,922)*	(445,570)*	101,656

	Attributable to owners of the parent									
	Share capital HK\$'000 (note 21)	Share premium HK\$'000 (note 21)	Shares held for share award scheme HK\$'000 (note 22(b))	Reserve for share award and share option scheme HK\$'000 (note 22)	Merger reserve HK\$'000 (note 23)	Surplus reserves HK\$'000 (note 23)	Capital reserve HK\$'000 (note 23)	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 31 December 2023 (audited)	306,820	221,571	(2,859)	13,222	1,814	29,635	(7,505)	(21,137)	(388,325)	153,236
Loss for the period	–	–	–	–	–	–	–	–	(18,686)	(18,686)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(5,031)	–	(5,031)
Reclassification of reserve upon deregistration of a subsidiary	–	–	–	–	–	–	–	227	–	227
Total comprehensive expense for the period	–	–	–	–	–	–	–	(4,804)	(18,686)	(23,490)
Recognition of equity-settled share option expenses	–	–	–	725	–	–	–	–	–	725
At 30 June 2024 (unaudited)	306,820	221,571*	(2,859)	13,947*	1,814*	29,635*	(7,505)*	(25,941)*	(407,011)*	130,471

* These reserve accounts comprise the negative consolidated reserves of HK\$202,305,000 (30 June 2024: HK\$173,490,000) in the interim condensed consolidated statement of financial position as at 30 June 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax:		(20,486)	(14,765)
Adjustments for:			
Finance costs	7	9,176	13,252
Bank interest income	5	(28)	(310)
Foreign exchange difference, net	6	256	(1)
Equity-settled share option expenses	22(a)	–	725
Depreciation of property, plant and equipment	6	10,969	8,777
Depreciation of right-of-use assets	6	6,806	10,205
Amortisation of other intangible assets	6	2,476	2,714
Fair value change on financial assets			
at fair value through profit or loss	5	269	(109)
Gain on termination of right-of-use assets	6	–	(154)
Loss on disposal of fixed assets	6	334	3
Impairment loss/(reversal of impairment) on			
trade and bills receivables, net	6	744	(1,264)
Write-down of inventories to net realisable value	6	42	902
Share of loss of a joint venture		–	149
		10,558	20,124
Decrease in inventories		40,175	27,034
Decrease in trade and bills receivables		6,224	18,545
(Increase)/decrease in prepayments, deposits and other			
receivables		(7,779)	2,086
Decrease in trade and bills payables		(5,082)	(4,471)
Increase in government grants		–	241
Decrease in other payables and accruals		(8,827)	(19,825)
Decrease in tax recoverable		–	402
Cash generated from operations		35,269	44,136
Hong Kong income tax paid		(1,927)	(581)
Overseas income tax paid		(9)	(114)
PRC corporate income tax paid		(1,408)	(626)
Net cash flows generated from operating activities		31,925	42,815

		Six months ended 30 June	
		2025	2024
Notes		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Net cash flows generated from operating activities		31,925	42,815
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		28	310
Purchases of property, plant and equipment		–	(875)
Proceed from redemption of life insurance policy		6,264	–
Addition to intangible assets		(561)	(669)
Decrease/(increase) in restricted cash and pledged deposits		1,789	(5,151)
Net cash flows generated from/(used in) investing activities		7,520	(6,385)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in director's loan		804	(3,593)
New bank loans and other borrowings		22,700	140,335
Repayment of bank loans and other borrowings		(43,972)	(145,729)
Principal portion of lease payment		(6,593)	(10,183)
Interest paid		(8,842)	(13,252)
Net cash flows used in financing activities		(35,903)	(32,422)
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,542	4,008
Cash and cash equivalents at beginning of period		12,794	20,126
Effect of foreign exchange rate changes, net		461	(1,305)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18	16,797	22,829
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	18	16,797	22,829

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

PuraPharm Corporation Limited (the “Company”) was incorporated as an exempted company with limited liability under the Companies Law, Cap 22 of the Cayman Islands on 2 December 2011. The registered office address is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2025 (the “Reporting Period”), the Group have been principally engaged in the research, development, production and sale of concentrated Chinese medicine granule (“CCMG”) products and Chinese healthcare products, plantation and trading of raw Chinese herbs, and manufacturing and sales of Traditional Chinese Medicine (“TCM”) decoction pieces (“中藥飲片”), as well as rendering of Chinese medical diagnostic services.

In the opinion of the board of directors of the Company (the “Directors”), the ultimate holding company is Fullgold Development Limited, which was incorporated in the British Virgin Islands (the “BVI”) and is wholly owned by Mr. Abraham, Chan Yu Ling (“Mr. Abraham Chan”), the founder of the Group.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The condensed consolidated interim financial statements have not been audited by the Company’s independent auditors but have been reviewed by the Company’s audit committee.

