CHINA HEALTHWISE HOLDINGS LIMITED
中國智能健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 348)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**" or "**Directors**") of China Healthwise Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the "**Group**") for the six months ended 30 June 2026 together with the comparative figures for the corresponding period for the six months ended 30 June 2025. These interim consolidated financial statements have not been audited but have been reviewed by the Company's Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Unaudited	
	Notes	**For the six months ended 30 June 2026** **HK$'000**	For the six months ended 30 June 2025 HK$'000
Revenue	4	**36,462**	51,060
Cost of sales		**(31,631)**	(34,527)
Gross profit		**4,831**	16,533
Other income, gains and losses, net	4	**(4,677)**	12,422
Selling and distribution expenses		**(13,026)**	(14,066)
General and administrative expenses		**(8,748)**	(7,860)
Finance costs	5	**(6,597)**	(6,768)
(Impairment loss)/reversal of impairment loss under expected credit loss model, net		**(106)**	3,115
Impairment loss on right-of-use assets	10	**(613)**	(1,444)
Change in fair value of derivative financial assets		**(1,400)**	(400)

		Unaudited	
		For the six months ended 30 June 2026	For the six months ended 30 June 2025
	Notes	***HK$'000***	*HK$'000*
(Loss)/profit before income tax		**(30,336)**	1,532
Income tax credit/(expense)	*6*	**1,242**	(114)
(Loss)/profit for the period	*7*	**(29,094)**	1,418
Other comprehensive (loss)/income for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
— Exchange differences arising from translation of foreign operations		**(10)**	1
Other comprehensive (loss)/income for the period, net of tax		**(10)**	1
Total comprehensive (loss)/income for the period		**(29,104)**	1,419
(Loss)/profit for the period attributable to owners of the Company		**(29,094)**	1,418
Total comprehensive (loss)/income for the period attributable to owners of the Company		**(29,104)**	1,419
(Loss)/profit per share			
— Basic and diluted	*9*	**(3.78) cents**	0.18 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**Unaudited At 30 June 2026 HK$'000**	Audited At 31 December 2025 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*10*	**259**	319
Right-of-use assets	*10*	**4,709**	5,765
Financial assets at fair value through profit or loss	*12*	**–**	567
Loan receivables	*11*	**–**	176
		4,968	6,827
Current assets			
Inventories		**29,912**	40,113
Trade and other receivables, deposits and prepayments	*13*	**5,671**	7,258
Derivative financial assets		**700**	2,100
Loan receivables	*11*	**8,624**	6,285
Financial assets at fair value through profit or loss	*12*	**14,137**	53,438
Cash and cash equivalents		**8,551**	9,186
		67,595	118,380
Current liabilities			
Trade and other payables and accrued charges	*14*	**26,784**	37,556
Lease liabilities		**4,816**	5,270
Borrowings	*15*	**18,228**	31,434
Tax payable		**857**	1,714
Convertible loan notes		**16,104**	15,458
Bonds payable		**53,690**	52,004
		120,479	143,436
Net current liabilities		**(52,884)**	(25,056)
Total assets less current liabilities		**(47,916)**	(18,229)

	Notes	**Unaudited At 30 June 2026** *HK$'000*	Audited At 31 December 2025 *HK$'000*
Non-current liabilities			
Lease liabilities		**1,767**	1,965
Deferred tax liabilities		**413**	798
		2,180	2,763
Net liabilities		**(50,096)**	(20,992)
EQUITY			
Share capital	*16*	**7,705**	7,705
Reserves		**(57,801)**	(28,697)
Capital deficiency		**(50,096)**	(20,992)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" and HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These unaudited condensed consolidated interim financial statements are presented in Hong Kong Dollar ("**HK$**") and all values are rounded to the nearest thousand ("**HK$'000**"), unless otherwise stated.

Going concern

The Group incurred a net loss of HK$29,094,000 for the period ended 30 June 2026 and, as of that date, the Group had net liabilities of HK$50,096,000. Its current borrowings (included convertible loan notes and bonds payable) amounted to HK$88,022,000, while its cash and cash equivalents amounted to HK$8,551,000 as at 30 June 2026.

In view of such circumstances, the Directors have given careful consideration to the future liquidity, operating performance of the Group, and are of the opinion that the Group will be able to meet the funding needs of operations and repay the outstanding interest bearing borrowings and liabilities. In order to improve the Group's financial position, the Directors have been implementing various measures as follows:

i. taking active measures to collect loan receivables to improve operating cash flows and its financial position;

ii. reviewing its investments and actively considering to realise certain financial assets at fair value through profit or loss, in order to enhance the cash flow position of the Group whenever it is necessary;

iii. implementing an active cost-saving measures to control administrative costs through various ways to improve operating cash flows at a level sufficient to finance the working capital requirements of the Group; and

iv. actively negotiating with the bond holder and finance company to secure the renewals of the Group's bonds and borrowings to meet its financial obligations when they fall due.

The Directors have carried out detailed review on the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. In preparing the cash flow forecast, the directors have considered historical cash requirements of the Group as well as other key factors, including the availability of the loan finance which may impact the operations of the Group during the next twelve-month period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the unaudited condensed consolidated interim financial statements for the period ended 30 June 2026 on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the unaudited condensed consolidated interim financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the unaudited condensed consolidated interim financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 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 annual periods beginning on or after 1 January 2026 for the preparation of the Group's unaudited condensed consolidated interim financial statements:

HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements (amendments)[1]

[1] The amendments, issued in February 2026, add illustrative examples to the accompanying materials of HKFRS Accounting Standards. These illustrative examples do not have an effective date.

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 unaudited condensed consolidated interim financial statements.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by the 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 financial statements.

4. REVENUE, OTHER INCOME, GAINS AND LOSSES, NET AND SEGMENTAL INFORMATION

The Group is principally engaged in sale of Chinese health products, money lending business and investment in financial instruments. Revenue and other income, gains and losses, net recognised during the period are as follows:

	Unaudited For the six months ended 30 June 2026	For the six months ended 30 June 2025
	HK$'000	*HK$'000*
Revenue from contracts with customers		
— Trading of Chinese health products	**47,903**	50,975
Revenue from other sources:		
— Interest income	**303**	323
— Loss on disposal of financial instruments, net	**(11,744)**	(238)
	36,462	51,060
Disaggregation of revenue from contracts with customers:		
Timing of revenue recognition from contracts with customers		
At a point in time	**47,903**	50,975
Other income, gains and losses, net		
Fair value (loss)/gain on financial assets at fair value through profit or loss ("**FVTPL**")	**(4,687)**	12,410
Interest income on bank deposits	**3**	–
Others	**7**	12
	(4,677)	12,422

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's chief operating decision marker (the "**CODM**") for their assessment of performance and resource allocation. The Group has identified the following reportable segments from its operations:

- Chinese health products: sale of Chinese health products
- Money lending business: granting loans
- Investment in financial instruments: investing in financial instruments

(a) Segment revenue and results

Segment revenue represents revenue generated from external customers. There were no inter-segment sales during the six months ended 30 June 2026 and 30 June 2025. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit or loss that is used by the CODM for assessment of segment performance.

