晶苑國際集團有限公司*

CRYSTAL INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability and registered by way of continuation in the Cayman Islands)

(Stock code: 2232)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2026 amounted to US$1,296 million (30 June 2025: US$1,229 million).
- Net profit for the six months ended 30 June 2026 amounted to US$109 million (30 June 2025: US$98 million).
- The Board has resolved to declare an interim dividend of HK18.0 cents (approximately US2.3 cents) per ordinary share (30 June 2025: HK16.3 cents).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Crystal International Group Limited (the "**Company**") is pleased to announce the interim results of the Company and its subsidiaries (together, the "**Group**" or "**Crystal**") for the six months ended 30 June 2026, together with the comparative figures for the six months ended 30 June 2025. The interim results and condensed consolidated financial statements for the six months ended 30 June 2026 have been reviewed by the independent auditors of the Company.

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	NOTES	***US$'000***	*US$'000*
		(unaudited)	(unaudited)
Revenue	3	**1,295,926**	1,229,475
Cost of sales		**(1,039,764)**	(986,873)
Gross profit		**256,162**	242,602
Other income, gains or losses		**12,773**	12,070
Impairment losses recognised under expected credit loss model, net of reversal		**(64)**	(2,043)
Selling and distribution expenses		**(19,917)**	(16,135)
Administrative expenses		**(92,882)**	(93,977)
Research and development expenses		**(16,952)**	(16,308)
Finance costs		**(5,091)**	(6,498)
Share of results of associates		**352**	(4)
Profit before tax	4	**134,381**	119,707
Income tax expense	5	**(25,684)**	(21,384)
Profit for the period		**108,697**	98,323
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**4,386**	(7,391)
Fair value changes on trade receivables at fair value through other comprehensive income		**146**	415
Impairment loss on trade receivables at fair value through other comprehensive income under expected credit loss model, net of reversal		**(9)**	(4)
		4,523	(6,980)
Items that will not be reclassified subsequently to profit or loss:			
Surplus on revaluation of properties		**6,240**	5,164
Deferred tax expense arising on revaluation of properties		**(1,354)**	(1,205)
		4,886	3,959
Other comprehensive income (expense) for the period		**9,409**	(3,021)
Total comprehensive income for the period		**118,106**	95,302

	NOTE	Six months ended 30 June **2026** ***US$'000*** **(unaudited)**	 2025 *US$'000* (unaudited)
Profit for the period attributable to:			
Owners of the Company		**108,681**	98,265
Non-controlling interests		**16**	58
		108,697	98,323
Total comprehensive income for the period attributable to:			
Owners of the Company		**118,090**	95,244
Non-controlling interests		**16**	58
		118,106	95,302
Basic earnings per share for profit attributable to the owners of the Company (US cents)	7	**3.81**	3.44

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026

	NOTES	At 30 June 2026 US$'000 (unaudited)	At 31 December 2025 US$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**733,117**	686,315
Right-of-use assets		**110,758**	118,083
Deposits paid for acquisition of property, plant and equipment		**56,339**	19,910
Goodwill		**74,941**	74,941
Intangible assets		**58,815**	61,274
Interests in associates		**12,779**	12,339
Loan receivables		**411**	485
Deferred taxation assets		**2,379**	2,513
		1,049,539	975,860
Current assets			
Inventories		**414,937**	321,605
Right-of-use assets		**1,414**	3,042
Trade, bills and other receivables	8	**156,724**	142,882
Trade receivables at fair value through other comprehensive income	9	**315,269**	355,792
Amounts due from related companies		**217**	217
Loan receivables		**366**	954
Financial assets at fair value through profit or loss		**5,628**	–
Tax recoverable		**1,333**	2,305
Short-term bank deposits		**12,265**	–
Bank balances and cash		**444,365**	382,310
		1,352,518	1,209,107
Total assets		**2,402,057**	2,184,967

	NOTE	At 30 June 2026 US$'000 (unaudited)	At 31 December 2025 US$'000 (audited)
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		**3,654**	3,654
Reserves		**1,633,375**	1,604,470
Equity attributable to owners of the Company		**1,637,029**	1,608,124
Non-controlling interests		**3,408**	3,561
Total equity		**1,640,437**	1,611,685
Non-current liabilities			
Lease liabilities		**18,514**	22,388
Deferred taxation liabilities		**36,726**	35,241
		55,240	57,629
Current liabilities			
Trade and other payables	10	**541,840**	469,087
Lease liabilities		**11,227**	13,253
Amounts due to associates		**15,338**	10,859
Dividend payable		**89,115**	–
Tax liabilities		**31,107**	22,454
Bank borrowings		**17,753**	–
		706,380	515,653
Total equity and liabilities		**2,402,057**	2,184,967

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL AND BASIS OF PREPARATION

The Company was previously incorporated in Bermuda as an exempted company with limited liability and registered by way of continuation in the Cayman Islands as an exempted company with limited liability. The Company is directly held by its controlling shareholders, Mr. LO Lok Fung Kenneth and Mrs. LO CHOY Yuk Ching Yvonne, both executive directors of the Company. The address of the registered office of the Company is Ugland House, P.O. Box 309, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of the Company is 5-7/F., AXA Tower, Landmark East, No. 100 How Ming Street, Kowloon, Hong Kong.

