REGAL PARTNERS

# REGAL PARTNERS HOLDINGS LIMITED
# 皇庭智家控股有限公司

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

**(Stock Code: 1575)**

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

### FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

- Revenue decreased by approximately 75.4% to approximately RMB10.3 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB41.9 million)
- Gross profit in the amount of approximately RMB0.1 million was recorded for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB11.2 million)
- Loss for the period decreased by approximately 40.3% to approximately RMB18.1 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB30.4 million)
- Basic loss per share was approximately RMB0.50 cents for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB0.97 cents)
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil)

## UNAUDITED INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Regal Partners Holdings Limited (the "**Company**" or "**Regal Partners**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") together with the comparative figures for the six months ended 30 June 2025 (the "**Comparative Period**"). This condensed consolidated interim financial information for the six months ended 30 June 2026 was unaudited, but has been reviewed by the audit committee (the "**Audit Committee**") of the Company.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2026*

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| | | **(Unaudited)** | (Unaudited) |
| **Revenue** | 4 | **10,324** | 41,915 |
| Cost of sales | | **(10,197)** | (30,719) |
| Gross profit | | **127** | 11,196 |
| Other income and gains | 4 | **72** | 436 |
| Allowance for expected credit losses in respect of financial assets carried at amortised cost, net | | **(278)** | (217) |
| Selling and distribution expenses | | **(2,957)** | (8,399) |
| Administrative expenses | | **(10,193)** | (22,050) |
| Other expenses and losses | | **(20)** | (346) |
| Finance costs | | **(4,872)** | (10,973) |
| **Loss before tax** | 5 | **(18,121)** | (30,353) |
| Income tax | 6 | **–** | – |
| **Loss for the period** | | **(18,121)** | (30,353) |
| **Other comprehensive income:** | | | |
| *Item may be reclassified to profit or loss* | | | |
| Exchange differences on translation of financial statements | | **4,650** | 324 |
| Other comprehensive income for the period, net of income tax | | **4,650** | 324 |
| **Total comprehensive loss for the period** | | **(13,471)** | (30,029) |

| | Notes | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | | ***RMB'000*** | *RMB'000* |
| | | **(Unaudited)** | (Unaudited) |
| **Loss attributable to:** | | | |
| Owners of the Company | | **(18,072)** | (28,886) |
| Non-controlling interests | | **(49)** | (1,467) |
| | | **(18,121)** | (30,353) |
| **Total comprehensive loss attributable to:** | | | |
| Owners of the Company | | **(13,448)** | (28,571) |
| Non-controlling interests | | **(23)** | (1,458) |
| | | **(13,471)** | (30,029) |
| | | ***RMB cents*** | *RMB cents* |
| **Loss per share attributable to owners of the Company** | 7 | | |
| Basic (Unaudited) | | **(0.50)** | (0.97) |
| Diluted (Unaudited) | | **(0.50)** | (0.97) |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2026*

| | Notes | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **–** | – |
| Right-of-use assets | | **–** | – |
| Total non-current assets | | **–** | – |
| **CURRENT ASSETS** | | | |
| Inventories | | **7,294** | 4,406 |
| Trade receivables | 9 | **8,306** | 4,553 |
| Prepayments, deposits and other receivables | | **7,156** | 8,959 |
| Amounts due from related companies | | **113,288** | 117,375 |
| Pledged bank deposits | | **21** | 21 |
| Restricted bank balances | | **161** | 1,183 |
| Cash and cash equivalents | | **3,506** | 3,170 |
| Total current assets | | **139,732** | 139,667 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | 10 | **27,976** | 29,394 |
| Contract liabilities | | **2,480** | 2,907 |
| Other payables and accruals | | **86,441** | 82,802 |
| Amounts due to related companies | | **42,029** | 44,275 |
| Loan from shareholder | | **111,899** | 115,479 |
| Interest-bearing bank and other borrowings | | **68,485** | 68,485 |
| Warranty provision | | **116** | 119 |
| Lease liabilities | | **2,893** | 3,025 |
| Convertible loan | | **28,416** | 29,325 |
| Income tax payables | | **320** | 2,860 |
| Total current liabilities | | **371,055** | 378,671 |
| **NET CURRENT LIABILITIES** | | **(231,323)** | (239,004) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **(231,323)** | (239,004) |