For the six months ended 30 June 2026

	Chinese health products *HK$'000* **(Unaudited)**	**Money lending business** *HK$'000* **(Unaudited)**	**Investment in financial instruments** *HK$'000* **(Unaudited)**	**Reportable segment total** *HK$'000* **(Unaudited)**
Revenue from external customers	**47,903**	**303**	**(11,744)**	**36,462**
Segment loss before income tax	**(3,056)**	**(2,341)**	**(16,714)**	**(22,111)**

For the six months ended 30 June 2025

	Chinese health products *HK$'000* (Unaudited)	Money lending business *HK$'000* (Unaudited)	Investment in financial instruments *HK$'000* (Unaudited)	Reportable segment total *HK$'000* (Unaudited)
Revenue from external customers	50,975	323	(238)	51,060
Segment (loss)/profit before income tax	(4,399)	869	11,369	7,839

	Unaudited For the six months ended 30 June 2026 HK$'000	For the six months ended 30 June 2025 HK$'000
Reportable segment (loss)/profit	**(22,111)**	7,839
Change in fair value of derivative financial assets	**(1,400)**	(400)
Unallocated finance costs	**(5,034)**	(4,729)
Unallocated corporate expenses		
— Staff costs	**(669)**	(669)
— Others	**(1,122)**	(509)
Consolidated (loss)/profit before income tax	**(30,336)**	1,532

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Unaudited At 30 June 2026 HK$'000	Audited At 31 December 2025 HK$'000
Segment assets		
— Chinese health products	**49,051**	62,539
— Money lending business	**8,658**	6,495
— Investment in financial instruments	**14,137**	54,005
Segment assets	**71,846**	123,039
Unallocated corporate assets		
— Cash and cash equivalents	**17**	68
— Derivative financial assets	**700**	2,100
Consolidated total assets	**72,563**	125,207

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
Segment liabilities		
— Chinese health products	**34,008**	44,429
— Money lending business	**5,671**	4,251
— Investment in financial instruments	**3,275**	17,338
Segment liabilities	**42,954**	66,018
Unallocated corporate liabilities		
— Convertible loan notes	**16,104**	15,458
— Bonds payable	**53,690**	52,004
— Others *(Note)*	**9,911**	12,719
Consolidated total liabilities	**122,659**	146,199

Note: Other unallocated corporate liabilities include certain other payables and accrual charges and deferred tax liabilities.

(c) Information about the Group's revenue by geographical region

	Unaudited	
	For the six months ended 30 June 2026 *HK$'000*	For the six months ended 30 June 2025 *HK$'000*
Hong Kong	**36,462**	51,060

Note: Revenue from trading of Chinese health products, interest income and sale of financial instruments are disclosed by location of operations and location where the products are delivered.

(d) Information on major customers

For the six months ended 30 June 2026 and 2025, no external customer contributed 10% or more to the Group's revenue.

5. FINANCE COSTS

	Unaudited	
	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	HK$'000	*HK$'000*
Interest on borrowings	**1,147**	1,692
Interest on lease liabilities	**416**	347
Interest on convertible loan notes	**1,146**	1,061
Interest on bonds payable	**3,888**	3,668
	6,597	6,768

6. INCOME TAX CREDIT/(EXPENSE)

	Unaudited	
	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	HK$'000	*HK$'000*
Hong Kong Profits tax		
— Over-provision in respect of prior years	**857**	–
Deferred tax credit/(expense)	**385**	(114)
Income tax credit/(expense)	**1,242**	(114)

Hong Kong Profits Tax is calculated at 8.25% on the estimated assessable profits up to HK$2,000,000 and 16.5% on any part of the estimated assessable profits over HK$2,000,000. No Hong Kong Profits Tax was provided for the Company's subsidiaries in Hong Kong for the six months ended 30 June 2026 and 2025 as they either did not derive any assessable profits from Hong Kong or had estimated tax losses brought forward to offset against the estimated assessable profits.

Under the Law of the People's Republic of China (the "**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No Enterprise Income Tax has been provided as the Company's subsidiary in the PRC did not derive any assessable profits from the PRC for the six months ended 30 June 2026 and 2025.

7. (LOSS)/PROFIT FOR THE PERIOD

	Unaudited	
	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	HK$'000	*HK$'000*
(Loss)/profit before income tax is stated after charging the following:		
Cost of inventories sold	**28,802**	31,666
Depreciation of right-of-use assets	**3,136**	2,975
Depreciation of property, plant and equipment	**63**	132
Staff costs (including directors' emoluments):		
— salaries and allowances	**11,149**	11,508
— contribution to retirement benefit scheme	**396**	428
	11,545	11,936

8. DIVIDENDS

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

9. (LOSS)/PROFIT PER SHARE

The calculation of basic and diluted (loss)/profit per share attributable to the owners of the Company is based on the following data:

	Unaudited	
	For the six months ended 30 June 2026	For the six months ended 30 June 2025
	HK$'000	*HK$'000*
(Loss)/profit		
(Loss)/profit for the purpose of basic and diluted (loss)/profit per share	**(29,094)**	1,418

	Unaudited	
	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/profit per share	**770,480,836**	770,480,836

The computation of diluted (loss)/profit per share for six months ended 30 June 2026 and 2025 does not assume the conversion of the Company's outstanding convertible loan notes since their assumed exercise would result in a decrease/an increase in (loss)/profit per share.

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group acquired property, plant and equipment with a cost of HK$3,000 (six months ended 30 June 2025: HK$84,000). The Group has entered into lease for retail shops and offices in Hong Kong during the six months ended 30 June 2026 and accordingly additional right-of-use assets amounted to approximately HK$2,693,000 (six months ended 30 June 2025: HK$5,948,000) have been recognised during the current period.

