SHENG TANG HOLDINGS LIMITED
聖唐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8305)

INTERIM REPORT
2026

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

This report will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and be posted on the website of the Company at www.tongkee.com.hk.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director
Mr. Li Mung Tat
(appointed on 10 April 2026)

Non-executive Director
Ms. Heung Joe Yee
Ms. Xu Chunli
Mr. Liang Bin
Mr. Xu Yongqiang

Independent non-executive Directors
Dr. Ip Wai Hung
Mr. Ko, Wilson Wai Shun
Mr. Chan Chi Hang

COMPANY SECRETARY
Mr. Chau Yun Cheung

COMPLIANCE OFFICER
Mr. Heung Chung Sum

AUTHORISED REPRESENTATIVES
Mr. Li Mung Tat
Mr. Chau Yun Cheung

AUDIT COMMITTEE
Mr. Chan Chi Hang *(Chairman)*
Dr. Ip Wai Hung
Mr. Ko, Wilson Wai Shun

REMUNERATION COMMITTEE
Dr. Ip Wai Hung *(Chairman)*
Mr. Ko, Wilson Wai Shun
Mr. Chan Chi Hang

NOMINATION COMMITTEE
Dr. Ip Wai Hung *(Chairman)*
Mr. Ko, Wilson Wai Shun
Mr. Chan Chi Hang
Ms. Xu Chunli

AUDITOR
D&Partners CPA Limited

REGISTERED OFFICE
P.O. Box 1350
Windward 3
Regatta Office Park
Grand Cayman, KY1–1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Unit 1901–05, 19/F
Delta House
3 On Yiu Street, Shatin
Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited

WEBSITE ADDRESS

www.tongkee.com.hk

STOCK CODE

8305

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Company and its subsidiaries (collectively referred to as the "**Group**") is a well-established multi-disciplinary contractor in Hong Kong, specializing in renovation and maintenance works, alteration and addition works ("**RMAA**"), new construction works, and corrosion protection works. The Group is responsible for the overall management, implementation, and supervision of projects. Its expertise encompasses project planning, development of work programmes, procurement of materials, on-site operations, coordination with clients and their consultants, and stringent quality control of works undertaken by employees and subcontractors.

In the RMAA segment, the Group provides a broad range of services, including repair, alteration and addition, maintenance, modification, rehabilitation, steelworks, civil works, and demolition works. These services are provided across a variety of venues such as residential and commercial buildings, carparks, roads, footbridges, and theme parks in Hong Kong. For new construction works, the Group undertakes projects that include noise mitigation works, architectural metalwork, bus shelters, dangerous goods store buildings, and innovative structures such as air balloons. In corrosion protection works segment, the Group provide specialized solutions, including the installation of cathodic protection systems such as sacrificial anodes and impressed current systems.

During the six months ended 30 June 2026 (the "**Relevant Period**"), the Group managed 58 active projects, as compared with 52 projects as at 30 June 2025. During the Relevant Period, the Group secured 52 new projects with a total contract value of approximately HK$20.2 million, demonstrating its continued ability to capture opportunities in the competitive construction market.

MANAGEMENT DISCUSSION AND ANALYSIS

In line with its strategic vision to diversify and broaden its business portfolio, the Group commenced a new business in the consumer goods sector through the distribution of dairy products in the People's Republic of China (the "**PRC**") in 2025. This business segment covers the sourcing, distribution, and quality assurance of milk powder and ultra-high temperature milk. Leveraging its marketing capabilities and stringent quality control standards, the Group aims to capture the growing demand for premium dairy products in the PRC market. This diversification represents an important milestone in the Group's business development, enabling it to broaden its revenue base and reduce its reliance on construction-related activities.

Looking ahead, the Directors remain cautiously optimistic about the Group's prospects amid a dynamic macroeconomic environment. In Hong Kong, opportunities in the RMAA and new construction sectors are expected to continue to arise from ongoing property development, maintenance needs, and infrastructure expansion. However, challenges such as rising labor and material costs will require careful management to sustain profitability.

