HONG WEI (ASIA) HOLDINGS COMPANY LIMITED
鴻偉（亞洲）控股有限公司
(Incorporated in Hong Kong with limited liability)
(Stock code: 8191)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the 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 general 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 announcement, for which the directors (the "**Directors**", each a "**Director**") of Hong Wei (Asia) Holdings Company Limited (the "**Company**", together with its subsidiaries, collectively, the "**Group**") 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 announcement is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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 (the "**Group**") for the six months ended 30 June 2026 ("**Current Period**" or "**2026 Interim Period**") together with the comparative figures of the six months 30 June 2025 ("**Previous Period**" or "**Corresponding period**") as appropriate.

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

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**40,954**	49,887
Cost of sales		**(39,084)**	(59,496)
Gross profit/(loss)		**1,870**	(9,609)
Other income and other gains or losses	*5*	**58,179**	3,878
Selling and distribution expenses		**(222)**	(2,612)
Administration expenses		**(36,390)**	(42,934)
Finance costs	*6*	**(7,622)**	(7,976)
Profit/(loss) before tax		**15,815**	(59,253)
Income tax expense	*7*	**–**	–
Profit/(loss) for the period attributable to owners of the Company		**15,815**	(59,253)

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Other comprehensive income which will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation to presentation currency		**8,636**	95,363
Other comprehensive income for the period		**8,636**	95,363
Total comprehensive income for the period		**24,451**	36,110
Total comprehensive income attributable to owners of the Company		**24,451**	36,110
Basic and diluted earnings/(loss) per share, in HK cents	*8*	**21.71**	(111.78)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026** *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**241,663**	251,811
Right-of-use assets		**17,883**	17,468
Biological assets		**26,010**	25,411
Intangible assets		**594**	565
		286,150	295,255
CURRENT ASSETS			
Inventories	*10*	**151,198**	154,960
Trade and bills receivables	*11*	**3,070**	35,951
Deposits, prepayments and other receivables		**104,522**	77,438
Bank balances and cash		**2,392**	831
Restricted deposit		**11,526**	11,071
		272,708	280,251
CURRENT LIABILITIES			
Trade payables	*12*	**55,242**	38,950
Other payables and accrued expenses		**58,755**	58,076
Tax payables		**1,956**	110
Contract liabilities		**1,382**	3,931
Bank and other borrowings, due within one year		**60,311**	1,102
Deferred income		**9,817**	9,442
Notes payable		**–**	64,925
		187,463	176,536
NET CURRENT ASSETS		**85,245**	103,715
TOTAL ASSETS LESS CURRENT LIABILITIES		**371,395**	398,970

	Notes	**30 June 2026** **HK$'000** **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**7,176**	6,900
Bank and other borrowings, due after one year		**256,033**	308,209
Deferred income		**16,629**	18,103
		279,838	333,212
NET ASSETS		**91,557**	65,758
CAPITAL AND RESERVES			
Share capital	*13*	**273,724**	272,376
Reserves		**(182,167)**	(206,618)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY AND TOTAL EQUITY		**91,557**	65,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

The unaudited condensed interim consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The unaudited condensed interim consolidated financial statements have been reviewed by the Company's audit committee and were authorised for issue on 28 August 2026 (the "**Approval Date**").

The unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual report for the year ended 31 December 2025.

The annual consolidated financial statements relating to the financial year ended 31 December 2025 that are included in these interim condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financials for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the annual consolidated financial statements for the year ended 31 December 2025 to the Registrar of the Companies as required by section 662(3) of, and part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those annual consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The unaudited condensed consolidated interim financial information is presented in thousand Hong Kong dollars ("**HK$'000**"), unless otherwise stated.

The interim financial information has not been audited or reviewed by the auditor of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

Going concern consideration

As at 30 June 2026, the Group had total current assets of approximately HK$272,708,000, including bank balances and cash of approximately HK$2,392,000. In contrast, the Group faced total current liabilities of approximately HK$187,463,000, including current portion of bank and other borrowings with an aggregate carrying amount of approximately HK$60,311,000 due within twelve months from the end of the reporting period. In light of the relative low cash balances and significant short-term obligations within next twelve months together with uncertainties surrounding the Group's ability to generate sufficient operating cash flows, these events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have been undertaking a number of plans and measures to improve the Group's liquidity and financial position, including:

(i) the directors of the Company have reviewed the Group's profit forecast and cash flows projection prepared by management, which covered a period of not less than twelve months from 30 June 2026. In the opinion of the directors of the Company, the Group will have sufficient working capital to meet its financial obligations as and when they fall due and carry on its business without a significant curtailment of operations not less than twelve months from 30 June 2026;

(ii) the Company has obtained a letter of financial support from Ms. Liu Yan, the executive director of the Company, who has agreed to provide adequate financial resources as is necessary to enable the Group both to meet its financial obligations as and when they fall due and to carry on its business for at least 12 months from 30 June 2026;

(iii) the Group will continuously cooperate with the related parties and they agreed in writing to provide funding support and not to demand for repayment for the balances, included in other payables, until the Group has financial ability to do so;

(iv) the Group will consider fund raising activities to meet the financial obligations; and

(v) the Group shall implement cost-saving measures to maintain adequate cash flows for the Group's operations.

Based on these concrete actions, management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group continues to adopt the going concern basis in preparing these financial statements.

The unaudited consolidated interim financial information of the Group does not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2025, except for the estimation of income taxes which are accrued using the tax rate that would be applicable to expected total annual earnings.

A number of new or amended HKFRSs became applicable for the current reporting period. The application of these new or amended HKFRSs did not have material effect on the amounts reported and/or disclosures set out in the unaudited condensed consolidated interim financial information.

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. REVENUE

Revenue represents the amounts received and receivable for sales of particleboards, which are conducted in the People's Republic of China ("**PRC**") by the Group. An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Timing of revenue recognition – at a point in time:		
Sales of particleboards	**40,954**	49,887
Revenue from contracts with customers	**40,954**	49,887

Sales of particleboards are recognised at point in time when particleboards are delivered to customers.

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions reviewed by the executive directors, being the chief operating decision makers ("**CODM**"). The Group's operating business are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments.

During the six months ended 30 June 2026, the Group has two reportable operating segments. Details are as follows:

a. Particleboards segment, principally engaged in manufacturing and selling of particleboards in the PRC; and

b. Forestry segment, principally engaged in timber logging, plantation and sales of timber woods and agricultural products in the PRC.

The accounting policies of the reportable segments are the same as the Group's accounting policies as set out in the annual report for the year ended 31 December 2025. Segment revenue represents the revenue generated by each operating segment.

Segment results represent the profit earned or loss incurred by each operating segment without allocation of central administration expenses (unallocated corporate staff costs and corporate expenses), unallocated other gain, and finance costs. This is the measure reported to CODM for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments:

– All assets are allocated to reportable segments other than loan receivable, deferred tax assets and unallocated corporate assets; and

– All liabilities are allocated to reportable segments other than bank and other borrowings, notes payable, lease liabilities, tax payable, deferred tax liabilities and unallocated corporate liabilities.

Operating segments

The following tables represent segment information of the Group provided to the Group's CODM.

For the six months ended 30 June 2026

	Particleboards segment *HK$'000* **(Unaudited)**	**Forestry segment** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Segment revenue:			
Reportable segment revenue	**40,954**	**–**	**40,954**
Segment results:			
Reportable segment results	**(34,579)**	**181**	**(34,398)**
Finance costs *(note 6)*			**(7,622)**
Unallocated corporate staff costs			**(150)**
Unallocated corporate expense			**(1,012)**
Unallocated other gain			**58,997**
Consolidated profit before tax			**15,815**
Other segment information:			
Depreciation – allocated	**16,878**	**50**	**16,928**
Amortisation	**1**	**–**	**1**

For the six months ended 30 June 2025

	Particleboards segment *HK$'000* (Unaudited)	Forestry segment *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue:			
Reportable segment revenue	49,887	–	49,887
Segment results:			
Reportable segment results	48,310	1,937	50,247
Finance costs *(note 6)*			(7,976)
Unallocated corporate staff costs			(150)
Unallocated corporate expense			(101,374)
Consolidated profit before tax			(59,253)
Other segment information:			
Depreciation – allocated	591	457	1,048
Amortisation	17	–	17

Entity-wide disclosures

Geographical information

The Group's operation is located in the PRC and all of its revenue is generated from the PRC for both period.

All of the Group's non-current assets were located in the PRC.