During the six months ended 30 June 2026, due to continued losses for several retail shops of the Chinese health products segment, the Directors considered there was indication for impairment of property, plant and equipment and right-of-use assets with carrying amount of HK$214,000 (31 December 2025: HK$205,000) and HK$5,313,000 (31 December 2025: HK$6,615,000) respectively. The Group estimates the recoverable amount of those retail shops, each representing a Cash-generating unit ("**CGU**"), to which the assets belong when it is not possible to estimate their recoverable amount individually, including allocation of corporate assets when reasonable and consistent basis can be established.

The recoverable amount of CGUs was based on the value in use calculation. The calculation uses cash flow projections based on financial budgets approved by the Directors covering the expected cash-generating period by referring to the lease term which might vary by each of the CGUs, and pre-tax discount rate of 14%. Other key assumption for the value in use calculation relates to the estimation of cash flows which include budgeted sales, such estimation is based on the CGUs' past performance and the Directors' expectations for the market development.

During the six months ended 30 June 2026, the Group recognised impairment loss of nil (six months ended 30 June 2025: nil) and HK$613,000 (six months ended 30 June 2025: 1,444,000) on property, plant and equipment and right-of-use assets respectively as the carrying amounts of these assets exceeded the recoverable amount at 30 June 2026. As the carrying amounts of these assets have been reduced to their recoverable amounts, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment loss.

11. LOAN RECEIVABLES

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
Loan receivables arising from money lending business	**305,655**	303,386
Less: allowance for expected credit loss ("**ECL**"), net	**(297,031)**	(296,925)
	8,624	6,461

All loans are denominated in HK$. The loan receivables are unsecured and carry effective interest ranging from 8%–13% per annum (31 December 2025: 8%–13% per annum). A maturity profile of the loan receivables (net of allowance for ECL) at the end of the reporting periods, based on the maturity date is as follows:

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
Within one year	**8,624**	6,285
Over one year	**–**	176
	8,624	6,461

Included in the loan receivables is a loan to the ultimate holding company of a substantial shareholder of the Company amounted to HK$8,103,000 (31 December 2025: HK$5,610,000).

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
Listed equity securities in Hong Kong		
— Current	**14,137**	53,438
Unlisted equity securities		
— Non-current	**–**	567
	14,137	54,005

Fair value of listed equity securities is determined based on quoted bid prices in the Stock Exchange. Fair value of unlisted equity securities is determined based on valuation using asset-based approach.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
Trade receivables	**1,212**	2,391
Less: allowance for ECL on trade receivables	**(4)**	(4)
	1,208	2,387
Prepayments	**1,662**	1,339
Deposits and other receivables	**4,747**	5,478
Less: allowance for ECL on other receivables	**(1,946)**	(1,946)
	5,671	7,258

The ageing analysis of the trade receivables (net of allowance of ECL) is as follows:

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
0–90 days	**1,208**	2,387

The Group's sales are on open account terms. Credit terms are reviewed on a regular basis. The normal credit period ranges from 30 to 90 days but business partners with strong financial backgrounds may be offered longer credit terms.

14. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
Trade payables	**5,240**	16,188
Other payables and accrued charges	**21,544**	21,368
	26,784	37,556

The ageing analysis of the trade payables is as follows:

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
0–90 days	**5,100**	16,049
Over 365 days	**140**	139
	5,240	16,188

15. BORROWINGS

	Unaudited At 30 June 2026 *HK$'000*	Audited At 31 December 2025 *HK$'000*
Margin loans from securities brokers	**2,418**	15,624
Other loan	**15,810**	15,810
	18,228	31,434

At 30 June 2026, the Group had margin loans from securities brokers of HK$2,418,000 (31 December 2025: HK$15,624,000). The margin loans are interest-bearing from 8% to 10% (31 December 2025: 8% to 10%) per annum, repayable on demand and are secured by a portfolio of listed equity securities with carrying amounts of HK$9,792,000 (31 December 2025: HK$53,438,000).

At 30 June 2026, the Group had other loan of HK$15,810,000 (31 December 2025: HK$15,810,000). The other loan is interest-bearing at 12% (31 December 2025: 12%) per annum and repayable on demand, secured by share charge over issued shares of a subsidiary of the Group and guaranteed by the Company.

16. SHARE CAPITAL

	Authorised			
	Convertible cumulative redeemable preference shares of US$100,000 each		Ordinary shares of HK$0.01 each	
	Number of shares	*US$'000*	*Number of shares '000*	*HK$'000*
At 31 December 2025 (audited), 1 January 2026 and 30 June 2026 (unaudited)	40	4,000	150,000,000	1,500,000

	Issued and fully paid			
	Convertible cumulative redeemable preference shares of US$100,000 each		Ordinary shares of HK$0.01 each	
	Number of shares	*US$'000*	*Number of shares '000*	*HK$'000*
At 31 December 2025 (audited), 1 January 2026 and 30 June 2026 (unaudited)	–	–	770,481	7,705

17. SHARE OPTION SCHEME

2012 Share Option Scheme

The Company adopted the share option scheme pursuant to the resolution passed by the shareholders of the Company at the general meeting held on 14 September 2012 (the "**2012 Share Option Scheme**"). Under the terms of the 2012 Share Option Scheme, the 2012 Share Option Scheme would remain in force for a period of ten (10) years commencing on the date on which it is adopted and has expired on 14 September 2022.

No further options can be offered or granted upon the expiration of the 2012 Share Option Scheme. As at 30 June 2026, there were no outstanding options under the 2012 Share Option Scheme.

New Share Option Scheme

In view of the amendments to Chapter 17 of the Listing Rules relating to share scheme which came into effect on 1 January 2023, the Company adopted a new share option scheme (the "**New Share Option Scheme**") pursuant to an ordinary resolution passed by the shareholders of the Company at the special general meeting held on 15 August 2024 (the "**Adoption Date**"). Details of the New Share Option Scheme are set out in the Company's circular dated 26 July 2024. A summary of the New Share Option Scheme is as follows:

(a) Purpose

The purpose of the New Share Option Scheme is to recognise and acknowledge the contributions which the Eligible Participants (defined as below) have made or may make to the Group.

(b) Eligible Participants

Eligible participants (the "**Eligible Participants**") include Directors, employees (whether full-time or part time) of the Company, the directors and employees (whether full-time or part time) of the holding companies, fellow subsidiaries or associated companies of the Company, suppliers, contractors, distributors, agents, consultants and advisers, other service providers provided that the Board of Directors may have absolute discretion to determine whether or not one falls within the above category. The eligibility of each of the Eligible Participant shall be determined by the Board of Directors or a committee of the Board of Directors.

