弘毅文化集团

HONY MEDIA GROUP

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00419)

INTERIM REPORT 2026

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BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2026 (the "Period"), the Group's revenue from continuing operations amounted to HK$220,054,000 (same period in 2025: HK$241,313,000), representing a decrease of 9% compared to the corresponding period last year. Among which:

— "Echartnow", the provider of digitized operation service in the healthcare industry, remained the primary source of revenue for the Group. During the Period, it recorded revenue of HK$220,054,000 (same period in 2025: HK$241,084,000), representing a decrease of 9% compared to the corresponding period last year. This was mainly attributable to Echartnow's proactive optimization of its customer structure and its orderly exit from low value-added businesses. Meanwhile, benefited from the receipt of government subsidy for AI investment and the continuous increase in the proportion of high-value customized marketing solutions, the overall gross profit margin of Echartnow improved, leading to a steady enhancement in profitability. It has turned into a segment profit of HK$3,295,000 for the Period from a segment loss of HK$11,860,000 for the same period in 2025.

— As for the "Entertainment and Media Business", no revenue was recorded during the Period (same period in 2025: HK$229,000). Currently, this segment is primarily driven by HB Entertainment, an associate in which the Group holds a 30.77% equity interest. The TV drama series "*Recipe for Love*" produced by HB Entertainment was broadcast since January 2026. It recorded a segment profit of approximately HK$841,000 for the Period (same period in 2025: segment profit of HK$965,000).

The Company has jointly established a joint venture, AIROBO (HK) LIMITED (the "Joint Venture"), with AIROBO PTE. LTD ("AIROBO") to engage in the robotics platform operation business. The Group has accumulated capabilities in artificial intelligence (AI) algorithms, data platform operations and intelligent system development within the sector of digitized operation services in healthcare industry. The robotics platform operation business represents an extended application of the aforementioned AI and digitized operation capabilities into physical space scenarios, sharing a common technical foundation with the Group's existing technology. With the advancement of AI, the Internet of Things (IoT), and automation technologies, the robotics industry is evolving from hardware manufacturing toward platform-based operations. Building upon the continued operation of the Group's existing businesses, the formation of the Joint Venture represents an expansionary layout into new application scenarios with leverage of the Group's AI and digitized operation capabilities.

Overall, the loss for the Period narrowed significantly by 88% to approximately HK$4,994,000 (same period in 2025: HK$42,641,000), which is mainly attributable to:

(1) the turnaround of Echartnow segment to a segment profit of HK$3,295,000 during the Period (same period in 2025: segment loss of HK$11,860,000);

(2) profit from discontinued operation of HK$5,212,000 during the Period arising from the disposal of the smart healthcare services platform business (same period in 2025: loss from discontinued operation of HK$2,024,000); and

(3) gain on modification of convertible bonds of approximately HK$11,108,000 (same period in 2025: Nil) arising from the extension of the maturity date of the principal and the interest repayment date of the outstanding convertible bonds during the Period.

(1) "Echartnow", provision of digitized operation services in healthcare industry

In the first half of 2026, the regulatory environment of the pharmaceutical industry continued to change, and the industry's digital transformation extended from the application of single marketing tools to the entire business process management and professional service capability building. Against this backdrop, Echartnow consistently anchored its core positioning as a "leading healthcare industry digitized operation service provider in China", and continued to deepen its full-chain digitized service system covering the promotion, marketing, and medical affairs businesses of pharmaceutical enterprises. Echartnow continuously promoted the transformation of operational data into reusable assets and leveraged AI technology to empower business upgrades. While consolidating its advantages in digitized operation services, it actively expanded into high-value service areas such as medical research and compliant application of medical data, helping pharmaceutical companies transition from "process execution" to "intelligent decision-making".

Business Review

During the Period, Echartnow achieved breakthrough progress in medical data factorized operations and industry ecosystem leadership:

- Establishment of Core Position in Regional Industry Ecosystem: Echartnow was approved to serve as the Chairman Unit of the Medical Data + AI Professional Committee of the Xi'an Data Industry Association, leading and coordinating key areas such as medical data governance, AI model research and development, real-world studies, and the circulation of data elements. This signifies that Echartnow's professional depth and resource integration capabilities in the field of medical data and AI integration have been highly recognized by government authorities and industry associations. It also lays an ecological foundation for subsequent construction of cross-regional medical data collaborative networks and deepening the data service layout for pharmaceutical enterprises.

- Launch of National-level Data Factor Application Benchmark Project: The "Wei Jian Zhi Yan" (衛健智研) real-world data application pilot project, coordinated and promoted by Echartnow, was officially launched. Adhering to the principle of "scenario-driven", it partners with pharmaceutical enterprises, medical institutions, and clinical experts to jointly tackle challenges in data fragmentation and value conversion, thereby constructing a closed-loop operating mechanism for medical data from "resources" to "assets". This is not only a practical validation of Echartnow's data operation and scenario execution capabilities, but also opens a commercialization pathway for building a national application benchmark for the healthcare data factor market and expanding high-value services like real-world studies.

- Continuous Expansion of Customer Collaboration Depth: As at 30 June 2026, the number of pharmaceutical companies collaborating with Echartnow increased to 449, representing an increase of 8.2% compared to the end of 2025, with the coverage rate of top-tier clients rising steadily. Service offerings extended from traditional digital marketing to high-value areas such as medical research support, Real-World Study (RWS) design, and physician IP incubation, driving concurrent growth in client stickiness and per-client value.

As at 30 June 2026, Echartnow recorded revenue of HK$220,054,000 (same period in 2025: HK$241,084,000), representing a year-on-year decrease of 9%. Gross profit margin stood at 35.0% (same period in 2025: 33.1%), maintaining overall stable growth. In the first half of 2026, Echartnow sustained its dual-wheel drive strategy of "deep optimization of business structure" and "comprehensive upgrade of service value", leading to continuous improvement in operational quality. The contraction in revenue scale was primarily due to Echartnow's proactive optimization of its customer structure and its orderly exit from low value-added businesses. Meanwhile, benefited from the rising proportion of high-value customized marketing solutions, Echartnow's overall gross profit margin improved, and its profitability grew steadily.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of customer structure, Echartnow continued to deepen its strategic cooperation with top-tier and innovative pharmaceutical enterprises, further concentration of leading clients, and continuously consolidated service value barriers. The revenue contribution from collaborations with the national TOP 100 pharmaceutical companies maintained its growth momentum. In terms of product structure, the revenue contribution from high-value projects continued the upward trend that surpassed 50% in the fourth quarter of 2025, remaining at a high level in the first half of 2026 and driving structural improvements in the gross profit margin of the overall business. Amid the proactive adjustment of its revenue scale, Echartnow achieved simultaneous enhancements in operating efficiency and profitability quality. Echartnow has achieved turnaround into a segment profit of HK$3,295,000 for the Period (same period in 2025: segment loss of HK$11,860,000), laying a solid foundation for subsequent sustainable and high-quality development.

Outlook

1. *Further Deepening Collaboration with Core Clients*

    (1) Deepening cooperation with key clients: Continue to focus on Top 20 strategic clients, integrate business capabilities including digital marketing, medical services, and compliance management support around actual client business needs, and enhance the service depth and business coverage for core clients.

    (2) Continuous expansion of innovative drug clients: Focus on the development needs of biopharmaceutical and innovative drug enterprises, and provide more professional and targeted operation services tailored to the life cycles and marketing characteristics of innovative drug products, thereby continuously increasing the proportion of high-quality clients.

    (3) Increasing the proportion of long-term collaborative clients: Promote the transition of client collaboration from single projects to multi-business and continuous cooperation, improve the collaboration stability and per-client value of core clients, and further optimize the revenue structure.

