TSIT WING INTERNATIONAL HOLDINGS LIMITED

捷榮國際控股有限公司*

(Incorporated under the laws of Bermuda with limited liability)

(Stock Code: 2119)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2026 amounted to HK$398.4 million, representing an increase of 4.7% from HK$380.4 million for the corresponding period in 2025.

- Gross profit for the six months ended 30 June 2026 amounted to HK$113.6 million, representing a decrease of 2.0% from HK$115.9 million for the corresponding period in 2025.

- Gross profit margin decreased from 30.5% for the six months ended 30 June 2025 to 28.5% for the six months ended 30 June 2026.

- Profit for the six months ended 30 June 2026 amounted to HK$23.7 million, representing a decrease of 4.8% from HK$24.9 million for the corresponding period in 2025.

- Net profit margin decreased from 6.5% for the six months ended 30 June 2025 to 5.9% for the six months ended 30 June 2026.

* *for identification purposes only*

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Tsit Wing International Holdings Limited (the "**Company**") presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025 as set out below.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	4	**398,434**	380,427
Cost of sales		**(284,794)**	(264,485)
Gross profit		**113,640**	115,942
Other income and gains, net	4	**2,933**	2,402
Selling and distribution expenses		**(49,316)**	(48,373)
General and administrative expenses		**(37,250)**	(37,680)
Other expenses, net		**(943)**	(1,669)
Finance costs	5	**(555)**	(836)
PROFIT BEFORE TAX	6	**28,509**	29,786
Taxation	7	**(4,806)**	(4,924)
PROFIT FOR THE PERIOD		**23,703**	24,862
Attributable to:			
Owners of the parent		**23,703**	24,862
		HK cents	*HK cents*
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted		**3.29**	3.45

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**23,703**	24,862
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**9,469**	3,500
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**33,172**	28,362
Attributable to:		
Owners of the parent	**33,172**	28,362

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	10	**221,811**	206,106
Investment properties	10	**991**	1,097
Deposits paid for purchases of items of property, plant and equipment		**5,747**	6,718
Prepayments, deposits and other receivables		**610**	1,625
Deferred tax assets		**1,050**	1,105
Total non-current assets		**230,209**	216,651
CURRENT ASSETS			
Inventories	11	**174,591**	197,384
Trade receivables	12	**103,543**	114,182
Derivative financial instruments		**388**	—
Prepayments, deposits and other receivables		**18,183**	27,041
Tax recoverable		**2,374**	5,702
Cash and cash equivalents		**179,108**	153,274
Total current assets		**478,187**	497,583
CURRENT LIABILITIES			
Trade payables	13	**81,150**	95,842
Accruals and other payables		**46,547**	51,299
Derivative financial instruments		**—**	560
Interest-bearing bank borrowings	14	**—**	7,199
Lease liabilities		**10,250**	10,974
Tax payable		**1,089**	799
Total current liabilities		**139,036**	166,673
NET CURRENT ASSETS		**339,151**	330,910
TOTAL ASSETS LESS CURRENT LIABILITIES		**569,360**	547,561

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Notes	**As at 30 June 2026 (Unaudited)** ***HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**5,548**	7,365
Deferred tax liabilities		**12,552**	12,306
Total non-current liabilities		**18,100**	19,671
Net assets		**551,260**	527,890
EQUITY			
Equity attributable to owners of the parent			
Issued capital	15	**72,073**	72,073
Reserves		**479,187**	455,817
Total equity		**551,260**	527,890

1. CORPORATE AND GROUP INFORMATION

Tsit Wing International Holdings Limited (the "**Company**") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda. The principal place of business of the Company is located at Flats F-J, 11th Floor, Block 1, Kwai Tak Industrial Centre, 15–33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. During the period, the Company's subsidiaries were engaged in the following principal activities:

- processing and distribution of coffee, tea and related complementary products/services
- distribution of frozen food
- sale of coffee and tea machines and provision of coffee and tea machine solutions

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The unaudited interim condensed consolidated financial information 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 consolidated financial statements for the year ended 31 December 2025. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 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 nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Prior to the initial application of the amendments, the Group derecognised trade payables that were settled by cheques upon the issuance of cheques to creditors. Upon applying the amendments, trade payables that were settled by cheques are derecognised on the settlement date which is the date when the cheques are cleared by banks. The change in accounting policy did not have a material impact on the Group's interim condensed consolidated financial information. The change in accounting policy will be reflected in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the unaudited interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards* — Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the unaudited interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Geographical information

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment focuses on the operating results of the Group as a whole, as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong	**270,541**	264,401
Chinese Mainland	**120,042**	109,559
Others	**7,851**	6,467
	398,434	380,427

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	As at	As at
	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Hong Kong	**141,632**	139,419
Chinese Mainland	**86,917**	74,502
	228,549	213,921

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial assets.