5. OTHER INCOME AND OTHER GAINS OR LOSSES

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Value added tax ("**VAT**") refund	**–**	18
Gain on derecognition of note payable	**58,997**	–
Government grants	**2,491**	3,231
Others	**(3,309)**	629
	58,179	3,878

6. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interests on bank and other borrowings	**6,050**	3,268
Interests on notes payable	**1,572**	2,598
Interests on loans from Mr. Wong and his associate	**–**	2,110
	7,622	7,976

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax	**–**	–
Deferred tax	**–**	–
Income tax expense	**–**	–

8. EARNING/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

Earnings/(loss)

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**15,815**	(59,253)

Number of shares

	Six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**72,846**	53,007

Notes: Basic and diluted earnings/(loss) per share were the same for both periods as there has been no potential dilutive ordinary shares outstanding during the six months ended 30 June 2026 and 2025.

9. DIVIDENDS

No interim dividend was paid or proposed for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

10. INVENTORIES

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Raw materials	**140,974**	129,366
Work in progress	**937**	3,174
Finished goods	**9,287**	22,420
Total	**151,198**	154,960

11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Trade receivables	**64,363**	90,954
Bills receivables at fair value	**–**	3,937
Less: Loss allowances	**(61,293)**	(58,940)
Total	**3,070**	35,951

The Group's trading terms with its customers are mainly on open account terms, except for new customers, where payment in advance is normally required. The credit period is generally for a period up to 90 days (31 December 2025: 90 days). The Group seeks to maintain strict control over its outstanding receivables to minimise its credit risk. Overdue balances are regularly reviewed by senior management. Trade receivables are non-interest bearing and their carrying amounts approximately equal to their fair values.

The following is an aged analysis of trade receivables, presented based on the invoice date, at the end of the reporting period.

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Within three months	**20,596**	29,683
Over three months but within six months	**2,885**	4,249
Over six months	**40,882**	57,022
Total	**64,363**	90,954

The maturity period of bills receivable are within 12 months from the date the Group received the notes as an extended period to the original credit term. The following is an aged analysis of bills receivables presented based on maturity date.

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Within three months	**–**	3,937

12. TRADE PAYABLES

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Trade payables	**55,242**	38,950

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

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Within three months	**16,229**	12,781
Over three months but within six months	**22,096**	4,056
Over six months	**16,917**	22,113
Total	**55,242**	38,950

Trade payables are non-interest bearing and are normally settled on 30-90 days' term.

13. SHARE CAPITAL

	Numbers of shares		**Share capital**	
	30 June 2026 ***'000***	31 December 2025 *'000*	**30 June 2026** ***HK$'000***	31 December 2025 *HK$'000*
Ordinary shares, issued and fully paid				
At 1 January	**63,187**	52,656	**272,376**	270,886
Issue of new shares *(note i and ii)*	**10,531**	10,531	**1,348**	1,490
	73,718	63,187	**273,724**	272,376

Notes:

(i) On 24 June 2025, the Company entered into the subscription agreement with Mr. Chu Hin Ming Alfonso in which Mr. Chu Hin Ming Alfonso agreed to subscribe 10,531,000 new shares of the Company at a subscription price of HK$0.151 per subscription share. A total of 5,265,500 subscription shares were successfully issued and subscription on 11 July 2025, with a further 5,265,500 shares were issued on 24 July 2025. For further details, please refer to the announcements of the Company dated 24 June 2025, 11 July 2025 and 24 July 2025.

(ii) On 29 and 30 December 2025, the Company and Mr. Chen Gang (the "**Subscriber A**"), Ms. Zuo Lijun (the "**Subscriber B**"), Mr. Xiao Yongjie (the "**Subscriber C**") and Ms. Huang Jiamin (the "**Subscriber D**") (collectively the "**Subscribers**") entered into the subscription agreements and supplemental subscription agreements respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers has conditionally agreed to subscribe for a total of 10,531,237 shares, at the subscription price of HK$0.128 per subscription share. The subscription was completed on 15 January 2026, pursuant to which 2,083,333 shares for each of the Subscriber A, the Subscriber B and the Subscriber C and 4,281,238 shares for the Subscriber D were allotted and issued by the Company. For further details, please refer to the announcements of the Company dated 29 December 2025, 30 December 2025 and 15 January 2026.

MANAGEMENT DISCUSSIONS AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2026 ("**Current Period**" or "**2026 Interim Period**"), the Group continued to be engaged in the manufacturing and selling of particleboards ("**Particleboards Segment**") and the plantation, timber logging and sales of wood and agricultural products in the People's Republic of China (the "**PRC**") ("**Forestry Segment**").

