LHGROUP
叙福樓集團

# LH GROUP LIMITED
# 敘 福 樓 集 團 有 限 公 司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1978)**

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

**FINANCIAL HIGHLIGHTS**

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$ million*** | *HK$ million* |
| Revenue | **506.5** | 540.5 |
| Loss attributable to the shareholders of the Company | **(17.4)** | (0.6) |
| Loss per share<br>Basic and diluted *(HK cents)* | **(2.18)** | (0.08) |

## RESULTS

The board (the "**Board**") of directors (the "**Directors**") of LH Group Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**", "**we**", "**us**" or "**our**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures of the corresponding period in the previous year as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2026*

| | Notes | Six months ended 30 June 2026 HK$'000 (Unaudited) | 2025 HK$'000 (Unaudited) |
|---|---|---|---|
| Revenue | 4 | **506,455** | 540,460 |
| Other income and gains | 5 | **1,833** | 2,012 |
| Cost of food and beverages | | **(153,181)** | (156,491) |
| Staff costs | | **(180,027)** | (192,620) |
| Depreciation and amortisation | | **(19,452)** | (20,296) |
| Depreciation of right-of-use assets, rental and related expenses | 6 | **(84,057)** | (89,016) |
| Fuel and utility expenses | | **(15,394)** | (15,712) |
| Advertising and marketing expenses | | **(4,755)** | (3,860) |
| Other operating expenses | | **(56,464)** | (52,850) |
| Provision for impairment of property, plant and equipment | | **(1,912)** | (1,459) |
| Provision for impairment of right-of-use assets | | **(3,813)** | (6,522) |
| Finance income | 7 | **583** | 1,272 |
| Finance costs | 7 | **(8,663)** | (7,733) |
| Share of loss from investment in an associate | 12 | **(1,732)** | — |
| Loss before taxation | 9 | **(20,579)** | (2,815) |
| Income tax credit | 8 | **3,059** | 2,168 |
| Loss for the period | | **(17,520)** | (647) |
| Loss for the period attributable to: | | | |
| — Shareholders of the Company | | **(17,414)** | (633) |
| — Non-controlling interests | | **(106)** | (14) |
| | | **(17,520)** | (647) |
| Loss per share | | | |
| Basic and diluted | 10 | **HK(2.18) cents** | HK(0.08) cents |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | *Note* | ***HK$'000*** | *HK$'000* |
| | | **(Unaudited)** | (Unaudited) |
| Loss for the period | | **(17,520)** | (647) |
| Other comprehensive loss | | | |
| Currency translation difference | 12 | **(39)** | — |
| Total comprehensive loss for the period | | **(17,559)** | (647) |
| Attributable to: | | | |
| — Shareholders of the Company | | **(17,453)** | (633) |
| — Non-controlling interests | | **(106)** | (14) |
| | | **(17,559)** | (647) |

## 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** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **116,388** | 123,941 |
| Right-of-use assets | | **283,015** | 241,737 |
| Interest in an associate | 12 | **3,629** | — |
| Investment properties | | **10,918** | 11,177 |
| Intangible assets | | **2,010** | 2,059 |
| Rental and utilities deposits | 13 | **40,677** | 49,242 |
| Prepayments for purchase of property, plant and equipment | 13 | **5,848** | 3,416 |
| Deferred income tax assets | | **56,100** | 47,938 |
| | | **518,585** | 479,510 |
| **CURRENT ASSETS** | | | |
| Inventories | | **18,653** | 17,319 |
| Trade receivables | 13 | **6,780** | 6,937 |
| Prepayments, deposits and other receivables | 13 | **54,943** | 48,874 |
| Tax recoverable | | **2,875** | 3,978 |
| Cash and cash equivalents | | **114,198** | 140,024 |
| | | **197,449** | 217,132 |
| **Total assets** | | **716,034** | 696,642 |
| **EQUITY** | | | |
| Equity and reserves attributable to the shareholders of the Company | | | |
| Share capital | | **80,000** | 80,000 |
| Share premium | | **122,781** | 122,781 |
| Reserves | | **14,329** | 31,782 |
| | | **217,110** | 234,563 |
| Non-controlling interests | | **(112)** | (6) |
| **Total equity** | | **216,998** | 234,557 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*As at 30 June 2026*

