Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

太和控股有限公司
TAI UNITED HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 718)

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

The board of directors ("**Board**" or "**Directors**") of Tai United Holdings Limited ("**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") as follows:

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	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	3		
Contracts with customers		**42,667**	48,216
Leases		**17,247**	16,540
Interest income		**–**	6
Total revenue		**59,914**	64,762
Other income		**486**	493
Other losses, net		**(3,401)**	(6,074)
Purchases and changes in inventories		**(14,221)**	(22,763)
Impairment losses recognised under expected credit loss model, net	5	**(58,877)**	(48,623)
Change in fair value of investment properties	11	**(99,273)**	(83,052)
Gain on disposal of subsidiaries	16	**6,479**	–
Employee benefits expenses		**(16,322)**	(13,424)
Other operating expenses		**(19,979)**	(27,120)
Finance costs	6	**(79,689)**	(76,768)

	Notes	Six months ended 30 June **2026** ***HK$'000*** **(unaudited)**	 2025 *HK$'000* (unaudited)
Loss before tax		**(224,883)**	(212,569)
Income tax credit	7	**25,416**	14,301
Loss for the period	8	**(199,467)**	(198,268)
Other comprehensive expense for the period:			
Items that may be reclassified subsequently to profit or loss:			
Reclassification of exchange difference to profit or loss arising on disposals of overseas subsidiaries		**(108)**	–
Exchange differences on translation of foreign operations		**(101,545)**	(49,805)
Total other comprehensive expense for the period		**(101,653)**	(49,805)
Total comprehensive expense for the period		**(301,120)**	(248,073)
(Loss)/profit for the period attributable to:			
Owners of the Company		**(199,950)**	(198,704)
Non-controlling interests		**483**	436
		(199,467)	(198,268)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		**(301,618)**	(248,506)
Non-controlling interests		**498**	433
		(301,120)	(248,073)
Loss per share			
– Basic *(HK cents)*	10	**(3.81)**	(3.78)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**30 June 2026 HK$'000 (unaudited)**	31 December 2025 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**1,029**	1,181
Investment properties	11	**1,202,814**	1,257,502
Intangible assets		**10,959**	13,914
Right-of-use assets		**1,169**	1,608
Non-current deposits		**301**	301
Other non-current assets		**6,000**	6,000
		1,222,272	1,280,506
Current assets			
Inventories		**2,140**	1,431
Accounts receivable	12	**5,792**	4,940
Other receivables, deposits and prepayments		**21,452**	19,847
Restricted bank deposits		**28,594**	23,944
Bank balances and cash		**57,945**	65,019
		115,923	115,181
Current liabilities			
Accrued liabilities and other payables		**1,069,540**	947,342
Borrowings	13	**1,552,130**	1,495,438
Lease liabilities		**1,043**	1,008
Tax payables		**21,491**	21,491
Financial guarantee contracts	14	**1,146,944**	1,058,836
		3,791,148	3,524,115
Net current liabilities		**(3,675,225)**	(3,408,934)
Total assets less current liabilities		**(2,452,953)**	(2,128,428)

	Notes	**30 June 2026** *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Non-current liabilities			
Deferred tax liabilities		**45,936**	68,815
Lease liabilities		**240**	766
Long service payment obligations		**263**	263
		46,439	69,844
Net liabilities		**(2,499,392)**	(2,198,272)
Capital and reserves			
Share capital	15	**262,501**	262,501
Reserves		**(2,763,872)**	(2,462,254)
Deficit attributable to owners of the Company		**(2,501,371)**	(2,199,753)
Non-controlling interests		**1,979**	1,481
Capital deficiency		**(2,499,392)**	(2,198,272)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Tai United Holdings Limited (the "**Company**") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In the opinion of the directors of the Company, the Company's immediate holding company is Songbird SG PTE. Ltd., a company incorporated in Singapore with limited liability and its ultimate holding company is Satinu Resources Group Ltd., a company incorporated in the British Virgin Islands ("**BVI**") with limited liability. The registered office of the Company is located at Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda and the principal place of business of the Company is Unit 2101–02, 21/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.

The Company is an investment holding company. During the reporting period, the principal activities of the Company's subsidiaries (together with the Company, collectively referred to "**the Group**") were property investment, sales of medical equipment, sales of flooring materials, mining and exploration of natural resources and financial services and asset management.

The condensed consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern assessment

In preparing the condensed consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of the following conditions. The Group incurred a net loss of approximately HK$199,467,000 for the six months ended 30 June 2026 and as of that date, the Group has net current liabilities of approximately HK$3,675,225,000 and net liabilities of approximately HK$2,499,392,000 including overdue bank borrowings of approximately HK$1,552,130,000 and accrued interest of approximately HK$829,214,000 which have not yet been successfully renewed, extended or repaid during the six months ended 30 June 2026 and up to the date of approval for issuance of these condensed consolidated financial statements. Additionally, certain pledge of assets with the carrying amount of approximately HK$973,861,000 and financial guarantees provided by two subsidiaries established in the People's Republic of China (the "**PRC**"), namely Guangzhou Rongzhi Public Facilities Investment Co., Ltd.* (廣州融智公共設施投資有限公司) ("**Guangzhou Rongzhi**") and Jinzhou Jiachi Public Facilities Management Co., Ltd.* (錦州嘉馳公共設施管理有限公司) ("**Jinzhou Jiachi**") (collectively referred to as the "**PRC Guarantor Subsidiaries**") for the bank borrowings of companies outside the Group. The PRC courts had judged that the Group was liable for the amount of approximately RMB3,809,900,000 of which RMB236,200,000 was already settled by the Group during the year ended 31 December 2025. Furthermore, the bank loans of these companies comprising the principal amount and the unpaid interests and default interests amounting to approximately RMB6,104,606,000 in aggregate in relation to the pledge of assets and financial guarantees provided by the PRC Guarantor, Subsidiaries and mentioned above as at the date of this announcement remain in default. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The condensed consolidated financial statements have been prepared on

* *The English name is for identification only*

a going concern basis as the directors of the Company are satisfied that the liquidity of the Group can be maintained in the coming year taking into consideration of the following matters:

(i) The Group is actively negotiating with creditors, other guarantors and Mr. Dai Yongge ("**Mr. Dai**") regarding the debt restructuring of the financial guarantee contracts provided by the PRC Guarantor Subsidiaries.

(ii) The Group is exploring the possibility of disposing of or liquidating the PRC Guarantor Subsidiaries in order for the Group to discharge the guarantees they have provided, which have fallen due; and

(iii) The Group will try to seek other financing resources to meet its liabilities and obligation as and when they fall due.

The directors of the Company have reviewed the cash flow projections of the Group prepared by the management covering a period of not less than 12 months from 30 June 2026. Taking into account of the effectiveness and feasibility of the above measures, the directors of the Company consider the Group would be able to meet its financial obligations as and when they fall due within the forecast period. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis. The Group's ability to continue as a going concern still depends on the eventual successful outcome of the measures mentioned above, which cannot be determined with reasonable certainty. Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated 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 non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the condensed consolidated financial statements.

The preparation of condensed consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Other than additional accounting policies resulting from application of new and amendments to HKFRS Accounting Standards, and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated 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 new and amendments to HKFRS Accounting Standards

In the current period, the Group has adopted all the new and amendments to HKFRS Accounting Standards as issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); HKASs; and Interpretations. The adoption of these new and amendments to HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not early applied the new and amendments to HKFRS Accounting Standards that have been issued but not yet effective. The Group has already commenced an assessment of the impact of these new and amendments to HKFRS Accounting Standards, but is not yet in a position to state whether these new and amendments to HKFRS Accounting Standards would have a material impact on its results of financial position.