The Directors also recognize the importance of geographical and sectoral diversification in enhancing the Group's long-term resilience. The Group's expansion into the PRC dairy product distribution market is in line with this strategy and offers growth potential in a sizeable customer market. By capitalizing on its operational strengths and market insights, the Group is well-positioned to establish itself as a trustworthy player in the PRC's dairy industry. This strategic initiative underscores the Group's commitment to creating sustainable value for its stakeholders while navigating the evolving business landscape.

FINANCIAL REVIEW

Revenue

Revenue increased from approximately HK$71.5 million for the six months ended 30 June 2025 to approximately HK$79.6 million for the six months ended 30 June 2026, representing an increase of approximately 11.3%. Approximately HK$30.0 million revenue was generate from the distribution of dairy segment, while the remaining are from the construction service.

Such increase was mainly attributable to the development of the new segment, which the Group have just newly commenced in May 2025, partially offset by the effect of decrease in revenue from RMAA and new works projects undertaken by the Group as a result of the overall environment in the construction industry in Hong Kong.

Direct Costs

Cost of sales increased from approximately HK$65.0 million for the six months ended 30 June 2025 to approximately HK$71.8 million for the six months ended 30 June 2026, representing an increase of approximately 10.4%. The increase was mainly attributable to the cost incurred from the new dairy distribution segment, partially offset by the decrease in the subcontracting charges and construction material costs incurred in line with the respective revenue decrease. The cost control plan was implemented effectively during the period.

Gross Profit

Gross profit increased by approximately HK$1.3 million from approximately HK$6.5 million for the six months ended 30 June 2025 to approximately HK$7.8 million for the six months ended 30 June 2026. The overall gross profit margin increased from approximately 9.1% for the six months ended 30 June 2025 to 9.8% for the six months ended 30 June 2026.

The increase in gross profit as well as gross profit margin is mainly due to distribution of dairy segment having a higher gross profit margin than the construction segment, and also it have generate more revenue than in the corresponding period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

Administrative expenses of the Group increased by approximately HK$0.6 million or 9.6%, from approximately HK$6.2 million for the six months ended 30 June 2025 to approximately HK$6.9 million for the six months ended 30 June 2026. The mild increase was mainly due to the development of the new segment.

Administrative expenses primarily consist of staff costs, depreciation, transportation and motor vehicle expense, and other costs incurred for daily operation.

Finance Costs

Finance costs for the Group increased by approximately 328% from approximately HK$28,000 for the six months ended 30 June 2025 to approximately HK$0.1 million for the six months ended 30 June 2026. Since the Group has increased the size of bank borrowing during the six months ended 30 June 2026 as compared with prior period, finance cost increased accordingly.

Income Tax Expense

Income tax expense for the Group is approximately HK$156,000 for the six months ended 30 June 2026 while for the six months ended 30 June 2025 is HK$56,000.

Profit for the Period

As a result of foregoing, the Group recognised a profit for the period of approximately HK$0.8 million for the six months ended 30 June 2026 comparing profit of approximately HK$0.2 million for the six months ended 30 June 2025.

LIQUIDITY AND FINANCIAL RESOURCES

The current ratio increase mildly from approximately 2.8 times as at 31 December 2025 and at approximately 3.0 times as at 30 June 2026.

As at 30 June 2026, the Group had total borrowings of approximately HK$8.5 million (31 December 2025: approximately HK$9.3 million). The gearing ratio, calculated based on the total borrowings divided by total equity at the end of the year/period and multiplied by 100%, decreased mildly from approximately 8.5% as at 31 December 2025 to 6.9% as at 30 June 2026. The Group's financial position is sound and strong. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

The Group's borrowings and bank balances are denominated in HK$ and there was no significant exposure to foreign exchange rate fluctuations during the Relevant Period.

For further details regarding the borrowings, please refer to notes 14 and 15.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Relevant Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The shares of the Company were listed on the GEM of the Stock Exchange on 4 July 2018. There has been no change in the capital structure of the Group since then. The share capital of the Company only comprises of ordinary shares.

