2026 Interim Report

Lung Kee Group Holdings Limited

龍記集團控股有限公司

Stock Code: 255

CONTENTS

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte. 德勤

To the Board of Directors of
LUNG KEE GROUP HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Lung Kee Group Holdings Limited (the "Company") and its subsidiaries set out on pages 4 to 20, which comprise the condensed consolidated statement of financial position as of 30th June, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
21st August, 2026

FINANCIAL RESULTS

The directors of Lung Kee Group Holdings Limited (the "Company") (the "Directors") are pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June, 2026 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June, 2026

		Six months ended 30th June,	
		2026	2025
		HK$'000	HK$'000
	Notes	**(unaudited)**	(unaudited)
Revenue	*3*	**568,336**	688,654
Other income, gains and losses	*4*	**18,470**	11,516
Decrease in fair value of investment properties		**(4,300)**	(3,100)
Impairment losses reversed under expected credit loss model, net		**311**	171
Changes in inventories of finished goods and work in progress		**(5,209)**	4,074
Raw materials and consumables used		**(189,775)**	(246,235)
Employee benefits expenses		**(201,177)**	(213,735)
Depreciation of right-of-use assets		**(2,954)**	(2,840)
Depreciation of property, plant and equipment		**(73,791)**	(76,551)
Other expenses	*5*	**(123,989)**	(163,642)
Interest expense on lease liabilities		**(89)**	(177)
Loss before taxation		**(14,167)**	(1,865)
Income tax credit (expense)	*6*	**3,803**	(1,688)
Loss for the period	*7*	**(10,364)**	(3,553)
Other comprehensive income for the period:			
Item that may be reclassified subsequently to profit or loss			
Exchange difference arising on translation of foreign operations		**41,567**	43,933
Total comprehensive income for the period		**31,203**	40,380
		HK cents	HK cents
Loss per share	*9*		
— Basic		**(1.63)**	(0.56)
— Diluted		**(1.63)**	(0.56)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2026

	Notes	At 30th June, 2026 HK$'000 (unaudited)	At 31st December, 2025 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	*10*	**146,500**	150,800
Property, plant and equipment	*10*	**390,017**	440,613
Right-of-use assets		**61,906**	62,192
Deposits paid for acquisition of property, plant and equipment		**9,005**	1,392
Deferred tax assets		**64,728**	60,453
		672,156	715,450
Current assets			
Inventories		**302,101**	389,354
Trade, bills and other receivables	*11*	**132,753**	124,438
Bank balances and cash		**649,711**	588,632
		1,084,565	1,102,424
Current liabilities			
Trade and other payables	*12*	**112,316**	116,463
Contract liabilities		**22,945**	26,623
Lease liabilities		**2,285**	3,506
Taxation payable		**32,026**	32,719
Dividend payable		**468**	394
		170,040	179,705

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

At 30th June, 2026

	Notes	At 30th June, 2026 HK$'000 (unaudited)	At 31st December, 2025 HK$'000 (audited)
Net current assets		**914,525**	922,719
Total assets less current liabilities		**1,586,681**	1,638,169
Non-current liabilities			
Deferred tax liabilities		**2,146**	9,247
Lease liabilities		**501**	850
Other payables	*12*	**77,230**	77,126
		79,877	87,223
Net assets		**1,506,804**	1,550,946
CAPITAL AND RESERVES			
Share capital	*13*	**63,401**	63,389
Reserves		**1,443,403**	1,487,557
Total equity		**1,506,804**	1,550,946