| | *Note* | **As at 30 June 2026** ***HK$'000*** **(Unaudited)** | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|---|
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Provision for reinstatement costs | 14 | **17,065** | 14,500 |
| Lease liabilities | | **216,748** | 178,087 |
| Deferred income tax liabilities | | **6,137** | 4,008 |
| | | **239,950** | 196,595 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | 14 | **38,920** | 50,964 |
| Other payables and accruals | 14 | **97,797** | 100,176 |
| Contract liabilities | 14 | **22,142** | 22,850 |
| Tax payable | | **3,739** | 1,195 |
| Lease liabilities | | **96,488** | 90,305 |
| | | **259,086** | 265,490 |
| **Total liabilities** | | **499,036** | 462,085 |
| **Total equity and liabilities** | | **716,034** | 696,642 |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (Unaudited) | Attributable to Shareholders of the Company Share Capital HK$'000 | Share Premium HK$'000 | Retained Earnings HK$'000 | Other Reserves HK$'000 | Exchange Fluctuation Reserve HK$'000 | Non-Controlling Interests HK$'000 | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2026** | **80,000** | **122,781** | **4,163** | **27,619** | **—** | **(6)** | **234,557** |
| Loss for the period | — | — | **(17,414)** | — | — | **(106)** | **(17,520)** |
| Other comprehensive loss: | | | | | | | |
| Exchange differences arising from translation of foreign operations | — | — | — | — | **(39)** | — | **(39)** |
| Total comprehensive loss for the period | — | — | **(17,414)** | — | **(39)** | **(106)** | **(17,559)** |
| **Balance as at 30 June 2026** | **80,000** | **122,781** | **(13,251)** | **27,619** | **(39)** | **(112)** | **216,998** |

| (Unaudited) | Attributable to shareholders of the Company Share Capital HK$'000 | Share Premium HK$'000 | Retained Earnings HK$'000 | Other Reserves HK$'000 | Non-Controlling Interests HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|---|
| **Balance as at 1 January 2025** | 80,000 | 122,781 | 2,465 | 27,619 | — | 232,865 |
| Capital contribution by a non-controlling interest | — | — | — | — | 40 | 40 |
| Loss and total comprehensive loss for the period | — | — | (633) | — | (14) | (647) |
| **Balance as at 30 June 2025** | 80,000 | 122,781 | 1,832 | 27,619 | 26 | 232,258 |

## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 9 June 2017 as an exempted company with limited liability under the Companies Act of the Cayman Islands and its shares have been listed (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 30 May 2018 (the "**Listing Date**"). The address of the Company's registered office is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged as full-service restaurants operator serving Asian (in particular Japanese) and Cantonese cuisine in Hong Kong.

The unaudited condensed consolidated interim financial information is presented in Hong Kong dollars ("**HK$**"), unless otherwise stated, and has been approved for issue by the Board on 27 August 2026.

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Group's unaudited condensed consolidated interim financial information should be read in conjunction with the Company's annual report for the year ended 31 December 2025 (the "**2025 Annual Report**").

The Group's current liabilities exceeded its current assets by approximately HK$61,637,000 as at 30 June 2026 (31 December 2025: HK$48,358,000). The Group was in a net current assets position of approximately HK$56,993,000 (31 December 2025: HK$64,797,000) by taking out lease liabilities of approximately HK$96,488,000 and contract liabilities of approximately HK$22,142,000 (31 December 2025: HK$90,305,000 and HK$22,850,000) respectively. As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$114,198,000 (31 December 2025: HK$140,024,000) and no external borrowings. The Directors of the Company have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 30 June 2026. The Directors are of the opinion that, taking into account the anticipated cash flows generated from the Group's operations as well as the possible changes in its operating performance, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 30 June 2026. We have not identified any material uncertainties related to the Group's ability to continue going concern. Accordingly, the unaudited condensed consolidated interim financial information have been prepared on a going concern basis.

The preparation of the unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. In preparing this unaudited consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2025 Annual Report, except as stated below.

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computation used in preparing the unaudited condensed consolidated interim financial information are consistent with those followed in preparing the 2025 Annual Report, except for the adoption of the following amended standards as set out below.

**Amended standards adopted by the Group**

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2026 and have been adopted in the preparation of the condensed consolidated interim financial information:

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

The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

The Group has not adopted any new or amended standards or interpretations that are not yet effective during the six months ended 30 June 2026.

## 4. REVENUE AND SEGMENT INFORMATION

### (a) Revenue

Revenue, which is also the Group's turnover, represents amounts received and receivable from the operation of restaurants and sales of food ingredients and others in Hong Kong, net of discount. An analysis of revenue is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Recognised at a point in time: | | |
| Restaurant operations | **505,735** | 539,793 |
| Sale of food ingredients and others | **720** | 667 |
| | **506,455** | 540,460 |

### (b) Segment information

The Directors, who are the chief operating decision makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the Directors that are used to make strategic decisions.

The Group is principally engaged in the operation of restaurant chains and sales of food ingredients in Hong Kong. Management reviews the operating results of the business of major cuisine and sale of food ingredients and others which the Group operates to make decisions about resources to be allocated.

The Group has the following reporting segments:

| | | |
|---|---|---|
| (a) | Self-owned brands | Operation of restaurants under the self-owned brands including "*Mou Mou Club*", "*Peace Cuisine*", "*Wing Wah Allday*", "*Pot Master*", "*#HAP Taiwanese Hotpot*", "*Shabu Days*", "*SO MEEN*", and "*Twins Liangpi x KABU*" |
| (b) | Franchised brands | Operation of restaurants under the franchised "*Gyu-Kaku*", "*Gyu-Kaku J*", "*On-Yasai*", "*The Matcha Tokyo*", "*Hikiniku To Come*" and "*Yamamoto Hamburg*" brands |
| (c) | Sale of food ingredients and others | Sale of food ingredients to related parties and external third parties and other business |

Segment revenue and segment (loss)/profit are the measures reported to the Directors for the purpose of resources allocation and performance assessment. Segment (loss)/profit, which is a measure of adjusted profit/(loss) before tax, is measured consistently with the Group's loss before tax except that unallocated finance income and unallocated cost are excluded from this measurement.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade receivables, prepayments, deposits and other receivables. They exclude property, plant and equipment, right-of-use assets, prepayments, deposits and other receivables, and cash and cash equivalents for general use, interest in an associate, investment properties, deferred income tax assets and tax recoverable.