The Group is principally engaged in the manufacturing and trading of garments.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 3 November 2017.

The condensed consolidated financial statements are presented in United States dollars ("**US$**"), which is also the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards as issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

3. REVENUE AND SEGMENT INFORMATION

Information reported to the chief executive officer of the Group, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performances, focuses on types of products.

(i) Lifestyle wear

(ii) Sportswear and outdoor apparel

(iii) Denim

(iv) Intimate

(v) Sweater

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

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

Six months ended 30 June 2026 (unaudited)

	Lifestyle wear *US$'000*	Sportswear and outdoor apparel *US$'000*	Denim *US$'000*	Intimate *US$'000*	Sweater *US$'000*	Total *US$'000*
SEGMENT REVENUE						
External sales	**380,704**	**338,630**	**239,521**	**227,798**	**109,273**	**1,295,926**
Segment profit	**76,580**	**69,472**	**40,171**	**47,463**	**22,476**	**256,162**
Other income, gains or losses						**12,773**
Impairment losses recognised under expected credit loss model, net of reversal						**(64)**
Selling and distribution expenses						**(19,917)**
Administrative expenses						**(92,882)**
Research and development expenses						**(16,952)**
Finance costs						**(5,091)**
Share of results of associates						**352**
Profit before tax						**134,381**

Six months ended 30 June 2025 (unaudited)

	Lifestyle wear *US$'000*	Sportswear and outdoor apparel *US$'000*	Denim *US$'000*	Intimate *US$'000*	Sweater *US$'000*	Total *US$'000*
SEGMENT REVENUE						
External sales	339,672	312,906	262,202	209,784	104,911	1,229,475
Segment profit	69,801	64,869	42,892	43,637	21,403	242,602
Other income, gains or losses						12,070
Impairment losses recognised under expected credit loss model, net of reversal						(2,043)
Selling and distribution expenses						(16,135)
Administrative expenses						(93,977)
Research and development expenses						(16,308)
Finance costs						(6,498)
Share of results of associates						(4)
Profit before tax						119,707

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other income, gains or losses, impairment losses recognised under expected credit loss model, net of reversal, selling and distribution expenses, administrative expenses, research and development expenses, finance costs and share of results of associates. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Certain amounts of depreciation of property, plant and equipment and right-of-use assets are included in the measure of segment results in each segment. No further analysis is presented for certain items included or excluded in the measure of segment results as such information is not regularly provided to the CODM.

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

Geographical information

Information about the Group's revenue is presented below by geographical location based on port of discharge.

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Asia Pacific *(note a)*	**503,328**	478,286
North America	**438,368**	462,934
Europe *(note b)*	**306,214**	252,705
Other countries/regions	**48,016**	35,550
	1,295,926	1,229,475

Notes:

(a) Asia Pacific primarily includes Japan, the People's Republic of China (the "**PRC**") and South Korea.

(b) Europe primarily includes the United Kingdom (the "**U.K.**"), France, Germany, the Netherlands.

4. PROFIT BEFORE TAX

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit before tax has been arrived at after charging (crediting):		
Directors' emoluments	**1,808**	1,748
Other staff costs	**328,735**	291,744
Retirement benefit schemes' contributions for other staff	**37,051**	32,029
Total staff costs *(note)*	**367,594**	325,521
Depreciation of property, plant and equipment *(note)*	**35,387**	31,000
Depreciation of right-of-use assets *(note)*	**10,934**	9,184
Amortisation of intangible asset (included in selling and distribution expenses)	**2,459**	2,459
Cost of inventories recognised as expenses (including write-down of inventories amounting to US$7,427,000 (2025: US$1,236,000)) *(note)*	**1,039,764**	986,873
Loss (gain) on disposals of property, plant and equipment	**150**	(192)
Net gain arising from changes in fair value of derivative financial instruments	**(5,644)**	–
Interest income	**(4,061)**	(9,058)
Net foreign exchange loss	**5,428**	3,113
Finance costs:		
– interest expense on lease liabilities	**1,085**	688
– interest expense on bank borrowings	**100**	2,276
– interest expense on factoring arrangement	**3,906**	3,534