During the six months ended 30 June 2025, the Group recorded a loss attributable to the owners of the Company of HK\$21.8 million. As at 30 June 2025, the Group had net current liabilities of HK\$216.1 million, including cash and cash equivalents of HK\$16.8 million and short term borrowing of HK\$241.8 million. The above conditions indicated the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

2. BASIS OF PREPARATION (CONTINUED)

In view of these circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the directors of the Company implemented or is in the process of implementing the following measures:

- (a) The Group continues to restructure their products mix, downsizing those non-profitable business operations and tightening overall cost control measures so as to attain profitable and positive cash flow operations;
- (b) The Group's sales continue to be solid despite the slowing down in the Hong Kong economy during the reporting period;
- (c) The Group has taken and will continue to take measures to tighten cost controls over administrative and other operating expenses aiming at improving the working capital and cash flow position of the Group;
- (d) During the Reporting Period, the Group continues to be able to draw down from the bank facilities. The directors believe that it is highly probable that they could continue to draw down the unutilised bank facilities or renew the revolving loans under the existing bank facilities in the future;
- (e) The directors are also actively negotiating with the banks to seek for new borrowings and finding additional new sources of financing. In addition, the Group had non-pledged long-term assets of HK\$224.3 million in the PRC as at 30 June 2025, which could be used for obtaining new borrowings in the future;
- (f) The Group is actively seeking potential investor to raise capital; and
- (g) The Group is seeking opportunities to dispose of some of its assets and subsidiaries that are not related to their core business operations.

The directors of the Company have prepared a cash flow forecast for the Group which covers a period over fifteen months from the end of the reporting period. They are of the opinion that, taking into account the abovementioned plans and measures, coupled with the Group's internally generated funds and unutilised bank facilities, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors are of the opinion that it is appropriate to prepare the condensed consolidated financial statements of the Group for the six months ended 30 June 2025 on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial performance and position for the current and prior period and/or on the disclosures set out in these condensed consolidated interim financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the China CCMG segment mainly engages in the production and sale of CCMG products in China;
- (b) the Hong Kong CCMG segment mainly engages in the sale of CCMG products excluding the sales through self-operated clinics in Hong Kong;
- (c) the Chinese healthcare products segment mainly engages in the production and sale of Chinese healthcare products in Hong Kong, China, the USA and Japan;
- (d) the clinics segment mainly engages in the provision of Chinese medical diagnostic services and sale of CCMG products through self-operated clinics; and
- (e) the plantation segment mainly engages in the plantation and trading of raw Chinese herbs, and manufacture and sale of TCM decoction pieces.

Management monitors the results of the Group's operating segments respectively for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except interest income, net foreign exchange difference, equity-settled share option and share award scheme expense, finance cost (other than interest on lease liabilities), corporate and other unallocated expenses and income tax expense.

Intersegment sales are eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

The following tables present revenue, profit/(loss) and other segment information for the Group's operating segments for the six months ended 30 June 2025 and 2024.

Six months ended 30 June 2025 (Unaudited)

	Hong Kong CCMG HK\$'000	China CCMG HK\$'000	Chinese healthcare products HK\$'000	Clinics HK\$'000	Plantation HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue:							
Revenue from external customers	92,103	966	52,699	25,765	762	–	172,295
Intersegment sales	3,845	64,980	974	–	11,696	(81,495)	–
Total segment revenue	95,948	65,946	53,673	25,765	12,458	(81,495)	172,295
Segment results	42,802	(10,558)	11,989	(2,578)	(2,371)	–	39,284
Reconciliations:							
Interest income							28
Foreign exchange difference, net							(256)
Finance costs (other than interest on lease liabilities)							(8,604)
Corporate and other unallocated expenses							(50,938)
Loss before tax							(20,486)
Income tax expense							(1,320)
Net loss							(21,806)
Other segment information:							
Depreciation and amortisation of property, plant and equipment and other intangible assets	1,077	6,421	3,766	547	1,634	–	13,445
Depreciation of right-of-use assets	154	–	2,144	4,508	–	–	6,806
Write-down of inventories to net realisable value	–	42	–	–	–	–	42
Impairment loss on trade and bills receivables, net	–	–	744	–	–	–	744
Capital Expenditure*	615	–	7,521	3,970	–	–	12,106

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2024 (Unaudited)

	Hong Kong CCMG HK\$'000	China CCMG HK\$'000	Chinese healthcare products HK\$'000	Clinics HK\$'000	Plantation HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue:							
Revenue from external customers	107,643	20,675	45,313	29,429	4,567	–	207,627
Intersegment sales	2,528	67,036	433	–	10,206	(80,203)	–
Total segment revenue	110,171	87,711	45,746	29,429	14,773	(80,203)	207,627
Segment results	39,417	(3,009)	6,053	364	(4,418)	–	38,407
Reconciliations:							
Interest income							310
Foreign exchange difference, net							1
Equity-settled share option expense							(725)
Finance costs (other than interest on lease liabilities)							(12,513)
Corporate and other unallocated expenses							(40,245)
Loss before tax							(14,765)
Income tax expense							(3,921)
Net loss							(18,686)
Other segment information:							
Depreciation and amortisation of property, plant and equipment and other intangible assets	1,164	6,039	1,933	965	1,390	–	11,491
Depreciation of right-of-use assets	423	640	3,359	4,729	1,054	–	10,205
Write-down/(write-back) of inventories to net realisable value	(393)	770	–	–	525	–	902
(Reversal of impairment)/impairment loss on trade and bills receivables, net	18	(1,644)	183	4	175	–	(1,264)
Government grants	–	595	–	–	401	–	996
Capital Expenditure*	–	1,462	2,505	5,420	–	–	9,387

* Capital expenditure consists of additions to right-of-use assets amounted to HK\$11,546,000 (six months ended 30 June 2024: HK\$6,912,000).