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2026

	Share capital HK$'000	Share premium HK$'000	Statutory reserve HK$'000	Translation reserve HK$'000	Share-based payments reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1st January, 2025 (audited)	63,168	156,213	334,835	121,938	559	996,830	1,673,543
Loss for the period	–	–	–	–	–	(3,553)	(3,553)
Other comprehensive income for the period							
Exchange difference arising on translation of foreign operations	–	–	–	43,933	–	–	43,933
Total comprehensive income for the period	–	–	–	43,933	–	(3,553)	40,380
Recognition of equity-settled share based payment (note 14)	–	–	–	–	232	–	232
Final dividend for the year ended 31st December, 2024 (note 8)	–	–	–	–	–	(37,901)	(37,901)
Final special dividend for the year ended 31st December, 2024 (note 8)	–	–	–	–	–	(75,802)	(75,802)
At 30th June, 2025 (unaudited)	63,168	156,213	334,835	165,871	791	879,574	1,600,452
At 1st January, 2026 (audited)	63,389	159,351	334,835	182,673	721	809,977	1,550,946
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(10,364)**	**(10,364)**
Other comprehensive income for the period							
Exchange difference arising on translation of foreign operations	**–**	**–**	**–**	**41,567**	**–**	**–**	**41,567**
Total comprehensive income for the period	**–**	**–**	**–**	**41,567**	**–**	**(10,364)**	**31,203**
Recognition of equity-settled share based payment (note 14)	**–**	**–**	**–**	**–**	**595**	**–**	**595**
Shares issued on exercise of share options	**12**	**158**	**–**	**–**	**(29)**	**–**	**141**
Final dividend for the year ended 31st December, 2025 (note 8)	**–**	**–**	**–**	**–**	**–**	**(76,081)**	**(76,081)**
At 30th June, 2026 (unaudited)	**63,401**	**159,509**	**334,835**	**224,240**	**1,287**	**723,532**	**1,506,804**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June, 2026

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Operating cash flows before movements in working capital	**50,429**	75,895
Decrease in inventories	**100,183**	25,157
(Increase) decrease in trade, bills and other receivables	**(3,959)**	13,915
Decrease in trade and other payables	**(10,554)**	(22,659)
Decrease in contract liabilities	**(3,678)**	(892)
Cash generated from operations	**132,421**	91,416
Income taxes paid	**(93)**	(1,990)
Income taxes refunded	**1,954**	5
Net cash from operating activities	**134,282**	89,431
Net cash used in investing activities		
Purchases of property, plant and equipment	**(17,216)**	(20,808)
Proceeds on disposal of property, plant and equipment	**8,958**	1,829
Interest received	**2,397**	3,030
	(5,861)	(15,949)
Cash used in financing activities		
Dividends paid	**(76,007)**	(113,625)
Repayments of lease liabilities	**(2,144)**	(1,981)
Interest paid on lease liabilities	**(89)**	(177)
Proceeds from shares issued under share option scheme	**141**	—
	(78,099)	(115,783)
Net increase (decrease) in cash and cash equivalents	**50,322**	(42,301)
Cash and cash equivalents at beginning of the period	**588,632**	546,648
Effect of foreign exchange rate changes	**10,757**	13,729
Cash and cash equivalents at end of the period, represented by bank balances and cash	**649,711**	518,076

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with HKAS 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

Other than changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations) mentioned below, the accounting policies and methods of computation used in the condensed consolidated financial statements of the Group for the six months ended 30th June, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31st December, 2025.

Application of amendments to HKFRS Accounting Standards

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

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
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11

The application of the amendments to HKFRS 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

The Group is principally engaged in the manufacturing and marketing of mould bases and related products. Revenue represents the invoiced value of goods sold to external customers during the period, after allowances for returns and trade discounts. The Group recognised revenue at a point in time.

Revenue from manufacturing and marketing of mould bases and related products

The Group manufactures and sells mould bases and related products directly to the customer. Revenue is recognised when control of the goods has been transferred to the customer, being at the point the goods are delivered to the customer. Transportation and other related activities that occur before the customers obtain control of the related goods are considered as fulfilment activities. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The Group allows credit periods ranging from 30 to 90 days to its trade customers.

The performance obligations of all contracts have an original expected duration of one year or less.

