天福(開曼)控股有限公司

Tenfu (Cayman) Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6868

Interim Report 2026

Contents

Corporate Information

DIRECTORS

Executive Directors

LEE Rie-Ho *(Chairman)*

LEE Chia Ling *(Chief Executive Officer)*

LEE Kuo-Lin *(Chief Operating Officer)*

FAN Ren Da, Anthony

ZHANG Honghai

Non-executive Director

TSENG Ming-Sung

Independent Non-executive Directors

LO Wah Wai

LEE Kwan Hung, Eddie

HUANG Wei

BOARD COMMITTEES

Audit Committee

LO Wah Wai *(Chairman)*

TSENG Ming-Sung

HUANG Wei

LEE Kwan Hung, Eddie

Nomination Committee

LEE Kwan Hung, Eddie *(Chairman)*

LEE Kuo-Lin

HUANG Wei

LO Wah Wai

Remuneration Committee

HUANG Wei *(Chairman)*

LEE Rie-Ho

LO Wah Wai

LEE Kwan Hung, Eddie

LEE Chia Ling

Environmental, Social and Governance Committee

FAN Ren Da, Anthony *(Chairman)*

LO Wah Wai

HUANG Wei

LEE Chia Ling

Corporate Information

REGISTERED OFFICE

P.O. Box 2681

Cricket Square, Hutchins Drive

Grand Cayman KY1-1111

Cayman Islands

HEADQUARTERS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

2901 Building C

Xinjing Commerce Center

No. 25 Jiahe Road

Xiamen the PRC

Tel: +86-592-3389334

Fax: +86-592-3389086

Email: tenfu@tenfu.com

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F

No. 88 Lockhart Road

Wan Chai

Hong Kong

AUTHORISED REPRESENTATIVES

LEE Chia Ling

LEUNG Shui Bing
(resigned on 21 March 2026)

HO Pak Chuen Brian
(appointed on 21 March 2026)

COMPANY SECRETARY

LEUNG Shui Bing
(resigned on 21 March 2026)

HO Pak Chuen Brian
(appointed on 21 March 2026)

PRINCIPAL SHARE REGISTRAR

Suntera (Cayman) Limited

Suite 3204, Unit 2A, Block 3

Building D, P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman, KY1-1100

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR*

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square

338 King's Road

North Point, Hong Kong

* *The Hong Kong Branch Share Registrar and Transfer Office of the Company changed to Union Registrars Limited with effect from 16 June 2026.*

Corporate Information

PLACE OF LISTING OF THE SHARES ("SHARES")

The main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")

NAME OF STOCK

Tenfu (Cayman) Holdings Company Limited (the "**Company**")

STOCK CODE

6868

(listed on the Stock Exchange since 26 September 2011)

PRINCIPAL BANKERS

Bank of China Limited, Zhangpu Sub-branch

Bank of Communications Co. Ltd., Xiamen Branch

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

22/F, Prince's Building

Central, Hong Kong

WEBSITE

www.tenfu.com

BUSINESS REVIEW AND OUTLOOK

In the first half of 2026, the Group achieved revenue of RMB624.5 million, down 7.2% from the corresponding period in 2025, and recorded profit for the period of RMB46.8 million, down 4.0% from the corresponding period in 2025. The decrease in the Group's revenue for the period was mainly due to weak consumer market.

In the first half of 2026, the global economy continued to face multiple risks such as rising inflation, geopolitical tensions and fluctuations in energy and commodity prices. Under the macro environment, the PRC government actively rolled out a series of policies and measures to promote consumption, focusing on expanding domestic demand and unleashing the potential of consumption. The consumer market demonstrated continuing and slow recovery. Consumers are increasing their concern about product quality, health and convenience, becoming more rational in consumption decisions, and focused on products with value, while paying attention to quality and practical demands. In response to the market development, the Group has further enhanced its organizational coordination, utilized its advantages in supply chain, maximized its resources utilization efficiency and strengthened its market position. The following measures have been taken to promote the efficiency of its operations, including further optimising its network, promoting the "second living room" services, actively promoting the customer loyalty programme, consolidating and developing customer base, increasing release of marketing program and education and training for the employees, improving employees' benefits, while controlling expenditures.

1. **Leading brand position**. Zhangzhou Tianfu Tea Industry Co., Ltd.（漳州天福茶葉有限公司）, a subsidiary of the Company, was honoured with the "2025 China Famous Consumer Products（2025年度中國消費名品）" award by the Ministry of Industry and Information Technology. In November 2025, it was included in the "Second Fujian Provincial Top 100 List of Leading Agricultural Industrialization Enterprises（第二屆福建省農業產業化龍頭企業百強榜單）" published by the Fujian Association of Enterprises and Entrepreneurs and the Fujian Agricultural Industrialization Leading Enterprises Association. In April 2025, it was awarded the seventh batch of "Fujian Time-honored Brand（福建老字號）" by the Fujian Provincial Department of Commerce. Fujian Tian Fu Sales Co., Ltd.（福建天福茗茶銷售有限公司）, a subsidiary of the Company, was also awarded the 27th "Outstanding Partner Contribution Award" by the Organizing Committee of the China International High-Tech Achievements Fair in 2025. The Company has been awarded the titles of "2024 China Tea Industry "Enterprise of the Year"（2024中國茶行業「年度企業」）" by Forbes and "2024 Top 10 Tea Enterprise Brands in China（2024中國茶企業品牌TOP10）" by Chinese Tea Brand Value Evaluation Task Force（中國茶品牌價值評價工作組）. The Company has been awarded the title of "2024 Key Tea Enterprise

(Formerly Top 100 Tea Industry Enterprise)（2024年度茶葉重點(原百強）企業）" and "China's Tea Industry Comprehensive Top 100 Enterprises（中國茶葉行業綜合百強企業）" by the China Tea Marketing Association from 2013 to 2024. The Company was listed in the list of each of "Evergreen Companies in the Tea Industry（茶業常青藤企業）", "2024 Top Enterprises with Comprehensive Competitiveness in the Tea Industry（2024年度茶葉綜合競爭強力企業）", "Benchmark Brands for Tea Industry Competitiveness 2022（2022年度茶業市場競爭力標桿品牌）", "Leading Tea Enterprises for Comprehensive Strength 2023（2023年度綜合實力引領茶企業）" and "Key Tea Enterprises 2023（2023年度重點茶企）" by China Tea Marketing Association. Pursuant to the data from Chinese Enterprises Brands Research Centre（中國企業品牌研究中心）, Tenfu ranked first among 2019 China's chain stores of tea in terms of brand index, the "Tenfu"（天福）brand has one of the highest levels of brand awareness amongst tea product consumers in the PRC. The Company was also granted the award of "Zhangzhou Time-Honored Brand（漳州老字號）", "Zhangzhou Municipal Pilot Unit for Quality Empowerment in Industrial and Supply Chains（漳州市產業鏈供應鏈質量賦能試點單位）", "2nd Zhangzhou Municipal Government Quality（第二屆漳州市政府品質獎稱號）" by Zhangzhou municipal government and "Enterprise with Outstanding Economic Contribution 2022（2022年度突出經濟貢獻企業）" by Zhangpu county government, respectively. Mr. Lee Rie-Ho, the chairman of the Board, obtained the honorary title of Outstanding Chinese Tea People (Lifetime Achievement) in November 2020 and listed as one of the tea industry influencers in 2022 by Chinese Tea Association and China Tea Industry Alliance. The tea mooncakes of the Group have been awarded the honorable titles of Golden Mooncakes（金牌月餅）and China Mooncakes（中國名餅）for the five consecutive years from 2016 to 2020. The tea mooncakes of the Group also won the first prize for China Mooncake Quality（中華月餅品質一等獎）in 2019 and honorable titles of Golden Mooncakes（金牌月餅）and China Mooncakes（中國名餅）in the 28th China Mooncake Festival in 2022. With its high level of brand awareness and more than 25 years of presence in the market, the Group believes that it is in a strong position to continue to occupy a large market share of branded traditional Chinese tea leaves and wait for the market re-bounce.

2. **Adjusting and optimising sales network**. The Group has continued adjusting retail outlets and retail points with a view to optimising the reach of its sales network for its tea products in the PRC. As at 30 June 2026, the Group had a total of 1,289 self-owned and third-party owned retail outlets and retail points, down a net of 29 retail outlets and retail points from a total of 1,318 as at 31 December 2025.

3. **Adjustment in each tea product category and development of diversified product lines**. In the first half of 2026, the Group adjusted its tea product categories and improved packages. The Group also established a food research and development department to develop diversified traditional food, such as Instant Bird's Nest.

4. **Strengthened costs control**. The Group has strengthened its costs control on all items in accordance with prevailing economic environment and market conditions, and as a result, the aggregate of distribution costs and administrative expenses decreased as compared with the corresponding period in 2025.

5. **Anti-counterfeiting effort**. The Group has implemented a security code for each product, which has covered most of the products. The customers can easily check and confirm the product authenticity.