3. REVENUE

Segment revenue

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales of medical equipment	**16,236**	12,868
– Sales of flooring materials	**3,661**	13,299
– Property management and related services	**22,770**	22,049
	42,667	48,216
Rental income from leases	**17,247**	16,540
Interest income from loan financing services	**–**	6
Total Revenue	**59,914**	64,762

Disaggregation of revenue

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Geographical markets		
Revenue from sales of goods and services within the scope of HKFRS 15		
– The PRC	**39,006**	34,917
– Australia	**3,661**	13,299
Revenue from rental of properties		
– The PRC	**17,247**	16,540
Interest income from loan financing		
– The PRC	**–**	6
	59,914	64,762
Timing of revenue recognised from contracts with customers within the scope of HKFRS 15		
– Over time	**22,770**	22,049
– At a point in time	**19,897**	26,167
	42,667	48,216

4. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the Chief Operating Decision Maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or rendered.

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

(i) Properties investment segment – properties investment, development of shopping mall, leasing of properties and property management;

(ii) Sales of medical equipment segment;

(iii) Sales of flooring materials segment;

(iv) Mining and exploration of natural resources segment – mining and production of tungsten resources activities in the Republic of Mongolia ("**Mongolia**"); and

(v) Financial services and assets management segment by aggregating different operating segments including trading equity securities and derivatives and managing of assets arising from the acquisition of distressed debt assets.

During the six months ended 30 June 2026, the Group disposed of its mining and exploration of natural resources segment in May 2026.

Except as disclosed above, no operating segments have been aggregated in arriving at the reporting segments of the Group.

Segment revenue and results

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

Six months ended 30 June 2026 (unaudited)

	Properties investment *HK$'000*	**Sales of medical equipment** *HK$'000*	**Sales of flooring materials** *HK$'000*	**Mining and exploration of natural resources** *HK$'000*	**Financial services and assets management** *HK$'000*	**Total** *HK$'000*
Segment revenue	**40,017**	**16,236**	**3,661**	**–**	**–**	**59,914**
Segment results	**(219,518)**	**1,924**	**(1,165)**	**(332)**	**(944)**	**(220,035)**
Net foreign exchange losses						**(1,322)**
Unallocated finance costs						**(37)**
Unallocated interest income						**472**
Unallocated administration costs						**(3,961)**
Loss before tax						**(224,883)**

Six months ended 30 June 2025 (unaudited)

	Properties investment *HK$'000*	Sales of medical equipment *HK$'000*	Sales of flooring materials *HK$'000*	Mining and exploration of natural resources *HK$'000*	Financial services and assets management *HK$'000*	Total *HK$'000*
Segment revenue	38,589	12,868	13,299	–	6	64,762
Segment results	(195,994)	2,088	(393)	(394)	(1,796)	(196,489)
Net foreign exchange losses						(477)
Unallocated finance costs						(60)
Unallocated interest income						481
Unallocated administration costs						(16,024)
Loss before tax						(212,569)

5. IMPAIRMENT LOSSES RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Impairment losses)/reversal of impairment losses recognised on:		
– accounts receivable	**(728)**	(979)
– other receivables (including loan receivable)	**(594)**	2,606
– financial guarantee contracts	**(57,555)**	(50,250)
	(58,877)	(48,623)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expenses on		
– bank borrowings	**79,646**	76,700
– lease liabilities	**43**	68
	79,689	76,768

7. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
PRC Enterprise Income tax:		
– Over-provision in the previous years	**–**	–
– Current year tax	**(18)**	–
Deferred tax	**25,434**	14,301
	25,416	14,301

8. LOSS FOR THE PERIOD

Loss for the period has been arrived after charging:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Purchases and changes in inventories		
– medical equipment	**10,596**	9,598
– flooring materials	**3,625**	13,165
	14,221	22,763
Depreciation of property, plant and equipment	**237**	240
Depreciation of right-of-use assets	**446**	992
Amortisation of intangible assets	**1,142**	1,230
Impairment loss of intangible assets	**2,080**	3,758
Advertising and marketing expenses	**1,016**	759
Legal and professional fees	**2,006**	3,471
Electricity and water	**4,231**	5,186
Sales commission	**1,835**	1,499

9. DIVIDEND

The Directors have determined that no dividend will be paid in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. LOSS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(199,950)**	(198,704)

	30 June 2026	30 June 2025
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic loss per share	**5,250,020**	5,250,020
Loss per share		
Basic loss per share *(HK cents)*	**(3.81)**	(3.78)

No diluted loss per share were presented as there were no potential ordinary shares in issue for both periods.

11. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 January 2025 (audited)	1,331,445
Changes in fair value recognised in profit or loss	(131,319)
Exchange realignment	57,376
At 31 December 2025 and 1 January 2026 (audited)	**1,257,502**
Changes in fair value recognised in profit or loss	**(99,273)**
Exchange realignment	**44,585**
At 30 June 2026 (unaudited)	**1,202,814**

The fair value of the Group's investment properties located in the PRC at 30 June 2026 have been arrived at on the basis of valuations carried out by International Valuation Limited (31 December 2025: International Valuation Limited), an independent qualified professional valuer not connected with the Group for properties located in PRC. The independent qualified valuers hold recognised relevant professional qualifications in the jurisdictions in which they valued the Group's investment properties and have recent experience in the locations and types of investment properties valued.

In determining the fair value of the investment properties, the Group engages the independent qualified professional valuer to establish the appropriate valuation techniques and inputs to the model and explain the cause of fluctuations in the fair value of the investment properties to the directors of the Company.

There has been no change from the valuation technique used for the six months ended 30 June 2026. In estimating the fair values of the investment properties for financial reporting purpose, the highest and the best use of the investment properties is their current use. The fair values of investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

For the six months ended 30 June 2026, changes in fair value recognised in profit or loss was approximately HK$99,273,000 (unaudited) (30 June 2025: approximately HK$83,052,000 (unaudited)).

12. ACCOUNTS RECEIVABLE

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Accounts receivable	**11,731**	10,151
Less: Allowance for credit losses	**(5,939)**	(5,211)
	5,792	4,940

The Group allows a credit period of 0 to 90 days (31 December 2025: 0 to 90 days) to its customers depending on the type of products sold.

The following is an ageing analysis of accounts receivable, net of allowance for credit losses, presented based on the invoice dates which approximate to the respective revenue recognition dates:

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Within 30 days to 90 days	**888**	357
Over 90 days	**4,904**	4,583
	5,792	4,940

13. BORROWINGS

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Secured fixed-rate bank borrowings *(Note)*	**1,552,130**	1,495,438

Note: As at 30 June 2026 and 31 December 2025, the secured fixed-rate bank borrowing which is guaranteed by Mr. Dai, carried a fixed interest rate of 7%.

This secured fixed-rate bank borrowing was secured by the investment properties and 100% equity interest of a subsidiary established in the PRC as at 30 June 2026 and 31 December 2025. At 30 June 2026, the Group's investment properties with carrying amount of approximately HK$489,296,000 (unaudited) (31 December 2025: approximately HK$523,681,000 (audited)) were pledged as security for this secured fixed-rate bank borrowing.

This secured fixed-rate bank borrowing expired in January 2021 and had not yet been successfully renewed or extended as at 30 June 2026 and 31 December 2025. Accordingly, it became overdue, repayable on demand, and was shown under current liabilities. It has not yet been renewed, extended nor repaid up to the date these condensed consolidated financial statements are authorised to issue.

14. FINANCIAL GUARANTEE CONTRACTS

During the period from November 2018 to July 2019, Guangzhou Rongzhi Public Facilities Investment Co., Ltd. ("**Guangzhou Rongzhi**") and Jinzhou Jiachi Public Facilities Management Co., Ltd. ("**Jinzhou Jiachi**"), entered into various financial guarantee contracts with Shengjing Bank Co., Ltd. ("**Shengjing Bank**") and Bank of Jinzhou Co., Limited ("**Jinzhou Bank**") respectively. These guarantees were provided in respect of bank borrowings obtained by seven companies controlled by Mr. Dai Yongge ("**Mr. Dai**"). At the time the financial guarantee contracts were entered into, Guangzhou Rongzhi and Jinzhou Jiachi were not subsidiaries of the Company but were companies indirectly controlled by Mr. Dai.

In April 2021, the Group acquired the entire equity interests in Guangzhou Rongzhi and Jinzhou Jiachi through the acquisitions of Superb Power Enterprises Limited and Sky Build Limited respectively.