Note: Cost of inventories recognised as expenses include staff costs, depreciation of property, plant and equipment and depreciation of right-of-use assets used for production, which amounts are also included in the respective total amounts disclosed separately above.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
The income tax expense comprises:		
Hong Kong Profits Tax		
– current period	**13,059**	13,005
– under-provision in prior years	**–**	2
Overseas taxation		
– current period	**12,029**	9,829
– over-provision in prior years	**(1,003)**	(906)
Income tax under Pillar Two Rules	**1,789**	–
	25,874	21,930
Deferred taxation	**(190)**	(546)
	25,684	21,384

Under the two-tiered profits tax rates regime, the first Hong Kong dollars ("**HK$**") 2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

The directors of the Company consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

Certain subsidiaries incorporated in Cambodia are exempted from tax on profit in both periods while they fulfil certain requirements pursuant to the relevant laws and regulations in Cambodia.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is subject to the global minimum top-up tax under Pillar Two Rules. Pillar Two Rules have become effective in certain jurisdictions, where the annual effective income tax rate is also estimated to be below 15%. Therefore, a top-up tax is accrued in the current period using the tax rate based on the estimated adjusted covered taxes and net Global Anti-Base Erosion ("**GloBE**") income for the year. The Group has recognised a current tax expense of US$1,789,000 (six months ended 30 June 2025: nil) related to the top-up tax for the period ended 30 June 2026 which is expected to be levied on the Company.

6. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Final, declared, of HK24.5 cents per ordinary share for 2025 (2025: HK19.0 cents per ordinary share for 2024)	**89,185**	69,055
Special, declared, of HK5.5 cents per ordinary share for 2024 (2025: nil for 2025)	**–**	19,990
	89,185	89,045

Pursuant to a resolution passed by the Board on 19 August 2026, the Board has resolved to declare an interim dividend of HK18.0 cents (six months ended 30 June 2025: HK16.3 cents) per ordinary share, totalling HK$513,508,000 (equivalent to US$65,472,000) (six months ended 30 June 2025: HK$465,010,000 (equivalent to US$59,312,000)) estimated on the number of shares in issue at 30 June 2026. This declared dividend is not reflected as a dividend payable in these condensed consolidated financial statements, but will be reflected as an appropriation of reserve for the year ending 31 December 2026.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	**108,681**	98,265
	'000	*'000*
Number of shares:		
Number of ordinary shares for the purpose of calculating basic earnings per share	**2,852,822**	2,852,822

No diluted earnings per share was presented for the six months ended 30 June 2026 and 2025 as there were no potential dilutive ordinary shares in issue during both periods.

8. TRADE, BILLS AND OTHER RECEIVABLES

	At 30 June 2026 US$'000 (unaudited)	At 31 December 2025 US$'000 (audited)
Trade receivables – contracts with customers	**81,445**	86,325
Less: allowance for expected credit losses	**(585)**	(517)
	80,860	85,808
Bills receivable	**627**	7,758
Temporary payments to suppliers	**23,403**	10,817
Other receivables, deposits and prepayments	**51,834**	38,499
	156,724	142,882

The following is an aged analysis of trade receivables, net of allowance for expected credit losses, based on invoice dates.

	At 30 June 2026 US$'000 (unaudited)	At 31 December 2025 US$'000 (audited)
Within 60 days	**75,065**	78,497
61 to 90 days	**5,459**	5,907
91 to 120 days	**312**	780
Over 120 days	**24**	624
	80,860	85,808

9. TRADE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As part of the Group's cash flow management, the Group factors certain trade receivables to financial institutions before the receivables are due for repayment. The factored trade receivables are derecognised on the basis that the Group has transferred substantially all the risks and rewards to the relevant counterparties. Such trade receivables, that are held for the collection of contractual cash flows and sale of financial assets, have been classified as trade receivables at fair value through other comprehensive income ("**FVTOCI**").

The following is an aged analysis of trade receivables at FVTOCI based on invoice dates.

	At 30 June 2026 *US$'000* **(unaudited)**	At 31 December 2025 *US$'000* (audited)
Within 60 days	**267,809**	240,205
61 to 90 days	**37,633**	107,253
91 to 120 days	**6,319**	7,237
over 120 days	**3,508**	1,097
	315,269	355,792

10. TRADE AND OTHER PAYABLES

	At 30 June 2026 *US$'000* **(unaudited)**	At 31 December 2025 *US$'000* (audited)
Trade payables	**292,431**	198,612
Bills payable	**3,654**	4,295
	296,085	202,907
Accrued staff cost	**99,374**	111,815
Other payables	**61,805**	58,639
Other accruals	**84,576**	95,726
Total trade and other payables	**541,840**	469,087

The following is an aged analysis of trade payables (including bills payable) based on invoice dates.

	At 30 June 2026 *US$'000* (unaudited)	At 31 December 2025 *US$'000* (audited)
Within 60 days	**238,569**	162,810
61 to 90 days	**41,384**	26,284
91 to 120 days	**14,022**	12,254
Over 120 days	**2,110**	1,559
	296,085	202,907

11. PLEDGE OF ASSETS

At the end of the reporting period, the Group had the following assets pledged to banks as security for general banking facilities granted to the Group.