(c) Total number of options available for grant

As at 1 January 2026 and 30 June 2026, the total number of options available for grant under the New Share Option Scheme is 77,048,083.

As at 1 January 2026 and 30 June 2026, within the total number of options which available for grant under the New Share Option Scheme, the number of options available for grant to the service provider is 7,704,808.

(d) Total number of shares available for issue

As at the date of this interim result announcement, the total number of shares available for issue under the New Share Option Scheme is 77,048,083, representing 10% of the Company's shares in issue.

(e) Maximum entitlement of each participant

Unless approved by the shareholders of the Company, the total number of shares issued and to be issued upon exercise of the share options granted to each Eligible Participant in any twelve (12)-month period up to and including the date of such grant must not exceed 1% of the Company's shares in issue (excluding treasury shares of the Company).

Any share options to a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates, where the total number of shares issued and to be issued upon exercise of all share options granted or to be granted to such person in any twelve (12)-month period up to and including the date of such grant exceed 0.1% of the Company's shares in issue (excluding treasury shares of the Company), are subject to approval by the shareholders of the Company.

(f) Period within which the share options may be exercised

The exercise period of the share options granted is determined by the Board of Directors, but in any event no later than ten years from the date of the grant.

(g) Vesting period

Save for the circumstances prescribed in the Company's circular dated 26 July 2024, the share options must be held by the grantee for at least twelve (12) months before the share options can be exercised.

(h) Amount payable on acceptance of the share options and the period within which payments must be made

The acceptance of an offer of a grant of share options must be made within 30 days from the date of the offer with a payment of a non-refundable nominal consideration of HK$1 by the grantee.

(i) Basis of determining the exercise price

The exercise price of a share option to subscribe for the Company's shares shall be not less than the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day, (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five (5) consecutive trading days immediately preceding the date of the offer, and (iii) the nominal value of the shares on the date of the offer.

(j) Remaining life

The New Share Option Scheme shall be valid and effective for a period of ten years from the Adoption Date ending on 15 August 2034.

No share option was granted, exercised, lapsed or cancelled during the periods ended 30 June 2026 and 2025 under the New Share Option Scheme.

As at 30 June 2026, there was no outstanding share options under New Share Option Scheme (31 December 2025: Nil).

18. CONTINGENT LIABILITIES

At 30 June 2026 and 31 December 2025, the Group had no contingent liabilities.

19. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2026 and 30 June 2025, the Group had the following transactions with related parties:

		Unaudited	
Related party relationship	**Types of transaction**	**For the six months ended 30 June 2026** *HK$'000*	For the six months ended 30 June 2025 *HK$'000*
Ultimate holding company of a substantial shareholder of the Company	Interest income	**275**	270
Fellow subsidiary of a substantial shareholder of the Company	Expenses relating to short-term leases	**174**	180

As at 30 June 2026 and 31 December 2025, the Group had the following balances with related parties:

Related party relationship	**Types of balance**	**Unaudited At 30 June 2026** *HK$'000*	Audited At 31 December 2025 *HK$'000*
Ultimate holding company of a substantial shareholder of the Company	Loan receivables	**8,103**	5,610

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to be consistent with the current period's presentation.

21. SUBSEQUENT EVENTS

(1) 5 August 2026, the Company entered into a subscription agreement (the "**Subscription Agreement**") in relation to the subscription of 154,090,000 subscription shares (the "**Subscription Share(s)**") by a subscriber, an independent third party, at the subscription price of HK$0.07 per share (the "**Subscription**").

On 27 August 2026, all conditions precedent of the Subscription Agreement have been fulfilled and the completion of the Subscription took place on the same date. An aggregate of 154,090,000 Subscription Shares, representing approx. 20.0% of the entire issued share capital of the Company immediately before the completion of the Subscription and approx. 16.7% of the number of the issued shares immediately after the completion of the Subscription, have been allotted and issued to the subscriber at the subscription price of HK$0.07 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement.

Shares are allotted and issued under the mandate granted to the Directors by resolution of the shareholders passed at the annual generate meeting on 25 June 2026 (the "**AGM**") to allot, issue and deal with up to 20.0% of the total number of issued shares as at the date of the AGM. The allotment and issue of the Subscription Shares is not subject to separate approval of the shareholders.

Further details of the Subscription are set out in the Company's announcement dated 5 August 2026 and 27 August 2026.

(2) On 13 August 2026, the Board proposes to implement the share consolidation on the basis that every five (5) issued and unissued existing shares of par value of HK$0.01 each in the share capital of the Company to be consolidated into one (1) consolidated share (the "**Consolidated Share(s)**") of par value of HK$0.05 each (the "**Share Consolidation**").

As at the date of this announcement, the authorised share capital of the Company is HK$1,500,000,000 divided into 150,000,000,000 existing shares of HK$0.01 each, of which 924,570,836 existing shares, immediately after completion of the Subscription, have been allotted and issued, and are fully paid or credited as fully paid.

The existing shares are currently traded on the Stock Exchange in the board lot size of 10,000 existing shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 10,000 Consolidated Shares per board lot.

The extraordinary general meeting of the Company (the "**EGM**") will be convened and held for the shareholders to consider and, if thought fit, pass the ordinary resolution in approving the Share Consolidation. A circular containing, among other matters, further details of the Share Consolidation together with a notice of the EGM will be issued to the shareholders on or before 28 August 2026.

Further details of the Share Consolidation are set out in the Company's announcement dated 13 August 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

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

RESULTS, BUSINESS REVIEW AND PROSPECTS

Results

For the six months ended 30 June 2026 (the "**Period**"), the Group's revenue decreased by approximately ("**approx.**") 29% to approx. HK$36.5 million, compared to approx. HK$51.1 million for the six months ended 30 June 2025 (the "**Corresponding Period**"). Gross profit margin dropped significantly from approx. 32% for the Corresponding Period to approx. 13% for the Period. Overall, the loss attributable to owners of the Company was approx. HK$29.1 million during the Period compared to a profit attributable to the owners of the Company of approx. HK$1.4 million during the Corresponding Period.

Business Review

The Group recorded a decrease in revenue by approx. 29% for the Period compared to the revenue of the Group for the Corresponding Period because of (1) the increase in realised loss recognised upon disposal of the financial assets at FVTPL from approx. HK$0.2 million for the Corresponding Period to approx. HK$11.7 million for the Period and (2) the decrease in revenue from the Chinese health products segment from approx. HK$51.0 million for the Corresponding Period to approx. HK$47.9 million for the Period.