Segment liabilities consist primarily of trade payables, contract liabilities, lease liabilities and other payables and accruals. They exclude other payables and accruals for general use, tax payable and deferred income tax liabilities.

All operating entities of the Group are domiciled in Hong Kong. All of the Group's revenue are derived in Hong Kong. As at 30 June 2026 and 31 December 2025, all of non-current assets of the Group are located in Hong Kong except interest in an associate.

An analysis of the Group's revenue, loss before taxation and depreciation and amortisation for the six months ended 30 June 2026 and 2025 and segment assets and liabilities as at 30 June 2026 and 31 December 2025 is as follows:

| | For the six months ended 30 June 2026 | | | |
|---|---|---|---|---|
| **(Unaudited)** | **Self-owned brands** *HK$'000* | **Franchised brands** *HK$'000* | **Sale of food ingredients and others** *HK$'000* | **Total** *HK$'000* |
| **Segment revenue** | | | | |
| Revenue | **145,817** | **359,918** | **45,525** | **551,260** |
| Inter-segment revenue | **—** | **—** | **(44,805)** | **(44,805)** |
| External revenue | **145,817** | **359,918** | **720** | **506,455** |
| **Segment (loss)/profit** | **(9,046)** | **31,943** | **(591)** | **22,306** |
| Segment (loss)/profit includes | | | | |
| Depreciation and amortisation | **(5,717)** | **(11,816)** | **(675)** | **(18,208)** |
| Depreciation of right-of-use assets | **(12,647)** | **(37,388)** | **—** | **(50,035)** |
| Provision for impairment | **(5,725)** | **—** | **—** | **(5,725)** |
| **Segment profit** | | | | **22,306** |
| Unallocated depreciation and amortisation | | | | **(1,244)** |
| Unallocated depreciation of right-of-use assets | | | | **(2,130)** |
| Unallocated costs | | | | **(37,610)** |
| Unallocated share of loss from investment in an associate | | | | **(1,732)** |
| Unallocated finance income | | | | **447** |
| Unallocated finance costs | | | | **(616)** |
| **Loss before taxation** | | | | **(20,579)** |
| | As at 30 June 2026 | | | |
| **Segment assets** | **120,661** | **331,813** | **100,046** | **552,520** |
| **Segments liabilities** | **(113,575)** | **(300,765)** | **(9,552)** | **(423,892)** |

| (Unaudited) | Self-owned brands *HK$'000* | Franchised brands *HK$'000* | Sale of food ingredients and others *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|
| | For the six months ended 30 June 2025 | | | |
| **Segment revenue** | | | | |
| Revenue | 143,358 | 396,435 | 44,481 | 584,274 |
| Inter-segment revenue | — | — | (43,814) | (43,814) |
| External revenue | 143,358 | 396,435 | 667 | 540,460 |
| **Segment (loss)/profit** | (1,342) | 34,611 | (1,864) | 31,405 |
| Segment (loss)/profit includes | | | | |
| Depreciation and amortisation | (5,584) | (12,829) | (697) | (19,110) |
| Depreciation of right-of-use assets | (12,926) | (42,311) | — | (55,237) |
| Provision for impairment | — | (7,981) | — | (7,981) |
| **Segment profit** | | | | 31,405 |
| Unallocated depreciation and amortisation | | | | (1,186) |
| Unallocated depreciation of right-of-use assets | | | | (2,116) |
| Unallocated costs | | | | (31,546) |
| Unallocated finance income | | | | 702 |
| Unallocated finance costs | | | | (74) |
| **Loss before taxation** | | | | (2,815) |
| | As at 31 December 2025 | | | |
| **Segment assets** | 158,302 | 262,710 | 58,772 | 479,784 |
| **Segments liabilities** | (124,905) | (261,100) | (16,959) | (402,964) |

A reconciliation of segment assets to the Group's total assets is as follows:

| | **As at 30 June 2026** *HK$'000* **(Unaudited)** | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|
| Segment assets | **552,520** | 479,784 |
| Unallocated assets | **163,514** | 216,858 |
| | **716,034** | 696,642 |

A reconciliation of segment liabilities to the Group's total liabilities is as follows:

| | **As at 30 June 2026** *HK$'000* **(Unaudited)** | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|
| Segment liabilities | **423,892** | 402,964 |
| Unallocated liabilities | **75,144** | 59,121 |
| | **499,036** | 462,085 |

