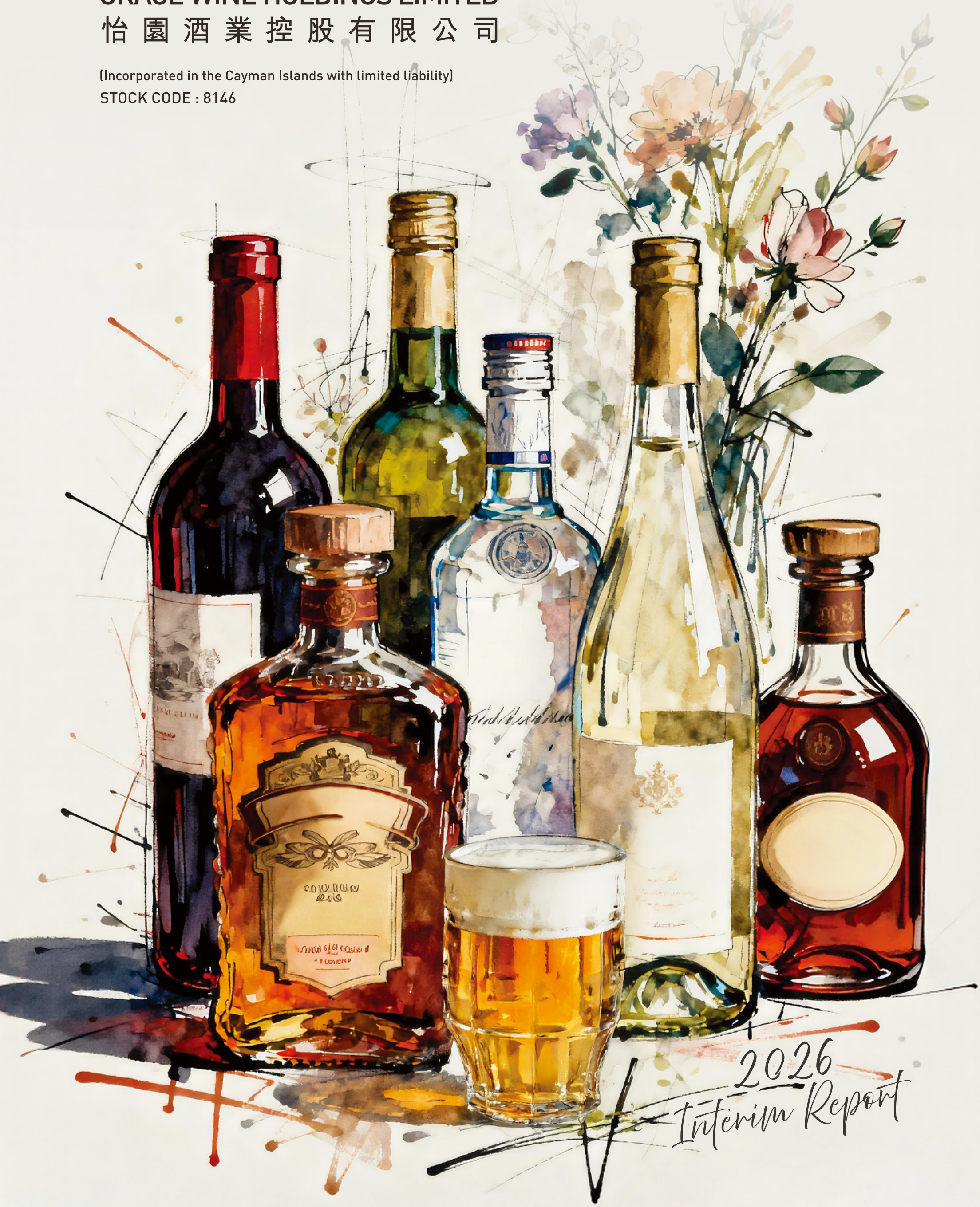
GRACE VINEYARD 怡園酒莊

GRACE WINE HOLDINGS LIMITED
怡園酒業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 8146



2026 Interim Report

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*This report, for which the directors (the "**Directors**") of Grace Wine Holdings Limited ("**Grace Wine**" or the "**Company**", and together with its subsidiaries, the "**Group**", "**we**" or "**our**") 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.*

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yunqiang
(Chairman and Chief Executive Officer)
Ms. Judy Chan
Ms. Xiong Xia
Mr. Zhao Mingjun

Non-executive Director

Dr. Cheung Chai Hong *(retired on 5 June 2026)*
Mr. Zhao Guodong

Independent non-executive Directors

Mr. Leung Ming Shu
Dr. Wang Renrong
Dr. Xu Yan

COMPLIANCE OFFICER

Ms. Judy Chan *(resigned on 7 May 2026)*

COMPANY SECRETARY

Ms. Li Yee Ching

AUTHORISED REPRESENTATIVES

Mr. Liu Yunqiang
Ms. Li Yee Ching

AUDIT COMMITTEE

Mr. Leung Ming Shu *(Chairperson)*
Dr. Wang Renrong
Mr. Zhao Guodong

REMUNERATION COMMITTEE

Dr. Wang Renrong *(Chairperson)*
Ms. Judy Chan
Dr. Xu Yan

NOMINATION COMMITTEE

Dr. Xu Yan *(Chairperson)*
Ms. Xiong Xia
Mr. Leung Ming Shu

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

HONG KONG LEGAL ADVISER

Jingtian & Gongcheng LLP
Suites 3203–3209, 32/F
Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Westlands Centre
No. 20 Westlands Road
Quarry Bay
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

PRINCIPAL BANKERS

China Construction Bank Corporation, Taigu Branch
No. 119 Xihuan Road
Taigu County
Jinzhong City
PRC

China Merchants Bank, Shanghai Branch, Taixing Sub-branch
No. 847 Xinzha Road
Jing'an District
Shanghai
PRC

STOCK CODE

8146

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors (the "**Board**"), I hereby present the interim results of the Company for the six months ended 30 June 2026 ("**1H2026**").

During 1H2026, the Group's continuing operations remained loss-making, as expected. In December 2025, the Company welcomed a new controlling shareholder and ultimate controlling party. In February 2026, the reconstitution of the Board was completed and a new management team formally assumed office. During the first half of the year, we focused our efforts on strategic restructuring and organisational realignment, laying a solid foundation for the comprehensive implementation of our new business strategy in the second half of the year.

At the same time, as the new businesses had not yet commenced full-scale operations, there were no significant changes in the Company's performance. However, as the new business entities begin operations, the Company will gradually develop and integrate its capabilities across the consumer (C), business (B), and production (F) ends of the value chain. As these three ends become deeply integrated, they will form the "CBF Business Operating System". The enhanced platform-based operating model, diversified product portfolio and end-to-end digital capabilities are expected to provide a solid foundation for the Group's sustainable development.