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered.

An analysis of revenue, other income and gains is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of CCMG products	112,653	150,000
Sales of Chinese healthcare products	52,699	45,313
Sales of raw Chinese herbs	762	4,567
Rendering of Chinese medical diagnostic services (the "Diagnostic Services")	6,181	7,747
Total	172,295	207,627

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Disaggregated revenue information

Segments	For the six months ended 30 June					
	2025			2024		
	Sale of goods HK\$'000	Diagnostic Services HK\$'000	Total HK\$'000	Sale of goods HK\$'000	Diagnostic Services HK\$'000	Total HK\$'000
Types of goods or services						
Sale of goods	166,114	–	166,114	199,880	–	199,880
Rendering of services	–	6,181	6,181	–	7,747	7,747
Total revenue from contracts with customers	166,114	6,181	172,295	199,880	7,747	207,627
Geographical markets						
Hong Kong	138,321	4,983	143,304	153,146	7,519	160,665
Chinese Mainland	1,727	1,198	2,925	25,533	228	25,761
Other countries/regions	26,066	–	26,066	21,201	–	21,201
Total revenue from contracts with customers	166,114	6,181	172,295	199,880	7,747	207,627
Timing of revenue recognition						
Goods transferred at a point in time	166,114	–	166,114	199,880	–	199,880
Services transferred over time	–	6,181	6,181	–	7,747	7,747
Total revenue from contracts with customers	166,114	6,181	172,295	199,880	7,747	207,627

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Other income and gains

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government grants*	406	996
Gain from the sale of equipment and accessories	1,683	3,490
Bank interest income	28	310
Fair value change on financial assets at fair value through profit or loss	(269)	109
Rental income	1,295	–
Others	1,712	788
Total	4,855	5,693

* The amount represented government grants from the relevant authorities in the PRC and Hong Kong government, which consisted primarily of the PRC subsidies and compensation for operation finance costs, research and development costs and grants for improvement of the Group's research facilities in relation to certain research and development projects.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	71,323	89,154
Cost of services provided	5,849	5,211
Depreciation of property, plant and equipment	10,969	8,777
Depreciation of right-of-use assets	6,806	10,205
Amortisation of other intangible assets	2,476	2,714
Gain on termination of right-of-use assets	–	(154)
Loss on disposal of fixed assets	334	3
Research and development costs*	6,546	5,597
Lease payments not included in the measurement of lease liabilities: Land and buildings	5,701	1,530
Auditors' remuneration	1,104	1,275
Employee benefit expenses (excluding directors' remuneration):		
Wages and salaries	32,036	37,156
Pension scheme contributions	815	4,818
Share option expenses (note 22(a))	–	–
	32,851	41,974
Foreign exchange difference, net**	256	(1)
Impairment loss/(reversal of impairment) on trade and bill receivables, net	744	(1,264)
Write-down of inventories to net realisable value***	42	902

* HK\$608,000 (six months ended 30 June 2024: HK\$1,710,000) disclosed in the item of "Depreciation" and HK\$2,137,000 (six months ended 30 June 2024: HK\$3,256,000) disclosed in the item of "Employee benefit expenses" were also included in "Research and development costs" for the six months ended 30 June 2025.

** The foreign exchange difference is included in "Other income and gains" or "Other expenses" in the interim condensed consolidated statements of profit or loss.

*** The write-back or write-down of inventories to net realisable value is included in "Cost of sales" in the interim condensed consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expense on lease liabilities	572	739
Interest expense on borrowings	8,604	12,513
Total	9,176	13,252

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the subsidiaries of the Group which are incorporated in the Cayman Islands and BVI are not subject to any income tax.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

U.S. profits tax has been provided at the federal rate of 21.0% and the state rate of 8.8% as well as Japan profits tax has been provided at the rate of 23.2% on the estimated assessable profits arising in the respective jurisdictions during the six months ended 30 June 2025 and 2024.

The statutory tax rate of the Group in respect of its operation in Chinese Mainland is 25.0% (2024: 25.0%). The Group's PRC subsidiary, PuraPharm (Nanning) Pharmaceuticals Co., Limited, is qualified as a High and New Technology Enterprise and was entitled to a preferential income tax rate of 15.0% (2024: 15.0%). According to prevailing PRC income tax law, the income obtained from activities in agricultural, forestry, animal husbandry and fishery projects shall be entitled to income tax reduction or exemption, among which, projects of cultivation of Chinese medicine herbs and service projects related to agriculture such as agro-product preliminary processing are exempted from income tax. PuraPharm (Guizhou) Chinese Medicine Co., Ltd. and Gold Sparkle (Guizhou) HZ Plantation Co., Ltd. have obtained the documentation acknowledged by the in-charge tax authority for the CIT exemption for the six months ended 30 June 2025 and 2024 and the preferential income tax rate was 0%.