As at the date of this report, the Company's issued share capital was HK$16,220,000 and the number of its issued ordinary shares was 1,622,000,000 of HK$0.01 each.

COMMITMENTS

The Group has no capital commitments as at 31 December 2025 and 30 June 2026.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in note 4.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2026, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2026, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's revenue generating operations are mainly transacted in HK$ and RMB. The Directors consider the impact of foreign exchange exposure to the Group is minimal.

CHARGE OF GROUP'S ASSETS

As at 30 June 2026, the Group pledged certain amount of land and building and investments in life insurance policies to secure short-term bank borrowings and other general banking facilities granted to the Group. For details, please refer to note 15.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed a total of 56 employees (31 December 2025: 67 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$10.2 million for the six months ended 30 June 2026 (2025: approximately HK$11.7 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

The Company successfully completed the placement of new shares under the general mandate on 8 September 2025 (the “**Placing 2025**”). After deducting related expenses, the net proceeds from the Placing 2025 amounted to approximately HK$48.7 million. A breakdown of the utilization of these net proceeds from the Placing 2025 date up to the date of this interim report is provided below:

	Use of net proceeds as disclosed in the announcement dated 18 August 2025 HK$ million	**Actual use of net proceeds from placing 2025 date to the date of this interim report** HK$ million	**Expected timeline of full utilization of the balance**
Business operation for construction business	19.7	19.7	–
Development for distribution of dairy products	17.0	17.0	–
Repayment of bank borrowings	4.0	4.0	–
General working capital	8.0	8.0	–

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the date of this report, interests or short positions of the Directors, chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Company's Shares

Name of Director/ Chief Executives	Capacity	Number and class of securities	Approximate percentage of shareholding
Mr. Li Mung Tat	Beneficial owner	31,600,000 ordinary shares	1.94%

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the date of this report, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number and class of securities	Long/short position	Approximate percentage of shareholding
Mr. Xu Chang Cheng	Beneficial owner	301,800,000 ordinary shares	Long	18.72%
Advanced Pacific Enterprises Limited	Beneficial owner	100,500,000 ordinary shares	Long	6.29%

Save as disclosed above, as at the date of this report and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the period ended 30 June 2026.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the period ended 30 June 2026.

CORPORATE GOVERNANCE CODE

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Li Mung Tat currently assumes the role of chairman of the Company and Mr. Heung Chung Sum being the chief executive of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company’s strategies.

As at 30 June 2026, save as disclosed above, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors throughout the Relevant Period.

DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 4 June 2018 ("**the Scheme**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share options has been granted during the Relevant Period and there were no share options outstanding as at 30 June 2026.

AUDIT COMMITTEE

The Company established an audit committee ("**Audit Committee**") with its written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company's annual report and interim financial reports before submission to the Board. The Audit Committee consists of three members, namely Mr. Chan Chi Hang, Dr. Ip Wai Hung, Mr. Ko, Wilson Wai Shun, all being independent non-executive Directors of the Company. Mr. Chan Chi Hang currently serves as the chairman of the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

By order of the Board
Sheng Tang Holdings Limited
Li Mung Tat
Chairman and Executive Director

Hong Kong, 13 August 2026

As at the date of this report, the executive Director is Mr. Li Mung Tat; the non-executive Directors are Ms. Heung Joe Yee, Ms. Xu Chunli, Mr. Liang Bin and Mr. Xu Yongqiang; and the independent non-executive Directors are Dr. Ip Wai Hung, Mr. Ko, Wilson Wai Shun and Mr. Chan Chi Hang.