6. **Environmental, social and governance ("ESG") endeavours**. The Company obtained the best practice awards of Wind ESG in the fast consumer goods industry for Hong Kong listing companies in 2022（2022年度Wind ESG港股日常消費行業最佳實踐獎）. The Company ranked no. 4 for Wind ESG Rating Distribution (Beverage) in 2023. The Company ranked A for Wind ESG Comprehensive Score Industry Ranking (Beverage) in 2024.

In the second half of 2026, the Group will cater its plans to keep its market share, continue with its expansion, optimise its network of self-owned and third-party owned retail outlets and retail points. In particular, the Group plans to:

1. **Continue to adjust and optimise its retail sales network**. The Group will further adjust retail outlets and retail points, including both self-owned and third-party owned retail outlets and retail points, according to the economic development of the PRC. As part of this goal, the Group plans to identify, establish and keep new retail outlets on high-traffic streets in the central business districts of selected cities, as well as retail points in popular shopping malls, actively expand networks in third-tier and fourth-tier and small cities, and develop quality distributors to increase sales of its tea products. To capture more customers who prefer to buy their tea products online, the Group continues to promote internet sales through its subsidiary, namely, Xiamen Tianyu Commerce and Trading Co., Limited（廈門天鈺商貿有限公司）. The Group will continue to monitor other opportunities for multi-channel sales and distribution

network, which enables the Group to access a broad market audience. Meanwhile, the accelerating growth of digital economy has continued to drive the rapid expansion of online consumption models. The Group has also partnered with multiple platforms, adopting sales models such as "Meituan Flash Purchase"（美團閃購）and "JD NOW"（京東秒送）, thereby strengthening the integration of online and offline channels.

2. **Continue to enhance brand reputation and consumer awareness**. The Group plans to maintain and promote its high level of brand awareness through targeted marketing and promotional activities. As part of these promotional activities, the Group plans to make further efforts to promote its products and brands during traditional Chinese festivals, and actively hold tea ware exhibition, pu'er tea expo, new tea tasting events and tea art education activities for enhancement of communication and interactions with customers in order to maintain and promote the well-known "Tenfu"（天福）brand. The Group continues the promotion of an enhanced rewards program for its customers through the provision of the "second living room" services, in order to encourage repeating business and increase customer loyalty.

3. **Continue to develop new concepts for tea-related products**. The Group believes that a broad portfolio of products will help it maintain its leading brand position and keep pace with constantly changing consumer preferences and trends. To this end, the Group will continue the development of tea and tea-related products to meet market requirements, as well as creating the trend and leading the trend. The Group offers the tea drink (including milk tea) with the trademark of "放牛斑". The Group will further monitor the opportunity and expand its market share in other tea products once available.

4. **Establish production facilities at places of origin to optimise production capacity**. The Group acquired land in Xiapu county, Ningde, Fujian Province, for construction of a processing facility of white tea, which started processing tea leaves in April 2025. By establishing strategic production facilities in major tea-producing regions across the PRC, the Group seeks to ensure procurement quality and control procurement costs.

5. **Quality control**. The Group considers product quality control to be essential to its operations, and places particular emphasis on inspecting and controlling the quality of raw materials in its supply chain. The Group will continue its commitment to quality assurance going forward by further enhancing its internal testing capabilities. In October 2015, the Group got the qualification certification for its egg roll and candy production line and related auxiliary areas, reaching the consolidated standards for prerequisite and food safety programs of American Institute of Baking. Tea mooncakes of the Group have obtained the titles of "high quality mooncakes", "Golden Mooncakes" and "China Mooncakes" of China Mooncakes Culture Festival since 2012 for 11 consecutive years. In the meantime, the Company also implemented one product, one bar-code anti-counterfeiting traceability system at all factories. Longjing tea of the Group was regarded as the raw materials of Longjing tea sensory grading standard samples developed according to GB/T18650-2008 geographical indication product Longjing tea.

Looking forward, the Group's primary goal is to continue growing its business and increasing its market share by leveraging on its strong market position and sales network and the anticipated long-term growth in the PRC tea market.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2026, the Group was engaged in the sales and marketing of a comprehensive range of tea products and the development of product concepts, tastes and packaging designs. The Group has manufacturing plants in Fujian province, Sichuan province, Zhejiang province, Guangxi Zhuang Autonomous Region and Guizhou province, the PRC. The Group's key products are tea leaves, tea snacks and tea ware, which it sells through a nationwide network of self-owned and third-party owned retail outlets and retail points. The Group has started the sales of tea drink (including milk tea, with the trademark of "放牛斑").

During the six months ended 30 June 2026, the Group derived substantially all of its revenue from the sales of tea leaves, tea snacks and tea ware. The revenue of the Group decreased by 7.2% from RMB672.9 million for the six months ended 30 June 2025 to RMB624.5 million for the six months ended 30 June 2026. The following table sets forth a breakdown of revenue by product category for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	RMB'000	**%**	RMB'000	%
Revenue contributed from:				
Sales of tea leaves	**435,378**	**69.7**	462,654	68.8
Sales of tea snacks	**93,326**	**15.0**	96,543	14.3
Sales of tea ware	**73,182**	**11.7**	86,943	12.9
Others[1]	**22,581**	**3.6**	26,803	4.0
Total	**624,467**	**100.0**	672,943	100.0

Notes:

(1) "Others" include revenue from restaurants, hotels, tourists, management services and catering management, beverage production and sales of pre-packaged food and liquor. The Group derived its revenue from these operations through the provision of accommodation, food and beverages and other ancillary services and ticket sales from its tea museums.

(2) Each of the figures is rounded up to one decimal place and may not add up due to rounding.

Revenue from sales of the Group's tea leaves decreased by 5.9% from RMB462.7 million for the six months ended 30 June 2025 to RMB435.4 million for the six months ended 30 June 2026. Revenue from sales of the Group's tea snacks decreased by 3.3% from RMB96.5 million for the six months ended 30 June 2025 to RMB93.3 million for the six months ended 30 June 2026. Revenue from sales of the Group's tea ware decreased by 15.8% from RMB86.9 million for the six months ended 30 June 2025 to RMB73.2 million for the six months ended 30 June 2026. The decrease in revenue across all three product categories were mainly due to weak consumer market.

As at 30 June 2026, the Group had approximately 140 self-owned retail outlets and 1,149 distributors' stores throughout Chinese Mainland which accounted for approximately 34.9% and 61.5% of the total revenue respectively, compared with approximately 145 self-owned retail outlets and 1,173 distributors' stores as at 31 December 2025.

Cost of sales

Cost of sales of the Group primarily comprises costs of inventories (mainly including costs of raw materials) and labour costs. Cost of sales of the Group decreased by 4.6% from RMB318.7 million for the six months ended 30 June 2025 to RMB303.9 million for the six months ended 30 June 2026, primarily due to a decrease in sales.

Gross profit and gross profit margin

As a result of decrease in revenue, gross profit of the Group decreased by 9.5% from RMB354.2 million for the six months ended 30 June 2025 to RMB320.5 million for the six months ended 30 June 2026, with gross profit margin decreased from 52.6% for the six months ended 30 June 2025 to 51.3% for the six months ended 30 June 2026 due to the increased share of wholesale revenue with thinner gross profit margin.

Distribution costs

The distribution costs of the Group decreased by 6.8% from RMB156.3 million for the six months ended 30 June 2025 to RMB145.7 million for the six months ended 30 June 2026. The decrease of distribution costs was primarily due to a decrease of self-owned retail outlets and cost control measures of the Group to reduce costs and increase efficiency.

Administrative expenses

Administrative expenses for the Group decreased by 7.3% from RMB127.2 million for the six months ended 30 June 2025 to RMB118.0 million for the six months ended 30 June 2026. The decrease was primarily due to further cost control measures on various aspects, including labour cost by effective use of human resources.

Other income

Other income of the Group increased by 46.1% from RMB9.3 million for the six months ended 30 June 2025 to RMB13.6 million for the six months ended 30 June 2026. The increase was primarily due to an increase in government grants and rental income.

Other gains/(losses) – net

Other gains of the Group was RMB3.5 million for the six months ended 30 June 2026, as compared to other losses of RMB0.7 million for the six months ended 30 June 2025, primarily due to foreign exchange gains.

Finance income

Finance income of the Group increased from RMB3.4 million for the six months ended 30 June 2025 to RMB4.3 million for the six months ended 30 June 2026, primarily due to an increase of interest income on bank deposits.

Finance costs

Finance costs of the Group increased by 3.6% from RMB12.5 million for the six months ended 30 June 2025 to RMB12.9 million for the six months ended 30 June 2026, reflecting an increase of foreign exchange losses.

Share of net profits of investments accounted for using the equity method

Share of net profits of investments accounted for using the equity method of the Group was a net profit amounting to RMB1.2 million and RMB1.3 million for the six months ended 30 June 2026 and 2025, respectively. The decrease was primarily due to a decrease in the profits from invested business.