	At 30 June 2026 *US$'000* (unaudited)	At 31 December 2025 *US$'000* (audited)
Property, plant and equipment	**1,540**	1,559
Inventories	**3,235**	3,270
	4,775	4,829

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

The global apparel industry operated in a mixed market environment during the first half of 2026, characterised by resilient consumer demand in key markets alongside heightened geopolitical uncertainty. Consumer spending remained strong in the world's two largest consumer markets. In the United States, retail and food services sales increased by 6.4% year on year in the second quarter of 2026. According to the National Bureau of Statistics of China, total retail sales of consumer goods increased by 1.3% year on year in the first half of 2026, while retail sales of apparel, footwear, hats, and textile products rose by 6.7%. Meanwhile, consumer demand in Europe remained relatively stable, supported by a resilient labour market and improving consumer confidence.

A key challenge during the period was the disruption to global supply chains across the apparel industry arising from the Middle East conflict. First, uncertainty in fuel supply led to increased volatility in electricity availability and energy costs across parts of Southeast Asia. Second, rising crude oil prices increased the cost of synthetic fibres and other petroleum-based materials used in garment production. Third, the rerouting of shipping services away from traditional trade corridors resulted in longer transit times, higher logistics costs, and reduced supply chain flexibility.

In this environment, apparel manufacturers with flexible production capabilities, a diversified product mix, and a broad portfolio of brand customers were better positioned to navigate market volatility and capture growth opportunities.

BUSINESS REVIEW

In the first half of 2026, the Group continued to benefit from strong order momentum from its brand customers and was only marginally affected by the conflict in the Middle East. As a result, the Group delivered solid growth in both revenue and profitability during the period.

End consumers increasingly prioritised innovation and value for money in their purchasing decisions. In response to changing consumer preferences, the Group worked closely with its brand customers to develop diversified product portfolios and effectively addressed evolving market demand. Supported by a diversified portfolio covering lifestyle wear, sportswear, outdoor apparel, denim, intimate apparel, and sweaters, the Group was able to partner with brand customers across multiple product categories and maintain a balanced business mix amid shifting consumer trends.

The Group's earnings are derived primarily from processing work for garment manufacturing, rather than fluctuations in raw material prices. Costs of key raw materials such as fabrics, are generally borne by brand customers, enabling effective pass-through of material cost changes. Transportation and freight arrangements are also managed largely by brand customers. Consequently, the impact of the Middle East conflict on the Group was limited mainly to electricity supply volatility and related energy costs in certain manufacturing locations. To ensure stable operations, the Group incurred modest additional costs to secure alternative energy sources and maintain adequate self-generated power capacity.

Improving workforce productivity was a key operational priority during the period. The Group made encouraging progress through disciplined execution and continuous efficiency improvement initiatives. Together with healthy order demand and effective cost control, these productivity gains further strengthened the Group's competitiveness and contributed to the improvement in its financial performance.

The Group's revenue for the six months ended 30 June 2026 increased by 5.4% to US$1,296 million, compared to the same period last year (six months ended 30 June 2025: US$1,229 million).

Gross profit for the six months ended 30 June 2026 increased by 5.6% to US$256 million (six months ended 30 June 2025: US$243 million). The gross profit margin increased to 19.8% from 19.7% in the same period last year.

The net profit margin improved from 8.0% to 8.4%, resulting in a 10.6% increase in net profit for the six months ended 30 June 2026 to US$109 million (six months ended 30 June 2025: US$98 million).

In keeping with our practice of sharing operational results with shareholders, the Board resolved to declare an interim dividend of HK18.0 cents per ordinary share (six months ended 30 June 2025: HK16.3 cents), representing a payout ratio of 60%.

Capital expenditure for the six months ended 30 June 2026 was US$112 million (six months ended 30 June 2025: US$60 million). The increase in capital expenditure was attributable primarily to the Group's strategic expansion project in Egypt, including a one-off payment made during the period in relation to the acquisition of a land parcel in New October City, Egypt. The land parcel, with a total site area of approximately 800,000 square metres and an acquisition consideration of US$30.4 million, forms the foundation of the Group's manufacturing development project in Egypt and represents an important milestone in its long-term capacity expansion strategy.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 June 2026 compared to the same period in 2025, by product category, each expressed as an absolute amount and as a percentage of total revenue was:

	For the six months ended 30 June			
	2026		2025	
	US$'000	*%*	*US$'000*	*%*
Lifestyle wear	**380,704**	**29.4%**	339,672	27.6%
Sportswear and outdoor apparel	**338,630**	**26.1%**	312,906	25.5%
Denim	**239,521**	**18.5%**	262,202	21.3%
Intimate	**227,798**	**17.6%**	209,784	17.1%
Sweater	**109,273**	**8.4%**	104,911	8.5%
Total Revenue	**1,295,926**	**100.0%**	1,229,475	100.0%

Despite capacity constraints, the Group's revenue increased by 5.4% compared to the same period last year.