| | Notes | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|---|
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | | **1,295** | 3,362 |
| Interest-bearing bank and other borrowings | | **51,403** | 53,048 |
| Total non-current liabilities | | **52,698** | 56,410 |
| **Net liabilities** | | **(284,021)** | (295,414) |
| **DEFICIT IN EQUITY** | | | |
| Share capital | 11 | **27,038** | 23,156 |
| Reserves | | **(309,170)** | (316,590) |
| Deficit in equity attributable to owners of the Company | | **(282,132)** | (293,434) |
| Non-controlling interests | | **(1,889)** | (1,980) |
| **Total deficit in equity** | | **(284,021)** | (295,414) |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2026*

## 1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements (the "**unaudited interim results**") is prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Hong Kong Companies Ordinance. These unaudited interim results do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim report are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards (which also include HKASs and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the amendments to HKFRS Accounting Standards as disclosed in note 2 below.

This unaudited condensed consolidated interim financial statements is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated. This unaudited condensed consolidated interim financial statements has not been audited or reviewed by the Company's external auditors, but has been reviewed by the Company's Audit Committee.

### Going concern

The Group incurred a loss attributable to owners of the Company of approximately RMB18.1 million for the six months ended 30 June 2026 and as at 30 June 2026, the Group had net current liabilities and net liabilities of approximately RMB231 million and RMB284 million respectively. These conditions may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the directors of the Company have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to deal with these conditions and to mitigate the liquidity position and improve the financial position of the Group. These plans and measures include, but are not limited to, the followings:

(i) The substantial shareholder of the Company, Mr. Tse Kam Pang, has provided to the Company an unsecured loan facility in the principal amount of up to HK$200,000,000 to provide funds to the Group in order to enable the Group to continue as a going concern and to settle its liabilities as and when they fall due. As at 30 June 2026, the unutilised portion of this loan facility amounted to approximately HK$51,624,000.

    Mr. Tse Kam Pang has undertaken to provide continuous financial support to the Group to enable it to meet its liabilities and to pay financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without significant curtailment of operations and will not demand repayment of his loans granted to the Group, which amounted to approximately RMB111,899,000 as at 30 June 2026, for the next twelve months from the date of approval of the unaudited condensed consolidated financial statements;

(ii) The Group will take steps to obtain external sources of funding in order to improve the working capital and liquidity and cash flow position of the Group; and

(iii) The Group is taking measures to tighten cost controls and speed up collection of trade and other receivables with an aim to attain positive cash flows from its operations.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as they fall due within twelve months from the date of approval of the unaudited condensed consolidated financial statements. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the unaudited condensed consolidated financial statements using the going concern basis on the assumption that the plans and measures described above will be successfully implemented.

Notwithstanding the above, since the execution of the above plans and measures is in progress and their eventual outcome is uncertain, material uncertainties exist as to whether management of the Group will be able to carry out its plans and measures as described above. Therefore, there is a material uncertainty related to events or conditions described above that may cast significant doubt on the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Group to continue as a going concern would depend upon the following:

(i) the financial capacity of Mr. Tse Kam Pang, a substantial shareholder of the Company, to provide continuous financial support to the Group for the next twelve months from the date of approval of the unaudited condensed consolidated financial statements;

(ii) the Group's success in obtaining additional external funding to improve cashflow position of the Group; and

(iii) the Group's success to tighten cost controls and speed up collection of trade and other receivables to generate positive operating cashflows.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently carried in the unaudited condensed consolidated statement of financial position. The effect of these adjustments have not been reflected in the unaudited condensed consolidated financial statements.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim results are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of amendments to HKFRS Accounting Standards effective as of 1 January 2026.

| | |
|---|---|
| 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 |
| Annual Improvements to HKFRS Accounting Standards – Volume 11 | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 |

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 financial statements.