The Group became aware of these financial guarantee contracts upon receipt of notices from PRC courts regarding legal claims since 2023. In April and May 2024, the relevant PRC courts ruled that Guangzhou Rongzhi and Jinzhou Jiachi were jointly liable for the guaranteed loans along with the other guarantors.

As at 30 June 2026, the principal guaranteed by Guangzhou Rongzhi and Jinzhou Jiachi amounted to RMB333,700,000 (unaudited) (31 December 2025: RMB333,700,000) and RMB3,240,000,000 (unaudited) (31 December 2025: RMB3,240,000,000). The aggregate of principal, interests, and default interests of approximately RMB631,746,000 (unaudited) (31 December 2025: RMB612,674,000) and approximately RMB5,472,860,000 (31 December 2025: RMB5,272,760,000) respectively.

The directors continue to monitor the implementation of the Debt Restructuring Framework Agreement, the completion of the Transfer, and any potential releases from guarantee obligations relating to the Shengjing Bank and Jinzhou Huayin guarantees.

During the course of the preparation of the condensed consolidated financial statements for the six months ended 30 June 2026, the Group recognised an allowance for impairment losses on these financial guarantee contracts of RMB51,425,000 (unaudited) (equivalent to approximately HK$57,555,000) (31 December 2025: RMB952,319,000 (equivalent to approximately HK$1,058,836,000)) in the profit or loss. This allowance was determined based on the valuation report prepared by International Valuation Limited, an independent qualified professional valuer not connected with the Group, which the Company engaged for the period ended 30 June 2025 and the year ended 31 December 2025. The impairment assessment takes into account the effects of the restructuring agreements and the Payment, updated information on the borrowers' creditworthiness, collateral values, recovery prospects (including subrogation rights), and the conditional nature of any future releases from guarantee liabilities.

	2026 ***HK$'000***
At 1 January (audited)	**1,058,836**
Add: impairment recognised for the period	**57,555**
Exchange realignment	**30,553**
At 30 June (unaudited)	**1,146,944**

15. SHARE CAPITAL

	Number of shares	Share capital *HK$'000*
Authorised ordinary shares at HK$0.05 per share		
At 1 January 2025, 31 December 2025 and 30 June 2026	34,566,666,668	1,728,333
Issued and fully paid ordinary shares at HK$0.05 per share		
At 1 January 2025, 31 December 2025 (audited) and 30 June 2026 (unaudited)	5,250,019,852	262,501

16. DISPOSAL OF SUBSIDIARIES

On 16 June 2025, the Group entered into a sale and purchase agreement ("**SPA**") with Fortune Grace Business Limited, a company incorporated in the British Virgin Islands with limited liability, to dispose of its entire 100% equity interest in Tectron Pacific Limited and its subsidiaries (collectively, the "**Tectron Pacific Group**"), which collectively held mining licenses in Mongolia. The consideration was HK$6,000,000, settled in cash.

The disposal was completed on 18 May 2026, upon which the Group lost control of the Tectron Pacific Group.

The net assets of Tectron Group at the date of disposal was as follows:

	HK$'000
Consideration received	
Cash received	6,000
Analysis of assets and liabilities over which control was lost:	
Deposits, prepayments and other receivables	16
Cash and bank balances	28
Accrued expenses and other payable	(523)
Total net liabilities disposed of	(479)
Gain on disposal of subsidiaries	6,479
Net cash inflow arising from disposal:	
Cash consideration	6,000
Less: cash and bank balances disposed of	(28)
	5,972

The mining licenses held by the Tectron Pacific Group had been fully impaired in prior years. As a result, the carrying amount of the mining licenses was nil at the date of disposal. The gain on disposal recognised in the current interim period arises solely from the difference between the consideration received and the net liabilities disposed of.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The revenue of the Company for the Reporting Period was approximately HK$59.9 million, representing a 7.6% decrease as compared to revenue of approximately HK$64.8 million for the six months ended 30 June 2025, such decrease was mainly contributed by the decrease in sales of flooring materials to overseas customers in Australia in the ordinary and usual course of business of the Group. Revenue decreased and notwithstanding the Company actively implementing its continuous cost saving plan, the Group still recorded a loss before tax of approximately HK$224.9 million during the Reporting Period, increased by 5.8% as compared with the loss before tax of approximately HK$212.6 million in the same period ended 30 June 2025, due to the combined effect of:

(i) a decrease in fair value of investment properties to approximately HK$99.3 million resulting from the sluggish retail shop rental market;

(ii) provision for guarantee contracts of approximately HK$57.6 million during the Reporting Period, which was due to guarantees provided by immediate holding companies of the Guangzhou Shopping Mall and Jinzhou Shopping Mall (as defined below). The guarantees were provided to onshore banks in the PRC in relation to third party loans and such guarantees were not disclosed to the Group by the seller at the time of acquisition of the holding companies of the two shopping malls; and

(iii) finance costs of approximately HK$79.6 million for the Reporting Period, which was mainly due to the bank loan of approximately RMB1,345 million in connection to the acquisition of Guangzhou Shopping Mall.

Income tax credit for the Reporting Period was approximately HK$25.4 million.

Taking into account the income tax credit mentioned above and netting of non-controlling interests, the Group recorded a loss attributable to owners of the Company increasing from approximately HK$198.7 million for the same period ended 30 June 2025 to approximately HK$199.9 million for the Reporting Period.

BUSINESS REVIEW

During the reporting period, the Group was principally engaged in the businesses of property investment, flooring materials and medical equipment trading, mining and exploration of natural resources, and financial services and assets management.

(1) Property Investment

Shopping Mall Businesses in the PRC

The Group wholly owns three shopping malls in the PRC, including: (i) a single-storey underground mall ("**Jinzhou Shopping Mall**") located in Jinzhou, Liaoning Province, the PRC, which is engaged in the shopping mall business ("**Jinzhou Shopping Mall Business**"); (ii) a two-storey underground mall ("**Guangzhou Shopping Mall**") located in Guangzhou, Guangdong Province, the PRC, which is engaged in the shopping mall business ("**Guangzhou Shopping Mall Business**"); and (iii) a two-storey underground mall (the "**Anyang Shopping Mall**") located in Anyang City, Henan Province, the PRC, which is engaged in the shopping mall business ("**Anyang Shopping Mall Business**").

Anyang Shopping Mall Business, together with Jinzhou Shopping Mall Business and Guangzhou Shopping Mall Business are the "**Shopping Mall Businesses in the PRC**".

The business and operating model of the Jinzhou Shopping Mall, Guangzhou Shopping Mall and Anyang Shopping Mall primarily involves the leasing of stores to retailers and wholesalers of apparels, accessories, household appliances and food and beverage and other venue areas in the shopping malls for marketing and promotional activities. It derives revenue from rental income and the provision of property management services to tenants, including mall security, maintenance and repair and management of the operations of the three shopping malls. The Group holds the three shopping malls as investment properties and conducts day-to-day operations primarily in leasing and property management services which generate rental and property management income.

In addition, as to the Guangzhou Shopping Mall, under certain contracts with its tenants, the operating rights of the stores may be transferred to them after a specified period of the lease. This and the sales promotion and leasing activities by the leasing team of the Guangzhou Shopping Mall generate additional revenue from the transfer of operating rights of the stores. For the Reporting Period, there was no further completion of pre-existing contracts prior to the acquisition of the holding company of the Guangzhou Shopping Mall in 2021, which led to no revenue recorded (six months ended 30 June 2025: Nil) from the transfer of the operating rights of store units of the mall.

The Group has been undertaking a diversified business strategy. The acquisitions of three shopping malls in Anyang, Jinzhou and Guangzhou that were completed in 2021 are in line with the strategic development of the Group and have provided an opportunity for the Group to widen its shopping mall network, expand the geographical coverage and scale up its shopping mall businesses. It is expected that the promotional campaigns, marketing activities and branding of the shopping malls of the Group will become more effective and cost-efficient. Anyang Shopping Mall is located in the central region of the PRC while the shopping malls in Jinzhou and Guangzhou are located in the north-eastern region and southern region of the PRC respectively. The acquisitions have allowed the Group's shopping mall network to have a strategic presence in central, north-eastern and southern regions of the PRC and expand geographically across the above regions in the PRC and potentially grow its market share.