The Group's sales analysed by geographical region based on port of discharge were:

	For the six months ended 30 June			
	2026		2025	
	US$'000	*%*	*US$'000*	*%*
Asia-Pacific *(note a)*	**503,328**	**38.8%**	478,286	38.9%
North America	**438,368**	**33.8%**	462,934	37.6%
Europe *(note b)*	**306,214**	**23.6%**	252,705	20.6%
Other countries/regions	**48,016**	**3.8%**	35,550	2.9%
Total Revenue	**1,295,926**	**100.0%**	1,229,475	100.0%

Notes:

(a) Asia Pacific primarily includes Japan, the PRC and South Korea.

(b) Europe mainly includes the U.K., France, Germany, and the Netherlands.

Gross Profit and Gross Profit Margin

	For the six months ended 30 June			
	2026		2025	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	US$'000	***%***	*US$'000*	*%*
Lifestyle wear	**76,580**	**20.1%**	69,801	20.5%
Sportswear and outdoor apparel	**69,472**	**20.5%**	64,869	20.7%
Denim	**40,171**	**16.8%**	42,892	16.4%
Intimate	**47,463**	**20.8%**	43,637	20.8%
Sweater	**22,476**	**20.6%**	21,403	20.4%
Total Gross Profit	**256,162**	**19.8%**	242,602	19.7%

Gross profit margin remained stable at 19.8% in the first half of 2026, compared with 19.7% in the first half of 2025.

Other Expenses and Finance Costs

Selling and distribution expenses remained stable at 1.5% in the first half of 2026, compared with 1.3% in the first half of 2025.

Administrative, research and development expenses, and other income and expenses remained stable at 7.5% in the first half of 2026 compared with 8.0% in the first half of 2025.

The effective borrowing rate for the Group in the six months ended 30 June 2026 ranged from 2.95% to 5.04% compared to 1.52% to 5.64% for the same period in 2025. The Group had no fixed-rate borrowings at 30 June 2026. Finance costs amounted 0.4% of revenue in the first half of 2026 compared to 0.5% for the same period in 2025.

Net Profit

The Group achieved a net profit of US$109 million for the six months ended 30 June 2026. Net profit as a percentage of revenue increased from 8.0% in the first half of 2025 to 8.4% in the first half of 2026.

Capital Management

The consolidated financial position of the Group remained sound throughout the first half of 2026. The positive operating cash flow of US$162 million in the six months (US$155 million for the same period in 2025) contributed to cash balances of US$444 million at 30 June 2026, compared to US$382 million at 31 December 2025. Cash balances were mainly denominated in HK$ and US$. Bank borrowings, mainly denominated in HK$ and US$, have increased from US$nil at 31 December 2025 to US$18 million at 30 June 2026. All bank borrowings of US$18 million at 30 June 2026 contained a repayable on demand clause and US$18 million was repayable within one year.

The Group held a positive net cash position of US$439 million at 30 June 2026. The gearing ratio (total interest-bearing bank borrowings, less bank balances and cash, divided by total equity) at 30 June 2026 was nil (31 December 2025: nil).

Our conversion cycle remained stable at 81 days as at 30 June 2026, compared with 81 days as at 31 December 2025. Turnover of trade and bills receivables averaged 60 days in the first half of 2026, compared with 62 days average turnover throughout 2025. Inventory turnover averaged 65 days in the first half of 2026, compared with 52 days throughout 2025. Trade and bills payables turnover averaged 44 days in the first half of 2026 compared to 33 days throughout 2025.

Capital expenditure incurred, in the main, for the building, equipping and upgrading of production facilities, has been carefully managed. For the six months ended 30 June 2026, capital expenditure amounted to US$112 million, compared to US$60 million for the same period in 2025. Capital commitments at 30 June 2026 were US$72 million compared to US$80 million at 31 December 2025.

Foreign currency exchange contracts are used to manage foreign currency exposure. The Group's policy is to monitor its foreign currency exposure and use foreign currency exchange contracts, as appropriate, to minimise its foreign currency risks.

Funding and Treasury Policy

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the period. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Pledge of Assets

At 30 June 2026, pledge of assets of the Group are set out in note 11 to the condensed consolidated financial statements included at the start of this announcement.

Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

For the six months ended 30 June 2026, the Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures.

Significant Investment Held

For the six months ended 30 June 2026, the Group held no significant investments.