This year marks the first year of the 15th Five-Year Plan. The Government's policy focus on boosting consumption and expanding domestic demand across the board continues to strengthen. We believe that China's alcoholic beverage retail market is entering a new stage of high-quality development, driven by both favourable policy measures and the continued standardisation of the industry. The CBF business model established by the Group, is well positioned to capture the opportunities arising from this evolving market landscape and provides the Group with significant potential for business and revenue growth in the second half of the year and beyond.

On behalf of the Board and the entire management team, I would like to express my sincere gratitude to our shareholders, customers and business partners for their continued trust and support. The Group remains firmly committed to creating sustainable, long-term value for its shareholders.

Sincerely,

Liu Yunqiang
Chairman

Unaudited Interim Results

The Board presents the unaudited condensed consolidated results of the Group for the six months ended 30 June 2026, together with the comparative unaudited figures of the corresponding period in 2025. Where appropriate, numerical figures or percentages presented herein are approximate figures and percentages (as the case may be).

Unaudited Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

	Notes	**2026 (Unaudited) RMB'000**	2025 (Unaudited) RMB'000
CONTINUING OPERATIONS			
REVENUE	5	**15,855**	18,775
Cost of sales		**(3,906)**	(6,152)
Gross profit		**11,949**	12,623
Other income and gains, net	6	**964**	113
Selling and distribution expenses		**(4,863)**	(5,184)
Administrative expenses		**(10,094)**	(10,092)
Other expenses, net		**(8)**	(15)
Finance costs		**(63)**	(16)
Loss before tax from continuing operations	7	**(2,115)**	(2,571)
Income tax expense	8	**(780)**	(899)
Loss for the period from continuing operations		**(2,895)**	(3,470)
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	9	**–**	569
LOSS FOR THE PERIOD		**(2,895)**	(2,901)
Loss for the period attributable to:			
Owners of the Company		**(2,732)**	(2,745)
Non-controlling interests		**(163)**	(156)
		(2,895)	(2,901)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	11		
Basic and diluted (RMB cent)			
– For loss for the period		**(0.34)**	(0.34)
– For loss for continuing operations		**(0.34)**	(0.41)

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
LOSS FOR THE PERIOD	(2,895)	(2,901)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	202	2,737
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	(548)	(1,671)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(346)	1,066
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(3,241)	(1,835)
Total comprehensive loss for the period attributable to:		
Owners of the Company	(3,138)	(2,500)
Non-controlling interests	(103)	665
	(3,241)	(1,835)

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**41,134**	44,109
Right-of-use assets		**15,970**	13,088
Goodwill		**1,361**	1,361
Prepayments		**19**	–
Equity investment designated at fair value through other comprehensive income		**687**	687
Deferred tax assets		**2,543**	3,323
Total non-current assets		**61,714**	62,568
CURRENT ASSETS			
Inventories		**101,774**	99,681
Biological assets	13	**1,206**	–
Trade receivables	14	**1,088**	795
Prepayments, deposits and other receivables		**5,586**	4,318
Amounts due from related parties		**1,942**	–
Cash and cash equivalents		**21,326**	21,747
Total current assets		**132,922**	126,541
CURRENT LIABILITIES			
Trade payables	15	**311**	933
Other payables and accruals		**11,690**	6,762
Lease liabilities		**145**	297
Tax payables		**5,080**	5,120
Total current liabilities		**17,226**	13,112
NET CURRENT ASSETS		**115,696**	113,429
TOTAL ASSETS LESS CURRENT LIABILITIES		**177,410**	175,997

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT LIABILITIES		
Lease liabilities	**5,346**	2,580
Deferred tax liabilities	**4,548**	4,616
Other payables	**5**	–
Total non-current liabilities	**9,899**	7,196
Net assets	**167,511**	168,801
EQUITY		
Issued capital	**686**	675
Reserves	**86,639**	87,837
Non-controlling interest	**80,186**	80,289
Total equity	**167,511**	168,801

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Investment revaluation reserve RMB'000	Share option reserve RMB'000	Statutory reserve funds RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 January 2026	**675**	**48,427***	**(42,393)***	**(235)***	**945***	**17,131***	**(6,414)***	**70,376***	**88,512**	**80,289**	**168,801**
Loss for the period	–	–	–	–	–	–	–	(2,732)	(2,732)	(163)	(2,895)
Other comprehensive income/(loss) for the period:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	142	–	142	60	202
Exchange differences on translation of the Company's financial statements	–	–	–	–	–	–	(548)	–	(548)	–	(548)
Total comprehensive loss for the period	–	–	–	–	–	–	(406)	(2,732)	(3,138)	(103)	(3,241)
Issue of shares upon exercise share options (note 16)	11	2,885	–	–	(945)	–	–	–	1,951	–	1,951
At 30 June 2026 (unaudited)	**686**	**51,312***	**(42,393)***	**(235)***	**–***	**17,131***	**(6,820)***	**67,644***	**87,325**	**80,186**	**167,511**
At 1 January 2025	675	137,720	2,765	46	934	17,131	(5,678)	72,539	226,132	–	226,132
Loss for the period	–	–	–	–	–	–	–	(2,745)	(2,745)	(156)	(2,901)
Other comprehensive income/(loss) for the period:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	1,916	–	1,916	821	2,737
Exchange differences on translation of the Company's financial statements	–	–	–	–	–	–	(1,671)	–	(1,671)	–	(1,671)
Total comprehensive income/(loss) for the period	–	–	–	–	–	–	245	(2,745)	(2,500)	665	(1,835)
Equity-settled share option arrangements	–	–	–	–	12	–	–	–	12	–	12
Disposal of subsidiaries (note 17)	–	–	–	–	–	–	528	–	528	–	528
Disposal of partial interest of subsidiaries (note 18)	–	–	(45,158)	–	–	–	–	–	(45,158)	80,481	35,323
2025 special dividends (note 10)	–	(89,293)	–	–	–	–	–	–	(89,293)	–	(89,293)
At 30 June 2025 (unaudited)	675	48,427	(42,393)	46	946	17,131	(4,905)	69,794	89,721	81,146	170,867

* These reserve accounts comprise the consolidated reserves of RMB86,639,000 (31 December 2025: RMB87,837,000) in the unaudited condensed consolidated statement of financial position as at 30 June 2026.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	**2026 (Unaudited) RMB'000**	2025 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows used in operating activities		**(2,310)**	(4,453)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(130)**	(766)
Increase in right-of-use assets		**(608)**	–
Increase in construction in progress		**–**	(3,259)
Proceeds from disposal of items of property, plant and equipment		**185**	75
Net cash inflow from disposal of subsidiaries	17	**–**	62,219
Net cash inflow from disposal of partial interests of subsidiaries	18	**–**	35,323
Net cash flows (used in)/from investing activities		**(553)**	93,592
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares upon exercise share options		**2,896**	–
Principal portion of lease payments		**(107)**	(184)
Dividends paid		**–**	(89,293)
Net cash flows from/(used in) financing activities		**2,789**	(89,477)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(74)**	(338)
Cash and cash equivalents at beginning of period		**21,747**	34,488
Effect of foreign exchange rate changes, net		**(347)**	310
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**21,326**	34,460
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**21,326**	34,460

1. GENERAL

Grace Wine Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company's principal subsidiaries are engaged in the production and distribution of wine, spirits and other alcoholic products.