## 5. OTHER INCOME AND GAINS

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** *HK$'000* **(Unaudited)** | 2025 *HK$'000* (Unaudited) |
| Promotion income from a credit card company | **1,650** | 1,650 |
| Sundry income | **183** | 362 |
| | **1,833** | 2,012 |

## 6. DEPRECIATION OF RIGHT-OF-USE ASSETS, RENTAL AND RELATED EXPENSES

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Depreciation of right-of-use assets | **52,165** | 57,353 |
| Property rentals and related expenses | **31,892** | 31,663 |
| | **84,057** | 89,016 |

## 7. FINANCE INCOME AND COSTS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Interest income from bank deposits | **583** | 741 |
| Finance income on financial assets | **—** | 531 |
| Finance income | **583** | 1,272 |
| Finance costs on lease liabilities | **(7,790)** | (7,733) |
| Finance costs on financial assets | **(873)** | — |
| Finance costs | **(8,663)** | (7,733) |

## 8. TAXATION

Hong Kong profits tax has been provided on the estimated assessable profits at a rate of 16.5% for the period ended 30 June 2026 (2025: 16.5%), 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 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%).

The major components of the income tax credit are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Hong Kong profits tax | | |
| Current income tax | **2,974** | 2,750 |
| Over-provision in prior years | **—** | (918) |
| Deferred income tax | **(6,033)** | (4,000) |
| Income tax credit | **(3,059)** | (2,168) |

## 9. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the following:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Depreciation of property, plant and equipment | **18,949** | 19,824 |
| Depreciation of right-of-use assets | **52,165** | 57,353 |
| Depreciation of investment properties | **259** | 260 |
| Amortisation of intangible assets | **244** | 212 |
| Loss on disposal of property, plant and equipment | **3,950** | — |
| Forfeiture of rental deposits upon early termination of lease | **1,071** | — |
| Lease payments under operating leases in respect of land and buildings: | | |
| — Short term lease payments | **3,665** | 1,776 |
| — Contingent rental | **1,631** | 1,997 |
| | **5,296** | 3,773 |
| Employee benefit expenses: | | |
| Salaries, bonuses and other allowances | **172,996** | 184,638 |
| Retirement benefit scheme contributions | **7,031** | 7,982 |
| | **180,027** | 192,620 |
| Auditors' remuneration | | |
| — Audit services | **1,101** | 1,136 |
| — Non-audit services | **430** | 425 |

## 10. LOSS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to shareholders of the Company ("**Shareholders**") by the weighted average number of ordinary shares in issue during the year.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| Loss attributable to the Shareholders *(HK$'000)* | **(17,414)** | (633) |
| Weighted average number of ordinary shares in issue *('000)* | **800,000** | 800,000 |
| Loss per share *(HK cents)* | **(2.18)** | (0.08) |

### (b) Diluted

Diluted loss per share for the six months ended 30 June 2026 and 2025 are the same as the basic loss per share as there were no potentially dilutive ordinary shares issued.

## 11. DIVIDENDS

The Board did not propose an interim dividend for the six months ended 30 June 2026 (For the six months ended 30 June 2025: Nil).

## 12. INTEREST IN AN ASSOCIATE

Details of the Group's investment in an associate are as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK\$'000*** | *HK\$'000* |
| Cost of investment in an associate | **5,400** | — |
| Share of loss for the Period | **(1,732)** | — |
| Currency translation difference | **(39)** | — |
| | **3,629** | — |

Details of the Group's associate as at the end of reporting period are as follows:

| **Name of associate** | **Place of incorporation/ principal place of business** | **Proportion of ownership interest held by the Group As at 30 June** | | **Proportion of voting rights held by the Group As at 30 June** | | **Principal activity** |
|---|---|---|---|---|---|---|
| | | **2026** | 2025 | **2026** | 2025 | |
| Gohan Concepts Pte. Ltd. ("**Gohan**") | Singapore | **29.4%** | N/A | **29.4%** | N/A | Restaurants operation |

In May 2026, the Group, through its non-wholly owned subsidiary BHAG HK Limited, in which the Group holds a 60% equity interest, acquired a 49% equity interest in Gohan from an independent third party, FairPrice Group Food Services Pte. Ltd. (the "**FairPrice Group**").

During the period ended 30 June 2026, the total investment capital injected by BHAG HK Limited into Gohan amounted to approximately Singapore dollar 1.5 million equivalent to approximately HK\$9.0 million, of which HK\$5.4 million reflects the Group's pro-rata contribution.

The associate is accounted for using the equity method in the consolidated financial statements.

The share of loss for the Period from the associate mainly reflects initial start-up and pre-operating costs, given that the associate commenced operations in May and had only been operating for a limited timeframe during the reporting period.