Material Acquisitions and Future Plans for Major Investment

In January 2026, the Group reserved a land parcel in Egypt for a consideration of US$30.4 million in connection with its strategic expansion project in Egypt. For details, please refer to the announcement of the Company published on 20 January 2026. At the date of this announcement, the approval process by the relevant Egyptian authorities is still underway and the land acquisition has not yet been completed. Save as disclosed above, the Group did not have any other future plans for major investments or acquisitions for major capital assets at the date of this announcement.

Contingent Liabilities

At 30 June 2026, the Group had no material contingent liability (31 December 2025: Nil).

Subsequent Events after the Reporting Period

At the date of this announcement, no material event has occurred after the reporting period.

EMPLOYMENT, TRAINING AND DEVELOPMENT

The Group employed around 87,000 people at 30 June 2026. Total staff costs, including administrative and management staff, for the six months ended 30 June 2026 equated to 28.4% of revenue, compared to 26.5% in the same period in 2025. The Group remunerates its staff according to their performance, qualifications, and industry practices, and conducts regular reviews of its remuneration policy. Employees may receive discretionary bonuses and monetary rewards based on their ratings in the annual performance appraisals. The Group also offers rewards or other incentives to motivate the personal growth and career development of its employees, such as ongoing opportunities for training to enhance their technical and product knowledge, as well as their knowledge of industry quality standards. Each new employee of the Group is required to attend an introductory course, and various types of training courses are available to all employees of the Group.

SUSTAINABILITY

Vision and Strategy

Sustainability is a strategic imperative for our business and the key to creating long-term environmental and social value for our stakeholders.

Our overarching sustainability strategy is underpinned by our Crystal Sustainability Vision 2030 ("**CSV2030**"), which comprises eight impact areas across the environmental, people, and community dimensions, and sets specific goals we are committed to achieving by the end of the decade. We and all our factories are developing and implementing tailored, detailed, actionable items to meet our CSV2030 objectives. For more details on our CSV2030 goals, please visit our corporate website at https://www.crystalgroup.com/csv2030.

We are working collaboratively to fulfil our commitment to achieving net zero emissions by 2050, thus contributing to limiting the global temperature rise to below 1.5°C. Against the backdrop of an escalating climate threat, we completed a climate scenario analysis to identify short- to long-term risks and opportunities, which were incorporated into the Group's key risk management system to inform operational strategies, capital allocation, and resilience planning.

CSV2030, along with our broader sustainability initiatives, aligns with the United Nations Sustainable Development Goals[1] (UNSDGs) to ensure we contribute to addressing global societal problems. As a participant in the United Nations Global Compact, we support the Ten Principles on human rights, labour, environment, and anti-corruption. We are committed to making these principles part of our strategy, culture, and daily operations while actively engaging with industry stakeholders in various collaborative projects.

Net Zero 2050 Vision

Our efforts to realise an ambitious net zero roadmap are ongoing. The roadmap comprises strategies focusing on energy efficiency, renewable energy, productivity enhancement, and fuel switching. Our 2050 net zero target was validated by the Science Based Targets initiative ("**SBTi**"), affirming its alignment with SBTi criteria and climate science. To spearhead progress towards the Group's decarbonisation targets and enhance accountability in our factories, we have established individual carbon intensity targets for each garment factory on an annual basis.

To improve energy efficiency, all our factories are progressively implementing their decarbonisation plans, with the aim of completing more than 260 energy efficiency measures by 2028. To date, 158 of these measures have been completed, reducing carbon emissions by over 51,000 tonnes and energy consumption by approximately 60,000 MWh per year.

1 The United Nations Sustainable Development Goals (UNSDGs) are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. These goals provide a blueprint to achieve a more sustainable future and address global sustainability challenges.

We continued to expand our onsite renewable electricity supply by installing more rooftop solar PV capacity. Our goal is to eventually expand its use across all our factories where operationally feasible. The Group's total rooftop solar PV capacity has increased from 4.5 MW in late 2021 to about 25 MW at present, with additional systems being installed or planned. Alongside sourcing offsite green electricity through power purchasing agreements, three of our factories achieved 100% renewable electricity coverage on a market-based greenhouse gas accounting basis in 2025 by purchasing International Renewable Energy Certificates (I-RECs) matching their grid electricity volume. Notably, none of our wholly owned factories operate coal-fired units.

Our carbon inventory, decarbonisation efforts, and risk management practices were disclosed through CDP. We were recognised in the CDP Climate A List (leadership) for three consecutive years from 2023 to 2025 and were also included in the CDP Supplier Engagement Assessment A List for the second year in a row. These accolades reflect our leadership in climate transition and recognise our commitment to climate transparency and supplier engagement.

Resourcing People and Revitalising Community

Women make up nearly 70% of our workforce. To improve their status in many of the countries in which we operate, we took steps to improve gender equality by empowering over 77,000 female employees through our self-developed CARE[2] programme, which enables our workers to achieve greater effectiveness and personal breakthroughs. In addition, we joined the Reimagining Industry to Support Equality (RISE) initiative – becoming part of a global movement aimed at advancing equitable workplaces throughout the garment supply chain – and expanded relevant training across our operations.