The immediate and ultimate holding company of the Company is Hill Valley Investment Co Ltd, a company incorporated in the British Virgin Islands (the "**BVI**"). The entire issued capital of Hill Valley Investment Co Ltd is held by Mr. Yang Lingjiang.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of Group has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The unaudited 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 financial statements for the year ended 31 December 2025.

The unaudited interim condensed consolidated financial information of the Group has been prepared in accordance with the same accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the amended HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) as disclosed in note 3 below.

This unaudited interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited 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 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The application of the above amended HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial position and operating performance.

4. SEGMENT INFORMATION

Operating segments

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. For management purposes, the resources are allocated to two reportable operating segments, namely (i) production of wines; and (ii) production of spirits (disposed of during the prior period and classified as a discontinued operation, notes 9 and 17).

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the reportable segment's profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income and corporate income/(expenses) are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and cash equivalents, equity investment designated at fair value through other comprehensive income and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, amounts due to related parties, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

4. SEGMENT INFORMATION (CONTINUED)

Operating segments (Continued)

	Continuing operations Production of wines 30 June		Discontinued operations Production of spirits 30 June		Total 30 June	
	2026 RMB'000	2025 RMB'000	**2026 RMB'000**	2025 RMB'000	**2026 RMB'000**	2025 RMB'000
Segment revenue:						
Sales to external customers	**15,855**	18,775	**–**	159	**15,855**	18,934
Other revenue	**939**	2,613	**–**	25	**939**	2,638
	16,794	21,388	**–**	184	**16,794**	21,572
Segment results	**1,448**	2,351	**–**	(1,912)	**1,448**	439
Reconciliation:						
Other unallocated income					**1**	–
Interest income					**24**	39
Corporate and other unallocated expenses					**(3,588)**	(2,386)
Finance costs (other than interest on lease liabilities)					**–**	(94)
Loss before tax					**(2,115)**	(2,002)

4. SEGMENT INFORMATION (CONTINUED)

Operating segments (Continued)

	Continuing operations Production of wines		Discontinued operations Production of spirits		Total	
	30 June 2026 RMB'000	31 December 2025 RMB'000	**30 June 2026 RMB'000**	31 December 2025 RMB'000	**30 June 2026 RMB'000**	31 December 2025 RMB'000
Segment assets	**162,039**	159,606	**–**	–	**162,039**	159,606
Reconciliation:						
Corporate and other unallocated assets					**32,597**	29,503
Total assets					**194,636**	189,109
Segment liabilities	**(9,775)**	(6,475)	**–**	–	**(9,775)**	(6,475)
Reconciliation:						
Corporate and other unallocated liabilities					**(17,350)**	(13,833)
Total liabilities					**(27,125)**	(20,308)

Over 90% of the Group's non-current assets are based in Chinese mainland.

5. REVENUE

An analysis of revenue from continuing operations is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue from contracts with customers		
Sales of goods	**15,855**	18,775

All of the Group's revenue was recognised at a point in time during the period.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Geographical markets		
Chinese mainland	**15,545**	18,085
Other jurisdictions	**310**	690
Total	**15,855**	18,775

6. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net from continuing operations is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income		
Bank interest income	**24**	27
Government grants*	**38**	10
Servicing income	**387**	–
Total other income	**449**	37
Gains		
Gain on disposal of items of property, plant and equipment, net	**96**	75
Foreign exchange differences, net	**274**	–
Rental income	**114**	–
Others	**31**	1
Total gains	**515**	76
Total	**964**	113

* The Group received various government grants for promoting the wine industry and supporting agricultural development. There are no unfulfilled conditions or contingencies relating to these grants.

7. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of inventories sold	**1,075**	1,877
Depreciation of property, plant and equipment	**3,016**	3,261
Depreciation of right-of-use assets	**594**	466
Less: amount capitalised into biological assets	**(147)**	(50)
Total	**447**	416
Impairment of trade receivables, net	**7**	2

8. INCOME TAX

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

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the reporting period. The provision for the People's Republic of China ("**PRC**") income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Chinese mainland as determined in accordance with the relevant income tax rules and regulations of the PRC.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current – Chinese mainland		
Charge for the period	**20**	22
Under/(over) provision in prior periods	**46**	(30)
Deferred	**714**	907
Total tax expense for the period from continuing operations	**780**	899
Total tax expense for the period from a discontinued operation (note 9)	**–**	–
Total tax expense for the period	**780**	899

8. INCOME TAX (CONTINUED)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

For the six months ended 30 June 2026

	Chinese mainland		Hong Kong		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
Profit/(loss) before tax from continuing operations	1,429		(3,544)		(2,115)	
Profit/(loss) before tax from discontinuing operations	–		–		–	
Total	1,429		(3,544)		(2,115)	
Tax at the weighted average applicable tax rate	357	25.0	(585)	16.5	(228)	10.8
Lower tax rate for specific provinces or enacted by local authorities	(222)		–		(222)	
Adjustments in respect of current tax of previous periods	46		–		46	
Income not subject to tax	(6)		–		(6)	
Temporary difference not recognised	(192)		–		(192)	
Expenses not deductible for tax	223		16		239	
Tax losses not recognised	574		569		1,143	
Tax charge for the period	780	54.6	–	–	780	(36.9)
Tax charge from continuing operations	780		–		780	
Tax charge from discontinuing operations	–		–		–	

8. INCOME TAX (CONTINUED)

For the six months ended 30 June 2025

	Chinese mainland RMB'000	%	Hong Kong RMB'000	%	Total RMB'000	%
Profit/(loss) before tax from continuing operations	1,415		(3,986)		(2,571)	
Profit/(loss) before tax from discontinuing operations	(1,839)		2,408		569	
Total	(424)		(1,578)		(2,002)	
Tax at the weighted average applicable tax rate	(106)	25.0	(260)	16.5	(366)	18.3
Lower tax rate for specific provinces or enacted by local authorities	262		–		262	
Adjustments in respect of current tax of previous periods	(30)		–		(30)	
Income not subject to tax	(92)		(416)		(508)	
Expenses not deductible for tax	26		1		27	
Tax losses not recognised	839		675		1,514	
Tax charge for the period	899	(212.1)	–	–	899	(44.8)
Tax charge from continuing operations	899		–		899	
Tax charge from discontinuing operations	–		–		–	

9. DISCONTINUED OPERATION

On 5 December 2024 and 21 January 2025, the Company (as seller) entered into a sale and purchase agreement and its supplemental agreement, respectively, with Ms. Judy Chan ("**Ms. Chan**"), the former chairlady, an executive director and the former controlling shareholder of the Company (as purchaser), pursuant to which the Company has conditionally agreed to sell, and Ms. Chan has conditionally agreed to acquire, the entire issued share capital of Pacific Surplus Limited and its subsidiaries together with a shareholder's loan (the "**Pacific Surplus Disposal**"), being proposed disposal of the distillery business, for a total consideration of HK$71.28 million (equivalent to RMB66.6 million).