Income tax expense

Income tax expense of the Group decreased by 18.5% from RMB23.1 million for the six months ended 30 June 2025 to RMB18.8 million for the six months ended 30 June 2026, primarily due to a decrease in the Group's profit before tax of subsidiaries located in Chinese Mainland. In addition, the effective tax rate of the Group decreased from 32.1% to 28.7%, primarily due to the decrease in the accumulated loss of unrecognised deferred income tax assets.

Profit for the period

As a result of the foregoing factors, the profit of the Group, all of which was attributable to the owners of the Company, decreased by RMB1.9 million, or 4.0%, from RMB48.7 million for the six months ended 30 June 2025 to RMB46.8 million for the six months ended 30 June 2026. Net profit margin of the Group increased from 7.2% for the six months ended 30 June 2025 to 7.5% for the six months ended 30 June 2026, primarily due to a decrease of distribution costs and administrative expenses.

Liquidity and capital resources

Cash position

The operations of the Group are capital intensive, and its liquidity requirements arise principally from the need for working capital to finance its operations and expansions. The Group has historically met its working capital and other capital requirements principally from cash generated from its operations, bank borrowings and capital contributions by its shareholders (the "**Shareholders**").

The Group's cash and cash equivalents increased by RMB194.2 million, or 38.0%, from RMB510.8 million as at 31 December 2025 to RMB705.0 million as at 30 June 2026, primarily due to cash generated from operations.

The Group had net cash inflow from operating activities of RMB171.2 million, net cash outflow from investing activities of RMB14.3 million and net cash inflow from financing activities of RMB40.8 million for the six months ended 30 June 2026.

Bank borrowings and gearing ratio

The Group had total bank borrowings of RMB647.8 million as at 30 June 2026 as compared to RMB495.6 million as at 31 December 2025. As at 30 June 2026, the weighted average effective interest rate of the Group's long-term and short-term bank borrowings was 2.24% and 2.15%, respectively; and the Group's bank borrowings in the amount of RMB647.8 million were denominated in RMB. Bank borrowings as at 30 June 2026 and those in corresponding period last year were charged at variable interest rates.

As at 30 June 2026, short-term bank borrowings of RMB647,840,000 were guaranteed by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, all of them are Directors, a relative of Mr. Lee Rie-Ho and the subsidiaries of the Company, either separately or jointly. As at 31 December 2025, short-term bank borrowings of RMB465,640,000 were guaranteed by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, all of them are the Directors, a relative of Mr. Lee Rie-Ho and the subsidiaries of the Company, either separately or jointly.

The Directors are of the view that the guarantee of bank borrowings of RMB647,840,000 as at 30 June 2026 by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin, being a form of financial assistance (as defined in the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")) for the benefit of the Group, was on normal commercial terms where no security over the assets of the Group was granted in respect of such financial assistance provided by Mr. Lee Rie-Ho, Mr. Lee Chia Ling and Mr. Lee Kuo-Lin. Accordingly, such guarantee is exempt from all reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

The Group regularly monitors its gearing ratio, which represents net debt as a percentage of total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) add lease liabilities less cash and cash equivalents. As at 30 June 2026, the gearing ratio of the Group was 4.0%, compared to 7.9% as at 31 December 2025. The decrease during the first half of 2026 was primarily due to a decrease of net debt.

Charge on Group assets

As at 30 June 2026, the Group had no assets charged for bank borrowings or for other purposes.

Working capital

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Trade and other receivables	**125,247**	177,390
Trade and other payables	**207,211**	265,114
Inventories	**830,860**	884,042
Trade receivables turnover days[1]	**59**	78
Trade payables turnover days[2]	**48**	54
Inventories turnover days[3]	**508**	527

Notes:

(1) *Trade receivables turnover days = the average of the beginning and ending trade receivables balances for the period, divided by revenue from wholesales to third-party retailers plus sales from the Group's self-owned retail points located in hypermarkets and department stores and sales through other sales channels mainly representing wholesales to other end customers for the period, multiplied by the number of days in the period.*

(2) *Trade payables turnover days = the average of the beginning and ending trade payables balances for the period, divided by cost of sales for the period, multiplied by the number of days in the period.*

(3) *Inventories turnover days = the average of the beginning and ending inventory balances for the period, divided by the cost of sales for the period, multiplied by the number of days in the period.*

The Group's trade and other receivables represent primarily balances due from third-party retailers. The Group's trade and other receivables decreased by RMB52.2 million from RMB177.4 million as at 31 December 2025 to RMB125.2 million as at 30 June 2026, primarily due to a decrease of revenue.

The Group's trade and other payables principally comprise payables to its raw material suppliers, employee benefit payables, other taxes payable, accrued operating expenses and advances from customers. The Group's trade and other payables decreased from RMB265.1 million as at 31 December 2025 to RMB207.2 million as at 30 June 2026, primarily due to a decrease in procurement volume.

The Group's inventories comprise raw materials (including packaging materials), work-in-progress and finished goods. The Group's inventories decreased from RMB884.0 million as at 31 December 2025 to RMB830.9 million as at 30 June 2026, because of a decrease in procurement volume.

As at 30 June 2026, the Group has sufficient working capital and financial resources to support its regular operations.

Details of the Group's borrowings and contract liabilities are set out in Notes 15 and 16 to the Interim Condensed Consolidated Financial Information.

Foreign exchange risk

The Group's normal operating activities are principally conducted in RMB, since all of its operating subsidiaries are based in the PRC. As at 30 June 2026, most of the operating entities' revenues, expenses, assets and liabilities were denominated in RMB. The Group's foreign exchange risk mainly arises from financing activities denominated in United States Dollars. The Directors are of the view that the Group does not have significant foreign currency risk.

Any future change of RMB will not adversely affect the value of any dividends the Group pays to its Shareholders. There are limited hedging instruments available in the PRC to reduce our exposure to exchange rate fluctuations between the RMB and other currencies. The Group currently does not engage in hedging activities designed or intended to manage such exchange rate risk.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2026.

Significant investment, material acquisitions or disposal of subsidiaries, associates and joint ventures

There was no significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 30 June 2026.

Future plans for material investments or capital assets

As at 30 June 2026, the Group did not have any plans for material investments or capital assets.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 3,142 employees, with 3,137 employees based in the PRC and 5 employees based in Hong Kong. For the six months ended 30 June 2026, the labour cost of the Group was RMB134.6 million, compared to RMB145.4 million for the corresponding period in 2025.

The Group's employee remuneration policy is determined by reference to factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisal once every year for its employees, the results of which are applied in annual salary review and promotional assessment. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisal results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute during the six months ended 30 June 2026.

Other Information

INTERIM DIVIDEND

At the Board meeting held on 17 August 2026, it was resolved that an interim dividend of HK$0.02 (equivalent to RMB0.017) per Share (2025 interim dividend: HK$0.02 (equivalent to RMB0.018) per Share) to be paid on or around 29 September 2026 to the Shareholders whose names appear on the Company's register of members on 7 September 2026 (i.e. record date). The dividend is intended to be ordinary in nature. The total amount of the dividend to be paid is approximately 50% of the consolidated after tax net profit of the Group for the six months ended 30 June 2026, which is similar to the basis of dividend paid for the same period last year.

The Company held no treasury shares (including any treasury shares held or deposited with Central Clearing and Settlement System ("**CCASS**")) as at the date of this interim report. Any treasury shares would not receive the dividend. If the Company repurchases any Shares before the ex-date for the dividend but has not withdrawn the Shares from CCASS for cancellation on or before the record date, the Company will instruct the Company's branch share registrar in Hong Kong, Union Registrars Limited, to exclude such repurchased Shares in determining the entitlements under the name of HKSCC Nominees Limited. The Company and its relevant broker will notify Hong Kong Securities Clearing Company Limited ("**HKSCC**") the number of such repurchased Shares held in CCASS, details of the broker and other information HKSCC may prescribe from time to time.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from 3 September 2026 to 7 September 2026, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to qualify for the interim dividend, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on 2 September 2026.

INTERESTS OR SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2026, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required, pursuant to Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, are as follows:

(i) Interests in the Company

Name of Director	Nature of interest	Number of securities[3]	Approximate percentage of shareholding[4]
Mr. Lee Rie-Ho[1]	Interest in a controlled corporation	188,789,000 (L)	17.44%
Mr. Lee Chia Ling[2]	Settlor of The KCL Trust	378,273,000 (L)	34.93%
	Personal interest/individual	76,926,028 (L)	7.10%
Mr. Lee Kuo-Lin[2]	Beneficiary of The KCL Trust	378,273,000 (L)	34.93%
Mr. Tseng Ming-Sung	Personal interest/individual	4,719,000 (L)	0.44%

Notes:

(1) As at 30 June 2026, Discerning Group Limited was wholly-owned by Mr. Lee Rie-Ho and Ms. Lee Tsai Li-Li as joint tenants, Mr. Lee Rie-Ho and Ms. Lee Tsai Li-Li were deemed to be interested in the Shares held by Discerning Group Limited for the purpose of the SFO.