Supported by clear guidelines under our human resources development policy, our operations planned and carried out training programmes that promote personal and career growth for employees at all levels. Examples include production training for workers, supervisory skills training for supervisors and line leaders, a Crystal Officer Training Curriculum for officer-grade staff, and a Talent Acceleration Programme for managerial-grade staff. To create new pathways for workers to advance into leadership roles and strengthen our talent pipeline, the structured six-month Assistant Supervisor Programme in our knits division in Vietnam was launched to equip participants with the technical and supervisory capabilities needed for their first leadership positions. By June 2026, 186 high-potential workers had completed the programme, with 151 of them promoted to Assistant Supervisor roles.

2 The CARE programme is an employee well-being programme self-initiated by Crystal. It has five levels to help employees build on their skills, promote a healthy work-life balance, strengthen their self-respect, enhance their sense of belonging, and help them attain self-actualisation.

Employee wellness is also central to our people strategy. Our Group operations promote a culture of sports activity by providing sports centres or sports grounds onsite and organising sports programmes, ranging from large-scale inter-factory competitions to regular gym and yoga sessions. Regarding visual health, we partnered with non-profit organisations such as VisionSpring and The Fred Hollows Foundation to offer free vision screenings for workers. Since 2024, more than 38,000 workers have undergone vision screening in Vietnam, Cambodia, and Bangladesh, with nearly 12,700 of those diagnosed with refractive errors receiving quality eyeglasses at no cost.

Recognised for excellence in human resources practices, strong employee engagement, and a positive workplace culture, Crystal's headquarters in Hong Kong, all factories and fabric mills in Vietnam and China, and our Singapore office were named among the Best Companies to Work for in Asia by HR Asia, reflecting our ongoing commitment to fostering a workplace of choice.

Our care goes beyond employees, as our team contributes their skills, time, and compassion to various community programmes that focus on community activities, education, environmental protection, health and medical care, and community resilience. In line with our commitment made in 2024 to plant two million trees globally by 2030, we have planted over 940,000 trees to date across all five of our production countries. This includes 60,000 mangroves, which serve to protect coastal areas, enhance biodiversity, and support local fisheries. Our goal is to create a lasting positive impact on the communities in which we operate.

OUTLOOK AND PROSPECTS

Looking ahead to the second half of 2026, the Group will continue to drive workforce productivity while accelerating business growth through labour expansion. Building on the momentum achieved in the first half, the Group expects year-on-year growth in the second half to outpace that in the first half of the year.

Labour productivity recorded a meaningful recovery during the first half. As automation initiatives continue to be rolled out across factories, further efficiency gains are expected. Higher productivity not only increases output and supports earnings growth for the Group but also enhances employee retention by creating greater wage income opportunities for workers. This alignment of employee and business interests strengthens workforce stability and creates a virtuous cycle that improves the Group's competitiveness and supports sustainable long-term growth.

To support future growth, the Group has accelerated talent recruitment and expanded manpower deployment across Vietnam, Bangladesh and China through multiple approaches, including the development of satellite factories. A total of 6,000 new employees were onboarded in the late first half of 2026. Upon these employees become fully integrated into operations, their contributions to productivity and output growth are expected to become increasingly evident in the second half of the year.

While capital expenditure in 2026 is expected to reach a historically high level, the Group's commitment to shareholder returns remains unchanged. Supported by a net cash position and strong cash generation capability, the Group is well positioned to fund both strategic growth initiatives and dividend distributions. The Board will continue to pursue a balanced approach between growth investment and shareholder returns, with the objective of delivering a stable dividend and, over time, increasing dividend returns in line with earnings growth.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interim Dividend

The Board has resolved to declare an interim dividend of HK18.0 cents (approximately US2.3 cents) per ordinary share for the six months ended 30 June 2026 payable to shareholders of the Company (the "**Shareholder(s)**") whose names appear on the register of members of the Company on Tuesday, 8 September 2026.

The interim dividend is expected to be paid on Thursday, 17 September 2026. At the date of this announcement, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System or otherwise).

Closure of Register of Members and Record Date

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Friday, 4 September 2026 to Tuesday, 8 September 2026, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 3 September 2026.

The record date for determining a Shareholder's entitlement to the interim dividend is Tuesday, 8 September 2026.

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 has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

Public Float

At the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and as agreed with the Stock Exchange throughout the six months ended 30 June 2026 and up to the date of this announcement.

Corporate Governance Practices

The Board and the management of the Group are committed to the maintenance of good corporate governance practices and procedures. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2026, except for the following deviation:

Code provision B.3.5 of the CG Code provides that issuers should appoint at least one director of a different gender to the nomination committee.