4. REVENUE AND OTHER INCOME AND GAINS, NET

Revenue

An analysis of the Group's revenue from contracts with customers is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Type of goods or services		
Sale of coffee, tea and other related complementary products and processing services	**384,469**	365,574
Sale of frozen food	**2,138**	3,339
Income from provision of coffee and tea machine solutions	**11,827**	11,514
Total revenue from contracts with customers	**398,434**	380,427
Geographical markets		
Hong Kong	**270,541**	264,401
Chinese Mainland	**120,042**	109,559
Others	**7,851**	6,467
Total revenue from contracts with customers	**398,434**	380,427
Timing of revenue recognition		
At a point in time	**386,607**	368,913
Over time	**11,827**	11,514
Total revenue from contracts with customers	**398,434**	380,427

Other income and gains, net

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**1,481**	1,994
Foreign exchange gains, net	**—**	210
Gains on changes in fair value of derivative financial instruments, net	**902**	—
Gross rental income from investment property operating leases	**122**	39
Others	**428**	159
	2,933	2,402

5. **FINANCE COSTS**

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank borrowings	**54**	65
Interest on lease liabilities	**501**	771
	555	836

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold^	**262,469**	243,327
Depreciation^:		
Investment properties	**159**	50
Right-of-use assets	**6,145**	6,327
Other items of property, plant and equipment	**12,385**	11,946
	18,689	18,323
Lease payments not included in the measurement of lease liabilities	**526**	426
Foreign exchange differences, net*	**482**	(210)
Reversal of impairment of trade receivables*	**(1)**	(209)
Impairment of trade receivables*	**87**	168
Write-off of trade receivables*	**110**	160
Employee benefit expenses^:		
Salaries, wages, fees, bonuses and other benefits	**57,258**	54,955
Pension scheme contributions (defined contribution schemes)	**3,051**	3,099
	60,309	58,054
Write-down of inventories to net realisable value*	**11**	11
Write-off of inventories*	**119**	58
Loss on disposal of items of property, plant and equipment, net*	**135**	72
(Gains)/losses on changes in fair value of derivative financial instruments, net*	**(902)**	1,409

* These amounts are included in "Other income and gains, net" or "Other expenses, net" on the face of the condensed consolidated statement of profit or loss.

^ The cost of sales for the six months ended 30 June 2026 amounted to HK$284,794,000 (six months ended 30 June 2025: HK$264,485,000), including, but not limited to, cost of inventories sold of HK$262,469,000 (six months ended 30 June 2025: HK$243,327,000), depreciation charge of HK$9,095,000 (six months ended 30 June 2025: HK$8,239,000) and employee benefit expenses of HK$7,058,000 (six months ended 30 June 2025: HK$7,269,000).

7. TAXATION

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

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable in the Chinese Mainland have been calculated at the rate of 25% (six months ended 30 June 2025: 25%).

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current — Hong Kong profits tax		
Charge for the period	**3,760**	1,579
Current — Chinese Mainland — Income tax		
Charge for the period	**914**	2,054
Deferred	**132**	1,291
Total tax charge for the period	**4,806**	4,924

8. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Dividends recognised as distributions during the reporting period:		
2025 final dividend — HK1.36 cents per ordinary share	**9,802**	—
2024 final dividend — HK2.16 cents per ordinary share	**—**	15,568
	9,802	15,568
Dividend declared after the end of the reporting period:		
Interim dividend — HK1.81 cents (six months ended 30 June 2025: HK1.90 cents) per ordinary share	**13,045**	13,694

The interim dividend for the six months ended 30 June 2026 has been calculated with reference to 720,731,512 shares outstanding as at 14 August 2026.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the six months ended 30 June 2026 attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 720,731,512 (six months ended 30 June 2025: 720,731,512) outstanding during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation.