## 3. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and managed.

Specifically, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

a. Retail segment

b. Manufacturing segment

**Segment revenues and results**

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

| | Retail segment | | Manufacturing segment | | Total | |
|---|---|---|---|---|---|---|
| | **Six months ended 30 June 2026** | Six months ended 30 June 2025 | **Six months ended 30 June 2026** | Six months ended 30 June 2025 | **Six months ended 30 June 2026** | Six months ended 30 June 2025 |
| | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| Segment revenues | | | | | | |
| – External sales | **–** | 4,166 | **10,324** | 37,749 | **10,324** | 41,915 |
| Segment loss | **(10)** | (7,767) | **(15,203)** | (16,112) | **(15,213)** | (23,879) |
| Interest income | | | | | **–** | 6 |
| Unallocated corporate expenses | | | | | **(1,850)** | (4,455) |
| Unallocated finance costs | | | | | **(1,058)** | (2,025) |
| Loss before tax | | | | | **(18,121)** | (30,353) |

Segment loss represents the loss from each segment without allocation of interest income, unallocated corporate expenses and unallocated finance costs. This is the measure reported to the Board for the purposes of resource allocation and performance assessment.

### Segment assets and liabilities

| | Retail segment | | Manufacturing segment | | Consolidated | |
|---|---|---|---|---|---|---|
| | **30 June 2026** | 31 December 2025 | **30 June 2026** | 31 December 2025 | **30 June 2026** | 31 December 2025 |
| | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) | **(Unaudited)** | (Audited) | **(Unaudited)** | (Audited) |
| Segment assets | **397** | 203 | **104,481** | 105,462 | **104,878** | 105,665 |
| Unallocated corporate assets | | | | | **34,854** | 34,002 |
| Consolidated assets | | | | | **139,732** | 139,667 |
| Segment liabilities | **17,394** | 17,866 | **340,822** | 348,823 | **358,216** | 366,689 |
| Unallocated corporate liabilities | | | | | **65,537** | 68,392 |
| Consolidated liabilities | | | | | **423,753** | 435,081 |

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain right-of-use assets, certain prepayments, deposits and other receivables, certain amounts due from related companies and certain cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain other payables and accruals, certain amounts due to related companies, certain loan from shareholder, certain lease liabilities and convertible loan.

### Other segment information

| | Retail segment | | Manufacturing segment | | Unallocated | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **Six months ended 30 June 2026** | Six months ended 30 June 2025 | **Six months ended 30 June 2026** | Six months ended 30 June 2025 | **Six months ended 30 June 2026** | Six months ended 30 June 2025 | **Six months ended 30 June 2026** | Six months ended 30 June 2025 |
| | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| Addition of property, plant and equipment | **–** | – | **–** | 1,129 | **–** | – | **–** | 1,129 |
| Depreciation of property, plant and equipment | **–** | 55 | **–** | 449 | **–** | – | **–** | 504 |
| Depreciation of right-of-use assets | **–** | 1,516 | **–** | 1,212 | **–** | 201 | **–** | 2,929 |
| Allowance for/(reversal of allowance for) expected credit losses on financial assets at amortised cost, net | **–** | (53) | **278** | 244 | **–** | 26 | **278** | 217 |
| Finance costs | **–** | 640 | **3,814** | 8,308 | **1,058** | 2,025 | **4,872** | 10,973 |

**Geographical information**

***(a) Revenue from external customers***

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| The People's Republic of China (including Hong Kong) | **2,344** | 7,867 |
| Europe *(Note (a))* | **696** | 13,349 |
| The United States of America ("**US**" or "**U.S.**") | **5,504** | 6,361 |
| Others *(Note (b))* | **1,780** | 14,338 |
| | **10,324** | 41,915 |

*Notes:*

(a) Europe mainly includes France, Norway, Spain, Ireland and United Kingdom ("**U.K.**").

(b) Others mainly include Singapore, Mexico, Canada, Australia and Dubai.

***(b) Non-current assets***

| | **30 June** | 31 December |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| PRC (including Hong Kong) | **–** | – |
| U.S. | **–** | – |
| Cambodia | **–** | – |
| | **–** | – |

The non-current asset information above is based on the locations of the assets.

**Information about major customers**

Revenue from major customers (excluding transactions with related parties) contributing 10% or more of the Group's total revenue for the six months ended 30 June 2026 and 2025 is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Customer 1[1] | **3,079** | N/A* |
| Customer 2[1] | **2,148** | N/A* |
| Customer 3[1] | **–** | 10,232 |
| Customer 4[1] | **–** | 13,215 |

* Revenue from the customer is less than 10% of the total revenue of the Group.

