King's Flair International (Holdings) Limited
科勁國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6822)

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

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2026	2025	
	HK$'000	*HK$'000*	Change
	(Unaudited)	(Unaudited)	
Revenue	**228,878**	249,838	–8.4%
Gross profit	**59,343**	51,096	16.1%
Loss attributable to owners of the Company	**(12,375)**	(40,978)	–69.8%
Basic and diluted loss per share (HK cents)	**(1.8)**	(5.9)	

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of King's Flair International (Holdings) Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred hereafter as the "Group") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025 as follows:

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

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**228,878**	249,838
Cost of sales		**(169,535)**	(198,742)
Gross profit		**59,343**	51,096
Other income and gains and losses, net	*6*	**8,534**	(6,831)
Distribution expenses		**(20,589)**	(18,384)
Administrative expenses		**(57,381)**	(65,408)
Share of results of associates		**265**	240
Finance costs	*7*	**(2,288)**	(3,374)
Loss before income tax	*8*	**(12,116)**	(42,661)
Income tax credit	*9*	**1,422**	246
Loss for the period		**(10,694)**	(42,415)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**2,075**	2,139
Other comprehensive income for the period		**2,075**	2,139
Total comprehensive income for the period		**(8,619)**	(40,276)
(Loss)/profit for the period attributable to:			
Owners of the Company		**(12,375)**	(40,978)
Non-controlling interests		**1,681**	(1,437)
		(10,694)	(42,415)

	Notes	Six months ended 30 June **2026** ***HK$'000*** **(Unaudited)**	2025 *HK$'000* (Unaudited)
Total comprehensive income attributable to:			
Owners of the Company		**(11,367)**	(39,633)
Non-controlling interests		**2,748**	(643)
		(8,619)	(40,276)
		HK cents	*HK cents*
Loss per share:	*10*		
– Basic		**(1.8)**	(5.9)
– Diluted		**(1.8)**	(5.9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*12*	**102,204**	111,892
Investment properties		**92,000**	85,900
Other asset		**172**	172
Interests in associates		**18,493**	18,293
Intangible assets		**10,056**	10,279
Deposits paid for property, plant and equipment		**3,424**	3,424
Financial assets at fair value through other comprehensive income		**10**	10
Deferred tax assets		**3,602**	3,311
		229,961	233,281
Current assets			
Inventories	*13*	**78,720**	80,002
Trade receivables	*14*	**93,117**	129,843
Prepayments, deposits and other receivables		**52,265**	30,170
Financial assets at fair value through profit or loss	*15*	**–**	234
Amounts due from associates		**1,324**	1,312
Tax recoverable		**6,519**	5,283
Pledged bank deposits		**16,756**	16,712
Cash and bank balances		**143,597**	122,123
		392,298	385,679

	Notes	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Current liabilities			
Trade payables	*16*	**37,772**	43,249
Other payables and accruals		**14,040**	14,263
Contract liabilities		**2,047**	1,552
Bank overdraft		**43,331**	17,783
Bank borrowings		**55,550**	58,150
Lease liabilities		**6,988**	9,351
Loans from non-controlling interests		**3,885**	3,885
Provision for tax		**917**	1,549
		164,530	149,782
Net current assets		**227,768**	235,897
Total assets less current liabilities		**457,729**	469,178
Non-current liabilities			
Lease liabilities		**13,763**	14,916
Deferred tax liabilities		**469**	2,146
		14,232	17,062
Net assets		**443,497**	452,116
EQUITY			
Equity attributable to owners of the Company			
Share capital	*17*	**7,000**	7,000
Reserves		**406,209**	417,576
		413,209	424,576
Non-controlling interests		**30,288**	27,540
Total equity		**443,497**	452,116

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

King's Flair International (Holdings) Limited (the "Company") is a limited liability company incorporated in the Cayman Islands and domiciled in Hong Kong. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business in Hong Kong is 12/F, Yardley Commercial Building, 3 Connaught Road West, Hong Kong. The Company's shares are listed on the Stock Exchange.