The transaction was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 19 February 2025 and was completed on 28 March 2025 (the "**Completion Date**"). Therefore, the Company ceased its control over Pacific Surplus Limited and its subsidiaries (the "**Pacific Surplus Group**") on the Completion Date, and the production of the spirits segment operated by Pacific Surplus Group was classified as a discontinued operation during the prior period.

The results of the Pacific Surplus Group dealt with in the unaudited interim condensed consolidated financial information for the period ended 30 June 2025 are summarised as follows:

	2025 RMB'000
Revenue	159
Cost of sales	(61)
Other income and gains, net	37
Selling and distribution expenses	(22)
Administrative expenses	(1,924)
Finance cost	(78)
Loss before tax	(1,889)
Income tax	–
Loss for the period	(1,889)
Gain on disposal of a discontinued operation	2,458
Profit/(loss) for the period from a discontinued operation	569
Attributable to:	
Owners of the Company	569
Non-controlling interests	–
	569

9. DISCONTINUED OPERATION (CONTINUED)

Earnings per share from a discontinued operation

	2026 **RMB cents**	2025 RMB cents
Basic and diluted	–	0.07

The calculation of the basic earnings per share amount from a discontinued operation is based on the profit for the period from a discontinued operation attributable to owners of the Company of nil (2025: loss for the period of RMB569,000), and the weighted average number of ordinary shares in issue during the period (note 11).

No adjustment has been made to the basic earnings per share amount from a discontinued operation presented for each of the periods ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share options outstanding during the periods ended 30 June 2026 and 2025 had no diluting effect on the basic earnings per share amount presented.

10. DIVIDENDS

Save as disclosed in notes 9, 17 and 18, in addition to the Pacific Surplus Disposal, on 5 December 2024 and 21 January 2025, the Company (as seller) entered into a sale and purchase agreement and its supplemental agreement, respectively, with Ms. Chan, the former chairlady, an executive director and the former controlling shareholder of the Company (as purchaser), pursuant to which the Company has conditionally agreed to sell, and Ms. Chan has conditionally agreed to acquire, the 30% of the entire issued share capital of Epic Wealth Holdings Limited and its subsidiaries (the "**Epic Wealth Group**") for a total consideration HK$38.88 million (equivalent to RMB35.3 million) (the "**Epic Wealth Disposal**").

Upon completion of each of the Pacific Surplus Disposal and the Epic Wealth Disposal, special dividends of HK7.802 cents per share ("**Pacific Surplus Special Dividend**") and HK4.256 cents per share ("**Epic Wealth Special Dividend**") shall be declared, distributed and paid to the shareholders, respectively.

The transactions were approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 19 February 2025 and was completed on 28 March 2025. As a result, a total of RMB89,293,000 special dividends was then declared, distributed and paid to the shareholders accordingly during the prior period.

The board of directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share for the six months ended 30 June 2026 is based on the loss for the period attributable to owners of the Company and loss for the period from continuing operations attributable to owners of the Company of RMB2,732,000 and RMB2,732,000, respectively (for the six months ended 30 June 2025: RMB2,745,000 and RMB3,314,000), and the weighted average number of ordinary shares of 809,848,000 (for the six months ended 30 June 2025: 800,600,000) in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during these periods.

12. PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group acquired items of plant and machinery with a cost of approximately RMB130,000 (for the six months ended 30 June 2025: RMB250,000) and additions of construction in progress of nil (for the six months ended 30 June 2025: RMB3,200,000). Items of plant and machinery with net book value of RMB89,000 (for the six months ended 30 June 2025: RMB102,000) were disposed of during the six months ended 30 June 2026, resulting in a gain on disposal of approximately RMB96,000 (for the six months ended 30 June 2025: RMB75,000).

13. BIOLOGICAL ASSETS

All grapes are harvested annually from late August to October each year. After the harvest, plantation works commence again on the farmland. The directors consider that there was no active market for the grapes before harvest at the end of the reporting periods and therefore the replacement cost approach is adopted to value the immature grapes during the growing period as at the end of the reporting periods.

Cultivation costs incurred are accounted for as additions to the biological assets and have been considered in the determination of the fair values during the growing period and these costs approximate to their fair values. During the six months ended 30 June 2026, the Group incurred RMB1,206,000 (for the six months ended 30 June 2025: RMB1,272,000) on the plantation of biological assets.

The fair value measurement of the grapes is categorised as Level 3 fair value measurement within the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. Significant unobservable inputs are mainly the replacement cost for immature grapes and the market price for harvested grapes.

During each of the reporting periods, no transfers occurred between levels in the fair value hierarchy.

13. BIOLOGICAL ASSETS (CONTINUED)

The fair values of agricultural produce are calculated based on the inputs to the valuation techniques used. The following table gives information about how the fair values of these biological assets are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy in which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Biological assets	Fair value hierarchy	Valuation technique	Significant unobservable input	Relationship of unobservable input to fair value
Immature grapes	Level 3	Replacement cost approach	Various costs for replacing	The higher the costs incurred, the higher the fair value

14. TRADE RECEIVABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Trade receivables	**1,095**	801
Impairment	**(7)**	(6)
Net carrying amount	**1,088**	795

Included in the Group's trade receivables as at 30 June 2026 was amount of RMB128,000 (2025: nil) due from a related party, arising from transactions carried out in the ordinary course of business of the Group. The balance is unsecured, interest-free and is repayable within credit periods similar to those offered by the Group to its major customers.

The Group's trading terms with its customers are normally payment in advance, except for the online sales customers and customers with long trading history, which are on credit. The credit period is generally for a period from one to three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

14. TRADE RECEIVABLES (CONTINUED)

An ageing analysis of the trade receivables, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 60 days	**1,074**	795
61 to 90 days	**14**	–
Total	**1,088**	795

15. TRADE PAYABLES

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

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 30 days	**4**	185
31 to 90 days	**307**	748
Total	**311**	933

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

16. SHARE OPTION SCHEME

In order to attract and retain the eligible participants, to provide incentives or rewards for their contribution to the Group and to promote the success of the business of the Group, the Company conditionally adopted a share option scheme (the "**Scheme**") on 1 June 2018 whereby the board of directors (the "**Board**") is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company (the "**Shares**") to, *inter alia*, any employees (full-time or part-time), potential employees, executives or officers (including executive, non-executive and independent non-executive Directors) of the Group and any suppliers, customers, agents and advisers who have contributed to the Group. The Scheme shall be valid and effective for a period of ten years commencing on 1 June 2018, subject to the early termination provisions contained in the Scheme.