2. *Continuous Optimization of Service and Project Structures*

    (1) Consolidating the fundamental market of digital marketing services: Continue to enhance the service quality and project management levels of core businesses such as marketing promotion, medical conferences, science popularization education, and digital promotion, maintaining steady development of foundational operations.

    (2) Developing high-value professional services: Aligning with the needs of top-tier pharmaceutical companies and innovative drug enterprises, continue to develop customized marketing operations, medical services, real-world studies, and compliance management support businesses to increase the revenue contribution from professional and comprehensive services.

    (3) Strengthening project quality and profitability management: Continuously refine project evaluation and cost control mechanisms, place greater focus on project service value, reasonable profitability levels, and long-term collaboration potential, and optimize business resource allocation.

3. *Steadily Expanding Real-World Studies and Medical Data Application Businesses*

    (1) Continuous development of real-world study services: Relying on Echartnow's business foundation in medical services and healthcare industry operations, continuously refine service capabilities for real-world study projects, and expand cooperation with pharmaceutical companies in the field of medical research.

    (2) Advancing the "Wei Jian Zhi Yan" pilot project: Centered on the standardized application of real-world data, steadily advance the implementation of the pilot project, and explore the "supply, governance, application, and evaluation" closed-loop and replicable application models for healthcare data.

(3) Deepening industrial cooperation in the data element field: Relying on cooperation with data industry platforms, conduct explorations around standardized governance, compliant circulation, and scenario applications of healthcare data to further accumulate project experience in medical data element applications.

(4) Enhancing synergy between new and existing businesses: Focus on promoting synergies between real-world studies, medical data applications, and existing medical service businesses, and prudently cultivate new high-value service directions on the premise of controlling project and operational risks.

Through the aforementioned business strategies, Echartnow will continue to consolidate its fundamental market in the digitized operation services in healthcare industry, continuously optimize customer and project structures, increase the proportion of high-value services, and steadily expand its real-world studies and medical data application businesses. Taking the improvement of operational quality and profitability as its core and building on the basis of maintaining prudent operations, Echartnow will consistently enhance its market competitiveness in the fields of digitized operations and project services in healthcare industry.

(2) Entertainment and Media

Business Review

HB Entertainment, an associate in which the Group holds a 30.77% interest, is primarily engaged in the production of and investment in movies and TV drama series in South Korea, as well as the provision of artist management and agency services. HB Entertainment has produced numerous TV drama series with excellent reputations and high viewership ratings, including "*Motel California*", "*Sky Castle*", "the *Partners for Justice*" series, and "*My Love from the Star*". During the Period, "*Recipe for Love*", produced by HB Entertainment, premiered in South Korea on KBS 2TV in January 2026. It was directed by Han Jun-seo, written by Park Ji-sook, and starred Jin Se-yeon and Park Ki-woong. According to Nielsen data, "*Recipe for Love*" achieved an average nationwide viewership rating of 14.5% and a peak nationwide viewership rating of 18.0%.

In terms of artist management and agency business, HB Entertainment's roster includes well-known veteran South Korean actors such as Lee Sung-min, Kim Yun-seok, and Joo Sang-wook. Among them, Lee Sung-min is renowned for his delicate and superb acting skills and is praised as a "trustworthy actor". His representative works include "*Misaeng: Incomplete Life*", "*Reborn Rich*", "*The Spy Gone North*", and "*The Man Standing Next*". He has won the Best Actor awards (Television and Film) at the Baeksang Arts Awards and the Best Actor award at the Buil Film Awards.

During the Period, the Entertainment and Media business recorded no revenue (same period in 2025: revenue of HK$229,000). It recorded a segment profit of approximately HK$841,000 for the Period (same period in 2025: segment profit of HK$965,000).

Outlook

Taking into consideration various factors including market risks and returns, and the scale of project investment, the management maintains a prudent attitude towards the development of the Entertainment and Media business, except for continuing to hold the aforementioned equity interest in HB Entertainment.

(3) Robotics Platform Operation Business — AIROBO

The Company has jointly established a joint venture, AIROBO (HK) LIMITED, with AIROBO to engage in the robotics platform operation business. The Joint Venture is owned as to 70% by the Company and 30% by AIROBO.

The Joint Venture has established a wholly-owned subsidiary, namely AIROBO (Chengdu) Technology Co., Ltd. ("AIROBO (Chengdu)") at China (Sichuan) Pilot Free Trade Zone. AIROBO (Chengdu) is the Group's operating entity in the People's Republic of China (the "PRC"), responsible for the specific operation of business development, technology research and development, and customer service of the robotics platform in the PRC market.

The Group has accumulated capabilities in artificial intelligence (AI) algorithms, data platform operations and intelligent system development within the sector of digitized operation services in healthcare industry. The robotics platform operation business represents an extended application of the aforementioned AI and digitized operation capabilities into physical space scenarios, sharing a common technical foundation with the Group's existing technology. With the advancement of AI, the Internet of Things (IoT), and automation technologies, the robotics industry is evolving from hardware manufacturing toward platform-based operations. Building upon the continued operation of the Group's existing businesses, the formation of the Joint Venture and the establishment of the domestic operating entity represent an expansionary layout into new application scenarios with leverage of the Group's AI and digitized operation capabilities.

(4) Discontinued Operation — Smart Healthcare Services Platform (Meerkat Health)

On 30 January 2026, the Group entered into a sale and purchase agreement with an independent third party (the "Purchaser"), pursuant to which the Group has agreed to (i) dispose of the entire issued share capital of Heartily Health Limited (being the Hong Kong-incorporated holding company of the operations of Meerkat Health) to the Purchaser; and (ii) assign the shareholder's loan due and owing by Heartily Health Limited to the Purchaser ("Shareholder's Loan"), at an aggregate consideration of HK$1. The said transaction was completed on 30 January 2026. Upon completion, the financial results, assets and liabilities of the operations of smart healthcare services platform (Meerkat Health) will no longer be consolidated into the consolidated financial statements of the Group. A gain on disposal of approximately HK$5.5 million has been recorded by the Group upon completion. As the operation of smart healthcare services platform is considered as a separate major line of business, it is accounted for as discontinued operation.

The Company has been evaluating the Group's current businesses strategies with a view to enhancing overall performance. Despite continuous effort to improve its operation, the smart healthcare services platform operations have recorded unsatisfactory financial performance, with consecutive net losses for the three years ended 31 December 2025. At the same time, the smart healthcare services platform operations recorded net liabilities (excluding the Shareholder's Loan) of approximately HK$6,315,000 as at 31 December 2025, exerting an adverse impact on the Group's overall financial position. The disposal of the smart healthcare services platform operations enables the Group to rationalize its asset allocation and focus on areas and businesses with stronger growth potential. It also enhances the Group's overall financial flexibility by removing a loss-making business and allowing the Group to redeploy internal resources to support the development of its existing principal businesses.

FINANCIAL REVIEW

The Group is organized into the following main operating segments:

1. Digitized operation services in healthcare industry ("Echartnow")

2. Entertainment and media

As disclosed in Note 29 to the condensed consolidated interim financial information, the operation of Smart healthcare service platform (Meerkat Health) was disposed of in January 2026, and was accounted for as discontinued operation.