Basic and diluted earnings per share are the same as there were no outstanding share options or other dilutive potential ordinary shares in issue during the six months ended 30 June 2026 and 2025.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**23,703**	24,862
	'000	*'000*
Shares		
Weighted average number of ordinary shares outstanding during the period, used in the basic and diluted earnings per share calculations	**720,732**	720,732

10. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six months ended 30 June 2026, the Group had additions of right-of-use assets of HK$4,716,000 (six months ended 30 June 2025: Nil), and other items of property, plant and equipment of HK$27,357,000 (six months ended 30 June 2025: HK$37,575,000).

Items of property, plant and equipment with a net carrying amount of HK$158,000 were disposed of by the Group during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$73,000).

Right-of-use assets amounting to HK$30,070,000 were included in property, plant and equipment as at 30 June 2026 (31 December 2025: HK$32,019,000).

During the six months ended 30 June 2025, there were transfers of owner-occupied buildings with a total net book value of HK$1,241,000 to investment properties.

The Group's investment properties consist of three units of a commercial property in the Chinese Mainland. The Directors have determined that the investment properties are commercial properties, based on the nature, characteristics and risks of each property.

Investment properties are stated at cost less accumulated depreciation and any impairment losses. The investment properties are leased to a third party under an operating lease. The lease has a lease term of 3 years, with an option to renew the lease after that period at which time all terms are renegotiated. The term of the lease requires the tenant to pay security deposits.

11. INVENTORIES

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Raw materials	**117,581**	121,722
Work-in-progress	**1,103**	1,097
Finished goods	**55,907**	74,565
	174,591	197,384

12. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Trade receivables	**106,136**	116,625
Impairment	**(2,593)**	(2,443)
	103,543	114,182

The Group's trading terms with its customers are mainly on credit, except for new customers, where the Group normally requires cash on delivery. The credit periods generally range from 30 to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables is an amount due from a related company of a substantial shareholder of the Company of HK$24,000 (31 December 2025: HK$432,000), which is repayable on credit terms similar to those offered to the major customers of the Group.

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

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Within 30 days	**98,729**	106,946
31 to 60 days	**4,127**	6,181
61 to 90 days	**318**	590
91 to 120 days	**224**	294
121 to 180 days	**123**	137
Over 180 days	**22**	34
	103,543	114,182

13. 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) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Within 1 month	**80,934**	94,583
1 to 2 months	**162**	1,219
2 to 3 months	**13**	22
Over 3 months	**41**	18
	81,150	95,842

The trade payables are non-interest-bearing and are normally settled within 30 to 60 days.

14. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Current		
Trust receipt loans — unsecured	**—**	7,199

15. ISSUED CAPITAL

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Authorised:		
2,000,000,000 ordinary shares of HK$0.10 each	**200,000**	200,000
Issued and fully paid:		
720,731,512 (31 December 2025: 720,731,512) ordinary shares of HK$0.10 each	**72,073**	72,073

16. SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Details of the Share Option Scheme are set out in the prospectus dated 30 April 2018 issued by the Company in relation to the listing of its shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Eligible participants of the Share Option Scheme include the Company's executive directors and other employees of the Group. The Share Option Scheme was approved and adopted on 15 December 2017.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

Subject to the terms of the Share Option Scheme and the Listing Rules, the Board has the sole discretion to determine the vesting period(s), schedule and conditions (including, without limitation, conditions as to performance criteria to be satisfied by the participant and/or the Group) for any grant of option to any participant, which shall be specified in the relevant grant letter.

No options were granted or agreed to be granted under the Share Option Scheme since its adoption. Thus, there were no options outstanding, exercised, cancelled or lapsed during the six months ended 30 June 2026.

The Share Option Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from the date which the Company's shares were listed on the Stock Exchange (i.e., 11 May 2018).

17. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions, arrangements and balances detailed elsewhere in the unaudited interim condensed consolidated financial statements, the Group had the following transactions with related parties based on terms agreed with respective parties during the period:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Purchase of goods via a distributor *(note 1)*	**778**	823
Logistic and storage costs charged by a warehouse and logistics service provider *(note 2)*	**357**	564
Original equipment manufacturing processing income from a coffee and tea manufacturer *(note 3)*	**1,662**	1,731

Notes:

1. The distributor is a related company of a substantial shareholder of the Company.
2. The warehouse and logistics service provider is a related company of a substantial shareholder of the Company.
3. The coffee and tea manufacturer is a related company of a substantial shareholder of the Company.