## 13. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

**Trade receivables**

Trade receivables mainly represent receivables from financial institutions in relation to the payment settled by credit cards by customers of which the settlement period is normally within 3 days from transaction date. Generally, there is no credit period granted to customers, except for certain corporate customers in relation to sales of food ingredients, to which a credit period of 30 days is granted by the Group.

| | **As at 30 June 2026** ***HK$'000*** **(Unaudited)** | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|
| External customers | **6,780** | 6,937 |

An ageing analysis of the trade receivables as at 30 June 2026 and 31 December 2025, based on the invoice date, is as follows:

| | **As at 30 June 2026** ***HK$'000*** **(Unaudited)** | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|
| Within 30 days | **5,197** | 5,530 |
| 31–60 days | **22** | 746 |
| 61–180 days | **1,562** | 661 |
| | **6,780** | 6,937 |

**Prepayments, deposits and other receivables**

There was no recent history of default in respect of the Group's debtors. Based on past experience, management believes that no impairment allowance is necessary in respect of the past due balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral over these balances. No impairment loss was recognised by the Group as at 30 June 2026 and 31 December 2025.

| | **As at 30 June 2026** ***HK$'000*** **(Unaudited)** | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|
| Prepayments | **21,282** | 15,713 |
| Rental and utilities deposits | **75,541** | 82,931 |
| Other receivables | **4,645** | 2,888 |
| | **101,468** | 101,532 |
| Less: non-current portion | | |
| — Rental and utilities deposits | **(40,677)** | (49,242) |
| — Prepayments for property, plant and equipment | **(5,848)** | (3,416) |
| Current portion | **54,943** | 48,874 |

As at 30 June 2026 and 31 December 2025, the balances of deposits and other receivables were neither past due nor impaired. Financial assets included in the above balances relate to receivables for which there was no recent history of default.

The maximum exposure to credit risk as at 30 June 2026 and 31 December 2025 was the carrying value of each class of receivable mentioned above. The Group did not hold any collateral as security. The carrying amounts of deposits and other receivables approximate to their fair values and are denominated in HK$.

## 14. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

**Trade payables**

| | As at 30 June 2026 *HK$'000* (Unaudited) | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|
| External suppliers | **38,920** | 50,964 |

An ageing analysis of the trade payables as at 30 June 2026 and 31 December 2025, based on the invoice date, is as follows:

| | As at 30 June 2026 *HK$'000* (Unaudited) | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|
| Within 30 days | **37,960** | 27,483 |
| 31–60 days | **86** | 23,098 |
| 61–180 days | **874** | 31 |
| Over 180 days | **—** | 352 |
| | **38,920** | 50,964 |

The trade payables are non-interest-bearing with payment terms of 30–60 days in general. The carrying amounts of trade payables approximate to their fair values and are denominated in HK$.

**Contract liabilities, other payables and accruals**

| | **As at 30 June 2026** *HK$'000* **(Unaudited)** | As at 31 December 2025 *HK$'000* (Audited) |
|---|---|---|
| Rent payable | **685** | 1,148 |
| Accrued employee benefit expenses | **39,102** | 36,525 |
| Provision for long service payment | **1,893** | 2,058 |
| Provision for untaken annual leave | **12,259** | 12,353 |
| Provision for reinstatement costs | **24,837** | 24,327 |
| Contract liabilities | **22,142** | 22,850 |
| Other accrued expenses | **28,831** | 32,122 |
| Payables for purchase of property, plant and equipment | **6,623** | 5,511 |
| Other payables | **632** | 632 |
| | **137,004** | 137,526 |
| Less: non-current portion | | |
| — Provision for reinstatement costs | **(17,065)** | (14,500) |
| Current portion | **119,939** | 123,026 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is a top full service multi-brand restaurant group in Hong Kong specialising in Asian (in particular Japanese) and Cantonese cuisine.

As at 30 June 2026, the Group operated a total of 62 restaurants in Hong Kong. Of these, 16 restaurants were under seven self-owned brands, namely *Mou Mou Club (牛涮鍋)*, *Peace Cuisine (和平飯店)*, *Wing Wah Allday (永華日常)*, *Pot Master (煲仔王)*, *#HAP Taiwanese Hotpot (好呷台灣火鍋)*, *Shabu Days (好鍋日子)* and *"SO MEEN" (敘 • 小麵)*. In addition, four restaurants were operated in collaboration with Twins Liangpi Limited under the brand *Twins Liangpi x KABU (兩姊妹涼皮 x 株式會社)*. The remaining 42 restaurants were operated under six franchised brands, namely "*Gyu-Kaku (牛角)*", "*Gyu-Kaku J (牛角J)*", "*On-Yasai (溫野菜)*", "*The Matcha Tokyo", "Hikiniku To Come (挽肉と米)*" and "*Yamamoto Hamburg (山本漢堡)"*. The Group serves quality, value-for-money delicacies to diversified customer segments seeking a wide array of culinary experiences. The Group prides itself in the extensive market coverage of the Group's brand portfolio, which allows the Group to tap into customer segments spanning across mid-to-high end market to mass market with different culinary preferences.