*(2) The entire issued share capital of Trackson Investments Limited is held by Tiger Nature Holdings Limited ("**Tiger Nature**") which is in turn ultimately held by UBS TC (Jersey) Ltd. (through two nominee companies) as the trustee of The KCL Trust. The KCL Trust is a discretionary trust established by Mr. Lee Chia Ling as settlor on 12 April 2011. The beneficiaries of The KCL Trust include family members of Mr. Lee Chia Ling. Mr. Lee Chia Ling, Mr. Lee Kuo-Lin and Mr. Lee John L are deemed to be interested in 378,273,000 Shares held by The KCL Trust, Tiger Nature and Trackson Investments Limited pursuant to Part XV of the SFO. Ms. Zhou Nan-Nan is the spouse of Mr. Lee Chia Ling and is deemed to be interested in all the Shares of Mr. Lee Chia Ling by virtue of the SFO.*

(3) The letter "L" denotes long position in such Shares.

(4) There were 1,082,811,460 Shares in issue as at 30 June 2026, including 176,000 Shares repurchased for cancellation but not yet cancelled.

(ii) Interest in associated corporations

None of our Directors or chief executives has any interests or short positions in the Shares, underlying Shares and debentures of any associated corporations of the Company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS

As at 30 June 2026, to the best of the Directors' knowledge, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity in which interests are held	Number of Shares[5]	Approximate percentage of shareholding[6]
Discerning Group Limited[1]	Registered owner	188,789,000 (L)	17.44%
Ms. Lee Tsai Li-Li[1]	Interest in a controlled corporation	188,789,000 (L)	17.44%
UBS TC (Jersey) Ltd. [2] [3]	Trustee	378,273,000 (L)	34.93%
Trackson Investments Limited[2]	Registered owner	378,273,000 (L)	34.93%
Tiger Nature Holdings Limited[2]	Interest in a controlled corporation	378,273,000 (L)	34.93%
The KCL Trust[2]	Interest in a controlled corporation	378,273,000 (L)	34.93%
Mr. Lee John L[2]	Beneficiary of The KCL Trust	378,273,000 (L)	34.93%
Ms. Zhou Nan-Nan[2]	Interest as a spouse	455,199,028 (L)	42.04%
Spring Cheers Overseas Ltd.	Registered owner	90,379,023 (L)	8.35%
Mr. Tsai Shan Jen[4]	Beneficial owner	3,754,028 (L)	0.35%
	Interest in a controlled corporation	57,567,649 (L)	5.32%
Ming Feng Holdings Co., Limited[4]	Registered owner	57,567,649 (L)	5.32%

Notes:

(1) *As at 30 June 2026, Discerning Group Limited was wholly-owned by Mr. Lee Rie-Ho and Ms. Lee Tsai Li-Li as joint tenants, Mr. Lee Rie-Ho and Ms. Lee Tsai Li-Li were deemed to be interested in the Shares held by Discerning Group Limited for the purpose of the SFO.*

(2) *The entire issued share capital of Trackson Investments Limited is held by Tiger Nature which is in turn ultimately held by UBS TC (Jersey) Ltd. (through two nominee companies) as the trustee of The KCL Trust. The KCL Trust is a discretionary trust established by Mr. Lee Chia Ling as settlor on 12 April 2011. The beneficiaries of The KCL Trust include family members of Mr. Lee Chia Ling. Mr. Lee Chia Ling, Mr. Lee Kuo-Lin and Mr. Lee John L are deemed to be interested in 378,273,000 Shares held by The KCL Trust, Tiger Nature and Trackson Investments Limited pursuant to Part XV of the SFO. Ms. Zhou Nan-Nan is the spouse of Mr. Lee Chia Ling and is deemed to be interested in all the Shares of Mr. Lee Chia Ling by virtue of the SFO.*

(3) *UBS TC (Jersey) Ltd. is the trustee of The KCL Trust, it is deemed to be interested in 378,273,000 Shares held by The KCL Trust.*

(4) *Mr. Tsai Shan Jen was interested in 61,321,677 Shares, through (i) his personal interests in 3,754,028 Shares; and (ii) Ming Feng Holdings Co., Limited, wholly and beneficially owned by Mr. Tsai Shan Jen, which was interested in 57,567,649 Shares.*

(5) *The letter "L" denotes long position in such Shares.*

(6) *There were 1,082,811,460 Shares in issue as at 30 June 2026, including 176,000 Shares repurchased for cancellation but not yet cancelled.*

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. For the six months ended 30 June 2026, the Company has complied with the code provisions included in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules and there has been no deviation from the code provisions as set forth under the CG Code for the six months ended 30 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 the code for dealings in securities transactions by the Directors. Specific enquiries have been made with all Directors and they have confirmed their compliance with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULES 13.51(2) AND 13.51B(1) OF THE LISTING RULES

Save as disclosed in the 2025 annual report of the Company, (i) Mr. Lee Kwan Hung, Eddie has retired as an independent non-executive director of Ten Pao Group Holdings Limited (the shares of which are listed on the main board of the Stock Exchange (stock code: 1979)) on 12 June 2026; and (ii) Dr. Huang Wei has retired as an independent non-executive director of Tianqi Lithium Corporation (the shares of which are listed on the main board of the Stock Exchange (stock code: 9696) and the Shenzhen Stock Exchange (stock code: SZ.002466)) on 28 April 2026.

Save as mentioned above, there is no change in information of each Director that is required to be disclosed under Rules 13.51(2) and 13.51B(1) of the Listing Rules since the publication of the 2025 annual report of the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2026, the Company repurchased a total of 313,000 shares of the Company (the "**Shares**") on the Stock Exchange at an aggregate consideration of HK$858,730. On 5 January 2026 and 13 May 2026, respectively, 108,000 and 143,000 Shares repurchased were cancelled. There were 176,000 Shares repurchased for cancellation but not yet cancelled as at 30 June 2026. Subsequently, the Company had repurchased a total of 36,000 Shares at an aggregate consideration of HK$96,900 in July 2026 and on 8 July 2026, 179,000 Shares repurchased were cancelled. As at the date of this interim report, there were 33,000 Shares repurchased for cancellation but not yet cancelled. There are no treasury shares (as defined under the Listing Rules) held by the Company as at 30 June 2026 and the date of this interim report.

Details of the Share repurchases during the six months ended 30 June 2026 are as follows:

		Purchase price paid per Share		
Month	**Total number of Shares repurchased**	**Highest** (HK$)	**Lowest** (HK$)	**Aggregate consideration** (HK$)
2026				
January	56,000	2.73	2.50	144,970
March	18,000	2.95	2.89	52,570
April	52,000	2.90	2.84	149,300
May	46,000	2.88	2.83	131,040
June	141,000	2.84	2.62	380,850
	313,000			858,730

The Board considers that the current trading price of the Shares does not reflect their intrinsic value. The Board believes that the Share repurchases reflected the Company's confidence in its long-term business prospects and would ultimately benefit the Company and create value for the Shareholders. The Board also believes that the Company's strong financial position will enable it to conduct the Share repurchases while maintaining a solid financial position for the continuation of the Company's business and growth in the current financial year.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) during the six months ended 30 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained adequate public float during the six months ended 30 June 2026.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the six months ended 30 June 2026 and up to the date of this interim report, no significant events that are relevant to the business or financial performance of the Group have come to the attention of the Directors.

AUDIT COMMITTEE

The Company has an audit committee (the "**Audit Committee**") which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and risk management and internal control systems. The Audit Committee comprises four members, including three independent non-executive Directors and one non-executive Director, namely Mr. Lo Wah Wai, Dr. Huang Wei, Mr. Lee Kwan Hung, Eddie and Mr. Tseng Ming-Sung. The Audit Committee and the Company's management have reviewed the accounting principles and practices adopted by the Group, and discussed risk management, internal control and financial reporting matters. The unaudited interim results and the interim report of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee. The interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 have also been reviewed by PricewaterhouseCoopers, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Other Information

PUBLICATION OF INTERIM REPORT

This interim report is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.tenfu.com). This interim report will be in due course made available for review on the aforesaid websites.