The Company shall be entitled to issue options, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the Shares in issue as at 27 June 2018 (the "**Listing Date**"). The Company may at any time refresh this limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules.

The total number of shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Scheme, in any 12-month period up to the date of grant, shall not exceed 1% of the Shares in issue.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within seven days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days (as defined in the GEM Listing Rules) immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option provided always that for the purpose of calculating the subscription price, where the Company has been listed on the Stock Exchange for less than five business days, the issue price shall be used as the closing price for any trading day falling within the period before the date of listing of the shares.

16. SHARE OPTION SCHEME (CONTINUED)

In May 2021, 10,000,000 share options were granted under the Scheme, at an exercise price of HK$0.186 per share. 30%, 30% and 40% of the share options vested on 17 May 2022, 17 May 2023, and 17 May 2024, respectively, on the condition that the director and employee of the Company remain in service as of the vesting dates. The maximum aggregate number of ordinary shares that may be issued pursuant to all grantees under the Scheme was 10,000,000. The options will lapse on the tenth anniversary of the grant date.

In May 2022, 3,000,000 share options were granted under the Scheme, at an exercise price of HK$0.170 per share. 30% and 30% of the share options vested on 17 May 2023 and 17 May 2024, respectively. The remaining 40% of the share options vested on 17 May 2025 on the condition that the employee of the Company remains in service as of the vesting dates. The maximum aggregate number of ordinary shares that may be issued pursuant to all grantees under the Scheme was 3,000,000. The options will lapse on the tenth anniversary of the grant date.

(a) The following share options were outstanding under the Scheme during the period:

	2026		2025	
	Weighted average exercise price per share HK$	**Number of options '000**	Weighted average exercise price per share HK$	Number of options '000
At 1 January	**0.182**	**12,400**	0.182	12,400
Granted during the period		**–**		–
Exercised during the period		**12,400**		–
At 30 June	**–**	**–**	0.182	12,400

16. SHARE OPTION SCHEME (CONTINUED)

(b) The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

30 June 2026

During the period, 12,400,000 share options were exercised at the subscription price of HK$0.186 and HK$0.175 per share, resulting in the issue of 12,400,000 shares for a total cash consideration of HK$2,896,000. An amount of HK$945,000 was transferred from the share option reserve to share premium upon the exercise of the share options. The Company had no share options outstanding as at the period ended 30 June 2026.

30 June 2025

Number of options '000	Exercise price* HK$ per share	Exercise period
2,400	0.186	17 May 2022–16 May 2031
3,000	0.186	17 May 2023–16 May 2031
4,000	0.186	17 May 2024–16 May 2031
900	0.170	17 May 2023–16 May 2032
900	0.170	17 May 2024–16 May 2032
1,200	0.170	17 May 2025–16 May 2032
12,400		

* The exercise price of the share options was subject to adjustment in the case of right or bonus issues, or other similar changes in the Company's share capital.

The Group recognised nil share option expense for the six months ended 30 June 2026 (RMB12,000 (equivalent to HK$13,000) for the six months ended 30 June 2025).

17. DISPOSAL OF SUBSIDIARIES

As detailed in note 9 to the financial information, the Group disposed the Pacific Surplus Group during the period ended 30 June 2025. The assets and liabilities of Pacific Surplus Group as at the Completion date were as follows:

	Completion Date RMB'000
Net assets disposed of:	
Property, plant and equipment	98,297
Right-of-use assets	5,775
Prepayments, deposits and other receivables	994
Inventories	9,445
Trade receivables	11
Other tax recoverable	11,248
Cash and bank balances	2,751
Other payables and accruals	(3,067)
Interest-bearing bank borrowings	(62,386)
Deferred tax liabilities	(28)
	63,040
Exchange fluctuation reserve realised	(528)
Expenses incurred for the disposal	1,671
Gain on disposal of subsidiaries, included in a discontinued operation	2,458
Total consideration	66,641
Satisfied by cash	66,641

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2025 RMB'000
Cash consideration	66,641
Cash and bank balances disposed of	(2,751)
Expenses incurred for the disposal	(1,671)
Net inflow of cash and cash equivalents in respects of the disposal of subsidiaries	62,219

18. DISPOSAL OF PARTIAL INTERESTS OF SUBSIDIARIES

On 5 December 2024 and 21 January 2025, the Company (as seller) entered into a sale and purchase agreement and its supplemental agreement with Ms. Chan, the former chairlady, an executive director and the former controlling shareholder of the Company (as purchaser), pursuant to which the Company has conditionally agreed to sell, and Ms. Chan has conditionally agreed to acquire, 30% of the issued share capital of Epic Wealth Group for a total consideration of HK$38.88 million (equivalent to RMB35.3 million).

The transaction was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 19 February 2025 and was completed on 28 March 2025.

Upon completion of the transaction, a loss of RMB45,158,000 was recognised in capital reserve, which represented the difference between the consideration received and 30% of the net assets value of Epic Wealth Group that attributable to the Group as at disposal date.

19. COMMITMENTS

The Group had no capital commitments at the end of the reporting periods.

20. RELATED PARTY TRANSACTIONS

(a) In addition to those transactions and balances disclosed elsewhere in the unaudited interim condensed consolidated financial information, the Group had the following material transactions with related parties during the period:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Sales of products		
– Chan Kwan (note (i))	**59**	58
– Judy Chan (note (ii))	**–**	3
– Wong Shu Ying (note (iii))	**–**	7
– 1919 Wine & Spirits Platform Technology Co., Ltd (note (iv))	**19**	–
– Fujian Dexi Wine Holdings Co., Ltd (note (v))	**3**	–

Notes:

(i) Chan Kwan is a brother of Judy Chan.

(ii) Judy Chan is an executive director.

(iii) Wong Shu Ying is the mother of Judy Chan.

(iv) 1919 Wine & Spirits Platform Technology Co., Ltd. is ultimately controlled by Mr. Yang Lingjiang.

(v) Fujian Dexi Wine Holdings Co., Ltd. is ultimately controlled by Judy Chan.

All of the above transactions were conducted at prices mutually agreed between the parties.

(b) The Group has paid Dragonfield Management Limited amounting to RMB92,000 (for the six months ended 30 June 2025: RMB82,000) for the leasing of commercial premises for use as offices during the six months ended 30 June 2026. Dragonfield Management Limited is held by Chan Chun Keung, Judy Chan, Wong Shu Yin and Chan Kwan (brother of Judy Chan) with effective equity interests of 60%, 10%, 10% and 10%, respectively. The payment in respect of other administrative services provided by Dragonfield Management Limited during the six months ended 30 June 2026 on behalf of the Group was RMB715,000 (for the six months ended 30 June 2025: RMB917,000).

20. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Fees	**378**	256
Salaries, allowances and benefits in kind	**600**	615
Pension scheme contributions	**53**	46
	1,031	917

21. FAIR VALUE HIERARCHY

Other than biological assets, as disclosed in note 13, and equity investment designated at fair value through other comprehensive income, the Group did not have any financial assets or financial liabilities measured at fair value at the end of the reporting period.