The following table sets forth the number of restaurants we operated as at the dates indicated.

| | As at 30 June | |
|---|---|---|
| | **2026** | 2025 |
| Self-owned brands | **20** | 20 |
| Franchised brands | **42** | 44 |
| **Total:** | **62** | 64 |

As at 30 June 2026, in respect of its overseas operations, the Group holds an investment in an associate, Gohan, which operates one store for "Hikiniku To Come" and one store for "Torikizoku", respectively in Singapore. In addition, the Group has entered into a franchise agreement with Gohan for the operation of "Shabu Days", under which one store has been opened in Singapore as at 30 June 2026.

## FINANCIAL REVIEW

### Revenue

In the first half of 2026, Hong Kong's retail and food & beverage sectors remained challenging due to intense price competition and changing consumer habits, despite a broader economic recovery. In response, we restructured our store network and operations, closing underperforming stores to focus resources on our most profitable assets. Due to these store closures and wider economic headwinds, the Group recorded a decline of approximately 6.3% or approximately HK$34.0 million from approximately HK$540.5 million for the six months ended 30 June 2025 (the "**Last Corresponding Period**") to approximately HK$506.5 million for the Period.

The number of restaurants under franchised brands decreased from 44 as at 30 June 2025 to 42 as at 30 June 2026, and the revenue from franchised brands decreased by approximately HK$36.5 million or approximately 9.2%, from approximately HK$396.4 million for the Last Corresponding Period to approximately HK$359.9 million for the Period. Franchised brands remained as the main pillar of revenue, constituting approximately 71.1% of the total revenue of the Group for the Period (Last Corresponding Period: 73.4%).

The revenue from self-owned brands increased by approximately HK$2.4 million or approximately 1.7% from approximately HK$143.4 million for the Last Corresponding Period to approximately HK$145.8 million for the Period.

Revenue by business segments is set out below:

| | **For the six months ended 30 June** | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **Revenue** | **% of total Revenue** | Revenue | % of total Revenue |
| | ***HK$'000*** | ***(%)*** | *HK$'000* | *(%)* |
| Self-owned brands | **145,817** | **28.8** | 143,358 | 26.5 |
| Franchised brands | **359,918** | **71.1** | 396,435 | 73.4 |
| Sub-total of restaurant operations | **505,735** | **99.9** | 539,793 | 99.9 |
| Sale of food ingredients and others | **720** | **0.1** | 667 | 0.1 |
| **Total** | **506,455** | **100.0** | 540,460 | 100.0 |

**Other income and gains**

The Group's other income and gains decreased by approximately 8.9%, or approximately HK$0.2 million, from approximately HK$2.0 million for the Last Corresponding Period to approximately HK$1.8 million for the Period. Other income and gains mainly included promotion income from a credit card company of approximately HK$1.7 million for the Period (Last Corresponding Period: approximately HK$1.7 million).

**Cost of food and beverages**

The Group's cost of food and beverages decreased by approximately 2.1%, or approximately HK$3.3 million, from approximately HK$156.5 million for the Last Corresponding Period to approximately HK$153.2 million for the Period. However, as a percentage of revenue, the cost rose slightly from 29.0% to approximately 30.2%. This was mainly driven by ongoing food inflation and higher import costs, which temporarily offset efforts to lower procurement costs.

**Staff costs**

The Group's staff cost decreased by approximately 6.5%, or approximately HK$12.6 million, from approximately HK$192.6 million for the Last Corresponding Period to approximately HK$180.0 million for the Period. Staff cost as a percentage of revenue decreased slightly from approximately 35.6% for the Last Corresponding Period to approximately 35.5% for the Period. The percentage reduction reflected the Group's effective labour cost management and operational agility amidst a challenging revenue environment.

**Depreciation of right-of-use assets, rental and related expenses**

The Group's depreciation of right-of-use assets, rental and related expenses decreased by approximately 5.6%, or approximately HK$5.0 million, from approximately HK$89.0 million for the Last Corresponding Period to approximately HK$84.1 million for the Period. The decrease reflected the lower net book value of right-of-use assets following the impairment loss recognised during the Period.

**Loss attributable to Shareholders of the Company**

Loss attributable to shareholders for the Period increased by approximately HK$16.8 million to HK$17.4 million as compared to a loss attributable to shareholder of HK$0.6 million in the Last Corresponding Period. The increase in net loss was primarily attributable to revenue pressure resulting from sluggish consumption demand and the Group's strategic restructuring of its restaurant network, alongside ongoing proactive transformation initiatives. This was further compounded by one-off expenses incurred during the Period, mainly comprising write-offs of property, plant, and equipment and forfeiture of rental deposits upon early termination of lease from store closures and impairment provisions for right-of-use assets and property, plant, and equipment, as well as the Group's share of loss from an associated company, which is primarily due to initial start-up and pre-operating costs following its commencement of operations in May 2026.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its business with internally generated cash flows. As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$114.2 million (as at 31 December 2025: approximately HK$140.0 million). Most bank deposits and cash were denominated in HK$. The Group will continue to use the internally generated cash flows as a source of funding for future developments.

As at 30 June 2026, the Group's total current assets and current liabilities were approximately HK$197.4 million (as at 31 December 2025: approximately HK$217.1 million) and approximately HK$259.1 million (as at 31 December 2025: approximately HK$265.5 million) respectively, while the current ratio was about 0.8 times (as at 31 December 2025: about 0.8 times).