For and on behalf of the Board

Tenfu (Cayman) Holdings Company Limited

Lee Rie-Ho

Chairman

Hong Kong, 17 August 2026

Interim condensed consolidated balance sheet

As at 30 June 2026

	Note	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	597,783	610,550
Right-of-use assets	7	349,324	380,705
Investment properties	6	62,630	61,029
Intangible assets	6	2,993	3,039
Investments accounted for using the equity method	8	8,073	8,421
Deferred income tax assets		50,042	46,160
Prepayments – non-current portion	9	–	7,905
Long-term time deposits, with original maturity over one year	11	40,000	50,000
		1,110,845	1,167,809
Current assets			
Inventories	10	830,860	884,042
Trade and other receivables	9	125,247	177,390
Prepayments	9	84,097	97,721
Financial assets at fair value through profit or loss		4,306	4,099
Time deposits	11	77,811	73,000
Restricted cash	11	1,136	728
Cash and cash equivalents	11	705,000	510,835
		1,828,457	1,747,815
Total assets		2,939,302	2,915,624

Interim condensed consolidated balance sheet

As at 30 June 2026

	Note	**As at 30 June 2026 Unaudited RMB'000**	As at 31 December 2025 Audited RMB'000
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital	12	89,019	89,039
Treasury shares	12	(420)	(295)
Other reserves	13	15,939	16,552
Retained earnings		1,641,238	1,679,698
Total equity		1,745,776	1,784,994
LIABILITIES			
Non-current liabilities			
Borrowings	15	–	30,000
Lease liabilities	7	90,399	111,118
Deferred income on government grants		39,340	40,167
Deferred income tax liabilities		74,262	71,835
Other non-current liabilities		6,000	6,000
		210,001	259,120

Interim condensed consolidated balance sheet

As at 30 June 2026

	Note	**As at 30 June 2026 Unaudited RMB'000**	As at 31 December 2025 Audited RMB'000
Current liabilities			
Trade and other payables	14	207,211	265,114
Current income tax liabilities		41,724	46,553
Borrowings	15	647,840	465,640
Contract liabilities	16	49,811	49,834
Lease liabilities	7	36,939	44,369
		983,525	871,510
Total liabilities		1,193,526	1,130,630
Total equity and liabilities		2,939,302	2,915,624

Interim condensed consolidated statement of comprehensive income

For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026 Unaudited RMB'000	2025 Unaudited RMB'000
Revenue	5	624,467	672,943
Cost of sales		(303,919)	(318,722)
Gross profit		320,548	354,221
Distribution costs		(145,663)	(156,275)
Administrative expenses		(117,966)	(127,243)
Net impairment (losses)/reversal on financial assets		(971)	308
Other income	17	13,587	9,299
Other gains/(losses) – net	18	3,465	(702)
Operating profit		73,000	79,608
Finance income	19	4,277	3,396
Finance costs	19	(12,922)	(12,473)
Finance costs – net	19	(8,645)	(9,077)
Share of net profits of investments accounted for using the equity method		1,241	1,299
Profit before income tax		65,596	71,830
Income tax expense	21	(18,815)	(23,083)
Profit for the period attributable to the shareholders of the Company		46,781	48,747
Other comprehensive income for the period		–	–
Total comprehensive income for the period attributable to the shareholders of the Company		46,781	48,747
Earnings per share for profit attributable to the shareholders of the Company			
– Basic earnings per share	22	RMB0.04	RMB0.04
– Diluted earnings per share	22	RMB0.04	RMB0.04

Interim condensed consolidated statement of changes in equity

For the six months ended 30 June 2026

		Unaudited					
		Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025		89,176	–	(3,028)	10,778	1,668,500	1,765,426
Profit and total comprehensive income for the six months ended 30 June 2025		–	–	–	–	48,747	48,747
Repurchase of shares	12	–	–	(1,857)	–	–	(1,857)
Cancellation of shares	12,13	(99)	–	4,180	(4,087)	–	(6)
Final dividend for 2024	23	–	–	–	–	(80,411)	(80,411)
Balance at 30 June 2025		89,077	–	(705)	6,691	1,636,836	1,731,899
Balance at 1 January 2026		89,039	–	(295)	16,552	1,679,698	1,784,994
Profit and total comprehensive income for the six months ended 30 June 2026		–	–	–	–	46,781	46,781
Repurchase of shares	12	–	–	(758)	–	–	(758)
Cancellation of shares	12,13	(20)	–	633	(613)	–	–
Final dividend for 2025	23	–	–	–	–	(85,241)	(85,241)
Balance at 30 June 2026		89,019	–	(420)	15,939	1,641,238	1,745,776

Interim condensed consolidated cash flow statements

For the six months ended 30 June 2026 (unaudited)

	Note	Six months ended 30 June **2026** **Unaudited** **RMB'000**	2025 Unaudited RMB'000
Cash flows from operating activities			
Cash generated from operations		203,907	322,750
Interest paid		(7,585)	(8,540)
Income tax paid		(25,100)	(22,252)
Net cash inflow from operating activities		171,222	291,958
Cash flows from investing activities			
Acquisition of an associate		(247)	–
Purchase of property, plant and equipment	6	(25,119)	(9,723)
Purchase of land use rights		(4,884)	–
Changes in investments in time deposits with maturity more than three months	11	5,189	(25,000)
Proceeds from disposal of property, plant and equipment and intangible assets		1,410	2,725
Interest received		6,278	3,012
Dividends received from a joint venture		1,710	1,714
Dividends received from associates		1,383	1,287
Net cash outflow from investing activities		(14,280)	(25,985)
Cash flows from financing activities			
Repurchase of shares of the Company		(758)	(1,863)
Proceeds from borrowings		891,684	443,333
Repayments of borrowings		(739,484)	(415,520)
Principal elements of lease payments		(24,951)	(32,746)
Changes in restricted cash	11	(450)	24,130
Dividends paid to the shareholders of the Company	23	(85,241)	(80,411)
Net cash inflow/(outflow) from financing activities		40,800	(63,077)
Net increase in cash and cash equivalents		197,742	202,896
Effect of foreign exchange rate changes		(3,577)	(1,022)
Cash and cash equivalents at beginning of the period		510,835	340,492
Cash and cash equivalents at end of the period	11	705,000	542,366

Notes to the interim condensed consolidated financial information

For the six months ended 30 June 2026 (unaudited)

1 GENERAL INFORMATION

Tenfu (Cayman) Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") are engaged in the classification, packaging and sales of tea leaves, manufacture and sales of tea snacks, sales of tea ware and sales of pre-packaged food. The Group has manufacturing plants in Fujian Province, Sichuan Province, Guangxi Zhuang Autonomous Region, Guizhou Province and Zhejiang Province, the People's Republic of China (the "PRC") and sells mainly to customers located in the PRC.

The Company was incorporated in the Cayman Islands on 22 April 2010 as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's ordinary shares have been listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 26 September 2011.

This interim condensed consolidated financial information is presented in Renminbi ("RMB"), unless otherwise stated. This interim condensed consolidated financial information has been approved for issue by the Company's board of directors (the "Board") on 17 August 2026.

This interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the half-year reporting period ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

2 BASIS OF PREPARATION (CONTINUED)

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

A number of new or amended standards and interpretations became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

		Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026

2 BASIS OF PREPARATION (CONTINUED)

(b) The following standards and interpretations have been issued but were not mandatory for annual reporting periods ending on 31 December 2026 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS 21 (Amendments)	Amendments to translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
HKFRS 10 and HKAS 28 (Amendments)	Amendments to sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for HKFRS 18 which will mainly impact the presentation of the consolidated profit or loss.

2 BASIS OF PREPARATION (CONTINUED)

HKFRS 18 will replace HKAS 1 "Presentation of Financial Statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the profit or loss into the new categories will impact how operating profit is calculated and reported, such as the rental income and fair value gains/losses.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

From a cash flow statement perspective, there will be changes to how interest paid is presented. Interest paid will be presented as financing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information will be restated in accordance with HKFRS 18.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2025.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management 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.

There have been no changes in the risk management department since 2025 year end or in any risk management policies.

4.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by maintaining adequate amount of cash and cash equivalents.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 Liquidity risk (continued)

As at 30 June 2026	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings	647,840	–	–	–	647,840
Interest payments on borrowings (note)	5,902	–	–	–	5,902
Lease liabilities	37,811	35,306	36,279	24,003	133,399
Trade and other payables	164,833	–	–	–	164,833
Other payables	–	–	–	6,000	6,000
	856,386	35,306	36,279	30,003	957,974

As at 31 December 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings	465,640	30,000	–	–	495,640
Interest payments on borrowings (note)	5,708	672	–	–	6,380
Lease liabilities	45,475	42,358	44,385	30,737	162,955
Trade and other payables	213,042	–	–	–	213,042
Other payables	–	–	–	6,000	6,000
	729,865	73,030	44,385	36,737	884,017

Note: The interest payments on borrowings are calculated based on borrowings held as at 30 June 2026 and 31 December 2025 respectively (excluding the accrued interest payable balance already in trade and other payables) without taking into account future borrowings.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation

The table below analyses the Group's financial instruments and investment properties carried at fair value as at 30 June 2026 by valuation method. The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (e.g. publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 30 June 2026 and 31 December 2025.

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
FVPL		
– Level 1	154	289
– Level 3	4,152	3,810
	4,306	4,099

During the six months ended 30 June 2026, there are no transfers among levels of the fair value hierarchy used in measuring the fair value of financial instruments, and also no changes in the classification of financial assets as a result of a change in the purpose or use of those assets.

Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the periods ended 30 June 2026 and 31 December 2025:

	Wealth management product
Opening balance as at 1 January 2025	3,091
Losses recognised in other losses	719
Closing balance 31 December 2025	3,810
Gains recognised in other losses	342
Closing balance as at 30 June 2026	4,152

As at 30 June 2026 and 31 December 2025, the carrying amounts of financial assets at fair value through profit or loss approximated their fair values.

5 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the business from a product perspective. The Board assesses the performance of the operating segments based on a measure of segment profit or loss.

The reportable operating segments derive their revenue primarily from the classification, packaging and sales of tea leaves, manufacture and sales of tea snacks, and sales of tea ware.

Others include revenue from restaurants, hotels, tourists, management services and catering management, beverage production and sales of pre-packaged food and liquor. These are not included within the reportable operating segments as they are not presented separately in the reports provided to the Board.

No geographical segment information is presented as almost all the sales and operating profits of the Group are derived within the PRC and almost all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

The Board assesses the performance of the operating segments based on a measure of adjusted operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the interim condensed consolidated financial information. The common administrative expenses, other gains or losses, other income, financing (including finance costs and interest income), share of results of investments accounted for using the equity method and income taxes are managed on a group basis and are not allocated to operating segments.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets consist primarily of right-of-use assets, property, plant and equipment, intangible assets, inventories, trade and other receivables, prepayments, as well as time deposits, cash and cash equivalents and restricted cash held by subsidiaries in Chinese Mainland. They exclude investment properties, deferred income tax assets and prepaid tax, as well as time deposits, cash and cash equivalents and restricted cash held by the Company and overseas subsidiaries.

Segment liabilities comprise operating liabilities. They exclude deferred income tax liabilities, current income tax liabilities, dividends payable and other payables due to related parties and directors' and senior management's emoluments payable.

Revenue of the Group consists of the following revenue for the six months ended 30 June 2026 and 2025. All revenue is derived from external customers.

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	RMB'000
Sales of tea leaves	435,378	462,654
Sales of tea snacks	93,326	96,543
Sales of tea ware	73,182	86,943
Others	22,581	26,803
	624,467	672,943

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2026:

	Unaudited				
	Tea leaves RMB'000	**Tea snacks** RMB'000	**Tea ware** RMB'000	**Others** RMB'000	**Total** RMB'000
Segment revenue	435,378	93,326	73,182	22,581	624,467
Segment cost of goods sold	(203,256)	(46,889)	(44,142)	(9,632)	(303,919)
Segment results	54,613	8,554	4,529	1,536	69,232
Unallocated administrative expenses					(13,284)
Other income					13,587
Other gains – net					3,465
Finance costs – net					(8,645)
Share of net profits of investments accounted for using the equity method					1,241
Profit before income tax					65,596
Income tax expense					(18,815)
Profit for the period					46,781

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment items included in the interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2026:

	Unaudited					
	Tea leaves	**Tea snacks**	**Tea ware**	**Others**	**Unallocated**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of property, plant and equipment	21,890	5,966	3,080	1,175	6,503	38,614
Depreciation of investment properties	1,380	349	359	–	876	2,964
Depreciation and amortisation of right-of-use assets	23,155	4,853	3,649	353	–	32,010
Amortisation of intangible assets	2	–	–	–	44	46
Losses on disposal of property, plant and equipment, net	289	36	42	–	–	367

The segment assets and liabilities as at 30 June 2026 are as follows:

	Unaudited					
	Tea leaves	**Tea snacks**	**Tea ware**	**Others**	**Unallocated**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	1,842,029	285,462	353,320	227,472	231,019	2,939,302
Segment liabilities	562,420	95,370	65,531	7,257	462,948	1,193,526

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2025:

	Unaudited				
	Tea leaves RMB'000	Tea snacks RMB'000	Tea ware RMB'000	Others RMB'000	Total RMB'000
Segment revenue	462,654	96,543	86,943	26,803	672,943
Segment cost of goods sold	(208,075)	(47,374)	(51,169)	(12,104)	(318,722)
Segment results	66,458	9,073	6,356	1,843	83,730
Unallocated administrative expenses					(12,719)
Other income					9,299
Other losses – net					(702)
Finance costs – net					(9,077)
Share of net profits of investments accounted for using the equity method					1,299
Profit before income tax					71,830
Income tax expense					(23,083)
Profit for the period					48,747

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment items included in the interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2025:

	Unaudited					
	Tea leaves RMB'000	Tea snacks RMB'000	Tea ware RMB'000	Others RMB'000	Unallocated RMB'000	Total RMB'000
Depreciation of property, plant and equipment	20,138	5,988	3,310	1,248	6,258	36,942
Depreciation of investment properties	1,204	308	308	–	830	2,650
Depreciation and amortisation of right-of-use assets	25,239	5,196	4,496	916	–	35,847
Amortisation of intangible assets	22	3	4	–	214	243
Losses on disposal of property, plant and equipment, net	291	46	50	–	–	387

The segment assets and liabilities as at 31 December 2025 are as follows:

	Audited					
	Tea leaves RMB'000	Tea snacks RMB'000	Tea ware RMB'000	Others RMB'000	Unallocated RMB'000	Total RMB' 000
Segment assets	1,826,360	269,747	327,591	203,576	288,350	2,915,624
Segment liabilities	582,087	107,860	83,236	7,729	349,718	1,130,630

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Accounting policies of revenue recognition

Sales of goods – wholesale

The Group processes/manufactures and sells a range of tea products in the wholesale market. Revenue from the sales of goods is recognised when control of the goods has been transferred to the wholesaler, which usually happens when the products have been shipped to the specific location and the wholesaler accepts the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products.

Customers have a right to return faulty products in the wholesale market. Sales are recorded based on the price specified in the sales contracts, net of returns at the time of sale. Accumulated experience is used to estimate and provide for the returns. No element of financing is deemed present as the sales are made with a credit term of 140 days, which is consistent with the market practice.

Sales of goods – retail

The Group operates a chain of retail outlets for selling tea products. Sale of goods are recognised when control of the goods have been transferred to the customer once a group entity sells a product to a customer. Retail sales are usually settled in cash or through payment platforms such as Alipay or WeChat Pay.

It is the Group's policy to sell its products to the retail customer with a right to return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

Sales from hotel accommodation, restaurant and tourist services

Sales from hotel accommodation, restaurant, tourist and other ancillary services are recognised when the services are rendered.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Accounting policies of revenue recognition (continued)

Investment property rental income

Rental income from operating leases is recognised as income on a straight-line basis over the lease term. When the Group provides incentives to its customers, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Customer loyalty programmes

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to redeem the Group's products. The reward points are recognised as a separately identifiable component of the initial sale transaction by allocating the fair value of the consideration received between the reward points and the other components of the sale such that the reward points are initially recognised as deferred income at their fair value. Revenue from the reward points is recognised when the points are redeemed. Unused reward points will expire after one year.

6 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000	Investment properties RMB'000	Intangible assets RMB'000
Six months ended 30 June 2026 (unaudited)			
Opening net book amount as at 1 January 2026	610,550	61,029	3,039
Additions	33,557	–	–
Transfer	(5,933)	4,565	–
Disposals	(1,777)	–	–
Depreciation and amortisation	(38,614)	(2,964)	(46)
Closing net book amount as at 30 June 2026	597,783	62,630	2,993
Six months ended 30 June 2025 (unaudited)			
Opening net book amount as at 1 January 2025	669,973	66,404	3,449
Additions	7,667	–	–
Disposals	(3,111)	–	(1)
Depreciation and amortisation	(36,942)	(2,650)	(243)
Closing net book amount as at 30 June 2025	637,587	63,754	3,205

6 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS (CONTINUED)

As at 30 June 2026, the fair value of the investment properties is RMB72,726,000 (31 December 2025: RMB75,070,000), with carrying amount of RMB62,630,000 (31 December 2025: RMB61,029,000). At the end of each reporting period, the Group updates the assessment of the fair value of each investment property, taking into account the most recent independent valuations.

The Group determines a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Group considers information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Impairment tests for goodwill

The intangible assets as at 30 June 2026 and 31 December 2025 include goodwill of RMB1,078,000 which arose from the acquisition of Anxi Tianfu Tea Co., Ltd. ("Anxi Tianfu") during the year 2021, as well as goodwill of RMB1,740,000 which arose from the acquisition of Xiamen Tianqia Catering Management Co., Limited ("Tian Qia") during the year 2013.

Management reviews the business performance based on type of business. Goodwill is monitored by the management at the operating segment level.

6 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

In the year ended 31 December 2025 and the six months ended 30 June 2026, goodwill which arose from the acquisition of Anxi Tianfu is allocated to tea leaves segment, and goodwill which arose from the acquisition of Tian Qia is allocated to the business of catering management, beverage production and sales of pre-packaged food, which did not qualify as a reportable operating segment.