INTERIM RESULTS

The board of directors (the "**Board**") of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the unaudited comparative figures for the corresponding period in 2025, as follows:

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

For the six months ended 30 June 2026

	Notes	Six months ended 30 June **2026** **HK$'000** **(unaudited)**	 2025 HK$'000 (unaudited)
Revenue	4	**79,682**	71,512
Direct costs		**(71,864)**	(65,003)
Gross profit		**7,818**	6,509
Administrative expenses		**(6,920)**	(6,272)
Gain/(loss) arising from change in fair value of financial assets at fair value through profit or loss		**36**	36
Finance costs		**(120)**	(28)
Profit before income tax	5	**814**	245
Income tax expense	6	**(152)**	(56)
Profit and total comprehensive income for the period		**662**	189
Profit per share			
— Basic and diluted (HK cents)	8	**0.05**	0.01

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026 HK$'000 (unaudited)**	As at 31 December 2025 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	**6,474**	7,235
Financial assets at fair value through profit or loss	10	**363**	327
		6,837	7,562
Current assets			
Inventories		**8,645**	6,270
Contract assets	12	**76,019**	77,128
Trade and other receivables	11	**68,738**	60,436
Bank balances and cash		**2,458**	17,528
		155,860	161,362
Current liabilities			
Contract liabilities	12	**2,306**	2,108
Trade and other payables	13	**39,086**	43,259
Amount due to a director		**–**	378
Lease liabilities	14	**1,912**	1,901
Bank and other borrowings	15	**7,737**	9,390
Tax payable		**152**	136
		51,193	57,172
Net current assets		**104,667**	104,190
Total assets less current liabilities		**111,504**	111,752

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026 HK$'000 (unaudited)**	As at 31 December 2025 HK$'000 (audited)
Non-current liabilities			
Leases liabilities	14	**812**	1,762
		812	1,762
Net assets		**110,692**	109,990
CAPITAL AND RESERVES			
Share capital	16	**16,220**	16,220
Reserves		**94,472**	93,770
Total equity		**110,692**	109,990

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital HK$'000 (Note 16)	Share premium HK$'000	Capital reserve HK$'000 (Note)	Exchange reserve HK$'000	Accumulated loss HK$'000	Total HK$'000
At 1 January 2026 (audited)	**16,220**	**173,085**	**1,941**	**71**	**(81,327)**	**109,990**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**662**	**662**
Exchange difference arising from translation of the financial statement	**–**	**–**	**–**	**40**	**–**	**40**
At 30 June 2026 (unaudited)	**16,220**	**173,085**	**1,941**	**111**	**(80,665)**	**110,692**
At 1 January 2025 (audited)	12,600	96,841	1,941	–	(61,984)	49,398
Profit and total comprehensive income for the period	–	–	–	–	189	189
Exchange difference arising from translation of the financial statement	–	–	–	3	–	3
At 30 June 2025 (unaudited)	12,600	96,841	1,941	3	(61,795)	49,590

Note: Capital reserve represents the difference between the Company's share capital and the combined share capital of the subsidiaries of the Company pursuant to a reorganisation for the listing.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash used in operating activities	**(12,398)**	(18,712)
Investing activities		
Acquisition of property, plant and equipment	–	(33)
Net cash used in investing activities	–	(33)
Financing activities		
Repayment of bank borrowings	**(1,653)**	(780)
Payment of lease liabilities	**(939)**	(591)
Advance from a director	–	16,912
Interest paid	**(120)**	(28)
Net cash (used in) from financing activities	**(2,712)**	15,513
Net decrease in cash and cash equivalents	**(15,110)**	(3,232)
Cash and cash equivalents at the beginning of the period	**17,528**	6,042
Effect of foreign exchange translation	**40**	3
Cash and cash equivalents at the end of the period	**2,458**	2,813
Analysis of cash and cash equivalent balances		
Bank balances and cash	**2,458**	2,813

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 10 April 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the registered office and principal place of business of the Company are at P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman, KY1–1108, Cayman Islands and Unit 1901–05, 19/F, Delta House, 3 On Yiu Street, Shatin, Hong Kong, respectively.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are multi-disciplinary contractors which are principally engaged in performing repair, maintenance, alteration and addition ("**RMAA**") works, new construction works and corrosion protection works in Hong Kong, and distribution of dairy product in PRC.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollar ("**HK$**") which is the same as the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("**HK$'000**"), except where otherwise indicated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial information for the year ended 31 December 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

2. BASIS OF PREPARATION *(Continued)*

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the Group's audited consolidated financial information for the year ended 31 December 2025, except for the adoption of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for accounting periods beginning on or after 1 January 2026. Except for those disclosed in note 3, the effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results of operations or financial position.