The key financial figures of the Group for the six months ended 30 June 2026 are summarized as follows:

	Six months ended 30 June		
	2026	2025	Change
	HK$'000	HK$'000	%
Continuing Operations:			
Revenue:			
– Digitized operation services in healthcare industry	**220,054**	241,084	–9%
– Entertainment and media	**–**	229	–100%
	220,054	241,313	–9%
Gross profit:			
– Digitized operation services in healthcare industry	**77,021**	79,775	–3%
– Entertainment and media	**–**	33	–100%
	77,021	79,808	–3%
Segment result:			
– Digitized operation services in healthcare industry	**3,295**	(11,860)	N/A
– Entertainment and media	**841**	965	–13%
	4,136	(10,895)	N/A
Loss for the period from continuing operations	**(10,206)**	(40,617)	loss –75%
Loss for the period from continuing operations attributable to equity owners of the Company	**(10,431)**	(33,560)	loss –69%
Non-HKFRS Adjustments:			
Adjusted loss for the period from continuing operations	**(17,559)**	(39,043)	loss –55%
Discontinued Operation:			
Profit/(loss) for the period from discontinued operation	**5,212**	(2,024)	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

— Revenue

Revenue for the six months ended 30 June 2026 amounted to approximately HK$220,054,000 (2025: HK$241,313,000), being a 9% decrease comparing to the same period in prior year.

During the period, revenue from "Digitized operation services in healthcare industry" segment (i.e., Echartnow) decreased by 9% to approximately HK$220,054,000 (2025: HK$241,084,000), which accounted for approximately 100% (2025: 99.9%) of the Group's revenue. The decrease in Echartnow's revenue was mainly attributable to the proactive optimization of its customer structure and its orderly exit from low value-added businesses. Although revenue dropped slightly during the Period, the overall gross profit margin of Echartnow has improved, leading to a steady enhancement in profitability and the turnaround into segment profit during the Period.

— Cost of Sales and Gross Profit

Cost of sales for the six months ended 30 June 2026 amounted to approximately HK$143,033,000 (2025: HK$161,505,000), being an 11% decrease comparing to the same period in prior year. Gross profit for the six months ended 30 June 2026 amounted to approximately HK$77,021,000 (2024: HK$79,808,000), being a 3% decrease comparing to the same period in prior year. The fluctuation in cost of sales period-on-period was in line with the decrease in revenue and improvement of gross profit margin as explained above.

— Other Income and Other Gains, net

Other income and other gains, net, for the six months ended 30 June 2026 amounting to a net income of approximately HK$18,911,000 (2025: net income of HK$1,936,000). The increase in other income and other gains, net during the Period was mainly attributable to i) the gain on modification of convertible bonds of approximately HK$11,108,000 (2025: Nil); ii) the receipt of government subsidies of approximately HK$4,878,000 (2025: Nil) by Echartnow for its AI investment; and iii) the increase in exchange gains, net to approximately HK$3,898,000 (2025: exchange gain of HK$1,126,000) due to the further appreciation of RMB against HK$ during the Period.

— Marketing and Selling Expenses

Marketing and selling expenses for the six months ended 30 June 2026 slightly decreased by 3% to approximately HK$73,078,000 (2025: HK$75,640,000). The amount mainly comprised staff costs and marketing expenses incurred for the promotion of the Echartnow platform and other relevant expenses incurred for enhancing the registration of doctors and pharmacies on the Echartnow platform.

— Research and Development Expenses

Research and development expenses for the six months ended 30 June 2026 has increased by 35% to approximately HK$10,490,000 (2025: HK$7,798,000). The increase in research and development expenses during the Period was mainly attributable to the mixed effect of i) the incurrence of research and development expenses for the robotics platform operation business conducted under the Group's subsidiary AIROBO (HK) Limited during the Period; and ii) the reduction of research and development expenses of Echartnow during the Period after the completion of organization restructuring and talent optimization carried out in the first half of 2025.

— Administrative Expenses

Administrative expenses for the six months ended 30 June 2026 amounted to approximately HK$15,734,000 (2025: HK$29,379,000), being a 46% decrease comparing to the prior period. The decrease in administrative expenses during the period was in line with the Group's continuing efforts to cost control and efficiency enhancement by making use of new technology and AI tools. and the one-off reversal of over-accrued salary costs upon resignation of certain executives during the Period.

— Finance Costs

Finance costs, for the Period amounted to approximately HK$7,677,000 (2025: HK$10,280,000) being a 25% decrease comparing to the prior period. The decrease in finance costs during the Period was mainly attributable to the decrease in interest expense on the convertible bonds as half of the Convertible Bonds has been converted into shares of the Company in November 2025.

— Share of Results of an Associate

Share of results of an associate, representing the share of results of HB Entertainment (the Group's 31%-owned associated company which is principally engaged in production of and investment in movies and TV drama series, provision of artist management and agency services in Korea), amounted to a profit of approximately HK$841,000 (2025: a profit of approximately HK$736,000). There was one (2025: one) new TV drama, "Recipe for Love", produced by HB Entertainment broadcasted in January 2026.

— Non-Hong Kong Financial Reporting Standard indicator in relation to loss for the period

The Group's loss from continuing operations for the six months ended 30 June 2026 amounted to HK$10,206,000 comparing to that of HK$40,617,000 for the preceding financial period. The Group's adjusted loss from continuing operations for the six months ended 30 June 2026 amounted to HK$17,559,000 representing a decrease of HK$21,484,000 or 55% as compared with that of HK$39,043,000 for the preceding financial period. Adjusted loss from continuing operations is based on the loss from continuing operations for the corresponding period after excluding non-operating profit or loss items such as share-based compensation expenses, change in fair value of financial assets/interest in an associate at fair value through profit or loss, loss on modification of financial assets, notional interest on long-term financial liabilities, fair value change on investment properties and fair value change of financial liabilities at fair value through profit or loss. The decrease in adjusted loss from continuing operations was mainly attributable to the turnaround of Echartnow to a segment profit of HK$3,295,000 during the Period from a segment loss of HK$11,860,000 for the same period in 2025.

To supplement the Group's condensed consolidated interim financial information presented in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), the Group has also reported its adjusted net loss from continuing operations attributable to equity holders of the Company, which is not required under, or presented in accordance with, HKFRSs, as an additional financial indicator. We are of the view that presenting the non-HKFRS indicator together with the relevant HKFRS indicator will help investors to better compare our operational performance across various periods, without the potential impact of projects which our management considers as not indicative to our operational performance. We believe that the non-HKFRS indicator provides investors and other individuals with helpful information to understand and assess our consolidated operational results in the same way that our management does. However, the adjusted net loss from continuing operations attributable to equity holders of the Company we presented may not be comparable with similar indicators presented by other companies. Such non-HKFRS indicator has its limitations as an analytical tool, and it should not be regarded as being independent from the operational results or financial position presented according to HKFRSs, or as an alternative to analyze the relevant operational results or financial position. In addition, the definition of such non-HKFRS indicator may vary from those applied in other companies.

The adjusted loss from continuing operations for the six months ended 30 June 2026 and 2025 set out in the table below represents adjustments to the most direct and comparable financial indicator calculated and presented in accordance with HKFRSs (i.e. loss from continuing operations for the period):

	Six months ended 30 June	
	2026 HK$'000	2025 HK$'000
Loss from continuing operations for the period	**(10,206)**	(40,617)
Add:		
– Fair value change on financial assets at fair value through profit or loss, net of tax	**(516)**	(195)
– Fair value change on interest in an associate measured at fair value through profit or loss, net of tax	**(507)**	(191)
– Fair value change on investment properties	**2,495**	–
– Notional interest on long-term financial liabilities	**2,283**	1,960
– Gain on modification of convertible bonds	**(11,108)**	–
Adjusted loss from continuing operations for the period	**(17,559)**	(39,043)

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Treasury Management

We have adopted prudent treasury management measures aimed at principal protection and maintaining sufficient liquidity to meet our various funding requirements in accordance with the strategic plans and policies. As at 30 June 2026, the Group held cash and cash equivalents of approximately HK$60,328,000 (31 December 2025: HK$23,888,000), being a 1.5 times increase compared to the balance as at 31 December 2025.