As at 30 June 2026, the gearing ratio of the Group was nil (as at 31 December 2025: nil) as it had no outstanding interest-bearing bank borrowings. The gearing ratio is calculated by total interest-bearing bank borrowings divided by total equity and multiplied by 100%.

The Group operates a conservative set of treasury policies to ensure that no unnecessary risks are taken with the Group's assets. During the Period, there was no investment in financial products or instruments other than cash or bank deposits were used.

## SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group did not have any significant investments.

## CAPITAL COMMITMENT

As at 30 June 2026, the Group's outstanding commitments were approximately HK$5.0 million (as at 31 December 2025: The Group's outstanding capital commitments were approximately HK$6.8 million). The outstanding capital commitments consist of leasehold improvements which are contracted, but not provided for, and will be fulfilled by the operating cash flow generated from ordinary business of the Group. Save as disclosed above, the Group had no other capital commitment as at 30 June 2026.

## CONTINGENT LIABILITIES

As at 30 June 2026, the Group had contingent liabilities of approximately HK$2.7 million (as at 31 December 2025: approximately HK$2.7 million) in respect of bank guarantee given in favour of the landlord in lieu of rental deposit.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENT

Save for those disclosed in this announcement, the Group had not entered into any off balance sheet transactions as at the date of this announcement and had no other capital commitments or any specific plans for material investments or capital assets as at 30 June 2026.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

The Group had no material acquisition or disposal of subsidiaries, associates or joint ventures during the Period. Apart from those disclosed in this announcement, the Group has no plan for material investments or additions of capital assets as at the date of this announcement.

## CHARGES ON GROUP ASSETS

As at 30 June 2026, the Group did not have any charges on assets (2025: Nil).

## CAPITAL STRUCTURE

There was no change in the capital structure of the Group during the Period. The capital of the Group only comprises ordinary shares. During the Period, the Company did not hold or did not sell any treasury shares (as defined under the Listing Rules).

## EVENTS AFTER THE REPORTING PERIOD

No significant events occurred since the end of the Period and up to the date of this announcement which requires disclosure.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 1,605 employees (as at 31 December 2025: 1,521 employees). The remuneration of the employees is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. The remuneration of individual employee is reviewed regularly with reference to the employee's performance and qualifications.

The emoluments of the Directors are recommended by the remuneration committee of the Company, with reference to their respective contribution of time, effort and expertise on the Company's matters. The Company has adopted a share option scheme (the "**Share Option Scheme**") on 4 May 2018 to reward the participants defined thereunder for their contribution to the Group's success and to provide them with incentives to further contribute to the Group. The Share Option Scheme has become effective on 30 May 2018. In addition, employees are entitled to performance and discretionary Chinese New Year bonuses. The Group would provide induction trainings for new employees and continuous trainings to existing employees regularly.

## SHARE OPTION SCHEME

No share option was granted during the Period. Since the date of adoption of the Share Option Scheme on 4 May 2018 and up to 30 June 2026, there was no share option granted, exercised, outstanding, expired, cancelled or lapsed under the Share Option Scheme.

## FOREIGN EXCHANGE EXPOSURE

Most of the transactions of the Group are denominated in HK$ and the Group is not exposed to any significant foreign exchange exposure. As at 30 June 2026, the Group did not have any foreign exchange investment and did not engage in any currency hedging transactions or enter into any hedging instruments. The Board would monitor the exposure to fluctuations in exchange rates so that the related risk would be controlled at an acceptable level.

## PROSPECTS

In the first half of 2026, despite a broader economic recovery in Hong Kong, the local retail and food & beverage sectors continued to face profound fundamental shifts and intense price competition. Management recognizes that this is a huge challenge and deeply understands that "challenges are always accompanied by opportunities." During the Period, we continued to execute a comprehensive restructuring of the Group's store network and organizational structure. Confronting market realities head-on, we proactively closed a number of stores that failed to meet operational efficiency expectations in order to optimize our overall asset allocation.

Impacted by the aforementioned store restructuring and macroeconomic conditions, the Group recorded a decline in total revenue for the Period. However, owing to our early deployment and rigorous execution of various cost control measures, operational efficiency has improved. Excluding non-recurring items such as one-off store closure costs and asset impairments, the Group's core operational losses remained at a manageable level. This reflects the Group's resilience under adverse conditions, as well as early positive results from the management team's efforts to balance immediate containment of loss while preserving our core competitiveness.

Looking ahead to the second half of 2026 and beyond, the survival-of-the-fittest dynamic in the dining market will persist. The Group will adopt an approach anchored on the doctrine of "defensive strategy, strengthening core fundamentals, and remaining agile to adapt," advancing steadily amidst a highly volatile market. While staying focused on consolidating these defensive foundations, we are actively introducing new brands to maintain strong cash flows and operational flexibility, ensuring we can respond swiftly to market changes.