8. INCOME TAX (CONTINUED)

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current	1,238	3,940
Deferred	82	(19)
Total tax charge for the period	1,320	3,921

9. DIVIDENDS

No interim dividend was proposed for the six months ended 30 June 2025 and 2024.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 excluding ordinary shares purchased by the Group and held for Share Award Scheme (note 22(b)).

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss attributable to the owners of the parent (HK\$'000)	(21,806)	(18,686)
Number of issued shares on 1 January	395,897,275	395,897,275
Adjustment for vested shares under share award scheme	(844,335)	(844,335)
Weighted average number of ordinary shares in issue during the period	395,052,940	395,052,940
Basic loss per share (expressed in HK cents per share)	(5.52)	(4.73)

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

(b) Diluted

The Group had no potentially dilutive ordinary shares in issue for share options and share award scheme during the six months ended 30 June 2025 and 2024 as they had an anti-dilutive effect on the basic loss per share amounts presented.

11. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group purchased property, plant and equipment with an aggregate cost of HK\$Nil (30 June 2024: HK\$1,815,000).

During the Reporting Period, property, plant and equipment of HK\$334,000 was disposed of by the Group (30 June 2024: HK\$3,000).

12. GOODWILL

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Goodwill	17,944	17,944

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units (the "CGU") for impairment testing:

- Chinese herbal products CGU; and
- SODX Co., Ltd CGU ("SODX CGU").

12. GOODWILL (CONTINUED)

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Chinese herbal products CGU	10,656	10,656
SODX CGU	7,288	7,288
Total	17,944	17,944

The recoverable amount of each CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets or forecasts approved by management covering a period of 5 years. The growth rates used to extrapolate the cash flows beyond the period are based on the estimated growth rate of each unit taking into account the industry growth rate, past experience and the medium- or long-term growth target of each CGU.

13. INVESTMENT IN A JOINT VENTURE

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Share of net assets	953	953

13. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Particulars of the joint venture are as follows:

Name	Registered capital	Place of incorporation/ registration and business	Percentage of			Principal activity
			Ownership interest	Voting power	Profit sharing	
PuraPharm Korea Company Limited	United States dollar ("US\$") 180,742	Korea	49.04%	49.04%	49.04%	Manufacture and sale of CCMG and other health products

The following table illustrates the information of the Group's investment in a joint venture:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Share of the joint venture:		
Loss and other comprehensive income for the period/year	–	(312)
Carrying amount of the Group's investment in a joint venture	953	953

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Other unlisted investments, at fair value	2,478	2,747
Life insurance policies, at fair value	12,855	19,119
Total	15,333	21,866

The Group's financial assets at fair value through profit or loss represented an unlisted equity investment and three (31 December 2024: three) life insurance policies to insure an executive director. Under the policies, the Group is the beneficiary and the policy holder. The Group paid upfront premiums for the policies and may surrender the insurance policies any time by making a written request and receive cash based on the surrender value of the policies at the date of withdrawal, which is calculated by the insurer. In the opinion of the Directors, the surrender value of the policies provided by the insurance company is the best approximation of its fair value, which is categorised within Level 3 of the fair value hierarchy. The unobservable inputs would not have significant impact on the surrender value and also no sensitivity of fair value to the input. The life insurance policies were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

As at 30 June 2025 and 31 December 2024, the Group's life insurance policies were pledged as security for bank facilities granted to the Group. Further details are contained in note 20 to the financial statements.

In the opinion of the Directors, the Group's life insurance policies would not be surrendered within the next 12 months and were therefore classified as non-current assets.

15. INVENTORIES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Raw materials	24,145	31,867
Work in progress	9,408	12,011
Finished goods	55,168	85,018
	88,721	128,896
Less: provision	(5,381)	(5,339)
Total	83,340	123,557

16. TRADE AND BILLS RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	87,675	103,260
Bills receivables (Note)	1,316	4,535
	88,991	107,795
Less: impairment of trade and bills receivables	(51,042)	(50,298)
Total	37,949	57,497

Note: During the six months ended 30 June 2025, the Group entered into a series of bills discounted arrangements (the "Arrangements") to transfer bills receivable (the "Discounted Bills") to PRC banks or third-party company with a carrying amount in aggregate of HK\$50,000 (2024: HK\$1,296,000). Under the Arrangements, the Group may be required to reimburse the PRC banks or third-party company for loss of principal and interest if any trade debtors have default payment. In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and other borrowings as disclosed in note 20. Due to the cash flow of bills receivable are not solely payments of principal and interest, the total amount of bills receivables are accounted as financial assets at fair value through other comprehensive income as at 30 June 2025 and in the opinion of the Directors, the carrying amounts of the Discounted Bills are approximate their fair values.