The Group is at net current asset position of HK$31,618,000 as at 30 June 2025 (31 December 2025: net current liability position of HK$84,073,000). The current ratio, representing the total current assets to the total current liabilities, increased from 0.69 as at 31 December 2025 to 1.20 as at 30 June 2026. The maturity date of the HK$60 million convertible bonds as detailed in Note 28 to the condensed consolidated interim financial information was extended to April 2028, thus such convertible bonds were reclassified from current liability to non-current liability as of 30 June 2026.

The gearing ratio, representing the net debt (total borrowings, convertible bonds and lease liabilities less cash and cash equivalents and deposits paid for securing other borrowings) to total equity, is 0.93 times as at 30 June 2026 (31 December 2025: 2.8 times). Long-term financial liabilities, representing capital contributions from an investor of a subsidiary which may need to be repurchased by that subsidiary under certain circumstances in the future, have not been included in the calculation of the gearing ratio. The Group's convertible bonds and total bank and other borrowings as at 30 June 2026 amounted to approximately HK$54,367,000 (31 December 2025: HK$59,542,000) and HK$103,045,000 (31 December 2025: HK$83,922,000), respectively, and were denominated in Hong Kong Dollars and Chinese Renminbi respectively.

Foreign Currency Exchange Exposure

The Group has operations and investments in the PRC, Korea and Hong Kong, and is mainly exposed to foreign exchange risk arising from Chinese Renminbi and Korean Won currency exposures, primarily with respect to the Hong Kong dollars. During the period, fluctuation in Chinese Renminbi and Korean Won against Hong Kong dollars resulted in the net exchange gain of approximately HK$3,898,000 (2025: net exchange gain of approximately HK$1,126,000). The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure from Chinese Renminbi and Korean Won but manages through constant monitoring to limit as much as possible its net exposures.

Capital Structure

The Group has mainly relied on its equity, convertible bonds, bank and other borrowings and internally generated cash flow to finance its operations.

During the six months ended 30 June 2026, the Company has issued 112,500,000 new ordinary shares at subscription price of HK$0.40 per share, raising gross proceeds of HK$45,000,000. During the six months ended 30 June 2025, the Company has not issued new ordinary shares.

Convertible bonds as at 30 June 2026 amounted to approximately HK$54,367,000 (31 December 2025: HK$59,542,000). Further details of the convertible bonds are set out in Note 28 to the condensed consolidated interim financial information.

Total bank and other borrowings as at 30 June 2026 amounted to approximately HK$103,045,000 (31 December 2025: HK$83,922,000). Further details of the bank and other borrowings are set out in Note 23 to the condensed consolidated interim financial information.

CHARGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, save as those disclosed in Note 23 and Note 28 to the condensed consolidated interim financial information, none of the Group's assets was charged and the Group did not have any material contingent liabilities or guarantees.

HUMAN RESOURCES

As at 30 June 2026, the Group employed a total of 114 (31 December 2025: 127) full-time employees in Hong Kong and the PRC.

The Group operates different remuneration schemes for sales and non-sales employees. Sales personnel are remunerated on the basis of on-target-earning packages comprising salary and sales commission. Non-sales personnel are remunerated by monthly salary which is reviewed by the Group from time to time and adjusted based on performance. In addition to salaries, the Group provides staff benefits including medical insurance, contribution to staff provident fund and discretionary training subsidies. Share awards, share options and bonuses are also available at the discretion of the Group depending on the performance of the Group.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save to disclosed in Note 29 to the condensed consolidated interim financial information, there were no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2026 and 2025.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

SHARE SCHEMES

The Company's Share Schemes, including the 2024 Share Option Scheme, adopted on 21 June 2024, and the Amended Share Award Scheme, initially adopted on 20 August 2021, and subsequently amended on 21 June 2024 (collectively, the "Share Schemes").

Movement of Share Schemes

During the six months ended 30 June 2026 (the "Reporting Period"), no share options or share awards were granted, exercised, vested, cancelled or lapsed under the 2024 Share Option Scheme or the Amended Share Award Scheme. There were no outstanding share options or share awards as at 1 January 2026 and 30 June 2026. During the Reporting Period, no options or awards were granted and to be granted to: (i) each of the directors, chief executive or substantial shareholders of the Company, or their respective associates; (ii) each participant with options and awards granted and to be granted in excess of the 1% individual limit; (iii) each related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares); or (iv) other employee participants, related entity participants and service providers by category. Accordingly, there was no movement in respect of the Company's share schemes during the Reporting Period, and no tabular disclosure of movements of share options or share awards by category of participants is presented.

Availability of Share Schemes

The Scheme Mandate Limit and Service Provider Sublimit for the Share Schemes representing 10% and 1%, respectively of the issued shares of the Company (excluding treasury shares) as at 21 June 2024 being the date of adoption of the 2024 Share Option Scheme and the Amended Share Award Scheme. Following the Share Consolidation which became effective on 11 December 2025, the limits were adjusted to 135,853,386 Shares and 13,585,338 Shares, respectively.

There were no grants or other movements in share options or share awards during the Reporting Period. Accordingly, the number of Share available for grant under the Scheme Mandate Limit and the Service Provider Sublimit was 135,853,386 Shares and 13,585,338 Shares, respectively, as at 1 January 2026 and 30 June 2026.

Percentage of Share Issuable

No options or awards were granted under any of the Company's share schemes during the Reporting Period. Consequently, no Shares were issuable in respect of options and awards granted during the Reporting Period. The resulting calculation, based on the weighted average number of shares in issue (excluding treasury shares), is therefore not applicable.

CONVERTIBLE BONDS

The Company issued 10% convertible bonds due March 2026 with an aggregate principal amount of HK$120,000,000 in March 2024 (the "Convertible Bonds") to United Strength LS Limited ("CB Holder"), a company controlled by Mr. ZHAO John Huan (who resigned as the Chairman and non-executive director of the Company on 18 June 2026) through a chain of companies. The closing price of the Shares on the Stock Exchange on 7 March 2024, the date on which the terms of the Convertible Bond issuance were finalized, was HK$0.101 per Share. On 22 January 2026, the Company and the CB Holder entered into an Extension Deed to extend the maturity date of the remaining outstanding Convertible Bonds of HK$60,000,000 by 25 months from 21 March 2026 to 21 April 2028. Details of the Convertible Bonds are set out in Note 28 to the condensed consolidated interim financial information.

Use of Proceeds from Convertible Bonds

The net proceeds from the issue of the Convertible Bonds, after deduction of related expenses, amounted to approximately HK$118,100,000 has been reallocated and fully utilised as of 31 December 2025. Details of the reallocation and utilization of the proceeds were disclosed in the 2025 Annual Report.

OTHER INFORMATION

SUBSCRIPTION OF NEW SHARES

During the Reporting Period, the Company received net proceeds from one subscription completed during the period and continued to utilise the unutilised proceeds from a subscription completed in November 2025. After the Reporting Period, the Company completed a further subscription in two tranches in July 2026. Details of the respective subscriptions, including the reasons for the subscriptions, the subscription price, the net price per Subscription Share, the market price of the Shares on the date on which the terms of the subscriptions were fixed and the particulars of the subscribers, are set out in the Company's announcements relating to the respective subscriptions. The following disclosure focuses on the use of proceeds during the Reporting Period.

The three subscriptions are referred to in this section as follows:

- Subscription I — subscription completed in November 2025;
- Subscription II — subscription completed in June 2026; and
- Subscription III — subscription completed in two tranches in July 2026 (after the Reporting Period).

SUBSCRIPTION I — COMPLETED IN NOVEMBER 2025

On 6 November 2025, the Company entered into a subscription agreement with an independent individual investor, TSE Hang Hei, pursuant to which the Company allotted and issued 638,000,000 ordinary shares of HK$0.02 each, with an aggregate nominal value of HK$12,760,000, on a pre-Share Consolidation basis (equivalent to 63,800,000 ordinary shares of HK$0.20 each following the Share Consolidation (the "Share(s)")) at a subscription price of HK$0.039 per subscription share (equivalent to HK$0.39 per subscription share following the Share Consolidation). The subscription price of HK$0.039 per subscription share represents a discount of approximately 2.5% to the closing price of HK$0.040 per share as quoted on the Stock Exchange on the date of the subscription agreement. The net price of the subscription was approximately HK$0.0387 per subscription share.