Although the nomination committee of the Company (the "**Nomination Committee**") currently comprises members of single gender, the Company has put in place the board diversity policy and the workforce diversity policy to promote greater diversity and inclusion (including gender diversity) in its recruitment, and the Nomination Committee also takes into consideration the board diversity policy when reviewing the Board composition, appointing and re-appointing Directors and making recommendations for succession planning to facilitate the development of a diverse talent pipeline. In addition, the Board is satisfied that its overall composition has already reflected strong diversity, with a balanced mix of professional expertise, industry experience and backgrounds, and the inclusion of two female Directors. All members of the Board bring extensive senior management experience, supporting effective governance and strategic oversight. Therefore, the Board considers that the deviation from code provision B.3.5 of the CG Code is appropriate. The Board will continue to review the composition of the Nomination Committee, and will consider appointing a director of a different gender to the Nomination Committee at a time when it is appropriate and suitable by taking into account the circumstances of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted as its code of conduct regarding directors' securities transactions, the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Upon specific enquiry being made of all Directors, each of them has confirmed their compliance with the required standards set out in the Model Code throughout the six months ended 30 June 2026 and up to the date of this announcement.

Audit Committee

There was no change in the composition of the Audit Committee during the six months ended 30 June 2026. The primary duties of the Audit Committee continue to be to review the adequacy of the financial reporting and internal control systems of the Group, oversee the external and internal audit processes, review the Group's management of its existing and potential risks, review connected transactions and perform other duties and responsibilities as delegated by the Board.

For the six months ended 30 June 2026, the Audit Committee met the external auditors to discuss their findings during the audit of the consolidated financial statements for the year ended 31 December 2025. Nothing of a significant nature regarding internal controls and risk management was reported. The Audit Committee reviewed the actions taken by management to address the findings and was satisfied the actions were appropriate and effective. In respect of the work of the Internal Audit in examining the application of policies and internal controls in specific locations within the Group, the Audit Committee was again satisfied with the high quality of the work undertaken. Nothing of a material nature was revealed and appropriate remedial measures to strengthen compliance further are being implemented.

The Audit Committee reviewed the quality of the work of the external auditors together with their independence and was satisfied with both. It recommended to the Board the reappointment of Messrs. Deloitte Touche Tohmatsu as the Company's auditors for the ensuing year.

The Audit Committee has reviewed, together with the management of the Group, the accounting principles and policies adopted by the Group and discussed with them the unaudited condensed consolidated financial statements and interim report of the Group for the six months ended 30 June 2026, recommending their adoption by the Board. The Audit Committee continued, during the first half year, its periodic reviews of the approved connected transactions and expenditure.

In addition, the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been reviewed by the independent auditors of the Company, Messrs. Deloitte Touche Tohmatsu.

Risk Management and Internal Control Systems

The Board is responsible for ensuring the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board is satisfied with the effectiveness of the risk management and internal control systems in place.

The Board's oversight of the Company's risk management and internal control systems, both directly and via the Audit Committee, is on-going. In this regard, the Audit Committee reviewed the progress of the Company's cyber security initiatives, their roll out within the Group and statistics of cyber attacks, their nature and location. The Audit Committee was satisfied with the defences in place and remedial actions taken. Various assessments of the Group's information technology (IT) environment had been undertaken to identify any potential vulnerability in cyber security. Among other important risks examined, business compliance was reviewed. Business compliance is a complex area and the Audit Committee is satisfied with the steps taken so far.

The Group has a written risk assessment process to identify, evaluate and manage significant risks. The Audit Committee satisfied itself, upon review, that the process continued to be implemented effectively.

The Board being responsible for the structure and effectiveness of both the risk management and internal control systems, the Audit Committee also satisfied itself regarding the appropriateness and strength of internal controls.

The Audit Committee continued its practice of reviewing risks pertaining to the Company as a standing item at each of its meetings inviting input from the Chief Financial Officer and the relevant management of the Company. It used the reviews as an important factor in determining the priorities of the Internal Audit programmes.

Publication of Information on the Website of the Stock Exchange

This announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the website of the Company at http://www.crystalgroup.com. The 2026 interim report of the Company for the six months ended 30 June 2026 will be made available (and dispatched, where applicable) to Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Crystal International Group Limited
LO Lok Fung Kenneth
Chairman

Hong Kong, 19 August 2026

At the date of this announcement, the Board comprises Mr. LO Lok Fung Kenneth, Mrs. LO CHOY Yuk Ching Yvonne, Mr. LO Ching Leung Andrew, Mr. WONG Sing Wah and Mr. LO Howard Ching Ho, as executive directors; Mr. WONG Chi Fai and Mr. LEE Kean Phi Mark, as non-executive directors; and Mr. CHANG George Ka Ki, Mr. MAK Wing Sum Alvin, Mr. WONG Siu Kee and Mrs. MAK TANG Pik Yee Agnes, as independent non-executive directors.