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

16. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of the trade and bills receivables as at the end of the Reporting Period, based on the invoice date and net of impairment, is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 1 month	37,038	36,121
1 to 3 months	754	2,899
3 to 6 months	157	2,733
6 months to 1 year	–	9,730
Over 1 year	–	6,014
Total	37,949	57,497

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Prepayments	32,325	22,254
Right-of-return assets	3,700	3,666
Deposits and other receivables	36,866	27,818
Value-added tax recoverable	3,591	3,547
Amount due from related parties	2,346	1,477
Amount due from directors	2,873	2,069
	81,701	60,831
Less: Impairment allowance	(3,773)	(3,715)
	77,928	57,116
Portion classified as non-current	(8,004)	(8,003)
Current portion	69,924	49,113

18. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Cash and bank balances	16,797	12,794
Restricted cash	6	6
Pledged deposits	23,685	25,474
	40,488	38,274
Less: Restricted cash and pledged deposits for bills payable or bank loans	(23,691)	(25,480)
Cash and cash equivalents	16,797	12,794
Dominated in:		
Renminbi ("RMB")	922	1,650
HK\$	7,040	5,424
US\$	3,841	586
Japanese Yen ("JPY")	4,606	4,063
Canadian dollar	114	289
Australian dollar	197	705
Singapore dollar	77	77
Cash and cash equivalents	16,797	12,794

19. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 3 months	71,140	74,024
Over 3 months	47,479	58,190
Total	118,619	132,214

The trade and bills payables are interest-free and are normally settled on terms of one to six months, extending to longer periods for those long-standing suppliers.

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

30 June 2025 (Unaudited)			
	Effective interest rate per annum (%)	Maturity	HK\$'000
Current			
Bank overdraft	6.42	On demand	3,000
Bank loans – secured (a)	3.13-6.42	On demand	104,718
Bank loans – secured	3.35-5.80	2025-2026	83,612
Bank loans – unsecured (a)	0.85-3.39	On demand	4,829
Other borrowings – secured	5.88-7	2025-2026	23,692
Other borrowings – unsecured	10	2025-2026	21,931
			241,782
Non-current			
Bank loans – secured	0.85-6.5	2026-2030	96,579
Bank loans – unsecured	1.2	2026-2030	452
			97,031
Total			338,813

31 December 2024 (Audited)			
	Effective interest rate per annum (%)	Maturity	HK\$'000
Current			
Bank overdraft	4.25-5.25	On demand	3,000
Bank loans – secured	4.5-5.6	On demand	107,436
Bank loans – secured	3.1-7.1	2025	74,057
Bank loans – unsecured (a)	4.5	On demand	14,958
Bank loans – unsecured	0.85-3.35	2025	10,980
Other borrowings - secured	7-8	On demand	8,282
Other borrowings - unsecured	8	On demand	1,080
Other borrowings - secured	7	2025	9,158
Other borrowings - unsecured	10	2025	21,597
Total – current			250,548
Non-current			
Bank loans – secured	0.85-6.5	2026-2030	88,498
Bank loans – unsecured	1.2	2030	664
Total – non-current			89,162
Total			339,710

20. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Analysed into:		
Bank loans and other borrowings:		
Within one year or on demand	241,782	250,548
In the second year	96,405	20,547
In the third to fifth years, inclusive	626	52,546
Beyond five years	–	16,069
	338,813	339,710

Interest-bearing bank and other borrowings are denominated in:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
HK\$	70,136	78,141
RMB	267,245	258,445
JPY	1,432	1,499
US\$	–	1,625
	338,813	339,710

Notes:

- (a) HK Interpretation 5 “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause” requires that a loan which includes a clause that gives the lender the unconditional right to call in the loan at any time (“repayment on demand clause”) shall be classified in total by the borrower as current in the consolidated statement of financial position. Interest-bearing bank loans of the Group in the amount of HK\$17,867,000 (31 December 2024: HK\$78,141,000) include a repayment on demand clause under the relevant loan agreements, among which a balance of HK\$13,361,000 (31 December 2024: HK\$30,511,000) that is repayable after one year from the end of the Reporting Period has been classified as current liabilities. For the purpose of the above analysis, such loans are included within current secured bank loans and analysed into bank loans repayable within one year.

20. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

- (b) As at 30 June 2025, the Group was not in compliance with certain loan covenants as stipulated in the agreements of the bank loans amounting to approximately HK\$17,867,000 (31 December 2024: HK\$88,379,000). Bank loans amounting to HK\$4,506,000 (31 December 2024: HK\$68,431,000), are repayable on demand and have already been accounted for as current liabilities; and the remaining balance of HK\$13,361,000 (31 December 2024: HK\$19,948,000) which are repayable beyond 12 months, have already been accounted for as current liabilities.
- (c) As at 30 June 2025, the Group's bank facilities including overdraft were amounting to HK\$490,414,000 (31 December 2024: HK\$542,811,000) of which HK\$338,813,000 (31 December 2024: HK\$339,710,000) had been utilised.
- (d) The following assets were pledged as securities for interest-bearing bank and other borrowings:

	Carrying value	
	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Property, plant and equipment	145,272	152,285
Investment properties	3,931	3,871
Right-of-use assets	35,493	34,678
Financial assets at fair value through profit or loss	12,855	19,119
Inventories	10,789	10,558
Trade and bills receivables	25,138	27,915
Pledged deposits	5,000	5,000
Total	238,478	253,426

21. SHARE CAPITAL

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Authorised:		
50,000,000,000 ordinary shares of US\$0.1 (HK\$0.775) each	38,750,000	38,750,000
Issued and fully paid:		
395,897,275 (31 December 2024: 395,897,275) ordinary shares of US\$0.1 (HK\$0.775) each	306,820	306,820

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital HK\$'000	Share premium account HK\$'000	Total HK\$'000
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	395,897,275	306,820	221,571	528,391

22. SHARE OPTION SCHEME AND SHARES HELD FOR THE SHARE AWARD SCHEME

(a) Share option scheme

The Company operates a share option scheme (the “Option Scheme”) for the purpose to recognise and acknowledge the contributions that the eligible participants of the Option Scheme had or may have made to the Company. Eligible participants of the Option Scheme include any full-time or part-time employees, executives or officers of the Company and its subsidiaries, directors (including independent non-executive directors) of the Company and its subsidiaries and advisers, consultants, supplier, customers, distributors and other persons upon the terms set out in the Option Scheme (the “Eligible Option Participants”). The Option Scheme was adopted pursuant to the resolutions of the Company’s shareholders passed on 12 June 2015 (the “Adoption Date”) and shall be valid and effective for a period of 10 years commencing on the Adoption Date. The maximum number of shares which may be issued upon exercise of all options to be granted under the Option Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the Listing Date (i.e., 22,500,000 shares) unless the Company obtains approval from its shareholders in general meeting and/or such other requirements prescribe under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules” and the “Stock Exchange”, respectively) and must not exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of the Company’s shares in issue, unless approval of the Company’s shareholders in general meeting and/or such other requirements prescribe under the Listing Rules is obtained.

The amount payable by the grantee on application or acceptance of an option shall be HK\$1.00. The period within which the shares must be taken up under an option shall be determined by the board of directors (the “Board”) at its absolute discretion and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Option Scheme.

The subscription price in respect of each share issued pursuant to the exercise of an option granted under the Option Scheme shall be determined by the Board and shall not be less than the highest of: (a) the official closing price of the Company’s shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant, which must be a day on which the Stock Exchange is open for business of dealing in securities; (b) the average of the official closing prices of the Company’s shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Option Scheme does not contain any provision of minimum period for which an option must be held before it can be exercised unless otherwise determined by the Board and specified in the offer letter at the time of offer.

On 9 May 2019, the Board has resolved to grant share options to certain Directors and employees of the Company, entitling them to subscribe for a total of 6,376,000 ordinary shares of the Company. The exercise price and the number of shares were adjusted upon completion of the Rights Issue on 2 March 2020.

22. SHARE OPTION SCHEME AND SHARES HELD FOR THE SHARE AWARD SCHEME (CONTINUED)

(a) Share option scheme (Continued)

On 24 July 2020, 16,124,000 options were granted to five Directors and certain employees of the Company, entitling them to subscribe for a total of 16,124,000 shares at the exercise price of HK\$0.8 per share, conditional upon the grantee accepting the grant. Among the options resolved to grant, 4 employees have not accepted the grant and out of the 16,124,000 options, 800,000 options were not granted eventually. As a result, only 15,324,000 options were granted for the year ended 31 December 2020.

On 29 December 2022, the Board has resolved to grant share options to certain Directors of the Company, entitling them to subscribe for a total of 7,700,000 ordinary shares of the Company at the exercise price of HK\$1.292 per share, conditional upon the grantee accepting the grant.

The following share options were outstanding under the Option Scheme:

As at 30 June 2025

	Weighted average exercise price HK\$' (Unaudited)	Number of options '000 (Unaudited)
At 1 January 2025 and 30 June 2025	1.35	23,962

22. SHARE OPTION SCHEME AND SHARES HELD FOR THE SHARE AWARD SCHEME (CONTINUED)

(a) Share option scheme (Continued)

The exercise prices and exercise periods of the share options outstanding are as follows:

Number of options	Exercise price	Vesting date	Exercise period
3,011,859	HK\$2.3*	10 May 2020	From vesting date to 9 May 2029
3,011,859	HK\$2.3*	10 May 2021	From vesting date to 9 May 2029
132,853	HK\$2.3*	10 May 2022	From vesting date to 9 May 2029
132,853	HK\$2.3*	10 May 2023	From vesting date to 9 May 2029
4,417,667	HK\$0.8	23 July 2021	From vesting date to 23 July 2030
5,388,667	HK\$0.8	23 July 2022	From vesting date to 23 July 2030
166,666	HK\$0.8	23 July 2023	From vesting date to 23 July 2030
3,850,000	HK\$1.292	29 December 2023	From vesting date to 28 December 2032
3,850,000	HK\$1.292	29 December 2024	From vesting date to 28 December 2032
23,962,424			

As at 30 June 2024

	Weighted average exercise price HK\$' (Unaudited)	Number of options '000 (Unaudited)
At 1 January 2024 and 30 June 2024	1.35	23,962