The subscription was conducted as the Directors considered the subscription to be a good fund-raising method to meet the Group's funding needs for its operations and general working capital.

The subscription was completed in November 2025 and the Company received net proceeds of approximately HK$24,662,000. The intended use of the proceeds remained unchanged during the Reporting Period. The unutilised balance as at 31 December 2025, as disclosed in the 2025 Annual Report, was brought forward as the opening balance as at 1 January 2026. The movement of the use of proceeds during the Reporting Period is set out below:

Purpose of Proceeds	Amount Allocated (HK$'000)	Amount Unutilised as at 1 January 2026 (HK$'000)	Amount Utilised during the Reporting Period (HK$'000)	Amount Unutilised as at 30 June 2026 (HK$'000)	Expected Timeline for utilising the remaining net proceeds
Settlement and future payment of staff costs and office rental expenses	9,865	4,420	4,420	–	Fully utilised
Settlement and future payment of statutory, compliance, audit, legal, valuation and other professional fees	6,165	3,795	3,795	–	Fully utilised
Settlement and future payment of other expenses and general working capital	8,632	1,509	1,509	–	Fully utilised
Total	**24,662**	**9,724**	**9,724**	**–**	

SUBSCRIPTION II — COMPLETED IN JUNE 2026

On 26 May 2026, the Company entered into two subscription agreements with two independent individual investors, LIU Dongwei and WANG Xueting, for an aggregate of 137,500,000 new Shares at a subscription price of HK$0.40 per subscription share. The subscription price of HK$0.40 per subscription share represents a discount of 17.53% to the closing price of HK$0.485 per share as quoted on the Stock Exchange on the date of the subscription agreements. One subscription agreement with WANG Xueting for subscription of 25,000,000 new Shares was subsequently terminated. Completion of the remaining subscription agreement with LIU Dongwei took place on 15 June 2026, pursuant to which 112,500,000 new Shares, with an aggregate nominal value of HK$22,500,000, were allotted and issued. The net price of the subscriptions was approximately HK$0.398 per subscription share.

The subscriptions were conducted as the Directors considered them to represent a good opportunity to broaden the shareholder base and capital base of the Company and to raise capital for the Group's working capital requirements.

The subscription was completed in June 2026 and the Company received net proceeds of approximately HK$44,800,000. The intended use of the proceeds remained unchanged during the Reporting Period. The movement of the use of proceeds during the Reporting Period is set out below:

Purpose of proceeds	Amount allocated (HK$'000)	Amount utilised during the Reporting Period (HK$'000)	Amount Unutilised as at 30 June 2026 (HK$'000)	Expected timeline for utilisation of unutilised proceeds
Staff costs and rental expenses	17,920	1,270	16,650	by end of 2026
Statutory, compliance and professional fees	4,480	900	3,580	by end of 2026
Research and development expenses, including IT and AI-related costs supporting the operations and continuous upgrade of the Group's Echartnow system and other operating systems	8,960	8,640	320	by end of 2026
Capital expenditures, including computer and equipment, software and intellectual properties	6,720	210	6,510	by end of 2026
Other expenses, including insurance, travelling and investor relations expenses, and partial settlement of the Group's existing accrual and payable balances	6,720	3,890	2,830	by end of 2026
Total	**44,800**	**14,910**	**29,890**	

SUBSCRIPTION III — COMPLETED AFTER THE REPORTING PERIOD

On 3 July 2026, the Company entered into nine subscription agreements with nine independent investors, comprising one independent corporate investor, Metro Surplus Limited (a company incorporated in Hong Kong with limited liability and principally engaged in investment holding, wholly-owned by XIA Yibo), and eight independent individual investors, namely HOU Xiang, XUE Shouguang, XU Jingbo, SUNG Ka Woon, LIU Jinlan, YANG Yang, CHEN Bing and TANG Po Shing pursuant to which the Company allotted and issued an aggregate of 162,500,000 new Shares, with an aggregate nominal value of HK$32,500,000, at a subscription price of HK$0.40 per subscription share. The subscription price of HK$0.40 per subscription share represents a discount of 16.67% to the closing price of HK$0.480 per Share as quoted on the Stock Exchange on the date of the subscription agreements. The net price of the subscriptions was approximately HK$0.399 per subscription share.

OTHER INFORMATION

Details of the Subscribers and their respective subscriptions are set out below:

Subscriber(s)	Number of subscription shares	Percentage of the issued share capital as at the date of the subscription agreements	Consideration (HK$)
Metro Surplus Limited	50,000,000	3.14%	20,000,000
HOU Xiang	40,000,000	2.51%	16,000,000
XUE Shouguang	15,000,000	0.94%	6,000,000
XU Jingbo	15,000,000	0.94%	6,000,000
SUNG Ka Woon	12,500,000	0.78%	5,000,000
LIU Jinlan	12,500,000	0.78%	5,000,000
YANG Yang	10,000,000	0.63%	4,000,000
CHEN Bing	5,000,000	0.31%	2,000,000
TANG Po Shing	2,500,000	0.16%	1,000,000

The subscriptions were conducted as the Directors considered them to represent a good opportunity to broaden the shareholder base and capital base of the Company, raise capital for the Group's working capital requirements, and strengthen its financial position. The subscription was completed in July 2026 and the Company received net proceeds of approximately HK$64,800,000.

As Subscription III was completed after the Reporting Period, the proceeds were not available for use as at 30 June 2026. The Company intends to apply the net proceeds in accordance with the intended use as disclosed in the announcement dated 3 July 2026 as follows:

- approximately HK$16,200,000 for staff costs and rental expenses;
- approximately HK$12,960,000 for research and development expenses, including IT and AI-related costs supporting the operations and continuous upgrade of the Group's Echartnow system and other operating systems;
- approximately HK$9,720,000 for capital expenditures, including computer and equipment, software and intellectual properties; and
- approximately HK$25,920,000 for settlement of outstanding accruals, payables and liabilities, convertible bonds interest payments and/or short-term bank and other borrowings.

The Company expects to fully utilise the net proceeds on or before 31 March 2027.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2026, the interests and short positions of the Directors and Chief Executives in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

Long positions in ordinary shares of the Company:

		Number of shares held			% of total issued share capital of the Company (Note 1)
Name of Directors	Capacity	Personal interest	Corporate interest	Total interest	
YUEN Hoi Po	Beneficial owner and interest of a controlled corporation	45,931,000	193,803,010 (Note 2)	239,734,010	15.03

Notes:

1. The percentage of shareholding is calculated with reference to the Company's number of shares in issue as at 30 June 2026.

2. Mr. YUEN Hoi Po was deemed to be interested in 193,803,010 shares of the Company held by his wholly-owned corporation namely, Smart Concept Enterprise Limited.

Save as disclosed above, as at 30 June 2026, none of the Directors, Chief Executives nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, the interests and short positions of the following persons (other than Directors or Chief Executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of the Company:

Name of Shareholders	Capacity	Nature of Interests	Number of shares held	% of total issued share capital of the Company (Note 1)
YUEN Hoi Po	Beneficial owner and interest of a controlled corporation (Note 2)	Beneficial and corporation interest	239,734,010	15.03
Tencent Holdings Limited	Interest of a controlled corporation (Note 3)	Corporation interest	207,505,146	13.01
KO Chun Shun, Johnson	Interest of a controlled corporation (Note 4)	Corporation interest	126,200,000	7.91
ZHAO John Huan	Interest of a controlled corporation (Note 5)	Corporation interest	119,641,076	7.50
LIU Dongwei	Beneficial owner	Beneficial interest	112,500,000	7.06

Notes:

1. The percentage of shareholding is calculated with reference to the Company's number of shares in issue as at 30 June 2026.