The recoverable amount of a CGU is determined based on value-in-use calculations. Management believes that the tea leaves business requires continued investment in brand building as well as enlarging the sales network to achieve long term profit growth. These calculations use cash flow projections based on financial forecast approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the retail businesses in which the CGU operates.

Key assumptions used for value-in-use calculations for the six months ended 30 June 2026 and the year 2025 are as follows:

	Tea leaves	Others
– Gross margin	52%	36%
– Long term growth rate	2%	2%
– Discount rate	12%	12%

Management determined forecasted gross margins based on past performance and its expectations for market development. The long term growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflects specific risks relating to the Group's business. Management determined no impairment loss were charged to this interim condensed consolidated financial information.

Based on management's assessment and up to 30 June 2026, no impairment charge was made on the goodwill.

7 LEASES

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Right-of-use assets		
– Land use rights	230,638	230,888
– Retail shops	118,686	149,817
	349,324	380,705
Lease liabilities		
– Current	36,939	44,369
– Non-current	90,399	111,118
	127,338	155,487

7 LEASES

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Unaudited					
	Six months ended 30 June					
	2026			2025		
	Retail Shops RMB'000	**Land use rights RMB'000**	**Total RMB'000**	Retail Shops RMB'000	Land use rights RMB'000	Total RMB'000
Depreciation and amortisation charge of right-of-use assets (Note 20)						
Distribution costs	23,574	5,296	28,870	25,412	5,484	30,896
Administrative expenses	1,935	156	2,091	3,355	156	3,511
Cost of sales	–	1,049	1,049	–	1,440	1,440
	25,509	6,501	32,010	28,767	7,080	35,847
Interest expense (including in finance cost) (Note 19)			2,423			3,386
Expense relating to short-term leases			5,200			8,289
Total charges to the statement of comprehensive income			39,633			47,522

The total cash outflow for leases during the period was RMB24,951,000(30 June 2025: RMB32,746,000).

8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the balance sheet are as follows:

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Joint ventures	6,473	7,212
Associates	1,600	1,209
	8,073	8,421

The carrying amount of equity-accounted investments has changed as follows in the six months to 30 June 2026:

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000
Beginning of the period	8,421	7,957
Addition	247	–
Share of net profits	1,241	1,299
Cash dividends declared	(1,836)	(2,017)
End of the period	8,073	7,239

9 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

(i) Trade and other receivables

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Trade receivables due from third parties	109,606	154,035
Trade receivables due from related parties (Note 24(b))	7,295	7,222
Total trade receivables	116,901	161,257
Less: provision for impairment	(3,498)	(2,527)
Trade receivables, net	113,403	158,730
Interest receivable on time deposits	4,748	6,749
Dividend receivable from investment in associates	–	1,257
Others	7,096	10,654
	11,844	18,660
Trade and other receivables	125,247	177,390

Most of the Group's sales are settled in cash or in bills by its customers. Credit sales are made to selected customers with good credit history with a credit term of 140 days.

9 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(i) Trade and other receivables (continued)

The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Up to 140 days	99,456	143,699
141 days to 6 months	8,530	7,195
6 months to 1 year	4,929	6,503
1 year to 2 years	1,989	2,653
Over 2 years	1,997	1,207
	116,901	161,257

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

9 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(ii) Prepayments

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Non-current		
Prepayments for property, plant and equipment	–	7,905
Current		
Prepayments for lease of property and lease deposits	15,136	16,151
Prepayments to related parties (Note 24(b))	543	10,497
Prepayments for raw materials and packaging materials	44,031	51,985
Tax recoverable	24,387	19,088
	84,097	97,721
	84,097	105,626

10 INVENTORIES

Accounting policies of inventories

Raw materials and packaging materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined using the moving weighted average cost method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Raw materials and packaging materials	269,318	292,856
Work in progress	232,430	237,726
Finished goods	329,112	353,460
	830,860	884,042

11 CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED CASH

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Long-term time deposits, with original maturity over one year	40,000	50,000
Time deposits	77,811	73,000
Restricted cash	1,136	728
Cash and cash equivalents	705,000	510,835
Total cash at bank and on hand	823,947	634,563

The weighted average effective interest rate on cash placed with banks and deposits for the six months ended 30 June 2026 was 1.17% per annum (six months ended 30 June 2025: 1.34% per annum).

As at 30 June 2026, the Company pledged time deposits of RMB686,000 (31 December 2025: RMB728,000) as collateral for certain transactions agreed between the bank and the Company.

As at 30 June 2026, a subsidiary of the Group pledged time deposits of RMB450,000 as collateral for issue of notes payable amounting to RMB1,500,000.

12 SHARE CAPITAL AND TREASURY SHARES

	Unaudited				
	Number of authorised shares (thousands)	Number of issued shares (thousands)	Ordinary shares (nominal value) RMB'000	Treasury shares RMB'000	Total RMB'000
At 1 January 2025	8,000,000	1,084,730	89,176	(3,028)	86,148
Repurchase of shares	–	–	–	(1,857)	(1,857)
Cancellation of shares	–	(1,198)	(99)	4,180	4,081
At and 30 June 2025	8,000,000	1,083,532	89,077	(705)	88,372
At 1 January 2026	8,000,000	1,083,062	89,039	(295)	88,744
Repurchase of shares	–	–	–	(758)	(758)
Cancellation of shares	–	(251)	(20)	633	613
At and 30 June 2026	8,000,000	1,082,811	89,019	(420)	88,599

(i) Details of treasury shares

	Number of issued shares (thousands)
At 1 January 2025	834
Repurchase of shares	603
Cancellation of shares	(1,198)
At 30 June 2025	239
At 1 January 2026	114
Repurchase of shares	313
Cancellation of shares	(251)
At 30 June 2026	176

12 SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(i) Details of treasury shares (continued)

The Company repurchased 603,000 ordinary shares of its own through the Stock Exchange from 1 January 2025 to 30 June 2025. The total value of shares repurchased was approximately HKD 2,014,000 (approximately RMB1,857,000) and has been deducted from shareholders' equity, and the actual payment made for the repurchase was RMB1,863,000 due to the directly attributable incremental costs for shares repurchased before the shares are cancelled.

As at 30 June 2025, the Company cancelled 1,198,000 shares. After the cancellation, the Company's ordinary shares in issue were reduced from 1,084,730,460 to 1,083,532,460. The amount of share capital was deducted accordingly.

The Company repurchased 313,000 ordinary shares of its own through the Stock Exchange from 1 January 2026 to 30 June 2026. The total value of shares repurchased was approximately HKD 864,000 (approximately RMB758,000) and has been deducted from shareholders' equity, and the actual payment made for the repurchase was RMB758,000 due to the directly attributable incremental costs for shares repurchased before the shares are cancelled.

As at 30 June 2026, the Company cancelled 251,000 shares. After the cancellation, the Company's ordinary shares in issue were reduced from 1,083,062,460 to 1,082,811,460. The amount of share capital was deducted accordingly.

13 OTHER RESERVES

	Unaudited				
	Merger reserve	Capital reserve	Statutory reserve	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	278,811	231	361,002	(629,266)	10,778
Cancellation of shares	–	–	–	(4,087)	(4,087)
At 30 June 2025	278,811	231	361,002	(633,353)	6,691
At 1 January 2026	278,811	231	372,183	(634,673)	16,552
Cancellation of shares	–	–	–	(613)	(613)
At 30 June 2026	278,811	231	372,183	(635,286)	15,939

During the six months ended 30 June 2026, the Company cancelled 251,000 shares (six months ended 30 June 2025: 1,198,000 shares) repurchased, resulted in a reduction to other reserve by RMB613,000 (six months ended 30 June 2025: RMB4,087,000) including the expenses attributable to the cancellation.

14 TRADE AND OTHER PAYABLES

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Trade payables – due to third parties	42,432	68,584
Trade payables – due to related parties (Note 24(b))	14,907	36,152
Total trade payables	57,339	104,736
Notes payable	1,500	–
Payables for property, plant and equipment	1,628	1,628
Employee benefit payables	19,845	30,645
Other taxes payable	22,533	21,427
Deposits	85,130	87,264
Others	19,236	19,414
	207,211	265,114

The ageing analysis of trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Up to 6 months	57,027	93,596
6 months to 1 year	38	10,858
1 year to 2 years	–	25
Over 2 years	274	257
	57,339	104,736

15 BORROWINGS

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Long-term bank borrowings		
– Guaranteed and unsecured	19,800	30,000
Less: Long-term borrowings to be settled within one year	(19,800)	–
Total guaranteed and unsecured	–	30,000
Short-term bank borrowings		
– Guaranteed and unsecured	628,040	465,640
Add: Long-term borrowings to be settled within one year	19,800	–
Total guaranteed and unsecured(i)	647,840	465,640
– Unguaranteed and unsecured	–	–
Total short-term bank borrowings	647,840	465,640
Total borrowings	647,840	495,640

(i) As at 30 June 2026, short-term bank borrowings of RMB647,840,000 (31 December 2025: RMB465,640,000) were guaranteed by Mr. LEE Rie-Ho, Mr. LEE Chia Ling, Mr. LEE Kuo-Lin, all of them are directors of the Company, a relative of Mr. LEE Rie-Ho and the subsidiaries of the Company, either separately or jointly.