[1] Manufacturing segment

## 4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax.

An analysis of revenue, other net income and gains is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| **Revenue** | | |
| *Recognised at a point of time:* | | |
| Manufacturing and sales of sofas, sofa cover and other furniture products | **10,324** | 41,915 |
| **Other income and gains** | | |
| Interest income | **–** | 6 |
| Government subsidies | **–** | 29 |
| Exchange gain | **–** | 208 |
| Others | **72** | 193 |
| | **72** | 436 |

## 5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Cost of inventories sold | **10,197** | 30,719 |
| Depreciation of property, plant and equipment | **–** | 504 |
| Depreciation of right-of-use assets | **–** | 2,929 |
| Salaries, wages and benefits in kind | **7,200** | 13,847 |
| Pension scheme contributions | **454** | 2,032 |
| Equity-settled share-based payment expense | **103** | 555 |
| Allowance for expected credit losses on financial assets at amortised cost, net | **278** | 217 |
| Reversal of provision for product warranty, net | **–** | (399) |
| Interest for convertible loan | **751** | 1,645 |
| Interest for lease liabilities | **38** | 1,044 |

## 6. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Island (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

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

PRC subsidiaries are subject to the PRC Enterprise Income Tax at 25% during the period (six month ended 30 June 2025: 25%).

Taxation in other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

No provision for tax has been made as no assessable profit arose during the six months ended 30 June 2026 and 2025.

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Current – Hong Kong | **–** | – |
| Deferred tax | **–** | – |
| Tax credit for the period | **–** | – |

## 7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Loss attributable to owners of the Company for the purpose of basic and diluted loss per share | **(18,072)** | (28,886) |
| | ***'000*** | *'000* |
| Weighted average number of ordinary shares after excluding treasury shares for the purpose of basic and diluted loss per share | **3,614,022** | 2,990,210 |

*Note*: Diluted loss per share for the period ended 30 June 2026 and 2025 were the same as basic loss per share.

## 8. DIVIDENDS

No interim dividend was paid, declared or proposed during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

## 9. TRADE RECEIVABLES

| | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|
| Trade receivables from third parties | **44,261** | 40,230 |
| Less: allowance for expected credit losses | **(35,955)** | (35,677) |
| | **8,306** | 4,553 |

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to two months, extending up to three to six months for major customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of trade receivables as at the end of the Reporting Period, based on the invoice date and net of provision, is as follows:

| | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|
| Within 3 months | **5,597** | 3,832 |
| 4 to 6 months | **757** | 643 |
| 7 to 12 months | **1,952** | 78 |
| | **8,306** | 4,553 |

## 10. TRADE PAYABLES

| | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|
| Trade payables to third parties | **27,976** | 29,394 |

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

| | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|
| Within 1 month | **657** | 1,564 |
| 2 to 3 months | **421** | 1,097 |
| 4 to 6 months | **82** | 2,728 |
| Over 6 months | **26,816** | 24,005 |
| | **27,976** | 29,394 |

The trade payables are non-interest-bearing. Trade payables are normally settled on terms of 30 to 180 days.

## 11. SHARE CAPITAL

| | **30 June 2026** | | 31 December 2025 | |
|---|---|---|---|---|
| | ***US$'000*** **(Unaudited)** | ***RMB'000 equivalent*** **(Unaudited)** | *US$'000* (Audited) | *RMB'000 equivalent* (Audited) |
| *Authorised:* | | | | |
| 10,000,000,000 ordinary shares of US$0.001 each | **10,000** | | 10,000 | |
| *Issued and fully paid:* | | | | |
| 3,860,000,000 ordinary shares of US$0.001 each (2025: 3,300,000,000 ordinary shares of US$0.001 each) | **3,860** | **27,038** | 3,300 | 23,156 |

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In the first half of 2026, the global furniture industry navigated a challenging operating environment. Geopolitical tensions and tariff uncertainties presented ongoing headwinds for export-oriented manufacturers. Over recent years, macroeconomic volatility, recession concerns, and inflationary pressures have weighed heavily on consumer confidence and overall market activities. In North America, the Group's primary export market, retail buyers remained cautious, leading to deferred new product launches and reduced order sizes from brands. Concurrently, shifting trade dynamics accelerated supply chain diversification as brands sought to mitigate geopolitical and tariff risks.