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are trading, retail, wholesale and distribution of kitchenware and household products and trading of raw materials. There were no significant changes in the Group's operations during the period.

As at 30 June 2026 and up to the date of authorisation of these financial statements, in the opinion of the directors, the Company's ultimate holding company is City Concord Limited, a company incorporated in the British Virgin Islands ("BVI"). The Company's controlling party is Dr. Wong Siu Wah, who is also the Chairman and Chief Executive Officer of the Company.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements has been prepared in accordance with the applicable disclosure requirement of Appendix D2 to the Listing Rules, and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The condensed consolidated interim financial statements contain selected explanatory notes which include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 December 2025 (the "2025 Annual Report"). The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and should be read in conjunction with the Group's 2025 Annual Report.

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for investment properties and those financial assets that are measured at fair values. The condensed consolidated interim financial statements are unaudited but have been reviewed by the Company's audit committee.

This condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK$'000") unless otherwise indicated.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

In the current interim period, the Group has applied, for the first time, the following amendments issued by the HKICPA:

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 revised HKFRSs in the current interim period has no material effect on the amounts reported in the condensed consolidated interim financial statements and/or disclosures set out in the condensed consolidated interim financial statements.

The Group has not early adopted any revised HKFRSs that have been issued but are not yet effective in the condensed consolidated interim financial statements.

4. SEGMENT INFORMATION

(i) Operating segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of the components' performance. The Group is organised around differences in products. There are two (2025: two) business components in the internal reporting to the executive Directors, which are (i) trading of kitchenware and household products, including drinkware, tools and gadgets, bakeware and accessories and food preparation products and (ii) trading of raw materials, including mainly plastic and silicone.

There were no inter-segment sales between different business segments for the six months ended 30 June 2026 and 2025.

	Trading of kitchenware and household products		Trading of raw materials		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue						
Revenue from external customers	**226,803**	216,115	**2,075**	33,723	**228,878**	249,838
Segment results	**(8,736)**	(45,428)	**(1,464)**	4,393	**(10,200)**	(41,035)
Share of results of associates					**265**	240
Unallocated income					**–**	131
Unallocated expenses					**(2,181)**	(1,997)
Loss before income tax					**(12,116)**	(42,661)

	Trading of kitchenware and household products		Trading of raw materials		Total	
	As at 30 June 2026	As at 31 December 2025	**As at 30 June 2026**	As at 31 December 2025	**As at 30 June 2026**	As at 31 December 2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Segment assets	**539,352**	511,337	**51,945**	78,771	**591,297**	590,108
Tax recoverable					**6,519**	5,283
Deferred tax assets					**3,602**	3,311
Interests in associates					**18,493**	18,293
Unallocated corporate assets#					**2,348**	1,965
Consolidated total assets					**622,259**	618,960
Segment liabilities	**177,045**	162,807	**279**	243	**177,324**	163,050
Provision for tax					**917**	1,549
Deferred tax liabilities					**469**	2,146
Unallocated corporate liabilities					**52**	99
Consolidated total liabilities					**178,762**	166,844

Unallocated corporate assets mainly comprised cash and bank balances which held as general working capital of the Group which are not directly attributable to any operating segment.