Particleboards Segment

During the Current Period, our products were principally used by our customers in the manufacture of furniture and fixtures, sport equipment, decoration and construction materials. Meanwhile, the global capital markets experienced volatility, and the China economy continued to face uncertainties. The negative impacts on the export market have indirectly affected the domestic consumer demand for particleboards. And for the domestic demand for consumer products such as household furniture and fixtures, sport equipment as well as construction materials had remained at a low level and they are looking for lower-cost substitute.

In 2026, the Group's Quan Zhu particleboard production line achieved full operation and completed its initial capacity ramp-up. During this time, we continuously optimized production parameters and refined process standards. The production of bamboo particleboard involves a high technical barrier, and market supply is currently scarce. This product line serves as a core strategic layout for the Group and has the potential to yield higher profit margins. Leveraging the production and operational experience accumulated in the previous year, the Group will continue to streamline production processes and optimize cost controls to further unlock the advantages of economies of scale. By steadily improving production efficiency and product quality, we expect the production volume and profit contribution of our high-quality bamboo particleboard to achieve steady growth.

In this challenging environment, we are determined to optimize our supply chain operations to mitigate business risks. We aim to strengthen our overall sustainability and market competitiveness by implementing stringent cost-control measures and improving operational efficiencies, laying a solid foundation for steady business growth in the second half of the year and beyond.

Forestry Segment

During the Current Period, the Group had not received any update on the measures regarding the grant by the relevant government department of timber wood harvesting quotas which have been materially curtailed as part of the PRC government's policy to strengthen environmental protection since the end of 2018. The Group highly recognises global climate change's risks and opportunities, and actively supports the PRC government's efforts to achieve the goal of carbon neutrality before 2060. To support the PRC government's environmental protection supervision as the main line, the Group will improve the environmental management system and control with our forestry asset and is going to contribute to the realisation of "carbon neutrality". Nevertheless, the Group will continue to further explore and assess other possible alternatives to utilize its forestry resources in order to benefit the Group as a whole.

FINANCE REVIEW

Revenue

During 2026 Interim Period, the Group's revenue decreased to approximately HK$41.0 million from approximately HK$49.9 million, representing a decrease of approximately 17.9% as compared to the six months ended 30 June 2025 ("**Previous Period**" or "**Corresponding Period**"). The decrease is mainly due to scheduled shutdowns and ongoing technological upgrades undertaken during mid-2026, which temporarily impacted production capacity and led to lower sales volumes of particleboard.

During the periods ended 30 June 2026 and 2025, no income generating activity took place for the Forestry Segment and hence no revenue was recognized for such segment.

Cost of sales

During the 2026 Interim Period, the Group's costs of sales decrease to approximately HK$39.1 million from approximately HK$59.5 million, representing a decrease of approximately 34.3% as compared to the Previous Period. The decrease is mainly due to a decrease in product sales volume.

Gross profit and margin

During the 2026 Interim Period, the Group recorded gross profit of approximately HK$1.9 million as compared to gross loss of approximately HK$9.6 million in the Previous Period, representing a turnaround of approximately HK$11.5 million. The gross profit margin of the Group has improved from gross loss margin of approximately 19.3% in the previous period to gross profit margin of approximately 4.6% in the 2026 Interim Period.

The improvement in gross profit margin was mainly due to cost optimization, which resulted in a greater reduction in production costs relative to sales, coupled with a favorable product mix shift towards higher-margin products.

Other income

During the 2026 Interim Period, the Group's other income increased to approximately HK$58.2 million from approximately HK$3.9 million, representing an increase of approximately 14.0 times as compared to that for the Previous Period. The increase is mainly due to the Company recorded a gain on derecognition of note payable of approximately HK$59.0 million.

Selling and distribution expenses

During the 2026 Interim Period, the Group's selling and distribution expenses decreased to approximately HK$0.2 million from approximately HK$2.6 million in the Previous Period, representing a decrease of approximately 91.5%. The decrease in sales and distribution expenses is mainly due to the decrease in sales of particleboard, which resulted in a decrease in transportation and packaging costs incurred during this period.

Administration expenses

During the 2026 Interim Period, the Group's administration expenses decreased to approximately HK$36.4 million from approximately HK$42.9 million, representing a decrease of approximately 15.2% as compared to the Previous Period. The decrease in administrative expenses is mainly due to the decrease in research and development expenses.

Finance costs

During the 2026 Interim Period, the Group's finance costs decreased to approximately HK$7.6 million from approximately HK$8.0 million in the Previous Period, representing a decrease of approximately 4.4%. The decrease in finance costs is mainly due to decrease in bank and other borrowings.