The gross profit margin dropped significantly from approx. 32% for the Corresponding Period to approx. 13% for the Period, which is in line with the drop in the revenue.

Other income, gains and losses, net for the six months ended 30 June 2026 amounted to a net loss of approx. HK$4.7 million (2025: net gain of HK$12.4 million). Other income, gains and losses, net, mainly represented fair value loss on financial assets at FVTPL of approx. HK$4.7 million during the Period (2025: net gain of HK$12.4 million).

Selling and distribution expenses for the six months ended 30 June 2026 remained stable and amounted to approx. HK$13.0 million, compared to approx. HK$14.1 million for the Corresponding Period. This modest reduction reflects the Group's effective cost-control measures, strategically allocated expenses in promotional activities and events in order to maintain market visibility and engagement with customers in relation to the Chinese health products business.

General and administrative expenses slightly increased from approx. HK$7.9 million for the Corresponding Period to approx. HK$8.7 million for the six months ended 30 June 2026. The increase was mainly due to the increase in office and other operating costs.

Finance costs for the six months ended 30 June 2026 and 2025 represented interest expenses on borrowings, lease liabilities, bonds payable and convertible loan notes in aggregate amounted to approx. HK$6.6 million and approx. HK$6.8 million respectively. The decrease in amount was mainly due to the decrease in the outstanding balance of the Group's borrowings.

Impairment loss/reversal of impairment loss under expected credit loss model, net, provided for the six months ended 30 June 2026 and 2025 amounted to an impairment loss of approx. HK$0.1 million and a reversal of impairment loss of approx. HK$3.1 million, respectively. Impairment assessment on the Group's loan receivables was performed by the Directors at the end of the Period using the "expected credit loss model" established by HKFRS 9 Financial Instruments.

Impairment loss on right-of-use assets for the period ended 30 June 2026 amounted to approx. HK$0.6 million (2025: HK$1.4 million) resulting from certain loss-making shops operated by the Group's Chinese health products segment. Impairment loss on right-of-use assets was determined by comparing the carrying amounts of the assets to their recoverable amounts, calculated using the value-in-use method.

Change in fair value of derivative financial assets amounted to a loss of approx. HK$1.4 million for the Period (2025: HK$0.4 million). The Group's derivative financial assets were derived from the redemption right under the convertible loan notes, which was initially recognised as a separate derivative financial asset, with any subsequent changes in fair value recognised through profit or loss.

The Group recorded loss attributable to the owners of the Company of approx. HK$29.1 million during the Period compared with the profit of approx. HK$1.4 million for the Corresponding Period. The shift from profit to loss was principally due to (1) an increase in loss on disposal of financial instruments from approx. HK$0.2 million for the Corresponding Period to approx. HK$11.7 million for the Period; (2) an unrealised fair value loss on financial assets at FVTPL of approx. HK$4.7 million for the Period, as compared to an unrealised fair value gain of approx. HK$12.4 million for the Corresponding Period; and (3) an impairment loss recognised under the ECL model in respect of the Group's loan receivables of approx. HK$0.1 million for the Period, as compared to a reversal of impairment loss of approx. HK$3.1 million for the Corresponding Period.

Chinese Health Products

Chinese health products business principally engaged in the sales of Chinese and other pharmaceutical products, health products, ginseng and dried seafood products to wholesaler and retailer. Nam Pei Hong Sum Yung Drugs Company Limited, one of our subsidiaries, engages in the business of trading and retail of "Sum Yung" (參茸) and dried seafood products since 1977 and the brand name of "Nam Pei Hong" (南北行) is highly recognised in Hong Kong and Southern Mainland China. As at 30 June 2026, there were 9 (31 December 2025: 9) retail shops of Nam Pei Hong.

During the Period, this segment had contributed revenue of approx. HK$47.9 million (2025: HK$51.0 million) and a segment loss (before taxation) of approx. HK$3.1 million (2025: HK$4.4 million). The decrease in the segment revenue was mainly due to the challenging economic environment, particularly within the local retail sector in Hong Kong, throughout the Period. This situation has significantly altered consumer spending patterns. Consumers today are increasingly budget-conscious and prioritise cost effectiveness. As a result, a growing number of Hong Kong residents are shifting their spendings to Mainland China. This shift has adversely affected the Group's Chinese health products business. Segment loss (before taxation) recorded a decrease, which was mainly due to the effective cost-saving measures implemented during the Period.

Money Lending

During the Period, the Group's money lending business generated interest income on loans of approx. HK$0.3 million (2025: HK$0.3 million), and reported a segment loss (before taxation) of approx. HK$2.3 million (2025: profits of HK$0.9 million). The interest income remained stable during the Period and the Corresponding Period. The turning from segment profit (before taxation) to segment loss (before taxation) of the Group's money lending business was mainly due to the increase in the impairment loss on the Group's loan receivables under ECL model, of which impairment loss, net, was recognised during the Period amounted to approx. HK$0.1 million (2025: reversal of impairment loss of HK$3.1 million).

During the Period, the Group did not grant any new loan but extended the final repayment date of a revolving loan facility to a customer, the ultimate holding company of a substantial shareholder of the Company, with the loan facility principal amount of approx. HK$9.0 million. During the Period, the Group's customers made repayment of the loan principals and interests amounted to approx. HK$3.2 million to the Group, whereas approx. HK$5.1 million drawings were made by the ultimate holding company of a substantial shareholder of the Company under the revolving loan facility.

At 30 June 2026, eleven (31 December 2025: eleven) loans remained outstanding, out of which (i) two (31 December 2025: two) loan receivables with the aggregate gross balance of approx. HK$9.0 million (31 December 2025: HK$6.7 million) were classified under stage 1 (initial recognition); and (ii) nine (31 December 2025: nine) loan receivables with the aggregate gross balance of approx. HK$296.6 million (31 December 2025: HK$296.6 million) were classified under stage 3 (credit-impaired).

During the Period, none of the loan receivable with any gross balance was transferred from stage 1 (initial recognition) to stage 2 (significant increase in credit risk) or stage 3 (credit-impaired) (2025: none of the loan receivables transferred between stage 1 (initial recognition), stage 2 (significant increase in credit risk) and stage 3 (credit-impaired)).

At the end of the Period, the Directors performed an impairment assessment on the Group's loan receivables. The impairment assessment measured impairment on loan receivables using the "expected credit loss model" established by HKFRS 9 Financial Instruments.