16 CONTRACT LIABILITIES

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
Advance receipts from customers	39,836	39,764
Deferred revenue: customer loyalty programme	9,975	10,070
	49,811	49,834

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to redeem products of the Group in the future. Accordingly certain portion of the revenue from sale transaction is required to be deferred. Revenue from the reward points is recognised when the points are redeemed. Unused reward points will expire within one year.

17 OTHER INCOME

	Six months ended 30 June	
	2026 Unaudited RMB'000	2025 Unaudited RMB'000
Government grants	6,166	2,862
Income from investment properties	7,061	6,114
Others	360	323
	13,587	9,299

18 OTHER GAINS/(LOSSES) – NET

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	RMB'000
Losses on disposal of property, plant and equipment, net	(367)	(387)
Net foreign exchange gains/(losses)	3,625	(236)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	207	(79)
	3,465	(702)

19 FINANCE COSTS – NET

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	RMB'000
Finance income		
– Interest income on bank deposits	4,277	3,396
Total finance income	4,277	3,396
Finance costs		
– Interest expenses on bank borrowings	(7,413)	(8,512)
– Less: amounts capitalised in qualifying assets	533	447
– Interest expenses on lease liabilities (Note 7)	(2,423)	(3,386)
– Net foreign exchange losses	(3,619)	(1,022)
Total finance costs	(12,922)	(12,473)
Net finance costs	(8,645)	(9,077)

20 DEPRECIATION AND AMORTISATION EXPENSES

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	RMB'000
Depreciation of investment properties	2,964	2,650
Depreciation and amortisation of right-of-use assets	32,010	35,847
Depreciation of property, plant and equipment	38,614	36,942
Amortisation of intangible assets	46	243

21 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	RMB'000
Current income tax		
– PRC corporate income tax	20,270	20,140
Deferred income tax	(1,455)	2,943
Income tax expense	18,815	23,083

(i) Cayman Islands profits tax

The Company is not subject to any taxation in the Cayman Islands.

(ii) Hong Kong profits tax

For the six months ended 30 June 2026 and 2025, Hong Kong profits tax has not been provided for subsidiaries incorporated in Hong Kong as these subsidiaries did not have estimated assessable profit for the period.

21 INCOME TAX EXPENSE (CONTINUED)

(iii) PRC corporate income tax ("CIT")

For the six months ended 30 June 2026 and 2025, the applicable corporate income tax rate for Chinese Mainland subsidiaries is 25% except for subsidiaries which are qualified as small and micro enterprises and would be entitled to enjoy a beneficial tax rate of 5%.

(iv) PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their PRC subsidiaries declare dividends out of their profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies, including those incorporated in Hong Kong.

Such withholding tax is recorded under deferred income tax. For the six months ended 30 June 2026, Tenfu (Hong Kong) Holdings Co., Ltd., a subsidiary of the Company, applied 5% withholding tax rate (the six months ended 30 June 2025: 5%), on its estimate of deferred income tax. Ten Rui (Hong Kong) Sales Holdings Co., Ltd., a subsidiary of the Company, applied 5% withholding tax rate (the six months ended 30 June 2025: 5%), on its estimate of deferred income tax.

21 INCOME TAX EXPENSE (CONTINUED)

(v) The Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules

The Group has operations mainly in Chinese Mainland, Hong Kong, Cayman Islands and British Virgin Islands. It is within the scope of the OECD Pillar Two model rules. The Pillar Two model rules in Hong Kong came into effect from 1 January 2025. As of the reporting date, there is no public announcement in jurisdictions including Chinese Mainland, Cayman Islands and British Virgin Islands.

The Group has performed an assessment of the potential exposure of the Group with respect to Pillar Two Global Anti-Base Erosion Proposal ("GloBE") Rules. The assessment is based on the most recently available financial information and financial performance. The Group has estimated that the potential exposure for the reporting period ended 30 June 2026 is immaterial.

22 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
Profit attributable to the shareholders of the Company (RMB'000)	46,781	48,747
Weighted average number of ordinary shares in issue ('000)	1,082,839	1,083,698
Basic earnings per share (RMB)	0.04	0.04

Diluted earnings per share for the six months ended 30 June 2026 and 2025 were the same as the basic earnings per share as there were no dilutive instruments during the periods.

23 DIVIDENDS

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	RMB'000
Interim dividend declared	18,408	19,504

An interim dividend for 2026 of HKD2 cents (equivalent to RMB1.7 cents) (interim dividend for 2025: HKD2 cents (equivalent to RMB1.8 cents)) per share was declared by the Board on 17 August 2026 using RMB18,408,000 of the retained earnings (interim dividend for 2025: RMB19,504,000). This interim dividend, amounting to HKD21,656,000 (equivalent to RMB18,408,000) (interim dividend for 2025: HKD21,671,000 (equivalent to RMB19,504,000)), has not been recognised as liability in this interim condensed consolidated financial information. It will be reflected as an appropriation of retained earnings for the year ending 31 December 2026. Similarly, the interim dividend for 2025 declared by the Board on 18 August 2025 was reflected as an appropriation of retained earnings for the year ended 31 December 2025 after 30 June 2025.

The final dividend for 2025 of HKD102,478,000 (equivalent to RMB90,807,000) and the one for 2024 of HKD86,778,000 (equivalent to RMB80,411,000) had been reflected as an appropriation of retained earnings for the six months ended 30 June 2026 and 2025 respectively after obtaining the approval from the shareholders at the Company's annual general meeting held on 11 May 2026 and 9 May 2025 respectively.

The dividend paid in the six months ended 30 June 2026 were RMB85,241,000 (six months ended 30 June 2025: RMB80,411,000).

24 RELATED-PARTY TRANSACTIONS

The Group is controlled by Mr. Lee Rie-Ho and Mr. Lee Chia Ling ("Controlling Shareholders"). The entities owned by the Controlling Shareholders, key management, their affiliates and the Group's joint ventures are regarded as related parties. Tenfu Group (Samoa) Holdings Company Limited ("SAMOA") is wholly owned by Mr. Lee Chia Ling. SAMOA and its subsidiaries are regarded as related parties.

(a) Transactions with related parties

The following transactions are carried out by the Group with related parties:

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	RMB'000
(i) Purchases of goods and services		
– Subsidiaries of SAMOA	37,044	36,424
– A company controlled by the Controlling Shareholders	1,293	3,336
– Joint venture	3,798	921
– Associates	11,323	3,669
	53,458	44,350

24 RELATED-PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (continued)

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	RMB'000
(ii) Sales of goods		
– Subsidiaries of SAMOA	4,886	4,023
– Joint venture	16	-
– Associates	5,144	5,831
	10,046	9,854
(iii) Rental expenses		
– The Controlling Shareholders and their affiliates	1,440	1,538
– A company controlled by an affiliate of the Controlling Shareholders	1,071	1,067
	2,511	2,605
(iv) Right-of-use assets		
– The Controlling Shareholders and their affiliates	9,130	9,874
– A company controlled by an affiliate of the Controlling Shareholders	6,213	6,213
	15,343	16,087
(v) Key management compensation	3,454	3,329

24 RELATED-PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties

The Group has the following balances with its related parties as at 30 June 2026 and 31 December 2025:

	As at 30 June 2026 Unaudited RMB'000	As at 31 December 2025 Audited RMB'000
(i) Prepayments to related parties (Note 9(ii))		
– Subsidiaries of SAMOA	520	10,110
– Associates	23	387
	543	10,497
(ii) Due to related parties (Note 14)		
Trade related		
– Subsidiaries of SAMOA	14,063	35,816
– Joint venture	739	-
– Associates	105	336
	14,907	36,152
(iii) Due from related parties (Note 9(i))		
Trade related		
– Subsidiaries of SAMOA	6,107	5,759
– Associates	1,188	1,463
	7,295	7,222

The payables to related parties arise mainly from purchase transactions. The payables bear no interest and are repayable on demand.

24 RELATED-PARTY TRANSACTIONS (CONTINUED)

(c) Borrowings guaranteed by related parties

As at 30 June 2026, short-term bank borrowings of RMB647,840,000 (31 December 2025: RMB465,640,000) were guaranteed by Mr. LEE Rie-Ho, Mr. LEE Chia Ling and Mr. LEE Kuo-Lin, all of them are directors of the Company, a relative of Mr. Lee Rie-Ho and the subsidiaries of the Company, either separately or jointly.