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

These condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company's audit committee.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. ADOPTION OF NEW OR AMENDED HKFRSs

New and amended HKFRSs that are effective for annual periods beginning or after 1 January 2026

The condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the following new and amended HKFRSs effective as of 1 January 2026. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amended standards adopted by the group

The following amendments to standards and interpretations are effective for accounting periods beginning on or after 1 January 2026. The adoption of these amendments to standards and interpretations does not have any material impact to the results and financial position of the Group for the current or prior periods.

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. ADOPTION OF NEW OR AMENDED HKFRSs *(Continued)*

Amended standards adopted by the group *(Continued)*

		Effective for accounting periods beginning on or after
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 presentation of Financial Statements — Classification by the borrower of a Term Loan that contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Note:

There are no other amendments to standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on results and financial position of the Group.

The Group has not applied any amendments to standards and interpretations that are not effective for current accounting period.

4. REVENUE AND SEGMENT INFORMATION

The principle activities of the Group are (i) provision of construction works and (ii) distribution of dairy products. An analysis of the revenue is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Construction works	**49,620**	65,881
Distribution of dairy products	**30,062**	5,631
Contract revenue	**79,682**	71,812

(a) Segment reporting

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors, being the chief operating decision maker (the "**CODM**"), for the purpose of allocating resources to segments and assessing their performance. For management purpose, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- Provision of construction works — performing RMAA works, new construction works and corrosion protection works.

- Distribution of dairy products — distribution of sheep dairy products including milk powder and ultra-high temperature milk.

Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of head office and corporate expenses, other revenue, other net income and finance costs. This is the measure reported to the CODM, for the purposes of resource allocation and performance assessment.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment reporting *(Continued)*

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

Information regarding the above segments is reported below.

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

For the six months ended 30 June 2026

	Provision of construction works HK$'000 (unaudited)	Distribution of dairy products HK$'000 (unaudited)	Total HK$'000 (unaudited)
Revenue from external customers recognised at a point in time	49,620	30,062	79,682
Reportable segment revenue	49,620	30,062	79,682
Reportable segment profit	355	1,645	2,000
Unallocated head office and corporate expenses:			(1,102)
Other income and net gains			36
Finance costs			(120)
Profit before income tax			814

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment reporting *(Continued)*

For the six months ended 30 June 2025

	Provision of construction works HK$'000 (unaudited)	Distribution of dairy products HK$'000 (unaudited)	Total HK$'000 (unaudited)
Revenue from external customers recognised at a point in time	65,881	5,631	71,812
Reportable segment revenue	65,881	5,631	71,812
Reportable segment profit	786	738	1,524
Unallocated head office and corporate expenses:			(1,287)
Other income and net gains			36
Finance costs			(28)
Profit before income tax			245

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Geographical information

	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Hong Kong	**49,620**	65,881
PRC	**30,062**	5,631
	79,682	71,812

(c) Major customers

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Customer A	**–**	10,952
Customer B	**6,621**	7,120
Customer C	**9,845**	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

(d) Unsatisfied performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at 30 June 2026:

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Remaining performance obligations expected to be satisfied		
Within one year	**41,618**	40,483
Over one year	**8,650**	12,698
	50,268	53,181

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

		Six months ended 30 June	
		2026	2025
		HK$'000	HK$'000
		(unaudited)	(unaudited)
(a)	Staff costs (including directors' remuneration):		
	Salaries and other allowances	**10,239**	11,726
	Retirement benefit scheme contributions	**469**	372
		10,603	12,098
(b)	Other items		
	Auditor's remuneration	**–**	–
	Depreciation of property, plant and equipment		
	— right-of-use assets	**619**	275
	— owned	**142**	608

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

6. INCOME TAX EXPENSE

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is accordingly not subject to income tax in the Cayman Islands.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group have sufficient tax losses to absorb the profit for the period ended 30 June 2026.