Based on the impairment assessment, a total of approx. HK$297.0 million accumulated allowance for ECL on loan receivables, net was recognised as at 30 June 2026 (31 December 2025: HK$296.9 million), representing an increase of approx. HK$0.1 million as compared to 31 December 2025. Out of the total accumulated allowance for ECL, net, approx. HK$0.4 million (31 December 2025: HK$0.3 million) was recognised for loan receivables classified under stage 1 (initial recognition), nil (31 December 2025: nil) was recognised for loan receivables classified under stage 2 (significant increase in credit risk) and approx. HK$296.6 million (31 December 2025: HK$296.6 million) was recognised for loan receivables classified under stage 3 (credit-impaired) as at 30 June 2026.

	Unaudited As at 30 June 2026			
	Stage 1	**Stage 2**	**Stage 3**	
	(Initial recognition)	**(Significant increase in credit risk)**	**(Credit-impaired)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Gross balance of loan receivables (before any recognition of ECL allowance)	**9,002**	**–**	**296,653**	**305,655**
Less: accumulated allowance for ECL, net	**(378)**	**–**	**(296,653)**	**(297,031)**
Loan receivables, net	**8,624**	**–**	**–**	**8,624**

	Audited As at 31 December 2025 Stage 1 (Initial recognition) *HK$'000*	 Stage 2 (Significant increase in credit risk) *HK$'000*	 Stage 3 (Credit- impaired) *HK$'000*	 Total *HK$'000*
Gross balance of loan receivables (before any recognition of ECL allowance)	6,733	–	296,653	303,386
Less: accumulated allowance for ECL, net	(272)	–	(296,653)	(296,925)
Loan receivables, net	6,461	–	–	6,461

Reference is made to the loan receivables classified under stage 3 (credit-impaired) as referred to on pages 227 to 230 of the Company's annual report for the year ended 31 December 2025. Set out below is the latest development of the recovery of these loan receivables:

(1) CUSTOMER A

The Group has been negotiating the terms of the settlement with Customer A, but has yet to finalise the terms.

(2) CUSTOMER E

Since the classification of the related loan receivables balance as stage 3 (credit-impaired) in prior year, the Group has commenced legal proceedings against Customer E and Customer E has made partial settlement payments. The Group is currently in the process of pursuing the recovery of the remaining outstanding interest and principal by negotiating a settlement arrangement with Customer E.

The Group will continue to assess the need for any additional measures to optimise the recovery.

(3) CUSTOMER I

Since the classification of the related loan receivables balance as stage 3 (credit-impaired) in prior year, the Group has commenced legal proceeding against Customer I. The Group was approached by an independent third party proposing to acquire the loan receivables due from Customer I and the accrued and unpaid interest thereon by transferring the ownership of a number of properties located in Guangzhou, Mainland China, to the Group. The Group is currently discussing the terms and conditions of such proposal with the purchaser.

(4) CUSTOMER J

Since the classification of the related loan receivables balance as stage 3 (credit-impaired) in prior year, Customer J has made partial settlement payments.

The Group is currently in the process of pursuing the recovery of the remaining outstanding interest and principal by negotiating a settlement arrangement with Customer J. The negotiation is still ongoing.

The Group will continue to assess the need for any additional measures to optimise the recovery.

(5) CUSTOMER G

Since the classification of the related loan receivables balance as stage 3 (credit-impaired) in prior year, Customer G has made partial settlement payments.

The Group is currently in the process of pursuing the recovery of the remaining outstanding interest and principal by negotiating a settlement arrangement with Customer G. The negotiation is still ongoing.

The Group will continue to assess the need for any additional measures to optimise the recovery.

(6) CUSTOMER F

Since the classification of the related loan receivables balance as stage 3 (credit-impaired) in prior year, Customer F has made partial settlement payments.

The Group is currently in the process of pursuing the recovery of the remaining outstanding interest and principal with a view to entering into a binding settlement agreement with Customer F. The negotiation is still ongoing.

The Group will continue to assess the need for any additional measures to optimise the recovery.

(7) CUSTOMER K

Since the classification of the related loan receivables balance as stage 3 (credit-impaired) in prior year, Customer K has made partial settlement payments.

The Group is currently in the process of pursuing the recovery of the remaining outstanding interest and principal with a view to entering into a binding settlement agreement with Customer K. The negotiation is still ongoing.

The Group will continue to assess the need for any additional measures to optimise the recovery.

(8) CUSTOMER M

The Group has been in negotiation with Customer M on the repayment of the loan receivables with a view to entering into a binding settlement agreement. The negotiation is still on going.

(9) CUSTOMER L

The Company and Customer L has entered into a deed of settlement in May 2024, of which Customer L committed to settle the outstanding loan receivables by instalments in 5 years commencing from 31 July 2024. Customer L has made repayments in accordance to the instalments schedule.

Investment in Financial Instruments

During the Period, the Group's investment in financial instruments business reported a segment loss (before taxation) of approx. HK$16.7 million (2025: gain of HK$11.4 million) mainly arising from the net effect of (i) the net loss of the change in fair value of financial assets at FVTPL amounted to approx. HK$4.7 million (2025: net gain of HK$12.4 million), (ii) realised loss recognised upon disposal of financial assets at FVTPL amounted to approx. HK$11.7 million (2025: HK$0.2 million) and (iii) the finance costs attributable to the Group's investment activities during the Period amounted to HK$0.3 million (2025: HK$0.8 million).

Movements in the equity investments held by the Group during the six months ended 30 June 2026 and the year ended 31 December 2025 are as follows:

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
At beginning of period/year	**54,005**	35,591
(Loss)/gain arising on change in fair value	**(4,687)**	24,606
Disposals	**(35,181)**	(6,192)
At end of period/year	**14,137**	54,005

Details of the significant listed equity investments held by the Group at 30 June 2026 are as follows:

Name of Hong Kong listed equities	Principal activities	Cost of shares at 30 June 2026	Number of shares held at 30 June 2026	Percentage of shareholding held by the Group at 30 June 2026	Fair value at 30 June 2026	Percentage of fair value as compared to the consolidated total assets of the Group at 30 June 2026	Fair value loss recognised for the six months ended 30 June 2026
		HK$'000	*'000*	*%*	*HK$'000*	*%*	*HK$'000*
Ocean Line Port Development Limited (stock code: 8502)	Port operation in Chizhou City, Anhui Province, the PRC	8,400	31,588	3.95%	9,792	13.49%	–
Yunfeng Financial Group Limited (stock code: 376)	Long term assurance business, the provision of securities brokerage, consultancy and advisory services and investment research, wealth management, employee stock ownership plan administration and principal investment	12,995	2,634	0.06%	4,241	5.84%	(4,083)

The Group had made investments with the objective of making capital gain as well as income from dividend. The Directors believe that the future performance of the Hong Kong listed equities held by the Group is largely affected by economic factors, investor sentiment, demand and supply balance of an investee company's shares and fundamentals of an investee company, such as investee company's news, business fundamentals and development, financial performance and future prospects. Accordingly, the Directors closely monitor the above factors, particularly the fundamentals of each individual investee company in the Group's equity portfolio, and proactively adjust the Group's equity portfolio mix in order to improve its performance.