The Group only has one operating segment, based on the information reported to the chief operating decision maker (i.e. the Company's executive directors) for the purposes of resources allocation and performance assessment, which is the aggregated results of the Group, including all income, expenses and tax charges. As a result, there is only one reportable segment for the Group. For information regarding this segment, reference can be made to the condensed consolidated financial statements as a whole. No other discrete financial information is provided. Accordingly, only entity-wide disclosures and geographic information are presented.

The segment revenue and segment result of the Group represents revenue and loss after taxation set out in the condensed consolidated statement of profit or loss and other comprehensive income respectively.

3. REVENUE AND SEGMENT INFORMATION *(continued)*

Entity-wide disclosures

As at 30th June, 2026 and 31st December, 2025, substantially all of the Group's non-current assets are located in the places of domicile of the relevant group entities, i.e. the People's Republic of China (the "PRC").

The following is an analysis of the Group's revenue based on delivery location of the customers:

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
The PRC	**476,978**	594,866
Others	**91,358**	93,788
	568,336	688,654

The Group has a very wide customer base covering Asia, Europe and America. No single customer contributed more than 10% of the Group's revenue for each of the six months ended 30th June, 2026 and 2025.

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Other income:		
Interest Income	**2,397**	3,030
Rental income, net of direct outgoings of HK$302,000 (2025: HK$310,000)	**1,500**	2,206
Sundry income	**2,664**	1,776
	6,561	7,012
Other gains and losses:		
Gain on disposal of property, plant and equipment	**8,958**	1,829
Net foreign exchange gain	**2,951**	2,675
	11,909	4,504
	18,470	11,516

5. OTHER EXPENSES

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Tooling costs	**29,401**	43,197
Transportation expenses	**21,489**	26,096
Repair and maintenance expenses	**10,167**	20,501
Electricity and water	**19,637**	22,001
Factory supplies	**8,140**	14,610
Other taxes and government charges	**10,580**	9,731
Fuels & lubricant oil	**4,604**	5,987
Travelling and motor car expenses	**4,289**	4,738
Promotion and packing expenses	**3,518**	3,352
Sub-contracting charges	**973**	702
Software and system expenses	**1,617**	3,429
Auditors' remuneration (including remuneration for non-audit services)	**2,472**	2,305
Others	**7,102**	6,993
	123,989	163,642

6. INCOME TAX CREDIT (EXPENSE)

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
The credit (charge) comprises:		
Taxation in Hong Kong	**9**	56
Taxation in jurisdictions outside Hong Kong	**(6,210)**	(4,543)
Deferred taxation	**10,004**	2,799
	3,803	(1,688)

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

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

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.

Dividend distribution out of the retained profits of foreign-invested enterprises in the PRC earned after 1st January, 2008 is subject to withholding income tax at a tax rate of 10% unless reduced by treaty. Under the tax treaty between Hong Kong and the Mainland China, the withholding income tax rate applicable to the Group is 5%.

Taxation arising in jurisdictions outside Hong Kong and the PRC is calculated based on the applicable rates in those jurisdictions.

7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended 30th June,	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Cost of inventories recognised as an expense	**480,502**	577,097
Reversal of inventories provision	**(5,467)**	(452)

8. DIVIDENDS

Interim dividend for the current period:

On 21st August, 2026, the directors determined an interim dividend of HK8 cents (six months ended 30th June, 2025: HK8 cents) per share amounting to HK$50,721,000 (six months ended 30th June, 2025: HK$50,534,000) to be paid to the shareholders of the Company whose names appear in the Register of Members on 9th September, 2026.