Subsidiaries in the PRC are subject to PRC Enterprise Income Tax ("**EIT**") at the rate of 25% (2025: 25%).

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax		
— Current year	**–**	–
PRC EIT	**152**	56
Income tax expense	**152**	56

7. DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 and 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

8. PROFIT PER SHARE

The calculations of basic earnings per share attributable to the equity holders of the Company are based on the followings:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Profit:		
Profit for the period attributable to equity holder of the Company (HK$'000)	**662**	189
Number of shares:		
Weighted average number of ordinary shares (in thousands)	**1,622,000**	1,260,000

Diluted earnings per share for both periods were the same as basic earning per share as there were no potential ordinary shares outstanding.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the interim period of 30 June 2025, the Group have addition or disposal on the property, plant and equipment.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Investments in life insurance policies	**363**	327

In April 2020, the Group's subsidiary, TKEL entered into life insurance policy with an insurance company to insure Mr. Heung, a director of the Company. Under the policy, the beneficiary and the policy holder is TKEL. The Group was required to pay an annual premium payment of HK$208,000 for five years. The Group can terminate the policy at any time and receive cash back based on the Cash Value, which is determined by the premium payment plus accumulated interest earned minus the accumulated insurance charges, policy expense charges and a specified amount of surrender charge if the withdrawal is made between 1st to 5th policy year. The insurance company will pay the subsidiary an interest on the outstanding cash value excluding the surrender charge at the prevailing interest rate fixed by the insurance company.

Financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety based on the lowest level of input that is significant to the fair value measurement. The financial assets and liabilities measured at fair value are grouped into the fair value hierarchy as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
As at 30 June 2026 (unaudited)				
Financial assets at fair value through profit or loss				
— Investments in life insurance policies	**–**	**363**	**–**	**363**
As at 31 December 2025 (audited)				
Financial assets at fair value through profit or loss				
— Investments in life insurance policies	–	327	–	327

During the reporting period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

The fair value of investments in life insurance policies are determined by reference to the Cash Value as provided by the insurance companies.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Trade and retention receivables		
Trade receivables	**36,572**	34,871
Retention receivables	**15,940**	16,160
Less: ECL allowance	**(9,016)**	(9,194)
	43,496	41,837
Deposits, prepayments and other receivables		
Prepayments	**17,914**	16,812
Deposits paid to suppliers and subcontractors	**560**	316
Security for issuance of performance bonds	**–**	567
Other receivable	**5,622**	–
Other deposits	**1,146**	904
	25,242	18,599
	68,738	60,436

As at 30 June 2026 (unaudited), retention receivables of HK$4,623,000 (2025: HK$6,273,000) included under current assets in the condensed consolidated statement of financial position are expected to be recovered after one year.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. TRADE AND OTHER RECEIVABLES *(Continued)*

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. The majority of the Group's trade receivables that are past due but not impaired have good credit quality with reference to respective settlement history.

The Group usually grants credit period ranging from 30 to 60 days to customers other than retention receivables. The terms and conditions in relation to the release of retention vary from contract to contract, which will be subject to the completion of the construction works and expiry of the defect liability period. In general, the retention money will be released upon the expiry of the defect liability period, which is typically one year after completion of construction works.

The ageing analysis of trade receivables based on invoice dates is as follows:

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Within 30 days	**27,509**	20,671
31 days to 60 days	**4,820**	4,179
61 days to 90 days	**1,302**	204
91 days to 365 days	**5,245**	5,181
Over 365 days	**4,620**	4,636
	43,496	34,871

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. TRADE AND OTHER RECEIVABLES *(Continued)*

The ageing analysis of the trade receivables based on due dates is as follows:

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Not yet due	**30,955**	24,543
Less than 30 days past due	**640**	500
31 days to 60 days past due	**1,649**	1,492
61 days to 90 days past due	**1,126**	177
91 days to 365 days past due	**5,100**	4,953
Over 365 days past due	**4,026**	3,206
	43,496	34,871