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short term employee benefits and other benefits	**8,470**	8,253
Pension scheme contributions (defined contribution schemes)	**495**	481
	8,965	8,734

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Being a key integrated business-to-business coffee and black tea solutions provider in Hong Kong, Tsit Wing International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**"), inevitably faces challenges while Hong Kong's food and beverage sector faced a severe wave of restaurant closures in the first half of 2026. The Group's business in the Chinese Mainland continued to operate under an increasingly competitive environment. Despite these headwinds, the Group recorded a total revenue of approximately HK$398.4 million, representing a slight increase of approximately HK$18.0 million or 4.7% compared to the corresponding period in 2025.

The Group's resilience under the challenging market was demonstrated by its relatively stable performance in recording profit of approximately HK$23.7 million in the first half of 2026 (down by approximately HK$1.2 million, or 4.8% compared to the corresponding period in 2025). Attributable to the increased cost of goods and raw materials, as well as costs spent for implementation of measures targeting to achieve optimisations within the Group in the long run, the Group's net profit margin for the period slightly decreased by 0.6% from approximately 6.5% (first half of 2025) to approximately 5.9% (first half of 2026). The overall revenue and profit performance of the Group remained relatively steady, due to tremendous efforts of the Group in maintaining and diversifying its customer base.

BUSINESS PROSPECT

Moving forward, the Group aims to continue efforts towards adopting a proactive yet prudent approach in navigating challenges faced by the Group. Although the general economic outlook of Hong Kong has improved against previous years, the overall food and beverage industry lags in comparison, both in terms of growth and when compared to pre-pandemic levels. The Group will continue pursuing measures to broaden its customer base to minimise market risk.

The Group maintains a cautiously optimistic outlook towards the remainder of the year, considering how coffee commodity prices have become relatively stabilised compared to the volatility experienced during 2025. Despite this positive turn, the Group will continue to proactively monitor commodities prices to optimise costs. Further initiatives towards digitalisation and streamlining operations, particularly in the Chinese Mainland, are already underway.

The Group remains dedicated towards driving a long-lasting and consistent business model. Efforts will be made to place the Group in a position to capture emerging and suitable business opportunities. The Group will continuously strive to improve efficiency and costs. With these efforts, the Group seeks to safeguard profitability and deliver sustainable value to the Company's shareholders and investors.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by HK$18.0 million, or 4.7%, from HK$380.4 million for the six months ended 30 June 2025 to HK$398.4 million for the six months ended 30 June 2026. The increase was primarily driven by higher revenue from coffee products, as a result of selling price adjustments in response to rising coffee bean commodity prices.

Cost of Sales

The Group's cost of sales increased by HK$20.3 million, or 7.7%, from HK$264.5 million for the six months ended 30 June 2025 to HK$284.8 million for the six months ended 30 June 2026. The increase in the cost of sales was primarily attributable to higher raw material costs for coffee products, arising from the increase in coffee bean commodity prices.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by HK$2.3 million, or 2.0%, from HK$115.9 million for the six months ended 30 June 2025 to HK$113.6 million for the six months ended 30 June 2026. The Group's gross profit margin decreased from 30.5% for the six months ended 30 June 2025 to 28.5% for the six months ended 30 June 2026.

Other Income and Gains, Net

The Group's other income and gains, net increased by HK$0.5 million, or 20.8%, from HK$2.4 million for the six months ended 30 June 2025 to HK$2.9 million for the six months ended 30 June 2026. The increase was primarily attributable to a net gain on changes in fair value of derivative financial instruments for the six months ended 30 June 2026, as compared with a net loss recognised in other expenses, net in the corresponding period of 2025.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by HK$0.9 million, or 1.9%, from HK$48.4 million for the six months ended 30 June 2025 to HK$49.3 million for the six months ended 30 June 2026, which was primarily due to higher staff costs from annual salary increments and increased performance-based remuneration, in line with the revenue growth.

General and Administrative Expenses

The Group's general and administrative expenses decreased by HK$0.4 million, or 1.1%, from HK$37.7 million for the six months ended 30 June 2025 to HK$37.3 million for the six months ended 30 June 2026. The decrease was primarily due to lower depreciation charges.

Other Expenses, Net

The Group's other expenses, net, decreased by HK$0.8 million, or 47.1%, from HK$1.7 million for the six months ended 30 June 2025 to HK$0.9 million for the six months ended 30 June 2026. The decrease was primarily due to the net gain on changes in fair value of derivative financial instruments resulting from appreciation of United States Dollars, as compared with a net loss recognised in the corresponding period of 2025, and the decrease in write-off of trade receivables.