Dividend recognised as distribution during the period:

During the current period, a final dividend of HK12 cents (six months ended 30th June, 2025: final dividend of HK6 cents and final special dividend of HK12 cents) per share amounting to HK$76,081,000 (six months ended 30th June, 2025: final dividend of HK$37,901,000 and final special dividend of HK$75,802,000) was declared and paid to the shareholders in respect of the year ended 31st December, 2025 (six months ended 30th June, 2025: in respect of the year ended 31st December, 2024).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the six months ended 30th June, 2026 is based on the loss attributable to the owners of the Company for the six months ended 30th June, 2026 of HK$10,364,000 (six months ended 30th June, 2025: HK$3,553,000) and the weighted average number of 633,933,049 (six months ended 30th June, 2025: 631,677,303) ordinary shares in issue during the period.

The incremental shares from assumed exercise of share options granted by the Company are excluded in calculating the diluted loss per share for the six months ended 30th June, 2026 and the six months ended 30th June, 2025 because they are antidilutive in calculating the diluted loss per share.

10. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The fair value of the Group's investment properties as at the end of the current interim period were determined by C S Surveyors Limited, a firm of independent qualified professional valuers not connected to the Group.

The fair value was determined based on market comparable approach, where the prices per square feet of the properties are assessed by reference to market evidence of transaction prices for similar use of properties in the similar locations and conditions in Hong Kong. There has been no change from the valuation technique used in the prior years and it is classified under Level 3 hierarchy.

The resulting decrease in fair value of investment properties of HK$4,300,000 (six months ended 30th June, 2025: HK$3,100,000) has been recognised directly in profit or loss during the period.

During the period, the Group disposed of certain property, plant and equipment with an aggregate net carrying amount of Nil (six months ended 30th June, 2025: Nil) for cash proceeds of HK$8,958,000 (six months ended 30th June, 2025: HK$1,829,000), resulting in a gain on disposal of HK$8,958,000 (six months ended 30th June, 2025: HK$1,829,000).

In addition, during the current interim period, the Group acquired HK$6,512,000 (six months ended 30th June, 2025: HK$18,727,000), HK$151,000 (six months ended 30th June, 2025: HK$667,000) and HK$2,940,000 (six months ended 30th June, 2025: HK$4,283,000) of plant and machinery, furniture and equipment and motor vehicles, respectively, for the purpose of upgrading the Group's production and transportation facilities.

11. TRADE, BILLS AND OTHER RECEIVABLES

	At 30th June, 2026 HK$'000 (unaudited)	At 31st December, 2025 HK$'000 (audited)
Trade receivables	**87,542**	80,287
Bills receivables	**4,000**	3,763
Less: allowance for credit losses	**(8,453)**	(8,538)
	83,089	75,512
Other receivables	**2,014**	1,358
Prepayment for materials	**42,993**	38,972
Deposits and other prepayments	**4,657**	8,596
Total trade, bills and other receivables	**132,753**	124,438

In general, the Group allows a credit period ranging from 30 days to 90 days to its trade customers. The following is an aged analysis of trade and bills receivables, presented based on the invoice dates at the end of the reporting period.

	At 30th June, 2026 HK$'000 (unaudited)	At 31st December, 2025 HK$'000 (audited)
0 to 60 days	**73,696**	69,093
61 to 90 days	**12,356**	11,017
Over 90 days	**5,490**	3,940
	91,542	84,050

As at 30th June, 2026, total bills received amounting to HK$4,000,000 (31st December, 2025: HK$3,763,000) are held by the Group to collect cash upon maturity. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period within six months (31st December, 2025: six months).

12. TRADE AND OTHER PAYABLES

	At 30th June, 2026 HK$'000 (unaudited)	At 31st December, 2025 HK$'000 (audited)
Trade payables	**20,157**	29,344
Value-added tax payables	**26,335**	24,851
Provision of employee benefits	**84,337**	84,206
Payables for salaries and bonuses	**28,499**	26,795
Deposits and accruals	**20,710**	18,856
Other payables	**9,508**	9,537
Total	**189,546**	193,589
Less: Amount due within one year shown under current liabilities	**(112,316)**	(116,463)
Amount due after one year	**77,230**	77,126

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

	At 30th June, 2026 HK$'000 (unaudited)	At 31st December, 2025 HK$'000 (audited)
0 to 60 days	**16,276**	25,698
61 to 90 days	**2,651**	2,411
Over 90 days	**1,230**	1,235
	20,157	29,344

In general, the credit period on the purchases of goods ranges from 30 days to 150 days.