	Trading of kitchenware and household products		Trading of raw materials		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Other segment information:						
Interest income	**284**	643	**–**	2	**284**	645
Interest expenses	**(2,288)**	(3,374)	**–**	–	**(2,288)**	(3,374)
Fair value gain/(loss) on investment properties	**6,100**	(16,900)	**–**	–	**6,100**	(16,900)
Depreciation of property, plant and equipment	**(12,218)**	(13,257)	**–**	–	**(12,218)**	(13,257)
Research expenses	**(112)**	(15)	**–**	–	**(112)**	(15)
Provision for impairment loss of trade receivables	**(587)**	(88)	**(329)**	(135)	**(916)**	(223)
Fair value (loss)/gain of financial assets/ liabilities at fair value through profit or loss, net	**(234)**	5,686	**–**	–	**(234)**	5,686

(ii) Disaggregated revenue and geographical segment information

The management determines that the Group is domiciled in Hong Kong, which is the location of the Group's principal place of operations. The Group's revenue from external customers, recognised on point in time basis, is divided into the following geographical areas:

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
United States		**64,386**	94,925
Asia	*(a)*	**106,914**	97,520
Europe	*(b)*	**55,283**	42,381
Canada		**1,545**	12,146
Other locations	*(c)*	**750**	2,866
		228,878	249,838

Notes:

(a) Principally included the Mainland China*, Hong Kong* and Japan

(b) Principally included United Kingdom, Belgium and Germany

(c) Principally included Australia

* Including revenue from the Mainland China and Hong Kong of approximately HK$94,344,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$83,835,000)

The geographical location of customers is based on the location of customers. As at 30 June 2026, over 85% (31 December 2025: 84%) of the Group's non-current assets (other than financial instruments and deferred tax assets) are physically located in Hong Kong.

(iii) Information about major customers

An analysis of revenue from customers with whom transactions have exceeded 10% of the Group's revenue for the period was as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Company A *(note a, b)*	**N/A**	38,195
Company B *(note a)*	**31,113**	33,746
Company C *(note a)*	**83,270**	36,565

Notes:

(a) The revenue from those two (six month ended 30 June 2025: three) customers was all derived from the segment engaging in trading of kitchenware and household products.

(b) Revenue from transactions with Company A did not exceed 10% of the Group revenue for the six months ended 30 June 2026 and the respective amount was not disclosed accordingly.

5. REVENUE

The Group is principally engaged in trading of kitchenware and household products and raw materials including mainly silicone for certain of these products. Revenue from sales of kitchenware and household products and raw materials are recognised at a point in time when there is evidence that the control of goods has been transferred to the customer, the customer has adequate control over the goods and the Group has no unfulfilled obligations that affect customer accepting the goods. Revenue recognised during the period is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
– Sales of kitchenware and household products	**226,803**	216,115
– Sales of raw materials	**2,075**	33,723
	228,878	249,838

6. OTHER INCOME AND GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank interest income	**284**	645
Dividend income from listed equity securities	**–**	1,778
Rental income	**1,561**	1,311
Recharge from customers	**–**	194
Government grants	**31**	89
Fair value (loss)/gain on financial assets/liabilities at fair value through profit or loss, net	**(234)**	5,686
Fair value gain/(loss) on investment properties	**6,100**	(16,900)
Others	**792**	366
	8,534	(6,831)

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest charges on financial liabilities at amortised cost:		
Bank borrowings	**962**	1,605
Bank overdrafts	**460**	746
Lease liabilities	**866**	1,023
	2,288	3,374

8. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss before income tax is arrived at after charging/(crediting):		
Cost of inventories sold recognised as expense	**162,399**	190,812
Provision for impairment loss of trade receivables	**916**	223
Depreciation of property, plant and equipment	**12,218**	13,257
Research expenses	**112**	15
Short-term lease expenses	**2,229**	1,504
Low-value lease expenses	**77**	78
Employee benefit expenses (including directors' remuneration)		
Wages, salaries and other benefits	**25,938**	26,290
Discretionary bonuses	**868**	2,635
Contributions to defined contribution schemes	**2,313**	2,089
	29,119	31,014
Exchange gain, net	**1,933**	1,039

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The taxation attributable to the Group's operation comprises:		
Current tax		
– Hong Kong profits tax	**456**	1,639
– Income tax outside Hong Kong	**30**	32
	486	1,671
Over provision in prior years		
– Hong Kong profits tax	**–**	(3)
Deferred tax		
– Credit for the period	**(1,908)**	(1,914)
Income tax credit	**(1,422)**	(246)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

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

Enterprise income tax ("EIT") for the period was calculated at 25% (six months ended 30 June 2025: 25%) of the estimated assessable profits arising from the Mainland China. The income tax for other jurisdictions is calculated at the rates applicable in the respective jurisdictions.