BUSINESS REVIEW AND OUTLOOK

The Group's financial performance for the six months ended 30 June 2026 ("**1H2026**") remained challenging amid lower sales volumes of high-end wines. Revenue from continuing operations decreased by 15.4% to RMB15.9 million, compared with RMB18.8 million for the corresponding period in 2025. Total sales volume decreased to approximately 194,000 bottles from 208,000 bottles, with the product mix shifting towards entry-level wines. Nevertheless, the average selling price of high-end wines increased to RMB198.5 per bottle from RMB189.6 per bottle.

Despite the decline in revenue, the Group achieved an improvement in profitability at the gross profit margin level. Cost of sales decreased by 37.1% to RMB3.9 million, supported by lower unit costs arising from increased production levels and economies of scale. Accordingly, gross profit margin improved substantially from 67.2% to 75.4%, while gross profit decreased moderately by 4.8% to RMB12.0 million. Other income and gains also increased to RMB1.0 million, mainly attributable to rental income and foreign exchange gains. Selling and distribution expenses and administrative expenses remained broadly stable, reflecting continued cost discipline. As a result, the loss from continuing operations narrowed to RMB2.9 million from RMB3.5 million.

The Group maintained a sound financial position during the period. Cash and cash equivalents stood at RMB21.3 million as at 30 June 2026, broadly unchanged from RMB21.7 million as at 31 December 2025. The Group had no external borrowings and its gearing ratio remained at nil.

During 1H2026, the Group received several industry accolades. The Bruichladdich Grace Vineyard Cask Series was ranked No. 29 in The Spirits Business's "Top 50 Most Innovative Spirits in the World 2025". Grace Vineyard was also named one of the "Top 10 Boutique Wineries in China" at the WBO 2025 China Wine Market Annual Awards, while its Tasya's Reserve Cabernet Franc 2020 and Tasya's Reserve Merlot 2020 were awarded the "Bettane+Desseauve Gold Award" at the 2026 Bettane+Desseauve China Wine Selection. Tasya's Reserve Chardonnay 2021 was awarded a Gold Medal at the 2026 Wynn Signature Chinese Wine Competition.

Looking ahead, the Group will continue to focus on strengthening its sales performance and optimising its product mix, with particular emphasis on improving the contribution from higher-margin products. At the same time, as the new businesses commence operations, the Group will progressively develop and integrate its capabilities across the consumer (C), business (B) and production (F) ends of the value chain, laying the groundwork for the establishment of the "CBF Business Operating System". The upgraded platform-based operating model is expected to support the Group's operational efficiency and sustainable growth. Management will also continue to exercise prudent cost control, improve production efficiency and enhance operational effectiveness. Given the prevailing market conditions, the Group will remain cautious in deploying capital while maintaining sufficient liquidity to support its ongoing operations and future business opportunities.

FINANCIAL REVIEW

Revenue

Our revenue from continuing operations decreased by RMB2.9 million or 15.4% from RMB18.8 million for the six months ended 30 June 2025 ("**1H2025**") to RMB15.9 million for 1H2026 as a result of the decrease in total sales volume of high-end wines.

We sold 194,000 bottles in 1H2026 as compared to 208,000 bottles in 1H2025, the average selling price of high-end wines increased to RMB198.5 per bottle in 1H2026 from RMB189.6 per bottle in 1H2025 and entry-level wines decreased from RMB44.0 per bottle in 1H2026 to RMB41.9 per bottle in 1H2025. The table below sets out the analysis of revenue and sales volume by our product mix:

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	**Sales volume**	Revenue	Sales volume
High-end	**61.1%**	**25.2%**	66.9%	31.9%
Entry-level	**38.9%**	**74.8%**	33.1%	68.1%

Cost of sales

Our cost of sales from continuing operations decreased by RMB2.3 million or 37.1% from RMB6.2 million for 1H2025 to RMB3.9 million for 1H2026. The decrease in cost of sales partly aligned with the decline in revenue and partly due to the sale of inventories with a lower fixed unit cost, resulting from an increased production level over time while costs did not increase proportionally, thereby reducing the per-unit cost. Our average cost of sales per bottle decreased from RMB29.6 in 1H2025 to RMB20.1 in 1H2026.

Gross profit and gross profit margin

Our overall gross profit from continuing operations slightly decreased by RMB0.6 million or 4.8% from RMB12.6 million for 1H2025 to RMB12.0 million for 1H2026. The decrease was due to the decrease in sales. The gross profit margin increased from 67.2% for 1H2025 to 75.4% for 1H2026.

Other income and gains, net

Other net income and gains from continuing operations increased by RMB0.9 million from RMB0.1 million for 1H2025 to RMB1.0 million for 1H2026. The increase primarily contributed from the rental income and exchange gain generated during 1H2026.

Selling and distribution expenses

Selling and distribution expenses from continuing operations slightly decreased by RMB0.3 million or 5.8% from RMB5.2 million for 1H2025 to RMB4.9 million for 1H2026. These expenses primarily consist of marketing and promotional fees, packaging costs and salaries. The decrease was principally attributable to a reduction in staff costs, marketing and promotion cost.

Administrative expenses

Administrative expenses from continuing operations stayed fairly constant at RMB10.1 million across both 1H2026 and 1H2025, primarily comprising staff salaries, professional fees, rent and travel expenses.

Income tax expense

Our income tax expense from continuing operations decreased by RMB0.1 million or 11.1% from RMB0.9 million for 1H2025 to RMB0.8 million for 1H2026 due to the decrease in profit before tax in our PRC subsidiaries.

Loss for the period from continuing operations

As a result of the foregoing, a loss for the period from continuing operations of RMB2.9 million was recognised for 1H2026, compared to RMB3.5 million for 1H2025.

Liquidity, financial and capital resources

Our principal liquidity and capital requirements primarily relate to acquisition of raw materials for wine production, other costs and expenses related to our business operation, as well as capital investment in new projects. As at 30 June 2026, the carrying amount of the Group's cash and cash equivalents was RMB21.3 million, broadly unchanged from RMB21.7 million as at 31 December 2025.

As at 30 June 2026, the Group's cash and cash equivalents include RMB20.8 million, HK$0.5 million, and some insignificant amounts of USD and EUR (31 December 2025: RMB20.5 million, HK$0.8 million, and some insignificant amounts of USD and EUR).

During the 1H2026, the Group's cash and cash equivalents remained broadly unchanged compared with 31 December 2025. This mainly reflected net cash used in operating activities of approximately RMB2.3 million, net cash from financing activities of approximately RMB2.8 million, and a negative effect of foreign exchange rate changes of approximately RMB0.3 million. The cash flow details of the Group are set out on page 10 of the Unaudited Condensed Consolidated Statement of Cash Flows for 1H2026 in this report.

Borrowings

As at 30 June 2026, the Group does not have any external borrowings (31 December 2025: Nil).