22. SHARE OPTION SCHEME AND SHARES HELD FOR THE SHARE AWARD SCHEME (CONTINUED)

(a) Share option scheme (Continued)

The exercise prices and exercise periods of the share options outstanding are as follows:

Number of options	Exercise price	Vesting date	Exercise period
3,011,859	HK\$2.3*	10 May 2020	From vesting date to 9 May 2029
3,011,859	HK\$2.3*	10 May 2021	From vesting date to 9 May 2029
132,853	HK\$2.3*	10 May 2022	From vesting date to 9 May 2029
132,853	HK\$2.3*	10 May 2023	From vesting date to 9 May 2029
4,417,667	HK\$0.8	23 July 2021	From vesting date to 23 July 2030
5,388,667	HK\$0.8	23 July 2022	From vesting date to 23 July 2030
166,666	HK\$0.8	23 July 2023	From vesting date to 23 July 2030
3,850,000	HK\$1.292	29 December 2023	From vesting date to 28 December 2032
3,850,000	HK\$1.292	29 December 2024	From vesting date to 28 December 2032
23,962,424			

* The number of option and exercise price was adjusted upon the completion of Right issue.

Details of the share option expenses of the Group during the six months ended 30 June 2025 and 2024 is listed as below:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Share option expenses recognised during the period	–	725
Less: Included in directors' remuneration	–	(725)
Employee benefit expenses	–	–

At the end of the Reporting Period, the Company had 23,962,424 (six months ended 30 June 2024: 23,962,424) share options outstanding under the Option Scheme, which represented approximately 6.1% (six months ended 30 June 2024: 6.1%) of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 23,962,424 (six months ended 30 June 2024: 23,962,424) additional ordinary shares of the Company and additional equity amount of HK\$32,371,000 (six months ended 30 June 2024: HK\$32,389,000) (before issue expenses).

22. SHARE OPTION SCHEME AND SHARES HELD FOR THE SHARE AWARD SCHEME (CONTINUED)

(b) Shares held for the share award scheme

The Board has adopted a share award scheme on 22 February 2016 (the “Share Award Scheme”) in which any employee and non-executive director of the Company and/or any member of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any member of the Group (the “Eligible Award Participants”) will be entitled to participate. The purposes of the Share Award Scheme are:

1. to recognise and motivate the contributions by certain Eligible Award Participants and to give incentives thereto in order to retain them for the continual operation and development of the Group;
2. to attract suitable personnel for further development of the Group; and
3. to provide certain Eligible Award Participants with a direct economic interest in attaining a long-term relationship between the Group and certain Eligible Award Participants.

The Group has set up a trust (the “Share Award Scheme Trust”) for the purpose of administering the Share Award Scheme. The Share Award Scheme Trust will acquire the Company’s shares from the Stock Exchange, with a maximum number determined by the Board, and hold the shares granted to the employees but not vested for the employees until they are vested. Unless early terminated by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date. The Board has further resolved in February 2016 that a sum of HK\$10,000,000 be provided for the purchase of the Shares to be awarded to the Eligible Award Participants to be selected by the Board.

Shareholdings of Share Award Scheme Trust

As at 30 June 2025, the Share Award Scheme Trust holds 844,335 (six months ended 30 June 2024: 844,335) shares of the Company. During the six months ended 30 June 2025, no share (six months ended 30 June 2024: Nil) was purchased by the Share Award Scheme Trust through the Stock Exchange and no share was vested (six months ended 30 June 2024: Nil).

22. SHARE OPTION SCHEME AND SHARES HELD FOR THE SHARE AWARD SCHEME (CONTINUED)

(b) Shares held for the share award scheme (Continued)

Granted Award shares

On 16 June 2017 (the "Date of Grant"), the Board of the Company resolved to grant share awards in respect of a total of 2,050,000 shares (the "Award Shares") to 18 persons who are Eligible Award Participants. Details of the grant of Award Shares pursuant to the Share Award Scheme have been set out in the Company's announcement dated 16 June 2017.

On 25 August 2020, the Board resolved to grant share awards in respect of a total of 1,000,000 shares to a director and this director was re-designated as a non-executive director in June 2021 and retired in March 2022. All of the awarded shares granted to this director were vested or forfeited at that time.

All of the awarded shares were vested or forfeited and no share has been awarded during the six months ended 30 June 2024 and 2025.

23. RESERVES

Surplus reserves

Pursuant to the relevant laws and regulations in the PRC, the company now comprising the Group which is registered in the PRC shall appropriate a certain percentage of its net profit after tax (after offsetting any prior years' losses) calculated under the accounting principles generally applicable to the PRC enterprises to reserve funds. When the balance of this reserve fund reaches 50% of the entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after these usages. After making the appropriation to the statutory surplus reserve, the Company may also appropriate its profit for the year to the discretionary surplus reserve upon approval by the Board or the shareholders in general meeting.

Capital reserve

Capital reserve represented additional contributions made by the shareholders of the Company's subsidiaries and, in the case of an acquisition of additional non-controlling interest of a subsidiary, the difference between the cost of acquisition and the non-controlling interest acquired.