United States income tax has not been provided as there is no assessable profit arising in United States during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the period of approximately HK$12,375,000 (six months ended 30 June 2025: approximately a loss of HK$40,978,000) and the weighted average of 700,000,000 (six months ended 30 June 2025: 700,000,000) ordinary shares in issue during the interim period.

Diluted loss per share

There were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2026 and 2025, and hence the diluted earnings per share is the same as basic earnings per share.

11. DIVIDENDS

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

ii. Dividends to equity shareholders attributable to previous financial year, approved and payable/paid during the interim period:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Final dividend in respect of the previous financial year, approved and payable during six months ended 30 June 2025, of HK4.0 cents per share	**–**	28,000

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at a total cost of approximately HK$5,004,000 (six months ended 30 June 2025: approximately HK$107,000).

During the six months ended 30 June 2026, the Group disposed property, plant and equipment approximately HK$255,000 (six months ended 30 June 2025: Nil).

At 30 June 2026, the Group's leasehold land and buildings with an aggregate carrying amount of approximately HK$14,053,000 (31 December 2025: approximately HK$14,106,000) were pledged to secure general banking facilities granted to the Group.

13. INVENTORIES

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Merchandises held for resale	**33,089**	32,985
Raw materials	**45,631**	47,017
	78,720	80,002

14. TRADE RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**105,607**	141,417
Less: impairment loss allowance	**(12,490)**	(11,574)
	93,117	129,843

The Group's trading terms with customers are mainly on credit. The credit terms are generally 0 to 90 days from the invoice date.

The directors of the Company considered the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception. An ageing analysis of the Group's trade receivables (net of impairment allowance) as at end of the reporting period, based on the invoices date, is as follows:

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**29,173**	39,317
31–60 days	**30,921**	29,376
61–90 days	**9,312**	6,369
Over 90 days	**23,711**	54,781
	93,117	129,843

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Financial assets at fair value through profit or loss:		
Derivative financial instruments at fair value *(note (a))*	**–**	234

Note:

(a) As at 31 December 2025, the Group's derivative financial instruments represented foreign currency forward contracts denominated in USD and the fair values are based on the quoted prices from the relevant financial institutions. The notional amounts of these forward contracts are RMB20,000,000 and the forward currency rates of all these contracts ranged from USD1:RMB7.007 to USD1:RMB7.063 with various maturity dates from January 2026 to May 2026.

16. TRADE PAYABLES

Trade payables normally have a credit period of 0 to 90 days from the invoice date.

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Trade payables	**37,772**	43,249

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoices date, is as follows:

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
0–90 days	**37,028**	40,429
91–180 days	**251**	2,713
181–365 days	**304**	73
Over 365 days	**189**	34
	37,772	43,249

The directors of the Company considered the carrying amounts of trade payables approximate to their fair values.