In response to these structural market shifts, the Group initiated a multi-phase strategic pivot in 2024, adding a production base in Cambodia to mitigate the impact of escalating tariffs. With the corporate restructuring and capacity transfer now substantially complete, the Group has also streamlined its organisational structure and reduced administrative overhead, establishing a more resilient operational foundation.

Following the manufacturing shift to Cambodia, the Group made operational progress at the new facility during the first half of 2026. The establishment of this offshore platform has proven to be a strategic asset, having successfully passed rigorous factory audits, compliance certifications, and quality control assessments required by international brand customers, to secure placement on their approved supplier lists. It also onboarded a prominent North American retail brand with an extensive sales network, completing sample development and initial container shipments. With extensive preliminary work completed, the Cambodia factory now offers competitive production capability, enabling the Group to prepare fully for order fulfilment as customer demand rises.

For the six months ended 30 June 2026, the Group recorded revenue of approximately RMB10.3 million (six months ended 30 June 2025: RMB41.9 million), which was primarily due to the strategic closure of its manufacturing facilities in Zhejiang Province, China, which had incurred losses in prior years because of high operating costs. Despite order decline, stringent cost control measures and ongoing restructuring yielded efficiency gains. Selling and distribution expenses and administrative expenses decreased by 64.8% and 53.8%, respectively, enabling the Group to narrow its net loss significantly by 40.3% to approximately RMB18.1 million for the six months ended 30 June 2026.

## FINANCIAL REVIEW

During the six months ended 30 June 2026, the Group's principal business activities primarily consisted of the manufacturing and sales of sofas, sofa covers and other furniture products.

For the Reporting Period, the Group generated revenue amounting to approximately RMB10.3 million (six months ended 30 June 2025: approximately RMB41.9 million), reflecting a decrease of approximately 75.4% compared to the corresponding period in last year. The decrease in revenue was primarily driven by the closure of one of the Group's manufacturing bases, alongside persistent U.S. tariffs and subdued overseas demand.

During the Reporting Period, the net loss of the Group amounted to approximately RMB18.1 million (six months ended 30 June 2025: net loss approximately RMB30.4 million). The decrease in net loss was primarily attributable to significant reductions in selling and distribution expenses, administrative expenses, and finance costs resulting from stringent operational cost controls.

The basic loss per ordinary share of the Company for the six months ended 30 June 2026 was approximately RMB0.5 cents (six months ended 30 June 2025: approximately RMB0.97 cents). This calculation is based on the loss for the period attributable to owners of the Company, which amounted to approximately RMB18.1 million (six months ended 30 June 2025: approximately RMB28.9 million), and the weighted average number of ordinary shares which stood at 3,614,022,254 after excluding treasury shares for the six months ended 30 June 2026 (30 June 2025: 2,990,210,000).

### Cost of sales

The cost of sales for the Group experienced a decrease of approximately 66.8%, decreasing from approximately RMB30.7 million for the six months ended 30 June 2025 to approximately RMB10.2 million for the corresponding period in 2026. The decrease in cost of sales was consistent with lower sales and production volumes following the Group's strategic relocation of its primary manufacturing base from China to Cambodia in 2024 to mitigate tariff impacts.

### Gross profit and gross profit margin

The Group's gross profit experienced a substantial decline of approximately 98.9%, decreasing from approximately RMB11.2 million for the six months ended 30 June 2025 to approximately RMB0.1 million for the six months ended 30 June 2026.

Additionally, the gross profit margin decreased from approximately 26.7% for the six months ended 30 June 2025 to approximately 1.2% for the six months ended 30 June 2026. The decrease in gross profit margin was primarily due to downward pressure on export average selling prices amid intensified price competition in overseas markets, as well as the decline in sales volume and production scale resulting from adjustments to the product mix.

### Other income and gains

The other income and gains of the Group decreased from approximately RMB0.4 million for the six months ended 30 June 2025 to approximately RMB0.07 million for the six months ended 30 June 2026. Such decrease was mainly due to the absence of exchange gains amounted approximately RMB0.2 million during the reporting period.

### Selling and distribution expenses

The selling and distribution expenses of the Group decreased by approximately 64.8% from approximately RMB8.4 million for the six months ended 30 June 2025 to approximately RMB3.0 million for the six months ended 30 June 2026. The balance primarily consisted of the sales representative salaries and commissions, freight out cost and advertisement and promotion expenses. The decrease in selling and distribution expenses was due to the Group's stringent control over operating expenses and the cessation of retail operations in Hong Kong.