Profit/(loss) attributable to owners of the Company

During the 2026 Interim Period, the profit attributable to owners of the Company amounted to approximately HK$15.8 million, as compared to the loss attributable to owners of the Company amounted to approximately HK$59.3 million for the Previous Period. The turnaround was mainly due to the improvement in gross profit and decrease in administration expenses and the gain on derecognition of note payable recorded during the period.

Total comprehensive income attributable to owners of the Company

During the six months ended 30 June 2026, the Group's total comprehensive income attributable to owners of the Company amounted to approximately HK$24.5 million, while the Group's total comprehensive income attributable to owners of the Company during the same period last year amounted to approximately HK$36.1 million. The decrease is mainly due to the decrease in income related to the exchange differences arising on translation to presentation currency.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, there has been no significant changes in the capital structure of the Company compared to that as at 31 December 2025. The capital of the Company only comprises ordinary shares.

During the six months ended 30 June 2026, the Group mainly financed its operations with its working capital, bank and other borrowings, including the secured and guaranteed notes.

As at 30 June 2026 and 31 December 2025, the Group had bank and other borrowings of approximately HK$316.3 million and HK$309.3 million respectively. As at 30 June 2026, all bank borrowings are denominated in RMB.

As at 30 June 2026 and 31 December 2025, the Group had net current assets of approximately HK$85.2 million and HK$103.7 million respectively. The current ratio of the Group, calculated by current assets over current liabilities, was 1.5x as at 30 June 2026 (31 December 2025: 1.6x).

Gearing Ratio

As at 30 June 2026, the gearing ratio stood at 3.5x (31 December 2025: 5.6x) calculated by total borrowings (including bank and other borrowings and notes payable) over shareholders' equity.

FOREIGN EXCHANGE EXPOSURE

As at 30 June 2026 and 31 December 2025, the functional currency of the Company and its major operating subsidiary is RMB while the presentation currency of the Company is HKD. The Group's bank balances were mainly denominated in RMB and HKD. The Group manages its foreign currency risk by closely monitoring the movement of the foreign exchange rates.

Other than as described above, the Group has no significant exposure to foreign currency risk as its sales receipts and payments for purchases are mainly in RMB.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients. In order 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 commitments can meet its funding requirements.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no significant investment held as at 30 June 2026. The Group has no plan for material investments or capital assets except that the Group will acquire new machineries and continue the construction work as mentioned in note 14 to the consolidated financial statements in the annual report 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During 2026 Interim Period, the Group did not have any material acquisitions and disposals of subsidiary.

COMMITMENTS AND CONTINGENT LIABILITIES

The Group does not have other significant capital commitments nor contingent liabilities as at 30 June 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed a total of 162 employees (30 June 2025: 133). The remuneration payable to our employees included fees, salaries, retirement benefits scheme contributions and other benefits. For the 2026 Interim Period and the corresponding period in 2025, the remuneration paid to employees was approximately HK$13.2 million and HK$3.1 million, respectively. The Group determines the employee's remuneration based on factors such as qualifications, duty, contributions and years of experience. The key principles of the remuneration policy are to remunerate employees in a manner that is market competitive, consistent with best practice and in the interests of the shareholders of the Company ("**Shareholders**") as a whole. The Group aims to align the interests of the senior executives with those of Shareholders by remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration.

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

During the 2026 Interim Period, neither the Company nor its subsidiary have purchased, sold or redeemed any listed securities of the Company.

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN COMPETING BUSINESSES

During the six months ended 30 June 2026, save as disclosed below, none of the Directors, the controlling shareholder of the Company or any of their respective close associates, has engaged in any business that competes or may compete with the business of the Group, or has or may have any other conflict of interest with the Group.

During the six months ended 30 June 2026, Mr. Wong Kin Ching, an executive Director, directly or indirectly, owned the following companies of which he also serves as the sole director: Gifted Multitude Limited, Hung Tat Investment (Hong Kong) Company Limited and Shaoguan Hongwei Forestry Company Limited（韶關鴻偉林場有限公司）. Gifted Multitude Limited and Hung Tat Investment (Hong Kong) Company Limited are investment holding companies which wholly own, directly or indirectly, Shaoguan Hongwei Forestry Company Limited（韶關鴻偉林場有限公司）, which is the operating company incorporated in the PRC and engaged in the forestry plantation business, including forestry planting and development with respect to forestlands located at Renhua County, Guangdong Province, PRC.