2. Smart Concept Enterprise Limited is wholly-owned by Mr. YUEN Hoi Po and was beneficially interested in 193,803,010 Shares which representing approximately 12.15% of the total number of issued shares of the Company. Pursuant to the SFO, Mr. YUEN was deemed to be interested in these Shares.

3. Mount Qinling Investment Limited is a wholly-owned subsidiary of Tencent Holdings Limited and is beneficially interested in 207,505,146 Shares. Pursuant to the SFO, Tencent Holdings Limited was deemed to be interested in these Shares. Subsequently in July and August 2026, Mount Qinling Investment Limited has disposed of Shares and ceased to be interested in 5% or more of the issued Shares, and therefore no longer holds a disclosable interest.

4. Greater Harmony Limited is wholly-owned by Mr. KO Chun Shun, Johnson and was beneficially interested in 126,200,000 Shares. Pursuant to the SFO, Mr. KO was deemed to be interested in these Shares.

5. Mr. ZHAO John Huan was deemed to have an interest in 119,641,076 Shares through his interest in United Strength LS Limited. Such interest comprises (i) 59,820,538 Shares; and (ii) Convertible Bonds with an aggregate outstanding principal amount of HK$60,000,000, which are convertible into 59,820,538 Shares at a conversion price of HK$1.003 per Share. United Strength LS Limited is a wholly-owned subsidiary of Hony HK Co-Investment, L.P., which is managed by United Strength Youthful Limited (as general partner). United Strength Youthful Limited is a wholly-owned subsidiary of Hony Capital Group Limited, which is in turn a wholly-owned subsidiary of Hony Capital Group, L.P., which is managed by Hony Group Management Limited (as general partner). Hony Group Management Limited is 80% owned by Hony Managing Partners Limited. Hony Managing Partners Limited is a wholly-owned subsidiary of Exponential Fortune Group Limited, of which Mr. ZHAO John Huan owns a 49% interest. As a result, Mr. ZHAO John Huan, Exponential Fortune Group Limited, Hony Managing Partners Limited, Hony Group Management Limited, Hony Capital Group, L.P., Hony HK Co-Investment, L.P. and United Strength Youthful Limited were all deemed to be interested in these Shares. Following the completion of the share subscriptions in two tranches in July 2026 (after the interim reporting period), the conversion price of the outstanding Convertible Bonds was adjusted from HK$1.0030 to HK$0.9925 per Share, as set out in Note 32 to the condensed consolidated interim financial information. As a result, the maximum number of Shares issuable upon full conversion of the Convertible Bonds increased from 59,820,538 Shares to 60,453,400 Shares.

OTHER INFORMATION

Save as disclosed above, as at 30 June 2026, no other persons (other than Directors or Chief Executives of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") is committed to achieving high standards of corporate governance and adhering to the governance principles and practices. The Board and its committees have regularly reviewed and monitored the implementation and effectiveness of the Company's corporate governance practices. Throughout the Reporting Period, the Company has applied the principles and complied with the code provisions in Part 2 of the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Listing Rules except for one deviation as follows:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Following the resignation of the former Chairman of the Company on 18 June 2026, the office of Chairman has remained vacant. Pending the appointment of a Chairman, Mr. YUEN Hoi Po, the Executive Director and Chief Executive Officer of the Company has temporarily undertaken certain responsibilities ordinarily undertaken by the Chairman.

The Board considers that it is appropriate and in the interests of the Company and its shareholders as a whole for Mr. YUEN Hoi Po to temporarily undertake such responsibilities during the transitional period. The Board believes that this temporary arrangement has not impaired the balance of power and authority between the Board and the management of the Company.

The Company is identifying a suitably qualified candidate to fill the vacancy of the Chairman as soon as practicable.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted a code of conduct regarding securities transactions by Directors (the "Code of Conduct") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry, all Directors have fully complied with the required standard set out in the Model Code throughout the Reporting Period.

The Code of Conduct applies to all the relevant employees as defined in the CG Code, including any employee of the Company, or director or employee of a subsidiary or holding company of the Company who, because of their office or employment, is likely to possess inside information in relation to the Company or its securities.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee, comprises three Independent Non-executive Directors, namely Mr. YUEN Kin (chairman), Ms. PAN Min and Ms. WANG Song Song, has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial information of the Group for the Reporting Period together with the management of the Company. The Audit Committee is satisfied with the review.

OTHER CHANGES IN DIRECTORS' INFORMATION

Save as disclosed below, there were no changes in the information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period.

1. Mr. ZHAO John Huan resigned as a Non-executive Director of the Company and Chairman of the Board on 18 June 2026;
2. Mr. CHENG Wu resigned as the Chief Executive Officer of the Company on 18 June 2026;
3. Mr. YUEN Hoi Po was redesignated as the Chief Executive Officer of the Company on 18 June 2026.

By Order of the Board
HAU Wai Man, Raymond
Company Secretary
Hong Kong, 27 August 2026

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) (Restated) (Note 29) HK$'000
Continuing Operations			
Revenue	4	**220,054**	241,313
Cost of sales		**(143,033)**	(161,505)
Gross profit		**77,021**	79,808
Other income and other gains, net	4	**18,911**	1,936
Marketing and selling expenses		**(73,078)**	(75,640)
Research and development expenses		**(10,490)**	(7,798)
Administrative expenses		**(15,734)**	(29,379)
		(3,370)	(31,073)
Finance costs	6	**(7,677)**	(10,280)
Share of result of an associate		**841**	736
Loss before taxation	7	**(10,206)**	(40,617)
Taxation	8	**–**	–
Loss for the period from continuing operations		**(10,206)**	(40,617)
Discontinued Operation			
Profit/(loss) for the period from discontinued operation	29	**5,212**	(2,024)
Loss for the period		**(4,994)**	(42,641)
Attributable to:			
Equity holders of the Company			
– Continuing operations		**(10,431)**	(33,560)
– Discontinued operation		**5,212**	(1,412)
		(5,219)	(34,972)
Non-controlling interests			
– Continuing operations		**225**	(7,057)
– Discontinued operation		**–**	(612)
		225	(7,669)
		(4,994)	(42,641)
Loss per share attributable to the equity holders of the Company for the period		**HK Cents**	HK Cents
Basic and diluted loss per share	9		
– from continuing operations		**(0.70)**	(2.47)
– from discontinued operation		**0.35**	(0.10)
		(0.35)	(2.57)

The above condensed consolidated interim income statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loss for the period	**(4,994)**	(42,641)
Other comprehensive loss:		
Item that may be subsequently reclassified to profit or loss:		
– Currency translation differences	**(6,101)**	742
Item that may not be reclassified to profit or loss:		
– Currency translation differences	**(2,909)**	(1,220)
Other comprehensive loss for the period, net of tax	**(9,010)**	(478)
Total comprehensive loss for the period	**(14,004)**	(43,119)
Total comprehensive loss attributable to:		
Equity holders of the Company	**(11,320)**	(63,233)
Non-controlling interests	**(2,684)**	20,114
	(14,004)	(43,119)

The above condensed consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2026

	Notes	**30 June 2026 (Unaudited) HK$'000**	31 December 2025 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**1,235**	1,563
Right-of-use assets	11	**6,584**	4,273
Intangible assets	13	**178**	293
Goodwill	14	**27,356**	27,243
Interests in an associate	15	**99,833**	100,637
Investment properties	16	**8,290**	10,418
Prepayments, deposits and other receivables	19	**23,637**	25,217
		167,113	169,644
Current assets			
Inventories	20	**–**	445
Trade and bills receivables	18	**13,852**	53,928
Prepayments, deposits and other receivables	19	**89,856**	86,959
Financial asset at fair value through profit or loss	17	**13,454**	12,938
Cash and cash equivalents	21	**60,328**	23,888
		177,490	178,158
Asset classified as held for sale	22	**13,232**	12,725
		190,722	190,883
Total assets		**357,835**	360,527