### Administrative expenses

The administrative expenses of the Group in the amount of approximately RMB10.2 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB22.1 million). The balance primarily consisted of salary, legal and professional fees. The decrease in administrative expenses was due to lower staff costs resulting from headcount optimization and improved administrative efficiency.

### Finance costs

The finance costs of the Group decreased by approximately 55.6% from approximately RMB11 million for the six months ended 30 June 2025 to approximately RMB4.9 million for the six months ended 30 June 2026. The decrease in finance costs was due to the reduction in interest expenses on shareholder loans and other borrowings, which decreased by approximately RMB1.7 million and RMB1.4 million respectively for the six months ended 30 June 2026.

## LIQUIDITY AND FINANCIAL RESOURCES

### Borrowing and pledge of assets

As at 30 June 2026, the Group's interest-bearing bank and other borrowings and loan from shareholder amounted to approximately RMB119.9 million and RMB111.9 million (31 December 2025: approximately RMB121.5 million and RMB115.5 million). The borrowings' interest rates ranged from 3.0% to 5.8% (31 December 2025: 4.2% to 8.0%) per annum.

**Capital structure**

During the period under review, the capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

**Gearing ratio**

Gearing ratio, which is the ratio of the total debts (comprised of amounts due to related companies, lease liabilities, convertible loan, loan from shareholder and interest-bearing bank and other borrowings) to the equity attributable to owners of the Company was not applicable, as the Company has run into net liabilities as at 30 June 2026 and 31 December 2025.

**Contingent liabilities**

The Group did not have any significant contingent liabilities as at 30 June 2026.

**Foreign exchange exposure**

Revenue from major customers is mainly from the U.S., PRC and Europe while the production facilities of the Group are mainly located in the Cambodia. Accordingly, most of the sales are denominated in U.S. dollars while the costs arising from the Group's operations are generally settled in USD and RMB. As a result, fluctuations in the value of U.S. dollars against RMB could adversely affect the financial results of the Group. During the six months ended 30 June 2026, the Group did not experience any material difficulties or impacts on its operations or liquidity as a result of currency exchange fluctuation. The Group will continue to monitor closely the exchange rate risk arising from its existing operations and new investments in the future. The Group will further implement the necessary hedging arrangement to mitigate any significant foreign exchange risk if and when appropriate.

## GOING CONCERN

The Group incurred a loss attributable to owners of the Company of approximately RMB18.1 million for the six months ended 30 June 2026, and as at 30 June 2026, the Group had net current liabilities and net liabilities of approximately RMB231 million and RMB284 million respectively. These conditions may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the directors of the Company have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to deal with these conditions and to mitigate the liquidity position and improve the financial position of the Group. These plans and measures include, but are not limited to, the followings:

(i) The substantial shareholder of the Company, Mr. Tse Kam Pang, has provided to the Company an unsecured loan facility in the principal amount of up to HK$200,000,000 to provide funds to the Group in order to enable the Group to continue as a going concern and to settle its liabilities as and when they fall due. As at 30 June 2026, the unutilised portion of this loan facility amounted to approximately HK$51,624,000.

    Mr. Tse Kam Pang has undertaken to provide continuous financial support to the Group to enable it to meet its liabilities and to pay financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without significant curtailment of operations and will not demand repayment of his loans granted to the Group, which amounted to approximately RMB111,899,000 as at 30 June 2026, for the next twelve months from the date of approval of the unaudited condensed consolidated financial statements;

(ii) The Group will take steps to obtain external sources of funding in order to improve the working capital and liquidity and cash flow position of the Group; and

(iii) The Group is taking measures to tighten cost controls and speed up collection of trade and other receivables with an aim to attain positive cash flows from its operations.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as they fall due within twelve months from the date of approval of the unaudited condensed consolidated financial statements. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the unaudited condensed consolidated financial statements using the going concern basis on the assumption that the plans and measures described above will be successfully implemented.