13. SHARE CAPITAL

The Company has 634,007,303 ordinary shares of HK$0.1 each in issue as at 30th June, 2026 (as at 31st December, 2025: 633,887,303 ordinary shares).

14. SHARE OPTION SCHEME

The Company's share option scheme (the "2022 Scheme") was adopted pursuant to a resolution passed on 30th May 2022 for the primary purpose of providing incentives to directors and eligible employees, and will remain in force for a period of 10 years commencing on the date of adoption subject to the provisions of early termination thereof.

The following table discloses the movements of the 2022 Scheme:

Category of grantees	Number of share options: At 1st January, 2026	Lapsed during the period	Granted during the period	Exercised during the period	At 30th June, 2026	Date of grant	Exercisable period	Exercise price per share HK$
Employees	1,400,000	–	–	–	1,400,000	28th September, 2023	28th September, 2024 to 27th September, 2027	1.578
Employees	290,000	–	–	(120,000)	170,000	27th September,2024	27th September, 2025 to 26th September, 2028	1.180
Employees	3,000,000	–	–	–	3,000,000	18th September,2025	18th September, 2026 to 17th September, 2029	1.660
Total	4,690,000	–	–	(120,000)	4,570,000			
Weighted average exercise price (HK$)	1.606	–	–	1.180	1.617			

The Group recognises the total expense of HK$595,000 for the six months ended 30th June, 2026 (six months ended 30th June, 2025: HK$232,000) in relation to share options granted by the Company.

15. CAPITAL COMMITMENTS

	At 30th June, 2026 HK$'000 (unaudited)	At 31st December, 2025 HK$'000 (audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**6,319**	2,535

16. RELATED PARTY DISCLOSURE

During the period, the Group entered into transactions with the following related parties:

Relationship	Nature of transaction	Six months ended 30th June, 2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Companies controlled by certain directors of the Company (note)	Repayments of lease liabilities	**1,291**	1,291
	Rental deposit paid	**646**	646
	Interest expense on lease liabilities	**37**	104

Note: Two directors of the Company are the directors of Silver Aim Limited and Triplefull Company Limited and one of them is also the beneficial shareholder of Silver Aim Limited and Triplefull Company Limited.

The remuneration of key management during the period was as follows:

	Six months ended 30th June, 2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Short-term benefits	**13,485**	13,477
Post-employment benefits	**1,323**	1,323
	14,808	14,800

No director waived any emoluments for both periods.

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis.

The management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate their fair value.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue for the six months ended 30th June, 2026 was HK$568,336,000 (2025: HK$688,654,000). Loss attributable to owners of the Company for the six months ended 30th June, 2026 was HK$10,364,000 (2025: HK$3,553,000). The basic loss per share for the six months ended 30th June, 2026 was HK1.63 cents (2025: HK0.56 cents).

During the review period, the Group recorded an increase in net loss as compared to the year of 2025 and its overall performance fell short of expectation. Therefore, the Group issued a profit warning to shareholders and potential investors on 7 July 2026 pursuant to the requirements of the Listing Rule.

The increase in net loss was primarily attributable to the global economic performance that remained weak. Under the tough market environment, the sales revenues reduced. In addition, owing to the downturn adjustment of market price for commercial properties in Hong Kong, the fair value of investment properties decreased as compared with the year of 2025.