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2026

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the Company			
Share capital	27	**318,931**	296,431
Deficits		**(195,310)**	(207,215)
		123,621	89,126
Non-controlling interests		**(64,007)**	(61,323)
Total equity		**59,614**	27,893
Liabilities			
Non-current liabilities			
Lease liabilities	11	**4,215**	1,626
Long-term financial liabilities	26	**60,627**	56,052
Bank borrowings	23	**10,362**	–
Convertible bonds	28	**54,367**	–
Convertible bonds interests payable	28	**9,546**	–
		139,117	57,678
Current liabilities			
Trade payables	24	**16,946**	64,120
Other payables and accrued liabilities	25	**46,730**	52,843
Contract liabilities	25	**–**	122
Bank and other borrowings	23	**92,683**	83,922
Convertible bonds	28	**–**	59,542
Convertible bonds interest payable	28	**–**	11,458
Lease liabilities	11	**2,745**	2,949
		159,104	274,956
Total liabilities		**298,221**	332,634
Total equity and liabilities		**357,835**	360,527

The above condensed consolidated interim balance sheet should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net cash used in operating activities	**(24,662)**	(28,172)
Cash flows from investing activities		
Interest received	**54**	19
Purchase of property, plant and equipment	**(104)**	–
Purchase of intangible assets	**–**	(221)
Deposit received for assets held for sale	**1,130**	–
Deposits received from disposal of investment properties	**564**	–
Net cash generated from/(used in) investing activities	**1,644**	(202)
Cash flows from financing activities		
Issuance of new ordinary shares	**45,000**	–
Repayment of bank and other borrowings	**(1,467)**	–
Proceeds from bank and other borrowings	**17,135**	11,881
Capital contribution from an investor of a subsidiary	**–**	2,741
Principal elements of lease payments	**(1,204)**	(2,470)
Net cash generated from financing activities	**59,464**	12,152
Net increase/(decrease) in cash and cash equivalents	**36,446**	(16,222)
Cash and cash equivalents at 1 January	**23,888**	34,450
Currency translation differences	**(6)**	(926)
Cash and cash equivalents at 30 June	**60,328**	17,302

The above condensed consolidated interim cash flow statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	(Unaudited)											
	Attributable to equity holders of the Company											
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital redemption reserve HK$'000	Currency translation reserve HK$'000	Shares held for share award scheme HK$'000	Equity component of convertible bonds HK$'000	Other reserves HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 January 2026	**296,431**	**1,289,584**	**860,640**	**1,206**	**(76,633)**	**(898)**	**1,102**	**(20,020)**	**(2,262,196)**	**89,216**	**(61,323)**	**27,893**
Comprehensive (loss)/income:												
– Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,219)**	**(5,219)**	**225**	**(4,994)**
Other comprehensive (loss)/income:												
Currency translation differences												
– Group	**-**	**-**	**-**	**-**	**(4,456)**	**-**	**-**	**-**	**-**	**(4,456)**	**-**	**(4,456)**
– Associate	**-**	**-**	**-**	**-**	**(1,645)**	**-**	**-**	**-**	**-**	**(1,645)**	**-**	**(1,645)**
– Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,909)**	**(2,909)**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**(6,101)**	**-**	**-**	**-**	**(5,219)**	**(11,320)**	**(2,684)**	**(14,004)**
Contribution by and distribution to owners of the Company recognized directly in equity:												
– Share awards	**-**	**122**	**-**	**-**	**-**	**20**	**-**	**(142)**	**-**	**-**	**-**	**-**
– Share-based compensation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**-**	**9**	**-**	**9**
– Issuance of new shares upon share subscription	**22,500**	**22,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45,000**	**-**	**45,000**
– Modification of convertible bonds	**-**	**-**	**-**	**-**	**-**	**-**	**(386)**	**1,102**	**-**	**716**	**-**	**716**
Balance at 30 June 2026	**318,931**	**1,312,206**	**860,640**	**1,206**	**(82,734)**	**(878)**	**716**	**(19,051)**	**(2,267,415)**	**123,621**	**(64,007)**	**(59,614)**

	(Unaudited)											
	Attributable to equity holders of the Company											
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital redemption reserve HK$'000	Currency translation reserve HK$'000	Shares held for share award scheme HK$'000	Equity component of convertible bonds HK$'000	Other reserves HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 January 2025	271,707	1,228,757	860,640	1,206	(74,206)	(918)	2,204	9,400	(2,195,479)	103,311	(79,620)	23,691
Comprehensive loss:												
– Loss for the period	–	–	–	–	–	–	–	–	(34,972)	(34,972)	(7,669)	(42,641)
Other comprehensive (loss)/income:												
Currency translation differences												
– Group	–	–	–	–	(1,797)	–	–	–	–	(1,797)	–	(1,797)
– Associate	–	–	–	–	2,539	–	–	–	–	2,539	–	2,539
– Non-controlling interests	–	–	–	–	–	–	–	–	–	–	(1,220)	(1,220)
Transactions with non-controlling interests	–	–	–	–	325	–	–	1,468	(30,796)	(29,003)	29,003	–
Total comprehensive loss	–	–	–	–	1,067	–	–	1,468	(65,768)	(63,233)	20,114	(43,119)
Contribution by and distribution to owners of the Company recognized directly in equity:												
– Share awards	–	122	–	–	–	20	–	(142)	–	–	–	–
– Share-based compensation	–	–	–	–	–	–	–	31	–	31	–	31
Balance at 30 June 2025	271,707	1,228,879	860,640	1,206	(73,139)	(898)	2,204	10,757	(2,261,247)	40,109	(59,506)	(19,397)

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Hony Media Group (the "Company") and its subsidiaries (together, the "Group") are principally engaged in (i) digitized operation services in healthcare industry ("Echartnow") and (ii) entertainment and media business. The operation of smart healthcare services platform ("Meerkat Health") was disposed of in January 2026.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 27 May 2002 under the Company Law (2002 Revision) (Cap. 22) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is listed on The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in thousand Hong Kong dollars (HK$'000), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 27 August 2026.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months 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 ("HKICPA").

This condensed consolidated interim financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3. ACCOUNTING POLICIES, ESTIMATES AND FINANCIAL RISK MANAGEMENT

(i) Accounting Policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2025, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of new and amended standard as set out below. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Application of new and amendments to HKFRSs

The Group has applied the following amended standards for the first time to this condensed consolidated financial information for the six months ended 30 June 2026.

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

The amendments do not have a material impact on this condensed consolidated financial information.

The Group has not applied any new or amended standard that is not yet effective for the six months ended 30 June 2026.

(ii) Estimates

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

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

(iii) Financial risk management

(a) *Financial risk factors*

The Group's activities expose it to a variety of financial risks: cash flow and fair value interest rate risk, credit risk, foreign exchange risk and liquidity risk.

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

There have been no significant changes in the risk management policies since the year end.

(b) *Fair value estimation*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value as at 30 June 2026:

	Unaudited			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
At 30 June 2026				
Asset classified as held for sale (Note 22)				
– Deep Sea Health Limited	**–**	**–**	**13,232**	**13,232**
Financial asset at fair value through profit or loss (Note 17)				
– Deep Sea Health Limited, put option	**–**	**–**	**13,454**	**13,454**
	–	**–**	**26,686**	**26,686**

The following table presents the group's assets that are measured at fair value as at 31 December 2025:

	Audited			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 December 2025				
Asset classified as held for sale (Note 22)				
– Deep Sea Health Limited	–	–	12,725	12,725
Financial asset at fair value through profit or loss (Note 17)				
– Deep Sea Health Limited, put option	–	–	12,938	12,938
	–	–	25,663	25,663

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. As part of the valuation process, this team reports directly to the chief financial officer.