Mr. Wong Kin Ching has retired as the executive Director with effect from 26 May 2026.

EVENT AFTER REPORTING PERIOD

As of the date of this announcement, the Directors are not aware of any important events affecting the Group which have occurred since 30 June 2026, except otherwise stated below.

Right Issue

On 20 July 2026, the Company issued 95,708,008 Rights Shares and 184,614,000 placing shares upon completion of the Rights Issue. Details of the Rights Issue are set out in (i) the announcements of the Company dated 17 April 2026, 3 July 2026 and 17 July 2026; (ii) the circular of the Company dated 5 May 2026; (iii) the poll results announcement of the Company dated 26 May 2026; and (iv) the prospectus of the Company dated 8 June 2026 (the "**Prospectus**").

The gross proceeds raised from the Rights Issue were approximately HK$36.44 million and the net proceeds (after deduction of expenses of approximately HK$0.97 million) from the Rights Issue were approximately HK$35.47 million. The net proceeds of the Rights Issue of approximately HK$35.47 million will be applied as to approximately (i) HK$7.5 million for the settlement of the outstanding notes; (ii) HK$21.77 million for partial repayment of the loans; (iii) HK$3.10 million for development in current business in relation to investment in fixed assets including the acquisition of equipment and ancillary infrastructure; and (iv) HK$3.10 million for general working capital of the Company including professional fees and administrative expenses.

A summary of the utilisation of the net proceeds and the timeline for the full utilisation of the unutilised net proceeds is set out in the table below:

Use of Proceeds	**Allocation of net Proceed (approximately)** *HK$'000*	**Approximate percentage of total net proceeds** *%*	**Amount utilized as at the date of this announcement** *HK$'000*	**Remaining balance of net proceeds as at the date of this announcement** *HK$*	**Timeline for full utilisation of the unutilised net proceeds**
Settlement of the outstanding notes	7.5 million	21.14%	1.5 milion	6 million	By 30 September 2026
Partial repayment of the loans	21.77 million	61.38%	21.77 million	–	N/A
Development in current business in relation to investment in fixed assets including the acquisition of equipment and ancillary infrastructure	3.10 million	8.74%	3.10 million	–	N/A
General working capital of the Company including professional fees and administrative expenses	3.10 million	8.74%	1.96 million	1.13 million	By 30 September 2026
Total	35.47 million	100%	28.33 million	7.13 million	

Note:

Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding them.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the GEM Listing Rules during the 2026 Interim Period except otherwise stated below.

In accordance with the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Prior to Mr. Wong Cheung Lok's retirement on 28 January 2026, he served as both the Chairman of the Board and the Chief Executive Officer of the Company. Following his retirement, both positions became vacant. Subsequently, Ms. Liu Yan, an Executive Director of the Company, was appointed as the Chief Executive Officer and the Chairlady of the Board with effect from 26 May 2026.

The Board is of the view that although the role of the Chief Executive Officer and the Chairlady of the Board of the Company were held by Ms. Liu Yan, this could make and implement the business strategies of the Group more effectively, which are in the best interests of the Group. In addition, under the supervision of the Board which currently comprises of one executive Director, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. Given Ms. Liu Yan's extensive experience and leadership capabilities, the Board has full confidence in her and considers that her concurrent roles as Chief Executive Officer and Chairlady of the Board are beneficial to the Company's business development and long-term prospects.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with the Directors, all the Directors confirmed that they have complied with the required standard of dealings concerning securities transactions by the directors during the 2026 Interim Period.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest in any contract of significance to the business of the Group to which the Company or its subsidiary was a party during the 2026 Interim Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the GEM Listing Rules during the 2026 Interim Period.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: HK$Nil).

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee include, among others, (a) making recommendations to our Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our periodic reports and accounts and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Cheung Wai Yin Wilson (Chairman), Mr. Guo Ensheng and Ms. Zhao Jianhong.

The unaudited interim results of the Group for the six months ended 30 June 2026 have not been audited by the Company's independent auditors, but have been reviewed by the Audit Committee members who have provided advice and comments thereon.

By order of the Board
Hong Wei (Asia) Holdings Company Limited
Liu Yan
Executive Director, Chairlady of the Board and Chief Executive Officer

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Ms. Liu Yan as the executive Director; Mr. Chen Gang as the non-executive Director; and Mr. Cheung Wai Yin Wilson, Mr. Guo Ensheng and Ms. Zhao Jianhong as the independent non-executive Directors.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the website of the Company at www.hongweiasia.com.