The Shopping Mall Businesses in the PRC primarily involve the leasing and management of operations of Anyang Shopping Mall, Jinzhou Shopping Mall and Guangzhou Shopping Mall. As of 30 June 2026, details of the three shopping malls are set out as follows:

Shopping Mall	**Gross Floor Area** *(approximately sq.m.)*	**Leasable Floor Area** *(approximately sq.m.)*	**Leased Floor Area** *(approximately sq.m.)*
Anyang Shopping Mall			
Anyang Diyi Shopping Street Shopping Mall in the PRC	25,310	24,815	14,893
Jinzhou Shopping Mall			
Jinzhou First Tunnel Shopping Mall in the PRC	40,765	38,809	26,537
Guangzhou Shopping Mall			
Guangzhou First Tunnel Shopping Mall in the PRC Phases 1 and 2	89,415	36,631	21,714

For the Reporting Period, the revenue generated from the Shopping Mall Businesses in the PRC was mainly attributable to the rental income and property management and related service income from shops and venue spaces tenants of approximately HK$40.0 million.

As at 30 June 2026, the fair values of investment properties of Anyang Shopping Mall, Jinzhou Shopping Mall and Guangzhou Shopping Mall amounted to approximately HK$229 million, approximately HK$485 million and approximately HK$489 million respectively.

Litigation Claims, Alleged Guarantees and Pledges

In 2023, the Company became aware of litigation claims that had been brought in the PRC by two onshore banks against among others, Jinzhou Jiachi, Guangzhou Rongzhi and Longain Park Limited (錦凌有限公司) ("**Longain**"), all of which are subsidiaries of the Company. Each of Jinzhou Jiachi and Guangzhou Rongzhi was alleged to have provided guarantees as one of the guarantors of, or pledges against operating rights of underground shopping malls (i.e. the Jinzhou Shopping Mall and the Guangzhou Shopping Mall) as one of the pledgers of, bank loans taken out by third party companies. Longain was alleged to have provided a pledge against the entire equity interest in Guangzhou Rongzhi for a bank loan taken out by Guangzhou Rongzhi. As at 31 December 2023, the principal amount of the defaulted bank loan by the Borrowers amounted to RMB7,269,900,000 (the "**Overdue Amount**"). The Company also noted that onshore bank deposits of Jinzhou Jiachi and Guangzhou Rongzhi have been frozen pursuant to a civil ruling relating to one of the aforementioned litigation claims.

Subsequently, the relevant PRC court(s) handed down judgments regarding five of such litigation claims ordering the defendants thereto (including, without limitation, Jinzhou Jiachi and Guangzhou Rongzhi) to pay judgment amounts to the plaintiff.

At the prevailing times of the above alleged events, neither Jinzhou Jiachi, Guangzhou Rongzhi nor Longain were subsidiaries of the Company. The Group acquired the entire equity interest and/or shareholding interest in Jinzhou Jiachi, Guangzhou Rongzhi and Longain through an acquisition that was completed in April 2021.

In 2023, the Company also became aware of a litigation that had been brought in the PRC by a former supplier of the Group against Jinzhou Jiachi for failing to settle a small portion of the aggregate construction fees due.

For further details regarding the aforementioned litigation claims, please refer to the announcements of the Company dated 13 February 2023, 9 March 2023, 28 March 2023, 4 April 2023, 14 July 2023, 26 July 2023, 13 October 2023, 29 November 2023 and 12 December 2023.

In 2024, each of Jinzhou Jiachi and Guangzhou Rongzhi received notices for enforcement (執行通知書), disclosure orders to report conditions of financials (報告財產令) and rulings for enforcement (執行裁定書) relating to three judgments handed down earlier regarding the aforementioned litigation claims from the relevant PRC courts. Such documents state that, among others, the respective judgments have become effective and the defendants thereto should pay the enforcement amount to the relevant PRC courts.

In 2024, the relevant PRC court(s) handed down judgments regarding six of such litigation claims order the defendants thereto (including, without limitation, Jinzhou Jiachi and Guangzhou Rongzhi) to pay judgment amounts to the plaintiff. Each of Jinzhou Jiachi and Guangzhou Rongzhi also became aware that their onshore bank deposits have been withdrawn and transferred to accounts maintained by the court in the PRC for the purpose of enforcing court judgments.

In 2024, Guangzhou Rongzhi received a letter from the Claimant Bank (as defined in the announcement of the Company dated 13 February 2023) requiring Guangzhou Rongzhi to repay an aggregate of approximately RMB1.7 billion within five days of such letter for settlement of the Guangzhou Bank Loan.

For further details regarding the aforementioned events, please refer to the announcements of the Company dated 5 February 2024, 4 March 2024, 20 March 2024, 3 April 2024, 22 April 2024, 30 April 2024, 10 May 2024, 21 May 2024, 29 October 2024 and 10 December 2024. PRC legal counsel has been engaged to advise on the said litigation claims. The Group reserves all rights and remedies it may have against seller of Jinzhou Jiachi, Guangzhou Rongzhi and Longain and other relevant parties.

In 2024, Guangzhou Rongzhi received a notice for enforcement (執行通知書) (the "**Shenyang Ruifan Enforcement Notice**") and a disclosure order to report conditions of financials (報告財產令) (the "**Shenyang Ruifan Disclosure Order**") from the Intermediate People's Court of Shenyang Municipality, Liaoning Province (遼寧省瀋陽市中級人民法院) in relation to the Shenyang Ruifan Judgment as referred to in the announcements dated 3 April 2024, 30 April 2024 and 10 May 2024. According to the Shenyang Ruifan Enforcement Notice, the Shenyang Ruifan Judgment has become effective, and the relevant PRC court ordered that the defendants to the said litigation claim (including, among others, Mr. Dai, other companies in the PRC and Guangzhou Rongzhi) pay the Other Claimant Bank a judgment amount in the aggregate of (i) approximately RMB134.4 million, which is the outstanding principal plus interest and default interest up to 29 May 2023 payable pursuant to the Shenyang Ruifan Loan; (ii) interest, default interest and damages accrued from 30 May 2023 up to the date of payment, subject to the a maximum interest rate of 24% per annum stipulated by the relevant PRC court; and (iii) execution fees (執行費). Pursuant to the Shenyang Ruifan Disclosure Order, the defendants are also required to report the current condition of their financials and for the year prior to the receipt of the Shenyang Ruifan Enforcement Notice to the relevant PRC court. Should the defendants fail to adhere to the Shenyang Ruifan Enforcement Notice, the defendants may face additional consequences, including but not limited to the recording in credit records and list of dishonest parties subject to enforcement.

In 2024, Guangzhou Rongzhi received a notice for enforcement (執行通知書) (the "**Liaoning Renhe Enforcement Notice**") and a disclosure order to report conditions of financials (報告財產令) (the "**Liaoning Renhe Disclosure Order**") from the Intermediate People's Court of Shenyang Municipality, Liaoning Province (遼寧省瀋陽市中級人民法院) in relation to the judgment relating to the Liaoning Renhe Loan (the "**Liaoning Renhe Judgment**") as referred to in the announcements dated 3 April 2024, 30 April 2024 and 10 May 2024. According to the Liaoning Renhe Enforcement Notice, the Liaoning Renhe Judgment has become effective, and the relevant PRC court ordered that the defendants to the said litigation claim (including, among others, Mr. Dai, other companies in the PRC and Guangzhou Rongzhi) pay the Other Claimant Bank a judgment amount in the aggregate of (i) approximately RMB198.2 million, which is the outstanding principal plus interest and default interest up to 29 May 2023 payable pursuant to the Liaoning Renhe Loan; (ii) interest, default interest and damages accrued from 30 May 2023 up to the date of payment, subject to the a maximum interest rate of 24% per annum stipulated by the relevant PRC court; and (iii) execution fees (執行費). Pursuant to the Liaoning Renhe Disclosure Order, the defendants are also required to report the current condition of their financials and for the year prior to the receipt of the Liaoning Renhe Enforcement Notice to the relevant PRC court.