Notwithstanding the above, since the execution of the above plans and measures in progress and their eventual outcome is uncertain, material uncertainties exist as to whether management of the Group will be able to carry out its plans and measures as described above. Therefore, there is a material uncertainty related to events or conditions described above that may cast significant doubt on the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Group to continue as a going concern would depend upon the following:

(i) the financial capacity of Mr. Tse Kam Pang, a substantial shareholder of the Company, to provide continuous financial support to the Group for the next twelve months from the date of approval of the unaudited condensed consolidated financial statements;

(ii) the Group's success in obtaining additional external funding to improve cashflow position of the Group; and

(iii) the Group's success to tighten cost controls and speed up collection of trade and other receivables to generate positive operating cashflows.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently carried in the unaudited condensed consolidated statement of financial position. The effect of these adjustments have not been reflected in the unaudited condensed consolidated financial statements.

**HUMAN RESOURCES MANAGEMENT**

Quality and dedicated staff are indispensable assets to the Group's success in the competitive market. By providing comprehensive training and corporate culture education periodically, the employees are able to obtain on-going training and development in the sofa manufacturing industry. Furthermore, the Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to all employees. The Group reviews its human resources and remuneration policies periodically to ensure that they are in line with market practice and regulatory requirements. As at 30 June 2026, the Group employed a work force of 171 (31 December 2025: 194). The total salaries and related costs excluding the directors' remuneration for the six months ended 30 June 2026 amounted to approximately RMB5.5 million (six months ended 30 June 2025: approximately RMB13.3 million).

The Company operates a share option scheme which allows the Company to grant options to eligible persons as rewards for their contributions to the Group. The Company had also adopted a restricted share award scheme on 29 August 2019 for the purpose of incentivising selected participants.

**SHARE SCHEMES**

**Share Option Scheme**

The share options scheme (the "**Share Option Scheme**") was adopted by the Company on 10 December 2016 ("**Adoption Date**"). The Share Option Scheme allows the Company to grant options to the following eligible person(s) (the "**Eligible person(s)**"), namely, any fulltime or part-time employee of the Company or any member of the Group, including any executive Director, non-executive Director and independent non-executive Director, adviser and consultant of the Group. The purpose of the Share Option Scheme is to enable the Company to grant options to the Eligible Persons as incentives or rewards for their contribution to the Group.

No share options were granted by the Company under the Share Option Scheme during the period from the Adoption Date to 30 June 2026 and there were no outstanding share options under the Share Option Scheme as at 1 January 2026 and 30 June 2026. No share options were exercised, vested, lapsed or cancelled during the Reporting Period. The number of share options available for grant under the scheme mandate of the Share Option Scheme was 100,000,000 as at 1 January 2026 and 30 June 2026.

**Restricted Share Award Scheme**

The Restricted Share Award Scheme (the "**Share Award Scheme**") was adopted by the Company on 29 August 2019 as an incentive to retain and encourage employees for the continual operation and development of the Group. The trustee of the Share Award Scheme did not acquire any Shares during the first half of 2026. As at 30 June 2026, 75,812,000 Shares acquired and held by the trustee under the Share Award Scheme were deemed to be held in treasury, representing 1.96% of the Shares in issue as at 30 June 2026.

## OUTLOOK AND PROSPECTS

Looking ahead, while near-term macroeconomic uncertainties persist, the global furniture industry is entering a new phase of supply and demand rebalancing. Ongoing industry consolidation has reduced overall global supply, paving the way for healthier supply-demand dynamics over the longer term. Supported by its established brand reputation, corporate resilience, and strong product portfolio, the Group has successfully retained its major customer base and sustained its competitive edge to capture future opportunities.

As the political and economic environment is expected to further stabilize, the Group is well prepared for the impending industry recovery and will deepen its footprint in North America, participate in key trade shows to elevate brand visibility, and simultaneously optimise its regional supply chain network in Cambodia and Southeast Asia to ensure seamless fulfillment capabilities. Additionally, the Group will continue to enforce cost discipline to streamline administrative overhead, preserving financial flexibility and balance sheet health to drive sustainable development.

Having substantially completed its major strategic restructuring, the Group has effectively enhanced its operational resilience and asset profile. The Group believes that home furniture belongs to the category of durable consumer goods and maintains full confidence in the long-term prospects of the global furniture industry. Leveraging its market reputation, premium client base, and flexible offshore supply chain, and as the domestic and international macroeconomic environment gradually stabilizes, the Group remains fully confident in its future prospects.

## PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 5 February 2026, the Company and Lego Securities Limited ("**Lego**"), as placing agent, entered into the placing agreement, pursuant to which the Company appointed Lego to place (the "**Placing**"), on a best effort basis, a maximum of 560,000,000 shares to not less than six independent placees (who and whose ultimate beneficial owner(s) (where applicable) were independent third parties) at the placing price of HK$0.05 per share, which is equal to the closing price of HK$0.05 per share as quoted on the Stock Exchange on the date of the placing agreement. Net proceeds of approximately HK$27.8 million were raised, which are intended to be used for: (i) further expanding the Group's production capacity and supply chain in Southeast Asia; (ii) developing various showrooms in Southeast Asia to market the Group's products and solicit export buyers and business; and (iii) replenishing the general working capital of the Group.

The aggregate nominal value of the maximum number of placing shares was US$560,000 and the net placing price was approximately HK$0.0495 per placing share. The placing was completed on 25 February 2026 and a total of 560,000,000 Placing Shares have been successfully placed by Lego to not less than six placees who are independent third parties.

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

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

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2026, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

## SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group did not hold any significant investments save as those disclosed in this announcement.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no plan authorised by the Board for material investments or additions of capital assets at the date of this announcement.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as a code of conduct of the Company for Directors' securities transactions. The Company has made specific enquiry with its incumbent Directors regarding compliance with the Model Code during the Reporting Period, and they all confirmed that they had fully complied with the required standard set out in the Model Code regarding directors' securities transactions throughout the Reporting Period.

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The principle of the Company's corporate governance is to promote effective internal control and risk management measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects, and to ensure that its affairs are conducted in accordance with applicable laws and regulations. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value and formulate its business strategies and policies. The Board has reviewed the Company's corporate governance practices and is satisfied that save as disclosed below, the Company has complied with all code provisions ("**Code Provisions**") and, where applicable, the recommended best practices of the Corporate Governance Code (the "**Corporate Governance Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the Reporting Period and up to the date of this announcement.

Code Provision D.1.2 of the Corporate Governance Code provides that management should provide members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient details to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management keeps providing information and updates to the members of the Board as and when appropriate. The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of shareholders and investors of the Company.

## AUDIT COMMITTEE AND REVIEW OF UNAUDITED INTERIM RESULTS

During the Reporting Period and up to the date hereof, the Audit Committee of the Company comprised of four independent non-executive Directors, with at least one member possessing recognised professional qualifications in accounting and/or having wide experience in audit and accounting. Currently, the members of the Audit Committee are Professor Kwan Pun Fong Vincent *(Chairman)*, Professor Lee Chack Fan, Professor Sit Wing Hang Alfred and Ms. Chen Jianhua. The Audit Committee has reviewed with the management of the Company the unaudited interim results and interim report of the Group for the six months ended 30 June 2026 and is of the opinion that it complies with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

## INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (six month ended 30 June 2025: Nil).

## EVENT AFTER THE REPORTING PERIOD

On 17 August 2026, the People's Court of Haining City accepted the application for the bankruptcy liquidation of Zhejiang Premier Furniture Manufacture Ltd.* (浙江慕華家居有限公司, "Premier Furniture Manufacture"), an indirect wholly-owned subsidiary of the Company, and appointed Zhejiang Zhicheng Certified Public Accountants (Special General Partnership)* (浙江至誠會計師事務所(特殊普通合夥)) as the administrator of Premier Furniture Manufacture. For further details, please refer to the announcements of the Company dated 28 July 2026 and 19 August 2026. Save as disclosed above, no other major subsequent events have occurred since the end of the reporting period and up to the date of this announcement.

## PUBLICATION OF UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This unaudited interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.theregalpartners.com. The unaudited interim report of the Company for the Reporting Period will be disseminated to the shareholders of the Company and published on the aforesaid websites in due course on or before 30 September 2026.

By order of the Board
**Regal Partners Holdings Limited**
**Chong Tsz Ngai**
*Chairman and Executive Director*

Hong Kong, 31 August 2026

*As at the date of this announcement, the executive Directors are Mr. Chong Tsz Ngai, Mr. Chan Wing Kit and Mr. Tse Wun Cheung; and the independent non-executive Directors are Professor Sit Wing Hang Alfred, Professor Lee Chack Fan, Professor Kwan Pun Fong Vincent and Ms. Chen Jianhua.*

* *For identification purpose only*