PLANS AND PROSPECTS

Chinese health products

The first half of year 2026 remained challenging for the Group's Chinese health products business. Although official statistics showed a year-on-year increase in overall retail sales in Hong Kong, driven mainly by visitor spending on jewellery and cosmetics, the Group's Chinese health product business performance continued to be affected by weak local consumption, intensified market competition and rising operating costs. The Group has been maintaining its sales through continuous promotional efforts and diversified marketing activities.

The Group operated 9 stores as at 30 June 2026. Some high-end products, including Korean ginseng (高麗參), pilose antler (鹿茸), American ginseng (花旗參), dendrobium (石斛) and fish maw (花膠), record a year-to-year declines ranging from approx. 6% to 30%, reflecting a contraction in the high-end consumer base and the negative impact resulting from the tighten regulation controls on the cross-border from the Mainland customs of carrying high-end Chinese health products.

However, by upholding its long-standing principle of "genuine goods at fair prices, treating all customers honestly" and the advantage from the overseas direct sourcing, the Group recorded a growth of approx. 4% to 16% in the sales of bird's nest (燕窩), wild cordyceps sinensis (野生冬蟲夏草), Japanese stichopus (日本刺參) and sea cucumber (海參).

Convenient packaged products, such as canned Premium Goji Berries (特級貢杞皇), Premium Peach Gum (特級桃膠), Premium Snow Lotus Seed (特級雪蓮子), Herbal and flower tea (養生保健花茶) continued to maintain stable sales performance.

To sustain market visibility and sales, the Group continuously implemented various promotional and marketing activities during the Period. These included participation in Sogo and YATA VIP Day promotions and took part in OpenRice platform activities. We also increased live-streaming sales on HKTVmall, and utilised Facebook, YouTube short videos and product tutorial content across multimedia channels to raise brand and product exposure and attract new customers.

Looking ahead, the Group will continue to expand its sales channels through cooperation with corporate clients such as banks and insurance companies (to offer staff purchase privilege programmes), collaborations with department stores and supermarkets, and HKTVmall platform. Greater emphasis will be placed on the application of AI in marketing to improve repurchase rates and encourage more frequent store revisits. Also, the Group will continue to promote our convenient, safe and health-oriented products, which in line with the national direction of promoting medicine-food homology wellness concepts.

Money lending business

The Group's loan receivables together with accrued interest receivables increased to approx. HK$8.6 million as of 30 June 2026 (31 December 2025: HK$6.5 million). The increase in amounts was primarily due to drawings made by the ultimate holding company of a substantial shareholder of the Company under a revolving loan facility.

The Group expects the business environment for money lending will be challenging and difficult in the foreseeable future. Despite the interest rate of the Hong Kong Dollar during the first half year of 2026 was relatively stable, the overall economic environment remains gloomy, which may lead to potential borrowers exercising more caution in their borrowing decisions, whereas the risk of default bear by the Group might also be potentially increased. Additionally, the uncertainty stemming from heightened geopolitical tensions between the United States and Mainland China is also impacting borrowers' demands. The Group will closely monitor the repayment pattern of our customers and formulate an action plan of recovery should the risk of default increases. Our recovery strategy involves a wide range of actions, which includes the revising of repayment terms, adding of collaterals/guarantees, reaching of settlement, the commencement of legal actions against the customers, and/or enforcement on collaterals/guarantees, etc. The Group will also be more cautious by strengthening its credit policy and risk control policy.

Investment in financial instruments

The Group will closely monitor various factors such as global economy, investment sentiment and fundamentals of investors and their future prospects and proactively adjust the portfolio in order to improve its performance. The Group will change the equity portfolio mix from time to time and realise the equities held by the Group into cash as and when appropriate.

Business Portfolio Management

The current business strategies of the Group with an aim to achieve the best use of its resources and improve its overall performance and portfolio diversification have been continuously evaluated. The Group has been actively looking for business opportunities to diversify the revenue sources of the Group in order to create shareholders' value through making investments and/or acquiring business or projects that have promising outlooks and prospects.

GROUP RESOURCES AND LIQUIDITY

As at 30 June 2026, the Group's cash and bank balances were approx. HK$8.6 million (31 December 2025: HK$9.2 million). The Group's total borrowings, convertible loan notes and bonds payable were approx. HK$18.2 million, approx. HK$16.1 million and approx. HK$53.7 million (31 December 2025: HK$31.4 million, HK$15.5 million and HK$52.0 million), respectively, representing:

(1) borrowings with an outstanding principal amount of approx. HK$2.4 million (31 December 2025: HK$15.6 million) were denominated in HK$, which bore interest rate from 8% to 10% and repayable on demand, and pledged with a subsidiary's investment in Hong Kong listed equities with carrying amount of approx. HK$9.7 million (31 December 2025: HK$53.4 million);

(2) borrowings with an outstanding principal amount of approx. HK$15.8 million (31 December 2025: HK$15.8 million) were denominated in HK$, bore fixed interest rate at 12% per annum and repayable on demand, and secured by share charge over issued shares of a subsidiary of the Company and guaranteed by the Company; and

(3) convertible loan notes and bonds payable amounted to approx. HK$16.1 million and HK$53.7 million (31 December 2025: HK$15.5 million and HK$52.0 million) respectively, represented the fair value of the liability components of the 2024 Bonds (defined below) at the issue date with the addition of the effective interest calculated at 15% per annum recognised in accordance to HKFRS 9 — Financial Instruments. The 2024 Bonds are pledged with 100% of the total issued share of a subsidiary of the Company as security for the payment obligation under the 2024 Bonds (defined below) (Note).