17. SHARE CAPITAL

	As at 30 June 2026		As at 31 December 2025	
	Number of shares *('000)* **(Unaudited)**	*HK$'000* **(Unaudited)**	Number of shares *('000)* (Audited)	*HK$'000* (Audited)
Authorised:				
Shares of HK$0.01 each	**10,000,000**	**100,000**	10,000,000	100,000
Issued and fully paid:				
Shares of HK$0.01 each	**700,000**	**7,000**	700,000	7,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2026, the global operating environment remained complex and challenging due to ongoing international trade tensions, as well as continued uncertainties surrounding US tariffs and related trade policies. Despite these macro headwinds, the Group proactively adjusted its strategy by streamlining manufacturing operations and prioritizing high-margin offerings. While top-line revenue experienced a slight contraction primarily due to market caution, the Group achieved a notable expansion in gross profit margin through disciplined raw material management and production cost optimizations. Furthermore, the Group actively advanced its core value transformation by accelerating proprietary product design, expanding marketing consultancy deployment, and bringing the advanced nano production line at the Tseung Kwan O Industrial Estate into operational readiness.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2026, the Group recorded a revenue of approximately HK$228.9 million, representing a decrease of approximately 8.4% as compared to approximately HK$249.8 million for the six months ended 30 June 2025. This decrease in revenue was mainly due to the continued uncertainties in the US tariffs and extended policies, and the ongoing international trade tensions during the period.

Gross profit and gross profit margin

Gross profit for the six months ended 30 June 2026 increased by approximately 16.1% to approximately HK$59.3 million (six months ended 30 June 2025: HK$51.1 million). The gross profit margin improved significantly by approximately 5.4 percentage points to approximately 25.9% (six months ended 30 June 2025: 20.5%), primarily due to cost optimizations in production and raw material management, which reduced the cost of goods sold by 14.7%.

Other income and gains and losses, net

During the six months ended 30 June 2026, other income and gains, net recorded a net gain of approximately HK$8.5 million (six months ended 30 June 2025: net loss of HK$6.8 million), primarily driven by a fair value gain on investment properties.

Distribution expenses

During the six months ended 30 June 2026, selling and distribution expenses grew by approximately 12.0% to approximately HK$20.6 million (six months ended 30 June 2025: HK$18.4 million), representing approximately 9.0% of revenue (six months ended 30 June 2025: 7.4%). The higher expense level was predominantly due to strategic investments in marketing consultancy services as well as business travel deployed to execute business development and drive top-line revenue growth.

Administrative expenses

During the six months ended 30 June 2026, administrative expenses decreased by approximately 12.3% to approximately HK$57.4 million (six months ended 30 June 2025: HK$65.4 million), reflecting effective ongoing cost-control initiatives.

Finance costs

During the six months ended 30 June 2026, finance costs decreased by approximately 32.2% to approximately HK$2.3 million (six months ended 30 June 2025: HK$3.4 million), primarily due to the decrease in bank borrowing interest rate and the decrease in utilisation of short term trade credit during the period.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the six months ended 30 June 2026 was approximately HK$12.4 million, representing a decrease of approximately 69.8% compared to approximately HK$41.0 million recorded for the six months ended 30 June 2025. The decrease in loss attributable to owners of the Company was mainly due to the improvement on gross profit margin as a result of the efforts in tighter control in production costs, a turnaround in other income and gains, net which was largely driven by a fair value gain on investment property and a decrease in administrative expenses due to the effective cost control in administration and operations.

FUTURE STRATEGY

Our Group remains poised to capture sustained growth driven by technological innovation within the household goods industry. To strengthen our market position, the Group is actively reshaping its core values by refining and further optimizing manufacturing processes while shifting greater focus toward proprietary product design and brand development.

We continue to expand our product portfolio by adopting cutting-edge designs and eco-friendly materials to meet evolving market demands. By enhancing operational efficiency and leveraging advanced technology, we strive to deliver superior products to our global customers. Strategic measures – including enriching high-margin product offerings, strengthening supply chain resilience, and optimizing cost structures – position us well to navigate market fluctuations and achieve long-term growth.

The state-of-the-art nano production line at our Advanced Manufacturing Center in Tseung Kwan O Industrial Estate is now operational. Equipped with advanced automation and intelligent logistics solutions, this facility enables highly efficient, precise production and underlines our commitment to technology-driven growth. Furthermore, the integration of innovative nanomaterials into our product lines enhances functionality, durability, and performance, expanding our market applications.