Gearing ratio

The Group's gearing ratio is measured by total external borrowings divided by total equity. Our gearing ratio is nil as at 30 June 2026 (31 December 2025: Nil).

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. The Board closely monitors the Group's liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

Foreign exchange risk

The business of the Group is primarily in Mainland China where most of the transactions are denominated in RMB. Therefore, the individual companies within the Group have minimal exposures of foreign exchange risk to its functional currency. Given that the presentation currency of the Group's consolidated financial positions is also RMB, the exchange gain or loss arising from currency translation is also insignificant.

For the Group's subsidiaries outside Mainland China, transactions, including the Group's financing activities, may be denominated in Hong Kong Dollars or United States Dollars, and therefore are exposed to foreign exchange risks. The Group does not have a foreign currency hedging policy and does not use any financial instruments for hedging purposes. The Board monitors the Group's foreign currency exposures closely and may take appropriate measures to minimise the foreign currency risk exposures accordingly.

Contingent liabilities

As at 30 June 2026, the Group had no contingent liabilities (31 December 2025: Nil).

Pledge of assets

As at 30 June 2026, the Group did not have any assets pledged for credit facilities (31 December 2025: Nil).

Employee and remuneration policies

As at 30 June 2026, the Group had, including Directors, 123 employees (31 December 2025: 118 employees). Staff costs, including Directors' emoluments, amounted to RMB6.1 million for 1H2026 (1H2025: RMB5.6 million). The remuneration policies for our Directors and employees are based on their experience, level of responsibility and general market conditions, and are reviewed and adjusted on an annual basis.

The Company has adopted a share option scheme on 1 June 2018 for the purpose of providing incentives and rewards to eligible members of the scheme.

Events after the reporting period

There were no significant events after 30 June 2026 up to the date of this report.

Significant investments, material acquisition and disposals

The Group did not have any significant investments, material acquisitions or disposal of assets, subsidiaries, associates or joint ventures during 1H2026.

Interim dividend

The Board does not recommend the payment of any dividend for 1H2026 (1H2025: Nil).

Future plans for material investments and capital assets

Save as disclosed in this report, the Group does not have other plans for material investments and capital assets.

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

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares (the "**Shares**") and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Interests in the Company

Name of Director	Capacity/ Nature of interest	Number of ordinary Share(s) held[1]	Approximate shareholding percentage
Ms. Judy Chan[2]	Interest in controlled corporation[2]	287,945,000 (L)	35.42%
	Beneficial owner[3]	8,000,000 (L)	0.98%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. Macmillan Equity Limited ("**Macmillan Equity**") is wholly-owned by Ms. Judy Chan. By virtue of the SFO, Ms. Chan is deemed to be interested in 287,945,000 Shares charged by Hill Valley Investment Co Ltd ("**Hill Valley**") in favour of Macmillan pursuant to the deed of share charge dated 10 December 2025.

3. On 16 February 2026, 8,000,000 Shares were issued and allotted to Ms. Chan following her exercise of the 8,000,000 share options granted to her pursuant to the Company's share option scheme adopted on 1 June 2018.

(ii) Interests in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of ordinary Share(s) held[1]	Approximate shareholding percentage
Ms. Judy Chan[2]	Macmillan Equity	Beneficial owner	100 (L)	100%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. Macmillan Equity is wholly-owned by Ms. Judy Chan.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which 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 were taken or deemed to have under the SFO), or pursuant to section 352 of the SFO, which were required to be recorded in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, which were to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors and the chief executive of the Company are aware, as at 30 June 2026, other than the Directors and chief executive of the Company, the following persons had or were deemed or taken to have an interest and/or short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Name of shareholder	Capacity/ Nature of interest	Number of ordinary Shares held	Approximate percentage
Hill Valley Investment Co Ltd(2)	Beneficial interest	590,570,010 (L)	72.64%
Yang Lingjiang(2)	Interest in controlled corporation	590,570,010 (L)	72.64%
Qu Lin(2)	Interest of spouse	590,570,010 (L)	72.64%
Macmillan Equity(3)	Security interest in shares	287,945,000 (L)	35.42%
Palgrave Enterprises Limited(4)	Security interest in shares	121,226,000 (L)	14.91%
Ms. Wong Shu Ying(4, 5)	Interest in controlled corporation	121,226,000 (L)	14.91%
	Security interest in shares	3,465,000(L)	0.43%
Mr. Chan Chun Keung(6)	Interest of spouse	124,691,000 (L)	15.34%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. Hill Valley is directly and wholly owned by Mr. Yang Lingjiang ("**Mr. Yang**"). Ms. Qu Lin ("**Ms. Qu**") is the spouse of Mr. Yang. Accordingly, Mr. Yang and Ms. Qu are deemed to be interested in the 590,570,010 Shares beneficially held by Hill Valley by virtue of the SFO.

3. Macmillan Equity is wholly-owned by Ms. Chan. By virtue of the SFO, Ms. Chan is deemed to be interested in 287,945,000 Shares charged by Hill Valley in favour of Macmillan pursuant to the deed of share charge dated 10 December 2025.

4. Palgrave Enterprises Limited ("**Palgrave**") is wholly-owned by Ms. Wong Shu Ying ("**Ms. Wong**"). By virtue of the SFO, Ms. Wong is deemed to be interested in the 121,226,000 Shares charged by Hill Valley in favour of Palgrave pursuant to the deed of share charge dated 10 December 2025.

5. Hill Valley has charged 3,465,000 Shares in favour of Ms. Wong pursuant to the deed of share charge dated 10 December 2025.

6. Mr. Chan Chun Keung, the spouse of Ms. Wong, is deemed to be interested in 124,691,000 Shares in which Ms. Wong is interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any person or corporation (other than the Directors and the chief executive of the Company) who had any interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 1 June 2018 (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to enable the Company to grant options to Eligible Participants (as defined below) as incentives or rewards for their contribution or potential contribution to the Group. Details of the Share Option Scheme have been disclosed in the prospectus of the Company dated 12 June 2018 under section "Appendix V – Statutory and General Information – F. Share Option Scheme".

Unless otherwise cancelled or amended, the Board is entitled at any time within the period of ten years from the date of adoption of the Share Option Scheme to make an offer to the below eligible participants (the "**Eligible Participants**") of the Share Option Scheme:

(i) any full-time or part-time employees, or potential employees, executives or officers of the Company or any of its subsidiaries;

(ii) any Directors (including executive, non-executive and independent non-executive Directors) of the Company or any of its subsidiaries; and

(iii) any suppliers, customers, agents and advisers who, in the sole opinion of the Board, will contribute or have contributed to our Company and/or any of its subsidiaries.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at 27 June 2018 (the "**Listing Date**"), being 80,000,000 Shares. Subject to Shareholders' approval in general meeting, the Board may (i) refresh this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or (ii) grant options beyond the 10% limit to Eligible Participants specially approved by the Shareholders in general meeting and the Eligible Participants are specifically identified by the Company before such approval is sought.