Note: Unsecured convertible loan notes issued on 11 October 2018 was matured on 10 October 2024, with approx. HK$72.3 million remained outstanding upon the maturity date ("**2018 Convertible Bonds**"). In this regard, 8% straight bonds with principal amount of approx. HK$55.5 million and 6% convertible bonds with principal amount of approx. HK$16.8 million were issued on 31 December 2024 ("**2024 Bonds**") to set off in full the outstanding amount of the principal under the 2018 Convertible Bonds. The maturity date of the 2024 Bonds would be the date falling on the day being two years from the date of issue of 2024 Bonds, i.e. 30 December 2026, the conversion price at which the convertible bonds may be converted into ordinary share of the Company is HK$0.088 per ordinary share.

Further details of the 2024 Bonds are set out in the Company's announcements dated 19 August 2024, 9 September 2024, 20 September 2024, 8 October 2024, 8 November 2024, 15 November 2024, 22 November 2024 and 17 December 2024, and the circular of the Company dated 27 November 2024.

Most of the Group's cash and bank balances were denominated in HK$ and Renminbi and deposits were placed in banks or financial institutions with high credit rating.

Inventories recorded a decrease of approx. 25% compared to previous year end date of 31 December 2025 and the value of stock decreased from approx. HK$40.1 million as at 31 December 2025 to approx. HK$29.9 million as at 30 June 2026 as winter is the industry traditional peak season.

Trade receivables decreased from approx. HK$2.4 million as at 31 December 2025 to approx. HK$1.2 million as at 30 June 2026. The decrease in amount in line with the decrease in the revenue generated from Chinese health products segment during the Period, which is also attributed to better management on the collection of trade receivables during the Period.

Trade payables decreased significantly from approx. HK$16.2 million as at 31 December 2025 to approx. HK$5.2 million as at 30 June 2026. The higher balance at year-end was due to increased inventory stockpiling to meet the expected surge in demand for Chinese health products ahead of the Chinese New Year, giving rise to a higher balance of trade payables as at 31 December 2025. Subsequent settlements to suppliers and reduced purchases during the Period contributed to the lower trade payables balance as of 30 June 2026.

Gearing ratio, calculated as the total borrowings, bonds payable and convertible loan notes divided by total assets was approx. 121% as at 30 June 2026 (31 December 2025: 79%). As at 30 June 2026, the Group recorded total current assets of approx. HK$67.6 million (31 December 2025: HK$118.4 million) and total current liabilities of approx. HK$120.5 million (31 December 2025: HK$143.4 million). The current ratio of the Group, calculated by dividing the total current assets by the current liabilities, was approx. 0.6 (31 December 2025: 0.8). The Group also recorded a net liabilities position of approx. HK$50.1 million as at 30 June 2026 (31 December 2025: HK$21.0 million). The Group's net liabilities position as at 30 June 2026 was primarily attributable to the operating loss incurred during the Period.

The Group's operation relied upon the support from suppliers and financial institutions. Facilities and credit terms are provided on the basis of which certain financial and operational undertakings are complied with. On behalf of the Board, the Directors are of the opinion that, after taking into accounts the Group's internal resources and cash flow from operations, the Group will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this interim report in the absence of unforeseen circumstances.

Overall, the Group will continue to review its existing business on a regular basis and committed to improve the business operations and financial position of the Group, while trying to identify potential business and investment opportunities to expand its source of income. Despite the uncertain and challenging business environments in Hong Kong, the management will try its best to leverage the brand and network in order to improve the financial positions for the shareholders and stakeholders.

FOREIGN CURRENCY RISKS

The Group's exposure to currency risk mainly attributable to trade and other receivables, bank balances and trade and other payables, are denominated in currencies other than the functional currency of the entity to which they related. The Group currently does not have a foreign currency hedging policy. However, the management will monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL STRUCTURE

The Group did not have any change to the capital structure of the Company during the Period.

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

The Group did not have any significant investments or acquisitions or sales of subsidiaries during the Period.

EMPLOYEES

As at 30 June 2026, the Group had approx. 70 employees and contract workers based in Hong Kong headquarters and PRC offices. The number of employees of the Group varies from time to time depending on production needs and they are remunerated based on industry practices.

The staff costs (included Directors' emoluments) were approx. HK$11.5 million for the six months ended 30 June 2026 (2025: HK$11.9 million). The remuneration package of the employees is determined by various factors such as their working experience and job performance, the market condition, industry practice and applicable employment law. Discretionary bonus based on job performance will be paid to employees as recognition of and reward for their contributions. The Group also maintains the Mandatory Provident Fund Scheme and insurance for its employees in Hong Kong. Various types of trainings were provided to the employees. Share options may also be granted to eligible employees by reference to the Group's performance as well as individual employees' contribution.

SHARE OPTION SCHEME

On 15 August 2024, the shareholder of the Company approved the adoption of the New Share Option Scheme. The terms of the New Share Option Scheme are in accordance with the provisions of Rule 17.03 of the Listing Rules. A summary of the particulars of the New Share Option Scheme as required under Rule 17.09 of the Listing Rules is set out in Note 17 to the unaudited condensed consolidated interim financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CONTINGENT LIABILITIES

Save as aforesaid or as otherwise disclosed herein, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any term loans (secured, unsecured, guaranteed or not), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, any mortgages or charges, or other material contingent liabilities or guarantee at the close of business on 30 June 2026.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has complied with all code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C.1 of the Listing Rules throughout the six months ended 30 June 2026, except the followings:

Under the code provision C.1.7 of the CG Code, the Company should arrange insurance cover in respect of legal action against its Directors. No insurance cover has been arranged for the Directors during the six months ended 30 June 2026 and up to the date of this announcement. The Company is in the progress of screening suitable insurance policies with reasonable commercial terms up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") set out in Appendix C3 of the Listing Rules. The Company has made specific enquiry of its Directors. All Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the accounting period covered by this interim financial statements.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026, this interim result announcement and the Group's risk management and internal control systems and agreed with the accounting policy and practices adopted by the Company.

On behalf of the Board of
China Healthwise Holdings Limited
Lei Hong Wai
Chairman and Executive Director

Hong Kong, 27 August 2026

As at the date of this announcement, the executive Directors are Mr. Lei Hong Wai (Chairman), Mr. Cheung Kwok Wai Elton (Vice Chairman), Mr. Leung Alex, Ms. Lo Ming Wan and Mr. Yuan Huixia; and the independent non-executive Directors are Mr. Fung Wai Ching, Mr. Lai Hok Lim and Mr. Tsang Chin Pang.