We remain committed to fostering strong stakeholder partnerships, exploring new markets, and consolidating our position as an industry leader through excellence in product quality, technology, and material recycling.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had approximately 144 employees (30 June 2025: 151 employees). Total staff costs (including Directors' emoluments) were approximately HK$29.1 million for the six months ended 30 June 2026, as compared to approximately HK$31.0 million for the six months ended 30 June 2025.

The Group will continue to streamline the organizational structure to increase operational efficiency through natural attrition and process re-engineering. The Group remunerates its employees based on their qualifications, performance, experience and prevailing industry practice. Competitive remuneration package is offered to retain elite employees including salaries, medical insurance, discretionary bonuses as well as mandatory provident fund schemes for employees in Hong Kong and state-run retirement benefit schemes for employees in the Mainland China.

The emoluments of the Directors are decided by the Remuneration Committee, taking into account of the Group's operating results, individual performance and comparable market statistics.

SIGNIFICANT INVESTMENT HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS ON CAPITAL ASSETS

Other than the investment properties as disclosed in the condensed consolidated statements of financial position, there was no significant investment held as at 30 June 2026.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 5 June 2026, the Group entered into a sale and purchase agreement with Eagle Action Limited ("**Eagle Action**"), a company wholly-owned by Dr. Wong Siu Wah, the Chairman of the Board and Chief Executive Officer of the Company, pursuant to which the Group agreed to sell to Eagle Action the entire issued share capital of, and all amounts owing to the Group by, Golden Well Ventures Limited, an indirect wholly owned subsidiary of the Company (the "**Disposal**"). The Disposal constitutes a major and connected transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and its completion is therefore subject to independent shareholders' approval having been obtained at the extraordinary general meeting of the Company. Further details of the Disposal have been disclosed in the two announcements of the Company dated 5 June 2026 and 8 June 2026, respectively, and the circular of the Company dated 24 July 2026. As at 30 June 2026, completion of the Disposal had yet to take place. Save as disclosed above, during the period of six months ended 30 June 2026, the Group had not made any material acquisition or disposal of subsidiaries and associated companies (six months ended 30 June 2025: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group manages its capital structure with an aim to ensure the Group will be able to continue as a going concern, maximize the return to the shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management reviews the capital structure regularly by considering the risk and benefit associated with each class of capital and adjusts the capital structure as it sees fit and appropriate.

Cash and bank balances and borrowings

As at 30 June 2026, the Group had cash and bank balances amounted to approximately HK$143.6 million (31 December 2025: HK$122.1 million) which were mainly denominated in United States dollars ("USD"), Renminbi ("RMB") and Hong Kong dollars ("HKD"). The Group had bank borrowings of approximately HK$55.6 million (31 December 2025: approximately HK$58.2 million) and had bank overdrafts of approximately HK$43.3 million (31 December 2025: approximately HK$17.8 million) as at 30 June 2026. The annual interest rate of the bank borrowings and bank overdrafts during the six months ended 30 June 2026 ranged from 2.9% to 5.0% (31 December 2025: ranged from 1.5% to 6.5%).

Cash flows

For the six months ended 30 June 2026, the Group recorded a cash generated from operating activities of approximately HK$4.2 million (six months ended 30 June 2025: approximately HK$51.2 million). The decrease in cash generated from operating activities was mainly due to significant amount received from the customers of the Group in the previous period.

Net cash used in investing activities amounted to approximately HK$1.3 million for the six months ended 30 June 2026 (six months ended 30 June 2025: net cash generated from investing activities of approximately HK$2.1 million). This was mainly due to cash spent on office renovation. There was a net cash outflow from financing activities of approximately HK$8.9 million for the six months ended 30 June 2026 (six months ended 30 June 2025: net cash generated from financing activities of approximately HK$39.3 million) due to the repayment of bank borrowings during the period.