Affected by the tense geopolitical situations, the global economy faced significant difficulties. The conflict between Russia and Ukraine remained unresolved. Coupled with the turmoil situation in Middle East marked by intense clashes involving the United States, Israel, and Iran, resulted in disruptions to international logistics and worldwide energy supply chains, leading to a sharp rise in costs and consequently aggravated risks on global economic and financial system. Moreover, restricted by factors such as regional protectionism, trade disputes between China and the United States, and restrictions imposed on high-end technology products, performance of the export business of traditional product in China fell short of expectation. In consequence, export market orders of the Group failed to rebound remarkably.

At the same time, the sustained downturn in real estate market in China dampened market investment desire. In addition, the growth speed of income for Chinese resident also slowed down, imposed restriction on their consumption spending desire, resulted in demand decreased and orders in domestic market decelerated. In views of the sluggish performance of aggregate market, coupled with intensifying "involutionary" competition within the mould industry, sales revenue of the Group reduced ultimately.

On the other hand, followed the popularity of online shopping and traveling north for consumption, retail market in Hong Kong remained sluggish and demand for commercial and industrial shops in Hong Kong subsided. Consequently, rent for retail properties market in Hong Kong continually declined, causing a decrease in fair value of investment properties of the Group. Therefore, the Group recorded an increase in net loss as compared with last year during the review year.

The Group monitored its operation cost persistently, resulting in the increasing rate of its purchase price for raw materials and operation costs gradually narrowed, however, sales revenue and other income also decreased correspondingly. Consequently, the Group recorded a rise in net loss in the reviewed period and result performance was not up to expectation.

FINANCIAL REVIEW

The Group's revenue for the six months ended 30th June, 2026 decreased by 17.5% as compared with the same period of last year. The decrease of revenue was mainly due to the tough market environment. During the period under review, the relevant costs of raw materials and consumables used (including the changes in inventories of finished goods and work in progress) for generating the revenue decreased by 19.5% and their costs as percentage of revenue decreased to 34.3% (2025: 35.2%). The ratio of the relevant costs of raw materials and consumables used as percentage of revenue was decreased slightly mainly due to the moderate decline of purchase prices for raw materials and the reduction of provision for the inventories of raw materials. Meanwhile, the decrease in activities caused the decrease of other expenses, employee benefit expenses and depreciation of property, plant and equipment by 24.2%, 5.9% and 3.6% respectively.

During the period under review, the decrease in fair value of investment properties increased by HK$1,200,000 as compared with the same period of last year. Other income increased by HK$6,954,000 mainly due to the increase of the gain on disposal of property, plant and equipment. The income tax credit for the six months ended 30th June, 2026 was HK$3,803,000 (2025: income tax charge of HK$1,688,000).

As a result of the foregoing, loss for the six months ended 30th June, 2026 increased by 191.7% to HK$10,364,000 (2025: HK$3,553,000).

Liquidity and Financial Resources

The total equity of the Group as at 30th June, 2026 was HK$1,506,804,000 (as at 31st December, 2025: HK$1,550,946,000). As at 30th June, 2026, the Group had bank balances and cash of HK$649,711,000 (as at 31st December, 2025: HK$588,632,000) and did not have any borrowings (as at 31st December, 2025: Nil).

The bank balances and cash were placed in short term deposits with major banks in Hong Kong and the PRC.

The Group had sufficient cash to meet its operations and capital commitments.

Employees and Remuneration Policies

As at 30th June, 2026, the Group employed a total of approximately 2,700 employees. The Group adopts a competitive remuneration package for its employees. Promotion and salary increments are assessed based on a performance related basis. Share options may also be granted to staff with reference to the individual's performance.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

PROSPECTS

Looking ahead to the second half of the year, the market outlook is harsh and fills with uncertainty, with global economic development facing multiple downside risks. The Group will adopt a consistently pragmatic approach to response to future changes and challenges.