Finance Costs

The Group's finance costs decreased by HK$0.2 million, or 25.0%, from HK$0.8 million for the six months ended 30 June 2025 to HK$0.6 million for the six months ended 30 June 2026. The decrease was primarily the result of the decrease in interest on lease liabilities.

Taxation

The Group's taxation decreased by HK$0.1 million, or 2.0%, from HK$4.9 million for the six months ended 30 June 2025 to HK$4.8 million for the six months ended 30 June 2026. The decrease was mainly due to the decrease in profit before tax of the Group. The Group's effective tax rate increased from 16.5% for the six months ended 30 June 2025 to 16.9% for the six months ended 30 June 2026.

Profit for the Period and Net Profit Margin

As a result of the foregoing, the Group's profit for the period decreased by HK$1.2 million, or 4.8%, from HK$24.9 million for the six months ended 30 June 2025 to HK$23.7 million for the six months ended 30 June 2026. The Group's net profit margin decreased from 6.5% for the six months ended 30 June 2025 to 5.9% for the six months ended 30 June 2026.

Capital Expenditure and Commitments

During the six months ended 30 June 2026, the Group had additions of property, plant and equipment of HK$27.4 million (six months ended 30 June 2025: HK$37.6 million). The Group's capital expenditures were incurred in relation to the purchase of (i) catering machines which were leased to the Group's customers, and (ii) production machineries.

As at 30 June 2026, the Group had capital commitments of HK$2.9 million (31 December 2025: HK$4.0 million), mainly comprising the related contracts of capital expenditure on production machineries of the Group's coffee roasting system.

Borrowings

As at 30 June 2026, the Group did not have any interest-bearing bank borrowings (31 December 2025: HK$7.2 million).

Contingent Liabilities

During the six months ended 30 June 2026, the Group was not able to obtain the real estate ownership certificates for two warehouses located in the Chinese Mainland with costs of approximately HK$0.7 million and HK$0.6 million, respectively. These two warehouses were fully depreciated in prior years. As the Group completed the construction of the relevant warehouses and commenced usage without obtaining the necessary construction planning permit and construction commencement permit prior to the construction and did not complete the filing of the necessary construction completion reports with the relevant authorities, the Group may be requested by the relevant authorities to demolish the construction and can be subjected to a maximum penalty amounting to approximately RMB1.3 million (equivalent to HK$1.5 million) (31 December 2025: RMB1.3 million (equivalent to HK$1.4 million)). Having considered the current practice of the relevant authorities and the advice from the Group's legal counsel, the Directors believe that it is not probable that the relevant authorities will impose the penalty. In addition, the Directors considered the cost of demolishment of the two warehouses is not material to the Group. Accordingly, no provision for the relevant liability has been made.

Litigation Matter

In April 2020, the Group filed a legal action against two parties in the Chinese Mainland (the "**Defendants**") for infringement of trademark and unfair competition. In July 2022, the Group received a favourable judgment from the People's Court of Shanghai Pudong New Area, the People's Republic of China. The Defendants then filed a petition for appeal against the first instance judgment, and the appeal has been dismissed by the appellate court. The second instance judgment was duly served to all parties, and became final and legally effective upon service. The Group has applied to the court for enforcement of the judgment to recover compensation from the Defendants. Up to the date of this interim results announcement, the court has completed the enforcement procedure, recovered RMB2.7 million from the bank accounts of the Defendants, and is processing the transfer of the recovered amount to the Group in partial satisfaction of the judgment debt owed by the Defendants to the Group.

Gearing Ratio

As at 30 June 2026, on the basis of total interest-bearing bank borrowings divided by equity attributable to owners of the parent, the Group's gearing ratio was nil as the Group had no external borrowing (31 December 2025: 1.4%).

Foreign Currency Risk

The Group has transactional currency exposures. Such exposures mainly arise from sales or purchases by operating units in currencies other than the units' functional currencies. The majority of the Group's foreign currency purchase transactions are denominated in the United States dollars. On the other hand, the sales are mainly denominated in Hong Kong dollars and Renminbi. The management is closely monitoring the foreign exchange exposures of the Group. The Group will consider adopting a foreign currency hedging policy for significant foreign currency exposures should the need arise.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rate. The Group monitors its interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Credit Risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms shall be subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, deposits and other receivables, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

Liquidity Risk

The Group's objective is to ensure there are adequate funds to meet its liquidity requirements in the short and longer terms. In the management of liquidity risk, the Group has been maintaining a cash pooling system where excess liquidity is equalised internally through inter-group accounts. Depending on the specific requirements of each funding agreement, funding for the Group's operating companies may be sourced directly from the Group's bankers or indirectly through the Company.