Gearing ratio

The Group's gearing ratio is calculated as total borrowings, which is the summation of bank borrowings, bank overdrafts, lease liabilities and loans from non-controlling interests, divided by total equity. The gearing ratio of the Group as at 30 June 2026 and 31 December 2025 were approximately 27.9% and 23.0%, respectively. Excluding the lease liabilities, the gearing ratio of the Group as at 30 June 2026 and 31 December 2025 were approximately 23.2% and 17.7%, respectively.

Banking facilities

As at 30 June 2026, the Group has banking facilities totalling approximately HK$387.4 million (31 December 2025: approximately HK$387.4 million) and approximately HK$98.9 million (31 December 2025: approximately HK$75.9 million), of which has been utilised by the Group. The utilisation rates as at 30 June 2026 and 31 December 2025 were approximately 25.5% and 19.6% respectively. With financial supports from the banks and the low utilization rate, the Group has reserved sufficient facilities available for future draw down.

FOREIGN EXCHANGE EXPOSURE

The Group's revenue is mainly denominated in USD while its cost of sales is mainly denominated in HKD and RMB. The Group is exposed to foreign exchange risk with respect mainly to USD and RMB which may affect the Group's financial performance. The Group's treasury policies are designed to mitigate the impact of fluctuations in foreign currency exchange rates arising from the Group's operations. The Group principally uses forward foreign exchange contracts to hedge the foreign exchange risks in the ordinary course of business.

PLEDGE OF ASSETS

As at 30 June 2026, the Group's leasehold land and buildings with an aggregate carrying amount of approximately HK$14.1 million (31 December 2025: HK$14.1 million), investment properties with an aggregate carrying amount of approximately HK$92.0 million (31 December 2025: HK$85.9 million) and pledged bank deposits of approximately HK$16.8 million (31 December 2025: HK$16.7 million) were pledged to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENTS

As at 30 June 2026, the Group has no significant capital commitment (31 December 2025: approximately HK$1.4 million).

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Subsequent to the six months ended 30 June 2026, the Company held an extraordinary general meeting on 25 August 2026 at which the independent shareholders of the Company passed a resolution approving the Disposal, As all the condition precedent for the Disposal has been fulfilled, completion of the Disposal is expected to take place on 28 August 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance and has steered its development and protection of the interests of the shareholders of the Company ("Shareholders") in an enlightened and open manner. The Board comprises two executive Directors and four independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code ("CG Code") set out in Part 2 of Appendix C1 to the Listing Rules. During the period under review and up to the date of this report, the Company has complied with the CG Code, except for code provision C.2.1, which provides that, among other things, the role of chairman of the board and the chief executive officer of a listed issuer shall be separate and shall not be performed by the same individual.

Dr. Wong Siu Wah is both the chief executive officer and the chairman of the Board of the Company which deviates from code provision C.2.1. The Board considers that vesting the role of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board composition and structure taking into account the background and experience of the Directors and the number of independent non-executive Directors on the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Directors have adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in dealing in the Company's securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the period and up to the date of this report.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. The Audit Committee, comprising Ms. Leung Wai Ling, Wylie (Chairman), Professor Lau Kin Tak and Mr. Anthony Graeme Michaels, has reviewed the Company's unaudited condensed interim financial statements for the six months ended 30 June 2026 and the accounting principles and practices adopted, and discussed auditing, risk management, internal controls and financial reporting matters with the Group's management and the Company's external auditors.

INTERIM DIVIDEND

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This result announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.kingsflair.com.hk. The interim report of the Company for the six months ended 30 June 2026 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
King's Flair International (Holdings) Limited
Dr. Wong Siu Wah
Chairman and Executive Director

Hong Kong, 27 August 2026

As at the date of this announcement, the Board comprises two executive directors, namely Dr. Wong Siu Wah and Ms. Wong Fook Chi; and four independent non-executive directors, namely Professor Lau Kin Tak, Mr. Anthony Graeme Michaels, Ms. Leung Wai Ling, Wylie and Professor Shyy Wei.