The Group hopes that geopolitical tensions will subside. The conflict between Russia and Ukraine, as well as the intense confrontations involving the United States, Israel, and Iran can be peaceful resolved rapidly to significantly reduce uncertainty in the business environment and also allow the global economy back to a path of recovery. The rise of trade protectionism in Europe and the United States, along with policies such as high tariffs and technology controls on exported goods from China continues to exert pressure on the export business of China particularly high-tech electronics products. Nevertheless, this has driven a growth in the proportion of trade cooperation with emerging markets including ASEAN member states like Vietnam and countries along the “Belt and Road”, thereby fostering more diversified areas of collaboration and effectively mitigating export risks. The Group will adapt to market changes to seek business opportunities and diversify market risks.

The Group expects that the central government will continue to put forward various measures to boost domestic consumption and investment in response to the pressure of global economic slowdown. To stimulate the domestic market development, the central government not only extends policies for trade-in old consumer goods for new ones but also actively promotes environmentally friendly and smart consumption such as environmentally friendly new energy vehicles, high-tech electronic products and intelligent home appliances. Simultaneously, the central government accelerates the development of high-end technology market such as the development of low-altitude economy, AI artificial intelligence products like robots etc. to foster new quality productive forces with an aim to expand high-end manufacturing capacity and drive production toward high-end, intelligent, and green development, thereby injecting new growth momentum into the domestic economy. Furthermore, the central government will continuously optimize the domestic market environment and regulate “involutionary” competition, steering the market back toward a more efficient and sustainable development path.

To strengthen the competitive advantage of its products, the Group keeps ameliorating its production efficiency in the plastic and die-casting mould. At the same time, the Group will effectively leverage intelligent, advanced and efficient production modes to enhance its overall processing capabilities and product quality. Moreover, the Group will persistently monitor its raw material prices and operational costs to mitigate operational risks arising from rising costs and elevate its production effectiveness.

Despite the complex and ever-changing business outlook, the Group will adopt a cautious attitude to engage in its business development and reduce potential operational risks in order to achieve sustainable development and reasonable growth.

OTHER INFORMATION

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee has reviewed with management and the external auditor, Deloitte Touche Tohmatsu, the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited condensed consolidated financial statements.

INTERIM DIVIDEND

The Directors have determined an interim dividend of HK8 cents (2025: HK8 cents) per share in respect of the six months ended 30th June, 2026 to be payable on or around 22nd September, 2026 to shareholders whose names appear in the Register of Members of the Company on 9th September, 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 8th September, 2026 to 9th September, 2026, both days inclusive, during which period no share transfer will be effected.

In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 7th September, 2026.

DIRECTORS' INTERESTS IN SHARES

As at 30th June, 2026, the directors and their associates had the following interests or short positions in shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code").

Interests in the Company

		Number of shares held				Percentage of Company's
Name of director	**Capacity**	**Personal interests**	**Family interests**	**Other interests**	**Total interests**	**issued share capital**
Siu Tit Lung *(Notes 1 & 2)*	Beneficial owner, interests jointly with another person and founder of discretionary trust	47,654,444	–	366,210,937	413,865,381	65.28%
Siu Yuk Lung *(Notes 1 & 2)*	Beneficial owner, interests jointly with another person and founder of discretionary trust	47,654,444	–	366,210,937	413,865,381	65.28%
Wai Lung Shing	Beneficial owner	3,843,750	–	–	3,843,750	0.61%
Ting Chung Ho	Beneficial owner	720,000	–	–	720,000	0.11%
Siu Yuk Tung, Ivan *(Note 2)*	Beneficial owner and beneficiary of a trust	80,000	–	366,210,937	366,290,937	57.77%
Siu Yu Hang, Leo *(Notes 2 & 3)*	Interest of child or spouse and beneficiary of a trust	–	1,096,000	366,210,937	367,306,937	57.93%
Lee Tat Yee	Beneficial owner	150,000	–	–	150,000	0.02%

DIRECTORS' INTERESTS IN SHARES *(continued)*

Interests in the Company *(continued)*

Notes:

(1) Messrs. Siu Tit Lung and Siu Yuk Lung jointly held 35,851,288 shares in the Company and each owned a further 11,803,156 shares in the Company registered in their own names.