According to the PRC legal counsel engaged for the purpose of advising on the relevant litigation claims, the relevant judgment amount payable by the defendants to the relevant litigation claims is immediately due upon issuance of the enforcement notices. Should the defendants fail to adhere to the enforcement notices, the defendants may face additional consequences, including but not limited to travel ban, restrictions on high spendings, public censure and recording in credit records and list of dishonest parties subject to enforcement etc.

As advised by the PRC legal counsel, despite the aforementioned enforcement notices, the relevant PRC court is not entitled to taking over the daily operations of the Guangzhou Shopping Mall pursuant to the Shenyang Ruifan Enforcement Notice and the Liaoning Renhe Enforcement Notice. As at the date of this announcement, to the best knowledge of the Company and Guangzhou Rongzhi, daily operations of the Guangzhou Shopping Mall remain normal. However, notwithstanding (i) Guangzhou Rongzhi is only alleged to have provided a guarantee for each of the Shenyang Ruifan Loan and the Liaoning Renhe Loan and the repayment obligations primarily lie with the borrowers of such loans; (ii) neither the relevant PRC court nor the enforcement notices specify the percentage of the respective judgment amount to be taken up by each defendant to the litigation claims; and (iii) the enforcement process is still ongoing, in the unlikely event that Guangzhou Rongzhi is held liable to settle the entire judgment amount for both claims, the Company expects there to be an impact on the operating cash flow of Guangzhou Rongzhi.

Guangzhou Rongzhi will comply with the respective disclosure orders and collaborate with the relevant PRC court in the enforcement process. Furthermore, considering all onshore bank accounts of Guangzhou Rongzhi have been frozen as at the date of this announcement, jointly controlled bank account(s) have been set up by Guangzhou Rongzhi with a bank in the PRC to support its daily operations.

Notice of hearing with respect to the Construction Claimed Amount

In 2024, Jinzhou Jiachi received a notice to attend a hearing (the "**Notice**") from the Higher People's Court of Liaoning Province (遼寧省高級人民法院) regarding a retrial applied by the Former Supplier for Construction Services. According to the Notice, the Former Supplier for Construction Services is not satisfied with the initial judgment, and has applied to the relevant PRC court for a retrial of the case on the grounds that the initial judgment misapplied relevant laws and regulations and was groundless. The relevant PRC court has invited Jinzhou Jiachi to file, among others, a written submission within 15 days of receipt of the Notice, and the date of hearing has not been fixed as at the date of this announcement.

Both the Company and Jinzhou Jiachi are seeking legal advice on the Notice from the PRC legal counsel engaged for the purpose of advising on the aforementioned litigation claim.

For further details regarding the aforementioned event, please refer to the announcements of the Company dated 30 July 2024 and 16 August 2024.

Payment by Guangzhou Rongzhi to settle litigation claims by other claimant bank

In January 2025, the Group made payment of RMB236.2 million (the "**Payment**") in response to the enforcement notice and/or judgment orders granted by the PRC courts in respect of the guarantee liabilities of Guangzhou Rongzhi (as defined below) with respect to the loans of Shenyang Ruifan and Shenyang Shenghe under the litigation claims brought by the Other Claimant Bank (all as defined in the Announcements) as disclosed in the announcements dated 14 July 2023, 26 July 2023, 20 March 2024, 30 April 2024, 30 July 2024, 16 August 2024 and 27 January 2025 (the "**Announcements**").

The Payment was made by the Group taking into account (i) that the Other Claimant Bank has issued letters of chasers to Guangzhou Rongzhi on fulfilment of its guarantee obligations; (ii) the advice from the PRC counsel about the potential risks that the Company might be exposed to (including potential enforcement actions such as freezing orders on the operating rights of the shopping malls owned by Guangzhou Rongzhi) if it fails to comply with the letters of chasers, enforcement notices and/or judgment orders in time; and (iii) a consensus with the Five Borrowers that Guangzhou Rongzhi will be relieved of any remaining debt responsibilities after the Payment.

For further details of the related matters, please refer to the Company's announcements dated 27 January 2025 and 25 March 2025.

Transfer of loans and guarantee liabilities due to Bank of Jinzhou

In March 2025, the Company received notices from Bank of Jinzhou and 錦州市華銀資產經營有限公司 (the "**Transferee**"), a company with majority shareholding of which is owned by Jinzhou Municipal Government, informing that all the loans and guarantee liabilities of Guangzhou Rongzhi and Jinzhou Jiachi (as defined below) due to Bank of Jinzhou have been transferred to the Transferee at original terms of the loans and guarantees.

In 2025, Jinzhou Jiachi received a notice for enforcement (執行通知書) (the "**Chongqing Baoting Enforcement Notice**") and a disclosure order to report conditions of financials (報告財產令) (the "**Chongqing Baoting Disclosure Order**") from the Intermediate People's Court of Jinzhou Municipality, Liaoning Province (遼寧省錦州市中級人民法院) in relation to one of the Judgments as referred to in the Company's announcement dated 13 October, 2023. According to the Chongqing Baoting Enforcement Notice, the said judgment has become effective, and the relevant PRC court ordered that the defendants to the said litigation claim (including, among others, Mr. Dai, other companies in the PRC and Jinzhou Jiachi) pay the Claimant Bank a judgment amount in the aggregate of (i) approximately RMB1.7 billion; and (ii) execution fees (執行費). Pursuant to the Chongqing Baoting Disclosure Order, the said defendants are also required to report the current condition of their financials and for the year prior to the receipt of the Chongqing Baoting Enforcement Notice to the relevant PRC court. Should the said defendants fail to adhere to the Chongqing Baoting Enforcement Notice, they may face additional consequences, including but not limited to the recording in credit records and list of dishonest parties subject to enforcement.

As advised by the Transferee after the Company's enquiry, since the Transfer has not been completed, the Transferee has not notified the relevant PRC court of the Transfer and will duly do so thereafter. As advised by the legal advisors of the Company as to the laws of the PRC (the "**PRC Legal Advisors**"), the Transferee can only formally notify the relevant PRC court of the Transfer after all notices thereof have been served on all defendants of the litigation claim. Given the underlying subject the litigation claim (i.e. the bank loan and the guaranteed obligations) remains the same, the PRC Legal Advisors do not see a substantive difference on the part of Jinzhou Jiachi even when the Chongqing Baoting Enforcement Notice states that such enforcement was applied for by the Claimant Bank. Notwithstanding the above, the Company and Jinzhou Jiachi will use their best endeavors to notify the relevant PRC court of the Transfer such that the judgment amount, if any, will not be inappropriately released to any entity.

For further details regarding the aforementioned event, please refer to the announcement of the Company dated 3 July 2025.

Settlement agreement with seller of the Guangzhou and Jinzhou Shopping Malls

On 25 March 2025, a settlement agreement (the "**Settlement Agreement**") was entered into among the Company, Stone Wealth Limited ("**Stone Wealth**", being the seller under the acquisition of Guangzhou Rongzhi by the Company, details of which are set out in the circular of the Company dated 26 March 2021) and Mr. Dai, being the ultimate beneficial owner of Stone Wealth. Pursuant to the Settlement Agreement, Stone Wealth and Mr. Dai have, in consideration of Guangzhou Rongzhi making the Payment and with a view to compensate Guangzhou Rongzhi, undertaken to within 12 months of the date of the Settlement Agreement liaise with the debtor of Guangzhou Rongzhi and conduct necessary action(s) such that the external debt of Guangzhou Rongzhi would be reduced by an amount of at least approximately RMB280.6 million, which is the sum of (i) the Payment; and (ii) the amount of onshore bank deposits of subsidiaries of the Company that have been withdrawn and transferred to accounts maintained by the court in the PRC.

In view of ongoing communications between Stone Wealth and Mr. Dai with the said debtor of Guangzhou Rongzhi and the latest status of the reduction of external debt of Guangzhou Rongzhi, on 25 March 2026, parties to the Settlement Agreement entered into a supplemental agreement to, among others, extend the deadline for Stone Wealth and Mr. Dai in fulfilling their obligations under the Settlement Agreement by one year, i.e. up to 25 March 2027. Save as aforementioned, all other terms of the Settlement Agreement remain unchanged.