HUMAN RESOURCES

As at 30 June 2026, the Group employed 192 and 160 (31 December 2025: 199 and 175) employees in Hong Kong and the Chinese Mainland, respectively.

Remuneration packages are generally structured with reference to qualifications, experience, performance and market terms. The Company has also adopted a share option scheme to incentivise valued employees.

During the six months ended 30 June 2026, the Group provided various trainings to its employees ranging from operation skills such as occupational safety training and machine control training to professional knowledge including management system and business knowledge, to ensure the effective implementation of the Group's business strategy.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend of HK1.81 cents (six months ended 30 June 2025: HK1.90 cents) per share of the Company (the "**Shares**") for the six months ended 30 June 2026 payable on Monday, 14 September 2026 to the shareholders whose names appear on the register of members of the Company on Monday, 31 August 2026 (i.e., the record date).

In order to determine the entitlement of the shareholders to receive the aforesaid interim dividend, the register of members of the Company will be closed on Monday, 31 August 2026, during which no transfer of Shares will be registered. In order to be eligible to receive the interim dividend, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 28 August 2026.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with terms of reference in compliance with Rules 3.21 and 3.22 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and code provision D.3 of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the "**CG Code**"). The Audit Committee consists of three independent non-executive Directors, namely Mr. Tang Kwai Chang (Chairman), Mr. Wong Man Fai and Mr. Lok Kung Chin Hardy. The Audit Committee reviewed with the management the accounting policies and practices adopted by the Company and discussed the auditing, internal control and financial reporting matters. The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026 have been reviewed by the Audit Committee.

In addition, the Company's external auditor, Ernst & Young, has performed an independent review of the Group's interim condensed consolidated financial statements for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity".

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company maintained a sufficient public float of the issued Shares (i.e., at least 25% of the issued Shares in the public hands) as required under the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining good corporate governance practices and providing transparency and accountability to its shareholders and stakeholders for enhancing investor confidence.

The Company has complied with the code provisions as set out in the CG Code (to the extent that such provisions are applicable) during the six months ended 30 June 2026, except for a deviation from code provision C.2.1 of the CG Code in respect of the roles of chairman and chief executive officer of the Company.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Wong Tat Tong ("**Mr. Wong**") is currently the chairman of the Board and chief executive officer of the Company, responsible for formulating the overall business development strategy and planning of the Group. In view of the fact that Mr. Wong has been responsible for the overall management of the Group since 1978, the Board considered that vesting the roles of chairman and chief executive officer in the same person facilitates the execution of the Company's business strategies and maximises the effectiveness of its operations.

The Board shall nevertheless review the structures from time to time and shall consider their appropriate adjustments should the need arise. There are three independent non-executive Directors on the Board and each of them possesses an adequate level of independence with their diverse background and experience. Therefore, the Board considers that the Company has achieved a balance of power and authority, accountability and independent decision-making under the present arrangement and provided sufficient protection to its and its shareholders' interests. Further, the Audit Committee has free and direct access to the Company's external auditors and independent professional advisers when it considers necessary. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate and justifiable in such circumstances.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own Security Dealing Code (the "**Code**") on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. The Code is also applicable to the specified group of employees who may possess or have access to price sensitive information. Specific enquiries were made to all Directors, and all Directors have confirmed the compliance with the required standard set out in the Code throughout the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.twcoffee.com). The interim report of the Company for the six months ended 30 June 2026 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Tsit Wing International Holdings Limited
Mr. Wong Tat Tong
Chairman and Executive Director

Hong Kong, 14 August 2026

As at the date of this announcement, the Board comprises eight Directors. The executive Directors are Mr. Wong Tat Tong, Ms. Fan Yee Man and Mr. Kam Chun Pong Bernard. The non-executive Directors are Ms. Yeung Po Yan and Mr. Ho Hung Wai. The independent non-executive Directors are Mr. Tang Kwai Chang, Mr. Wong Man Fai and Mr. Lok Kung Chin Hardy.