(2) Pan Island Investments Limited, which is wholly-owned by a discretionary trust of which the family members of Messrs. Siu Tit Lung and Siu Yuk Lung are beneficiaries (including Messrs. Siu Yuk Tung, Ivan and Siu Yu Hang, Leo), held 366,210,937 shares in the Company.

(3) Mr. Siu Yu Hang, Leo and his spouse jointly held 1,096,000 shares in the Company.

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Save as disclosed herein and other than certain shares in subsidiaries held as nominees by certain directors of the Company, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30th June, 2026.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

None of the directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 30th May, 2022, the shareholders of the Company approved the adoption of a new share option scheme of the Company (the "2022 Scheme"). The 2022 Scheme was set up for the primary purpose to attract, retain and motivate talented Participants, as defined in the 2022 Scheme, to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to the Participants. The 2022 Scheme will expire on 29th May, 2032.

SHARE OPTION SCHEME *(continued)*

The following table discloses the details of outstanding share options at the beginning and at the end of the reporting period:

	Number of share options				
Category of grantees	**At 1st January, 2026**	**At 30th June, 2026**	**Date of grant** *(Note 1)*	**Exercisable period** *(Note 2)*	**Exercise price per share HK$**
Employees	1,400,000	1,400,000	28th September, 2023	28th September, 2024 to 27th September, 2027	1.578
Employees	290,000	170,000	27th September, 2024	27th September, 2025 to 26th September, 2028	1.180
Employees	3,000,000	3,000,000	18th September, 2025	18th September, 2026 to 17th September, 2029	1.660
Total	4,690,000	4,570,000			

Notes:

(1) The closing price per share immediately before the date on which the share options as of 28th September, 2023, 27th September, 2024 and 18th September, 2025 were granted was HK$1.56, HK$1.17 and HK$1.66 respectively.

(2) The vesting period of the share options is from the date of grant until the commencement of the relevant exercise period.

(3) All the grants were made without any performance targets.

The number of options available for grant under the 2022 Scheme at the beginning and at the end of the reporting period was 56,267,730.

No option was granted under the 2022 Scheme during the reporting period. The number of shares that may be issued in respect of options granted under the 2022 Scheme during the reporting period representing 0% of the weighted average number of shares in issue for the period.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2026, the following persons (other than directors or chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity	Number of shares/ underlying shares held	Percentage of Company's issued share capital
Pan Island Investments Limited	Beneficial owner	366,210,937 *(Note)*	57.76%
HSBC International Trustee Limited	Trustee	366,784,990 *(Note)*	57.85%
David Michael Webb and Karen Anne Webb (David Michael Webb passed away on 13th January, 2026)	Interest of a controlled corporation	39,654,498	6.25%

Note: HSBC International Trustee Limited, in its capacity as a trustee of a trust, controlled Pan Island Investments Limited and therefore was deemed to be interested in the shares of the Company in which Pan Island Investments Limited was interested. Accordingly, the 366,210,937 shares of the Company in which Pan Island Investments Limited was interested were duplicated with the interests attributed to HSBC International Trustee Limited.

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Save as disclosed herein, the Company has not been notified of any other person (other than a director or a chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30th June, 2026.

OTHER INFORMATION *(continued)*

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of shares or other securities of the Company by the Company or any of its subsidiaries during the six months ended 30th June, 2026.

CORPORATE GOVERNANCE

The Company has complied with all code provisions as set out in the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the review period.

MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the directors.

Having made specific enquiry of all directors, all directors declared that they have complied with the Model Code throughout the review period.

On behalf of the Board
Lung Kee Group Holdings Limited
Siu Yuk Lung
Managing Director

Hong Kong, China, 21st August, 2026