Withdrawal and transfer of bank deposits of subsidiaries of the Company by the court in the PRC

As disclosed in the annual report for the year ended 31 December 2025, an aggregate amount of approximately RMB52.5 million onshore deposits of Jinzhou Jiachi and Guangzhou Rongzhi have been withdrawn and transferred to accounts maintained by the court in the PRC as at the date of the annual report for the year ended 31 December 2025.

As at the date of this announcement, an aggregate amount of approximately RMB62.4 million onshore deposits of Jinzhou Jiachi and Guangzhou Rongzhi have been withdrawn and transferred to accounts maintained by the court in the PRC. As at the date of this announcement, neither Jinzhou Jiachi nor Guangzhou Rongzhi has received other PRC court notice and/or documents relating to such withdrawal and transfer. Jinzhou Jiachi, Guangzhou Rongzhi and their PRC legal advisors are in the process of gathering information of and ascertaining the reasons for such withdrawal and transfer.

As such, the overall segment results were a loss of approximately HK$219.5 million, representing an increase of approximately 12.0% as compared to the loss of approximately HK$196.0 million in the same period ended 30 June 2025. The overall segment loss for the Reporting Period was mainly due to provision for guarantee contracts of approximately HK$57.6 million, decrease in fair value of investment properties of approximately HK$99.3 million resulting from sluggish retail shop rental market and finance costs of approximately HK$79.6 million for the Reporting Period, which was mainly due to the bank loan of approximately RMB1,345 million in connection to the acquisition of Guangzhou Shopping Mall.

(2) Flooring Materials and Medical Equipment Trading

The flooring materials trading business of the Group recorded revenue of approximately HK$3.7 million for the Reporting Period, representing a decrease of approximately 72.2%, as compared to approximately HK$13.3 million over the same period ended 30 June 2025. The Group has made sales of flooring board materials to overseas customers by exporting to markets in Australia. Leveraging on the potential synergies with the Group's Shopping Mall Business in the PRC, we expect to capitalise on the shopping mall tenants and customer networks to develop and expand our domestic sales of flooring, ceiling and other decorative materials.

The Group carries out medical equipment trading business in China for which the majority customers are hospitals. The products sold are mostly general medical equipment, consumable goods and optical medical devices and the related parts ("**Medical Products**"). The revenue for the Reporting Period increased to approximately HK$16.2 million, representing an increase of approximately 25.6% as compared to approximately HK$12.9 million of the same period ended 30 June 2025. The segment profit for medical equipment trading business for the Reporting Period was approximately HK$1.9 million, as compared to the segment profit of approximately HK$2.1 million for the same period ended 30 June 2025.

(3) Mining and Exploration of Natural Resources

The Group held four mining right licences ("**Mining Rights**") of three tungsten projects in Mongolia. The segment of mining and exploration of natural resources business recorded no revenue during the Reporting Period.

During the Reporting Period, the Group completed the disposal of the Mining Rights for HK$6 million. A gain of approximately HK$6.5 million was recorded for the disposal of subsidiaries.

(4) Financial Services and Assets Management

No segment revenue was recorded as the prospect and market condition were yet to be certain, especially in light of the export economy affected by the China-US tension. The Group has adopted a prudent approach in financial investments during the Reporting Period. As such, the segment loss for the Reporting Period was approximately HK$0.9 million, compared with the segment loss of approximately HK$1.8 million for the same period ended 30 June 2025. The status of each of the business in this segment is further discussed as below.

Financial services

The Group holds a money lenders licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) through a wholly-owned subsidiary. Due to uncertain market conditions, the commencement of money lending business will be postponed.

Distressed debt assets management

The business incurred a loss of approximately HK$0.8 million for the Reporting Period, mainly representing the overhead costs of the business operation, whereas the loss of the same period ended 30 June 2025 was approximately HK$1.7 million. The directors of the Company (the "**Directors**") will continue to assess whether the Group should continue to engage in distressed asset investment.

Securities investment

The Group reported no transaction for its securities investments in the Reporting Period, no investment gain/loss was recorded for the Reporting Period (same period ended 30 June 2025: Nil).

FINANCIAL REVIEW

Capital structure

As at 30 June 2026, the consolidated net liabilities of the Group were approximately HK$2,499.4 million, representing an increase of approximately HK$301.1 million as compared to the net liabilities of approximately HK$2,198.3 million as at 31 December 2025. There is no shares movement since the end of the Reporting Period. As at 30 June 2026, the Company has 5,250,019,852 shares of HK$0.05 each in issue and the total deficit attributable to owners of the Company was HK$2,501.4 million (as at 31 December 2025: total deficit attributable to owner of the Company approximately HK$2,199.8 million).

Liquidity and financial resources

As at 30 June 2026, the Group's bank balances, cash and restricted bank deposit were approximately HK$86.5 million (as at 31 December 2025: approximately HK$89.0 million), its current assets was approximately HK$115.9 million (as at 31 December 2025: approximately HK$115.2 million), and its current liabilities was approximately HK$3,791.1 million (as at 31 December 2025: approximately HK$3,524.1 million). The current ratio was 0.03 times[Note 1] (as at 31 December 2025: 0.03 times). As at the end of the Reporting Period, the net current liabilities of the Group were approximately HK$3,675.2 million (as at 31 December 2025: net current liabilities of approximately HK$3,408.9 million).

As at 30 June 2026, the total debt financing of the Group was approximately HK$1,552.1 million (as at 31 December 2025: approximately HK$1,495.4 million), and there was no non-current debt financing as at 30 June 2026 (as at 31 December 2025: Nil).

As at 30 June 2026, net debt[Note 2] of the Group was approximately HK$2,641.1 million (as at 31 December 2025: net debt of approximately HK$2,489.3 million) and the total deficit was approximately HK$2,499.4 million (as at 31 December 2025: total deficit approximately HK$2,198.3 million). Therefore, gearing ratio[Note 3] as at the end of the Reporting Period was -0.62 (as at 31 December 2025: gearing ratio -0.68).

The objective of the Group's funding and treasury management activities is to ensure sufficient liquidity to meet operational needs and various investment plans.

Notes:

1. Current ratio = Current assets/Current liabilities

2. Net debt = Borrowings + Financial guarantee contracts – Bank balances and cash

3. Gearing ratio = Total interest-bearing borrowings/Total equity

Capital commitments

As at 30 June 2026, the Group has no material capital commitments and was not engaged in any future plans concerning major investment or acquisition of capital assets (as at 31 December 2025: Nil).

Charges on group assets

As at 30 June 2026, the Group's bank borrowings of approximately HK$1,552.1 million were secured by certain assets of the Group, including investment properties and the equity interest of a wholly-owned subsidiary (as at 31 December 2025: approximately HK$1,495.4 million).

During the year ended 31 December 2021, the Group acquired Guangzhou Rongzhi Public Facilities Investment Co., Ltd. ("**Guangzhou Rongzhi**") and Jinzhou Jiachi Public Facilities Management Co., Ltd. ("**Jinzhou Jiachi**") (collectively refer as the "**PRC Subsidiaries**") through the acquisition of their immediate holding company, Sky Build Limited and Superb Power Enterprises Limited (the "**Acquisition**"), respectively, from their shareholder (the "**Predecessor Shareholder**").

During the year ended 31 December 2023, several legal claims were filed against the PRC Subsidiaries mainly due to the fact that the PRC Subsidiaries pledged the operating rights of its investment properties (the "**Pledges**") to secured bank loans granted to several companies related to the Predecessor Shareholder (the "**Borrowers**") together with other guarantors and/or pledgors. The Borrowers defaulted on bank loan repayments. As at 30 June 2026, the principal of the defaulted bank loan by the Borrowers amounted to approximately RMB3,400,000,000 (the "**Overdue Amount**").

The Pledges were allegedly originated prior to the Acquisition and the board of directors at the date of the Acquisition had no knowledge for the Securities. Therefore, no disclosure of pledge of assets contracts was made in the completion account as of the Acquisition date.