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. TRADE AND OTHER RECEIVABLES *(Continued)*

The movement in the ECL allowance of trade and retention receivables are as follows:

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
At the beginning of the year	**9,194**	7,153
Reversal of ECL allowance during the year	**178**	2,041
At the end of the year	**9,016**	9,194

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

12. CONTRACT ASSETS/CONTRACT LIABILITIES

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Contract assets	**96,160**	97,269
Less: ECL allowance	**(20,141)**	(20,141)
	76,019	77,128
Contract liabilities	**(2,306)**	(2,108)
	73,713	75,020

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

12. CONTRACT ASSETS/CONTRACT LIABILITIES *(Continued)*

The amount of revenue recognised during the six months ended 30 June 2026 from performance obligations satisfied in previous periods, mainly due to the changes in estimate of stage of completion and modification of contracts, is HK$692,000 (2025: HK$3,136,000).

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	**995**	1,688
Transfers from contract assets recognised at the beginning of the period to receivables	**26,940**	29,277

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. TRADE AND OTHER PAYABLES

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Trade and retention payables		
— Trade payables	**27,826**	26,108
— Retention payables	**2,860**	2,742
	24,966	28,850
Accrued expenses and other payable	**11,410**	11,585
Provision for annual leave and long service payment	**2,710**	2,824
	14,120	14,409
Total trade and other payables	**39,086**	43,259

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. TRADE AND OTHER PAYABLES *(Continued)*

The credit period on trade payables ranges from 30 to 60 days.

The following is an ageing analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
0–30 days	**13,675**	12,977
31–60 days	**6,743**	5,920
61–90 days	**688**	1,340
91–365 days	**3,460**	2,332
Over 365 days	**3,260**	3,539
	27,826	26,108

14. LEASE LIABILITIES

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Total minimum lease payments:		
— Within one year	**2,011**	2,034
— After one year but within two years	**880**	953
— After two years but within five years	**–**	894
	2,891	3,881
Future finance charges on leases liabilities	**(167)**	(218)
Present value of leases liabilities	**2,724**	3,663
Present value of minimum lease payments:		
— Within one year	**1,912**	1,901
— After one year but within two years	**812**	889
— After two years but within five years	**–**	873
	2,724	3,663
Less: Portion due within one year included under current liabilities	**1,912**	(1,901)
Portion due after one year included under non-current liabilities	**812**	1,762

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

14. LEASE LIABILITIES *(Continued)*

During the six months ended 30 June 2026, the total cash outflows for the leases were HK$850,000 (six months ended 30 June 2025: HK$850,000).

15. BANK BORROWINGS

	As at 30 June 2026 HK$'000 (unaudited)	As at 31 December 2025 HK$'000 (audited)
Bank loans, secured		
— repayable within one year	**4,368**	4,658
— not repayable within one year from the end of the reporting period but contain a repayable on demand clause	**3,369**	4,732
Amount shown under current liabilities	**7,737**	9,390

15. BANK BORROWINGS *(Continued)*

The bank loans were secured by:

(a) corporate guarantee by the Company as at 30 June 2026 and 31 December 2025;

(b) guarantee provided by the HKMC Insurance Limited under the Small and Medium Enterprise Guarantee Scheme as at 30 June 2026 and 31 December 2025; and

(c) personal guarantee as provided by the Controlling Shareholder as at 30 June 2026 and 31 December 2025.

16. SHARE CAPITAL

	No. of shares	HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
As at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	10,000,000,000	100,000
Issued and fully paid:		
As at 1 January 2025	1,260,000,000	12,600
Share allotment on placing	252,000,000	2,520
Issue of new shares under debt capitalisation	110,000,000	1,100
As at 31 December 2025, 1 January 2026 and 30 June 2026	1,622,000,000	16,220

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. RELATED PARTY DISCLOSURES

Compensation of key management personnel

Related parties	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Salaries and other allowances	**2,420**	2,760
Retirement benefits scheme contributions	**39**	75
	2,459	2,835

The remuneration of key management personnel is determined with regard to the performance of the individuals and market trends.