Merger reserve

The merger reserve represented the difference between the Company's shares of the nominal value of the paid-up capital of the subsidiaries acquired and the Company's cost of acquisition of the subsidiaries under common control upon the reorganisation undergone by the Group.

24. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Reporting Period:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Buildings	26,289	26,289
Plant and machinery	32	32
Total	26,321	26,321

25. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the interim condensed consolidated financial statements, the Group had the following transactions with related parties during the Reporting Period:

(a) Names of the Group's principal related parties and their relationship with the Group

Name of related parties	Relationship
Mr. Abraham Chan	Director of the Company
Ms. Man Yee Wai, Viola	Director of the Company
Dr. Hisayoshi Norimoto*	Director of the Company
HerbMiners Informatics Ltd. ("HerbMiners")	Company controlled by Mr. Abraham Chan
BAGI Research Limited ("BAGI Research")	Company controlled by Mr. Abraham Chan
BAGI Biosciences Limited ("BAGI Bio")	Company controlled by Mr. Abraham Chan
Bagi Canada Corporation ("Bagi Canada")	Company controlled by Mr. Abraham Chan
Petzup Laboratories Limited ("Petzup")	Company controlled by Gold Sparkle Ltd., and Gold Sparkle Ltd. is controlled by Mr. Abraham Chan
PuraPharm Corporation Limited	Company controlled by Joint Partners Investments Limited, and Joint Partners Investments Limited is controlled by Mr. Abraham Chan & Ms. Man Yee Wai, Viola

* Dr. Hisayoshi Norimoto was ceased to be a director of the Company on 20 November 2023.

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant related party transactions during the Reporting Period are as follows:

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loan from a director	(i)	–	–
Repayment of the interest and loan from a director	(i)	–	3,702
Interest expense to a director	(i)	–	109

Notes:

- (i) The Group's subsidiary entered into a loan agreement with Mr. Abraham Chan during the year 2022, in which Mr. Abraham Chan agreed to make a loan of RMB9,800,000 (approximately equivalent to HK\$10,971,000) for financing the general corporate funding requirements with a 2-year maturity. The interest income in relation to the aforesaid loan was at the rate of 5% per annum which is determined according to the prices and conditions similar to loans offered by the banks to the Group. Besides, another subsidiary of the Group has an amount due from Mr. Abraham Chan of HK\$6,449,000 as at 31 December 2022.

The Group had offset the aforesaid loan with amount due from Mr. Abraham Chan of HK\$6,449,000 and HK\$6,449,000 respectively, in respect of the offsetting arrangement.

During the year 2023, the Group's subsidiary entered into another loan agreement with Mr. Abraham Chan in which Mr. Abraham Chan agreed to make a loan of RMB7,250,000 (approximately equivalent to HK\$8,025,000) for financing the general corporate funding requirements with a 1-year maturity. The interest income in relation to the aforesaid loan was at the rate of 5% per annum which is determined according to the prices and conditions similar to loans offered by the banks to the Group. Besides, another subsidiary of the Group has an amount due from Mr. Abraham Chan of HK\$7,220,000 as at 31 December 2023.

The Group had offset the aforesaid loan with amount due from Mr. Abraham Chan of HK\$7,220,000 and HK\$7,220,000 respectively, in respect of the offsetting arrangement.

During the year ended 31 December 2024, the balance of amount due to a director is fully settled.

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties:

	30 June 2025		31 December 2024	
	Maximum amount outstanding	Maximum amount outstanding	Maximum amount outstanding	Maximum amount outstanding
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Audited)	HK\$'000 (Audited)
Loan from a director				
Mr. Abraham Chan	–	–	–	6,876
Amount due to related parties				
Mr. Abraham Chan	122	122	–	–
Amount due from related parties				
Mr. Abraham Chan	1,785	1,785	2,066	2,066
Ms. Man Yee Wai, Viola	3	3	3	3
Petzup	264	264	259	259
Bagi Canada Corp	21	21	21	21
Purapharm Corporation Limited	113	113	113	113
BAGI Research	893	893	–	–

(d) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Fees	400	100
Other emoluments:		
Salaries, allowances and benefits in kind	5,369	5,066
Pension scheme contributions	45	71
Share option expense (note 22(a))	–	725
Total	5,814	5,962

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's financial assets include financial assets at fair value through profit or loss and financial assets at amortised cost which comprise financial assets at fair value through profit or loss, cash and cash equivalents, pledged bank deposits, trade and bills receivables and financial assets included in prepayments, deposits and other receivables. The Group's financial liabilities include financial liabilities at amortised cost which comprise trade and bills payables, lease liabilities, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings.

Management has assessed that:

- (a) The fair value of the financial assets at fair value through profit or loss has been estimated based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data; and
- (b) The fair values of the Group's financial assets classified as financial assets at amortised cost and financial liabilities were approximate to their carrying amounts largely due to the short-term maturities of these instruments.

There were no transfers of fair value measurements during the Reporting Period.

27. APPROVAL OF FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on 26 August 2025.



PuraPharm

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