Since the Pledges were entered into prior to the Acquisition, the existing board of directors of the Group is unable to ensure the completeness of the information in relation to pledged assets contracts entered into.

Reference is made to the Company's announcements dated 28 March 2023, 4 April 2023, 29 November 2023, 12 December 2023, 5 February 2024 and 4 March 2024.

Contingent liabilities

During the period from November 2018 to July 2019, two of the Group's subsidiaries, namely Guangzhou Rongzhi and Jinzhou Jiachi entered into various financial guarantee contracts with Shengjing Bank Co., Ltd and Bank of Jinzhou Co, Limited respectively for the bank borrowings of seven companies which were related to Mr. Dai Yongge ("**Mr. Dai**"). The maximum liabilities guaranteed by Guangzhou Rongzhi and Jinzhou Jiachi were principal amounts of RMB333,700,000 and RMB3,240,000,000 respectively together with the outstanding accrued interests and other charges. At the prevailing time of those financial guarantee contracts entered into, Guangzhou Rongzhi and Jinzhou Jiachi were not subsidiaries of the Company, but companies indirectly controlled by Mr. Dai. The Group acquired the entire equity interests in Guangzhou Rongzhi and Jinzhou Jiachi through the acquisitions of Superb Power Enterprises Limited and Sky Build Limited respectively that were completed in April 2021. In the opinion of the directors of the Company, the Group became aware of those financial guarantee contracts when the Group received the PRC court notices about legal claims during the year ended 31 December 2023. Subsequent to the year end, the PRC court had judged on the claims that Guangzhou Rongzhi and Jinzhou Jiachi are jointly and severally liable for the loans guaranteed by the Group with the other guarantors. Reference is made to the Company's announcements dated 13 October 2023, 29 November 2023, 12 December 2023, 5 February 2024, 4 March 2024, 20 March 2024, 22 April 2024, 30 April 2024 and 10 May 2024 and 30 July 2024. During the Reporting Period, the Group recognised approximately RMB993,885,000 (31 December 2025: approximately RMB952,319,000) (equivalent to approximately HK$1,146,944,000 (31 December 2025: approximately HK$1,058,836,000)) impairment losses on these financial guarantee contracts based on the valuation prepared by International Valuation Limited, an independent qualified professional valuer not connected with the Group, which was engaged by the Company for the year ended 31 December 2025 and the Reporting Period.

During the course of the preparation of the condensed consolidated financial statements for the six months ended 30 June 2026, the directors remeasured the expected payments to reimburse the holder of the guarantees which were not expected to be recoverable from the borrowers and therefore recorded a loss of approximately RMB51,425,000 (equivalent to approximately HK$57,555,000) (2025: approximately RMB46,649,000 (equivalent to approximately HK$50,250,000)) in the profit or loss.

List of loans guarantees and pledges provided by Guangzhou Rongzhi, Jinzhou Jiachi and Longain

	Guarantors	Creditors	Borrowers	*Notes*	Principal *RMB*	Form	Maximum Exposure as at 30 June 2026: Principal + Interests + Default Interests/Fair Value of Pledged Assets *RMB*
1	Guangzhou Rongzhi	Shengjing Bank	瀋陽方城地一大道公共設施管理有限公司	(1)	137,100,000	Guarantee	259,551,895
2	Guangzhou Rongzhi	Shengjing Bank	瀋陽皇城地一大道公共設施管理有限公司	(1)	48,400,000	Guarantee	91,628,849
3	Guangzhou Rongzhi	Shengjing Bank	瀋陽盛和公共設施管理有限公司	(1)	–	Guarantee	–
4	Guangzhou Rongzhi	Shengjing Bank	瀋陽睿凡公共設施管理有限公司	(1)	–	Guarantee	–
5	Guangzhou Rongzhi	Shengjing Bank	遼寧人和新天地公共設施管理有限公司	(1)	148,200,000	Guarantee	280,565,960
6	Jinzhou Jiachi	錦州市華銀資產經營有限公司	重慶寶霆公共設施管理有限公司	(2), (3)	1,370,000,000	Guarantee	2,314,466,053
7	Jinzhou Jiachi	錦州市華銀資產經營有限公司	濰坊鳶都創富公共設施有限公司	(2), (3)	1,870,000,000	Guarantee	3,158,393,714
8	Guangzhou Rongzhi + Jinzhou Jiachi	錦州市華銀資產經營有限公司	哈爾濱地利生鮮農產品企業管理有限公司	(3)	1,400,000,000	Pledge	Fair Value of Pledged Assets
9	Guangzhou Rongzhi	錦州市華銀資產經營有限公司	哈爾濱地利生鮮農產品企業管理有限公司	(3)	600,000,000	Pledge	Fair Value of Pledged Assets
10	Jinzhou Jiachi	錦州市華銀資產經營有限公司	贛州聚利公共設施建設有限公司	(3)	1,400,000,000	Pledge	Fair Value of Pledged Assets
11	Longain	錦州市華銀資產經營有限公司	廣州融智	(3)	1,400,000,000	Pledge	Fair Value of Pledged Assets

Notes:

(1) Total principal for the loans guaranteed by Guangzhou Rongzhi was amounted to RMB333,700,000. As at 30 June 2026, the total principal, accumulated interests and default interests was amounted to RMB631,747,000.

(2) Total principal for the loans guaranteed by Jinzhou Jiachi amounted to RMB3,240,000,000. As at 30 June 2026, the total principal, accumulated interests and default interests was amounted to RMB5,472,860,000.

(3) In March 2025, the Company received notices from Bank of Jinzhou and 錦州市華銀資產經營有限公司 (the "**Transferee**"), a company with majority shareholding of which is owned by Jinzhou Municipal Government, informing that all the loans and guarantee liabilities of Guangzhou Rongzhi and Jinzhou Jiachi due to Bank of Jinzhou have been transferred to the Transferee at original terms of the loans and guarantees.

Foreign exchange exposure

The Group's financial statements are denominated in Hong Kong dollars ("**HKD**"), while the Group is conducting business mainly in HKD, United States Dollar ("**USD**") and Renminbi ("**RMB**"). Since the exchange rates of HKD is pegged to USD, there is no material exchange risk in respect of USD assets and transactions. However, the assets, liabilities and transactions of the PRC subsidiaries of the Group are mainly denominated in RMB respectively, there were exchange risks during financial settlement at the end of the Reporting Period in this regard.

The Group has implemented policies and guidelines in relation to foreign exchange risk management. Meanwhile, the subsidiaries in the PRC are able to generate sufficient income to deal with their local currency expenses; therefore, the management of the Company considered that the Group's exposure to the potential foreign currency risk was relatively limited.

Qualified opinion

KTC Partners CPA Limited ("**KTC**") has issued a qualified opinion for the year ended 31 December 2025 (the "**Qualified Opinion**"), the text of which is set out on pages 107 to 115 of the annual report.

Pursuant to discussions between the Company and KTC, subject to the achievement of events stated below, it will be in a position to consider the removal of the audit qualification on the completeness of financial guarantees:

(i) settlement or clearance of all currently known financial guarantees in favor of Bank of Jingzhou/錦州市華銀資產經營有限公司 and/or the Shengjing Bank; and

(ii) recovery or compensation of all losses incurred by the Group as a result of the aforementioned financial guarantees from the Five Borrowers and/or Mr. Dai.

In the event that KTC is satisfied with the audit evidence for the financial statements for the year ending 31 December 2026, except for the audit modification on (1) the opening balances and comparative figures to be stated in the consolidated financial statements of the Group for the year ending 31 December 2026, and (2) the comparative figures to be stated in the consolidated financial statements of the Group for the year ending 31 December 2027, there would not be other audit modifications in respect of the matters referred to above. In respect of the Group's consolidated financial statements for the years ending 31 December 2026 and 2027, any audit modifications should solely relate to the comparability of 2025 and 2026 figures. Accordingly, under such circumstances, the issues giving rise to the Qualified Opinion are not expected to have any continuing effect on the Group's consolidated financial statements for the year ending 31 December 2028 and the subsequent years.