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue. Any further grant of options to an Eligible Participant in excess of the 1% limit shall be subject to approval by Shareholders in general meeting with such Eligible Participant and his or her close associates (or his or her associates if such Eligible Participant is a connected person) abstaining from voting.

Each of the grantees to whom an option has been granted under the Share Option Scheme shall be entitled to exercise his/her option in the manner set out in his/her offer document, provided that such period of time shall not exceed a period of ten years commencing on the date on which the option is granted. The exercise of any option shall be subject to the approval from the Shareholders in general meeting for any necessary increase in the authorised share capital of the Company.

Upon acceptance of an option to subscribe for Shares granted pursuant to the Share Option Scheme, the Eligible Participant shall pay HK$1.00 to the Company as consideration for the grant. The subscription price for the Shares under the Share Option Scheme shall be a price determined by the Board at its sole discretion and no less than the highest of:

(a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange 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 price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days (as defined under the GEM Listing Rules) immediately preceding the date of grant; and

(c) the nominal value of a Share.

As at 30 June 2026, the number of shares in respect of which options under the Share Option Scheme had been granted was 13,000,000 Shares, representing approximately 1.60%, of the Shares in issue as at 30 June 2026. There are no outstanding share options that remain unexercised under the Share Option Scheme as at 30 June 2026.

No options were granted during the six months ended 30 June 2026. Therefore, the total number of Shares available for issue under the Share Option Scheme was 67,000,000 Shares, representing approximately 8.24% of the Shares in issue as at 30 June 2026.

Details of the share options movement during the six months ended 30 June 2026 under the Share Option Scheme are set out in the table below.

		Number of share options									
Grantee	Date of grant of share options	As at 1 January 2026	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 30 June 2026	Exercise price of share options HK$	Weighted average closing price immediately before the date of exercise HK$	Validity period of share options (both dates inclusive)	Vesting period
Employee	17 May 2021	1,400,000	–	1,400,000	–	–	–	0.186	0.78	17/5/2021 to 16/5/2031	Note 1
	17 May 2022	3,000,000	–	3,000,000	–	–	–	0.170	0.78	17/5/2022 to 16/5/2032	Note 2
Director											
Judy Chan	17 May 2021	8,000,000	–	8,000,000	–	–	–	0.186	0.78	17/5/2021 to 16/5/2031	Note 1
Total:		12,400,000	–	12,400,000	–	–	–				

Notes:

1: Grantees may only exercise their share options in the following manner:

Maximum percentage of share options exercisable	Period for vesting of the relevant percentage of the share option
30% of the total number of share options	From 17 May 2022 to 16 May 2031
30% of the total number of share options	From 17 May 2023 to 16 May 2031
40% of the total number of share options	From 17 May 2024 to 16 May 2031

2: Grantees may only exercise their share options in the following manner:

Maximum percentage of share options exercisable	Period for vesting of the relevant percentage of the share option
30% of the total number of share options	From 17 May 2023 to 16 May 2032
30% of the total number of share options	From 17 May 2024 to 16 May 2032
40% of the total number of share options	From 17 May 2025 to 16 May 2032

3. The total number of Shares available for grant under the Share Option Scheme as at 1 January 2026 was 67,000,000 Shares and the total number of Shares available for grant under the Share Option Scheme was 67,000,000 Shares as at 30 June 2026.

4. The number of Shares that may be issued in respect of share options as at 1 January 2026 was 12,400,000 Shares and 12,400,000 new Shares were issued on 16 February 2026 upon exercise of the share options, and accordingly no Shares remained issuable in respect of outstanding share options as at 30 June 2026.

5. The number of Shares that may be issued in respect of share options granted under the Share Option Scheme as at 30 June 2026 divided by the weighted average number of the Shares in issue for period is 0%.

6. The closing price of the Shares immediately before the date of grant of share options under the Share Option Scheme on 17 May 2021 and 17 May 2022 were HK$0.185 and HK$0.164 respectively.

7. Details of the fair value of options at the date of grant and the accounting standard and policy adopted are set out in Note 16 to Unaudited Condensed Consolidated Interim Financial Information.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the six months ended 30 June 2026, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for Shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above in the section "Share Option Scheme", at no time during the six months ended 30 June 2026 was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the Shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

COMPETING INTERESTS

As at 30 June 2026, none of the Directors, the controlling shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had any interests (other than their interest in the Company or its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

Dr. Cheung Chai Hong, the former non-executive Director of the Company (retired on 5 June 2026), is a director and leading founder of The Wine Company, a fine wine retail and trading company in Hong Kong established in 2010. The Wine Company's principal business is based in Hong Kong, and it only generates a minimal portion of its sales in the PRC.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the "**Model Code**") by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code during the six months ended 30 June 2026.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities. As at 30 June 2026, the Company had no treasury share (as defined in the GEM Listing Rules).

CHANGE IN THE DIRECTOR'S INFORMATION PURSUANT TO RULE 17.50(A)(1) OF THE GEM LISTING RULES

The change in the Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules is set out below:

– Dr. Cheung Chai Hong has retired as a non-executive Director effective from the conclusion of the annual general meeting of the Company on 5 June 2026.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company has adopted with all the applicable provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 of the GEM Listing Rules.

Except as expressly described below, the Company complied with all applicable code provisions set out in the CG Code during the six months ended 30 June 2026.

Chairman and Chief Executive

Under 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. Mr. Liu Yunqiang holds both positions in the Company. Mr. Liu Yunqiang has been primarily responsible for overseeing the Group's general management and business development and for formulating business strategies and policies for our business management and operations since he joined the Group in February 2026. Taking into account the implementation of the Group's business strategies, the Directors (including our independent non-executive Directors) consider that it is most suitable for Mr. Liu Yunqiang to hold both the positions of Chief Executive Officer and the Chairman of the Board.

Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances and the existing arrangements are beneficial and in the interests of the Company and its shareholders as a whole.

AUDIT COMMITTEE

The Audit Committee was established on 1 June 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code as set out in Part 2 of Appendix C1 to the GEM Listing Rules. As at 30 June 2026, the Audit Committee comprises two independent non-executive Directors and one non-executive Director, namely Mr. Leung Ming Shu, Dr. Wang Renrong and Mr. Zhao Guodong. Mr. Leung Ming Shu is the chairman of the Audit Committee.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information, provide advice in respect of financial reporting and oversee the risk management and internal control procedures of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2026 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board

Grace Wine Holdings Limited
Liu Yunqiang
Chairman, Chief Executive Officer and Executive Director
Hong Kong, 13 August 2026

As at the date of this report, the executive Directors are Mr. Liu Yunqiang, Ms. Judy Chan, Ms. Xiong Xia and Mr. Zhao Mingjun, the non-executive Director is Mr. Zhao Guodong, and the independent non-executive Directors are Mr. Leung Ming Shu, Dr. Wang Renrong and Dr. Xu Yan.