Introducing and incubating premium Japanese dining brands remains a crucial strategic directive for the Group. Following the successful establishment of a stellar reputation in Hong Kong for "Hikiniku To Come" (挽肉と米), the Group further strengthened its brand portfolio focused on "affordable luxury and experiential dining." In February 2026, we successfully launched the Hong Kong flagship store of "Yamamoto Hamburg" (山本漢堡), a well-known Japanese yoshoku brand, at the PopCorn shopping mall in Tseung Kwan O, offering consumers a warm and high-quality dining experience. Supported by precise market positioning and superior customer experiences, the brand's second location expanded rapidly to The Wai in Tai Wai in June this year, generating a highly favourable market response that validates the effectiveness of this strategy in catering local demand for refined dining experience.

While fortifying our foundation in the local market, we are actively looking abroad. During the Period, the Group achieved a major strategic breakthrough in international expansion by officially entering the Singaporean market via a joint venture. Partnering with a leading local supermarket and food hall operator, we are co-developing and operating curated premium Japanese dining concepts in the region. Established in Singapore through an associate company, this strategic partnership successfully introduced the industry-renowned yakitori chain "Torikizoku" (鳥貴族) alongside the popular brand "Hikiniku To Come" (挽肉と米), while launching the Group's self-owned brand "Shabu Days" (好鍋日子) under a franchise model. The Group is actively exploring and broadening its geographic footprint. Moving forward, we will continue to uncover unmet market demands through various partnership structures, carefully advancing overseas operations to cultivate brand-new growth engines for the Group.

In addition, fully expanding the application of technology and artificial intelligence ("**AI**") will serve as a core strategy for the Group. Embracing technology is fundamental to achieving high-quality development for both enterprises and individuals. The Group has already successfully deployed several internal AI platforms and automated intelligence tools, enhancing cross-departmental collaboration and management transparency. These capabilities empower decision-makers to identify risks faster, spot opportunities earlier, and make better-informed decisions. Enabled by technology and backed by disciplined operational management, the Group stands fully prepared to confront future challenges and capitalize on new opportunities in the next economic cycle.

## DIVIDENDS

The Board resolved not to declare an interim dividend for the Period (Last Corresponding Period: Nil).

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a sufficient public float of at least 25% of the issued shares of the Company for the Period and up to the date of this announcement under the Listing Rules.

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

For the Period, save for the deviation from code provision C.2.1 of the CG Code, which is explained in the paragraph below, the Board considers that the Company has in all material respects complied with all the code provisions of the CG Code and adopted most of the best practices set out therein.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Wong Kit Lung Simon ("**Mr. Wong**") currently holds both positions. Mr. Wong has been the key leadership figure of the Group who has been primarily involved in the formulation of business strategies and determination of the overall direction of the Group. He has also been chiefly responsible for the Group's operations as he directly supervises the senior management of the Group. Taking into account the continuation of the implementation of the business plans, the Directors (including the independent non-executive Directors) considered Mr. Wong as the best candidate for both positions and such arrangement is beneficial to and in the interests of the Group and the Shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises two executive Directors (including Mr. Wong) and three independent non-executive Directors and therefore has a strong independence element in its composition. The Board would continue to periodically review the effectiveness of this arrangement to ensure its alignment with the needs of the Group.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standards as set out in the Model Code for the Period.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities or engaged in sale of treasury shares (as defined under the Listing Rules) of the Company for the Period.

During the Period, the Company did not hold or sell any treasury shares (as defined under the Listing Rules).

## AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") which comprises three independent non-executive Directors, namely Mr. Mak Kam Chiu (Chairman), Mr. Hung Wai Man and Mr. Sin Yat Kin. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process, to develop and review the policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has held meetings to discuss the financial reporting process, internal control and risk management system of the Group, including the review of this unaudited interim results announcement and the unaudited interim condensed consolidated financial information of the Group for the Period.

The unaudited condensed consolidated interim results of the Group for the Period have not been audited or reviewed by the Company's auditor but have been reviewed by the Audit Committee and the management of the Company.

## PUBLICATION OF THE INTERIM RESULTS AND 2026 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (***www.hkexnews.hk***) and the Company (***www.lhgroup.com.hk***), and the 2026 interim report containing the information required by Appendix D2 to the Listing Rules will be published on the respective websites of the Stock Exchange and the Company according to the requirements under the Listing Rules.

## APPRECIATION

The Board would like to express its sincere gratitude to the management team and all the staff of the Group for their continuous support and contribution. The Board also takes this opportunity to thank the Shareholders, customers, business partners and professional parties for their unreserved support in the prospects of the Group.

By order of the Board
**LH GROUP LIMITED**
**Wong Kit Lung Simon** ***Prof, BBS, JP***
*Chairman*

Hong Kong, 27 August 2026

*As at the date of this announcement, the Board comprises Mr. Wong Kit Lung Simon Prof, BBS, JP and Ms. Ko Sau Chee Grace as executive Directors; and Mr. Sin Yat Kin GBS, CSDSM, JP, Mr. Hung Wai Man Prof, JP and Mr. Mak Kam Chiu as independent non-executive Directors.*