With a view to address the Qualified Opinion, the Company intends to implement a series of actions, including but not limited to (1) continue to follow up on the implementation of the Settlement Agreement and seek documentary evidence from the relevant parties, (2) continue to negotiate with Mr. Dai and his associates with a view of discharging the Group's liabilities in relation to the Financial Guarantees ("**FG**"), (3) continue to assess, with the assistance of the Company's PRC legal advisers, whether and when legal action shall be commenced or further pursued against Mr. Dai and/or other relevant parties, and (4) continue to discuss with KTC and the Company's PRC legal advisers the legal position in respect of any possible remaining or future FG exposure.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 158 (as at 31 December 2025: 169) employees, of whom approximately 11% (as at 31 December 2025: 10%) were located in Hong Kong and the rest were located in the PRC.

The Group recognises the employees as the key element that contributes to the Group's success. The Group's remuneration policies are formulated based on individual performance and salary trends in various regions, which will be reviewed annually. Apart from mandatory provident fund and medical insurance, the Company has adopted a share option scheme under which share options may also be awarded to the Directors and eligible employees as an incentive with reference to the assessment of individual performance. The Board believes that the Group maintains an admirable relationship with the employees.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Reporting Period (same period ended 30 June 2025: Nil).

PROSPECTS

2026 marks the opening year of the country's 15th Five-Year Plan. Faced with a complex and severe external environment as well as various new domestic conditions, the national economy maintained overall stable performance. In the first half of the year, the National Bureau of Statistics announced that the gross domestic product ("**GDP**") for the first half of 2026 was approximately RMB69.6 trillion, representing a year-on-year increase of 4.7%. As the consumer market continued to expand and service retail grew relatively fast, total retail sales of consumer goods and services increased by 2.7% year-on-year. Benefiting from the rapid growth in service consumption, shopping malls under the Group experienced steady improvements in customer traffic and tenant sales, further consolidating their regional market advantages.

In the first half of the year, all business formats across Guangzhou Shopping Mall remained stable. For the renovation of the old children's wear section, surveying, contract signing, and plan refinement were completed, laying a solid foundation for construction in the second half of the year. The clustering effect of export showrooms was further enhanced, with vacant premises and expiring stalls in the underwear section being progressively adjusted into export showrooms. Tenant recruitment for the characteristic leisure and cultural street targeting Central and West Asian and Russian merchants advanced steadily. The conceptual design for visual merchandising and hardware upgrades of the shopping mall was completed, and promotional events such as the Spring Festival Sale and the New Year Lion Dance were successfully executed, alongside continuous operations on self-owned media platforms. Safety management delivered a zero-accident record, with safety hazards inspected and rectified, and emergency response plans further refined. In the second half of the year, key efforts will be made to advance the renovation of the old children's wear section, striving to bring the brand-new zone into operation by the end of the year, so as to reshape the commercial atmosphere of the section. The Group will continuously expand the scale of export showrooms to build a contiguous export procurement cluster, thereby bolstering its core competitiveness. Meanwhile, efforts will be stepped up in online and offline marketing and promotion, leveraging the anniversary of Guangzhou Shopping Mall's opening to launch a series of thematic marketing campaigns to actively attract external footfall. Regarding safety management, Guangzhou Shopping Mall will strictly uphold the goal of zero work safety accidents and accelerate closed-loop rectification of fire safety hazards, providing a solid guarantee for operational stability. The shopping mall will continue to optimize tenant services, resolve operational difficulties faced by tenants in a timely manner, and maintain steady efficiency in property fee and rent collection.

Jinzhou Shopping Mall achieved a structural turnaround in consumer traffic by introducing a Yiwu-style small commodities market and successfully bringing it to execution. Its extended business hour model effectively captured night-time consumers and created a new time slot for night-time consumption, which, combined with omni-channel online and offline promotion, significantly enhanced the shopping mall's city-wide brand visibility. On the marketing front, distinctive promotional events centered around themes such as parent-child activities, ACG (Anime, Comic, and Games), and festive celebrations effectively boosted exposure and footfall conversion. Regarding tenant recruitment, the introduction of anchor stores and the leasing of vacant shops were completed, successfully achieving phased goals for business format upgrades. In the second half of the year, at the operational level, the shopping mall will comprehensively gauge tenants' renewal intentions, continuously optimize tenant services, and strictly implement the extended business hour mechanism to unlock the potential of night-time consumption. At the marketing level, themed market events will be organized on a regular basis, paired with omni-channel online and offline marketing to consistently elevate footfall and reputation. At the tenant recruitment level, dedicated efforts will be made to curate characteristic markets to foster new growth drivers for customer traffic; all-out efforts will be placed on accelerating the absorption of vacant premises, with a key focus on introducing diversified business formats such as specialty catering, leisure and entertainment, and lifestyle amenities to break the single-category layout, while leveraging the stable footfall from the Yiwu-style small commodities market to achieve complementary synergy between traditional and new business formats.

Anyang Shopping Mall completed market research on over 1,000 entities and visited more than ten specialized markets in the first half of the year, laying the foundation for leasing positioning. On the online operations front, over 100 videos were published, yielding a cumulative growth of over 1,000 followers across multiple platforms, with a single video reaching a peak view count of over 100,000. Additionally, live-stream e-commerce was launched to explore a pathway for driving online traffic into offline monetization. In the second half of the year, all-out efforts will be made to attract and secure high-traffic anchor stores, such as large supermarkets and hypermarkets, to offset the potential risk of footfall decline and alleviate shop vacancy pressure. Meanwhile, trendy entertainment business formats such as real-life survival games and escape rooms will be introduced to construct a diversified ecosystem and fully unleash operational vitality. On the online front, live-stream and short-video operations will be continuously optimized by issuing live-stream-exclusive in-store redeemable coupons, optimizing video location tags and navigation guides, and building a closed loop of "exposure and traffic generation – coupon collection – in-store consumption" to consistently convert online traffic into offline consumer traffic. On the operational front, a membership system will be established through self-owned media promotion, and matrix marketing will be carried out jointly with merchants to support stability, lease renewal, and rentals level.

The flooring materials trading business will remain focused on Australia market, with the goal of achieving steady progress while maintaining operational stability in the second half of the year.

Looking ahead to the coming half year, the Group will steadfastly adhere to the ideology of prudent operations. While further consolidating its business foundation, it will also continue to work synergistically with banks, creditors, and other relevant parties to advance the debt restructuring of the Guangzhou and Jinzhou shopping malls. These efforts aim to ensure stable business operations, preserve asset value, and achieve long-term sustainability.

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

During the Reporting Period, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, the Group did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance with emphasis on transparency, independence, accountability and responsibility. For the Reporting Period, the Company has complied with all code provisions of the Corporate Governance Code ("**CG Code**") where applicable as set out in Part 2 of Appendix C1 to the Listing Rules.

AUDIT COMMITTEE AND REVIEW ON THE INTERIM RESULTS

The Company has established the Audit Committee with specific written terms of reference in accordance with the requirements under Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee is responsible for, among others, reviewing and supervising the Group's financial reporting process, assisting the Board to ensure effective risk management and internal control systems of the Group and providing advice and comments to the Board.

As at the date of this announcement, the Audit Committee comprised all three independent non-executive Directors, namely, Mr. Leung Ting Yuk, Dr. Gao Bin and Ms. Song Yanjie. Mr. Leung Ting Yuk is elected as the chairman of the Audit Committee.

The unaudited condensed consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee together with the management of the Company. The Audit Committee is satisfied that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND DESPATCH OF INTERIM REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.irasia.com/listco/hk/taiunited/index.html. The interim report of the Company for the six months ended 30 June 2026 will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

By order of the Board
Tai United Holdings Limited
Su Shigong
Chairman

Hong Kong, 31 August 2026

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:
Mr. Su Shigong *(Chairman)*
Ms. Yang Yuhua *(Chief Executive Officer)*

Non-executive Director:
Mr. Lu Yunsong

Independent non-executive Directors:
Dr. Gao Bin
Mr. Leung Ting Yuk
Ms. Song Yanjie