There were no transfers between levels 1, 2 and 3, and no change in valuation techniques during the period (2025: same).

Quantitative information about fair value measurements using significant unobservable inputs (Level 3):

On 12 August 2021, the Company has completed an acquisition of 21.88% equity interest in Deep Sea Health Limited ("DSH"), which became an associate of the Group. In connection with the acquisition, the Company has been granted an option to put the whole of acquired 21.88% equity interests in DSH to the founder and largest shareholder of DSH by 30 December 2022 at its original cost of acquisition ("2022 option"). Pursuant to the supplemental agreement entered into on 28 December 2022, the Company has agreed not to exercise the 2022 option, and has been granted another option to put its equity interests in DSH to the founder and the largest shareholder of DSH by 31 December 2024 at its original cost of acquisition plus a premium of 8% per annum. On 30 December 2024, it was agreed that the Group will dispose the investment in DSH at a consideration of RMB23,200,000 to the controlling shareholder of DSH or his designate parties. As of 30 June 2026, RMB15,000,000 of such consideration has been received by the Group.

As the Group has agreed with the controlling shareholder of DSH to dispose of the investment in DSH at a consideration of RMB23,200,000, the Group's management adopted the approach of estimating the fair value of the unlisted investment and put option as at 30 June 2026 and 31 December 2025 by making referencing to the agreed transaction consideration.

4. REVENUE AND OTHER INCOME AND OTHER GAINS, NET

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
		(Note 29)
	HK$'000	HK$'000
Continuing Operations:		
Revenue		
Provision of digitized operation services	**220,054**	241,084
Revenue from sales of IP products	**–**	229
	220,054	241,313
Other income and other gains, net		
Interest income	**54**	16
Fair value change on financial asset at fair value through profit or loss (Note 17)	**516**	195
Fair value change on interest in an associate measured at fair value through profit or loss (Note 22)	**507**	191
Fair value change on investment properties (Note 16)	**(2,495)**	–
Gain on modification of convertible bonds (Note 28)	**11,108**	–
Government subsidies	**4,878**	–
Exchange gains, net	**3,898**	1,126
Others	**445**	408
	18,911	1,936

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the management committee which comprises the chief executive officer and the chief financial officer of the Group. The management committee reviews the Group's internal reporting in order to assess performance and allocate resources. The management committee has determined the operating segments based on these reports.

The management committee has determined that the Group is organized into two main operating segments from continuing operations: (i) Digitized operation services in healthcare industry (Echartnow); and (ii) Entertainment and media businesses; and one operating segment from discontinued operation – Smart healthcare services platform (Meerkat Health) (which was disposed of in January 2026 as detailed in Note 29 to the condensed consolidated interim financial information). The management committee measures the performance of the segments based on their respective segment results. The segment results derived from loss before taxation, excluding exchange differences, net, finance costs, net and unallocated expenses, net. Unallocated expenses, net mainly comprise of corporate income net off with corporate expenses including salary, depreciation of right-of-use assets in relation to office and apartment and other administrative expenses which are not attributable to particular reportable segment.

Segment assets exclude cash and cash equivalents and other unallocated head office and corporate assets which are managed on a group basis. Segment liabilities exclude income tax liabilities and other unallocated head office and corporate liabilities which are managed on a group basis.

There were no sales between the operating segments during the six months ended 30 June 2026 (2025: Nil).

(a) Business segment

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

	Digitized operation services in healthcare industry (Unaudited) HK$'000	Entertainment and media (Unaudited) HK$'000	Total continuing operations (Unaudited) HK$'000	Discontinued operation: Smart healthcare services platform (Unaudited) HK$'000	Total (Unaudited) HK$'000
Revenue	220,054	–	220,054	94	220,148
Share of result of an associate	–	841	841	–	841
Segment results	3,295	841	4,136	(297)	3,839
Exchange gain, net			3,898	6	3,904
Fair value change on financial asset at fair value through profit or loss – unallocated			516	–	516
Fair value change on interest in an associate measured at fair value through profit or loss – unallocated			507	–	507
Fair value charge on investment properties – unallocated			(2,495)	–	(2,495)
Gain on disposal of discontinued operation			–	5,503	5,503
Other unallocated expenses, net			(9,091)	–	(9,091)
			(2,529)	5,212	2,683
Finance costs			(7,677)	–	(7,677)
Loss before taxation			(10,206)	5,212	(4,994)
Taxation			–	–	–
Loss for the period			(10,206)	5,212	(4,994)
Loss for the period attributable to non-controlling interests			(225)	–	(225)
Loss for the period attributable to equity holders of the Company			(10,431)	5,212	(5,219)

An analysis of the Group's assets and liabilities as at 30 June 2026 by segment and other information for the six months ended 30 June 2026 are as follows:

	Digitized operation services in healthcare industry (Unaudited) HK$'000	Entertainment and media (Unaudited) HK$'000	Total (Unaudited) HK$'000
At 30 June 2026 (unaudited):			
Segment assets	81,336	145,740	227,076
Unallocated assets			130,759
Total assets			357,835
Segment liabilities	130,389	–	130,389
Unallocated liabilities			167,832
Total liabilities			298,221
For the six months ended 30 June 2026 (unaudited):			
Other information:			
Addition of right-of-use assets			
– Allocated	5,365	–	5,365
Purchase of property, plant and equipment			
– Allocated	104	–	104
Depreciation of right-of-use assets			
– Allocated	363	–	363
– Unallocated			1,073
Depreciation of property, plant and equipment			
– Allocated	414	–	414
– Unallocated			36
Amortization of intangible assets	31	–	31

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

	Digitized operation services in healthcare industry (Unaudited) HK$'000	Entertainment and media (Unaudited) HK$'000	Total continuing operations (Unaudited) HK$'000	Discontinued operation: Smart healthcare services platform (Unaudited) HK$'000	Total (Unaudited) HK$'000
Revenue	241,084	229	241,313	61,068	302,381
Share of result of an associate	–	736	736	–	736
Segment results	(11,860)	965	(10,895)	(2,024)	(12,919)
Exchange gain, net			1,126	3	1,129
Fair value change on financial asset at fair value through profit or loss – unallocated			195	–	195
Fair value change on interest in an associate measured at fair value through profit or loss – unallocated			191	–	191
Other unallocated expenses, net			(20,954)	–	(20,954)
			(30,337)	(2,021)	(32,358)
Finance costs, net			(10,280)	(3)	(10,283)
Loss before taxation			(40,617)	(2,024)	(42,641)
Taxation			–	–	–
Loss for the period			(40,617)	(2,024)	(42,641)
Loss for the period attributable to non-controlling interests			7,057	612	7,669
Loss for the period attributable to equity holders of the Company			(33,560)	(1,412)	(34,972)

An analysis of the Group's assets and liabilities as at 31 December 2025 by segment and other information for the six months ended 30 June 2025 are as follows:

	Digitized operation services in healthcare industry HK$'000	Entertainment and media HK$'000	Total continuing operations HK$'000	Discontinued operation: Smart healthcare services platform HK$'000	Total HK$'000
At 31 December 2025 (audited):					
Segment assets	58,311	145,173	203,484	45,861	249,345
Unallocated assets			111,182	–	111,182
Total assets			314,666	45,861	360,527
Segment liabilities	105,875	–	105,875	52,176	158,051
Unallocated liabilities			174,583	–	174,583
Total liabilities			280,458	52,176	332,634
For the six months ended 30 June 2025 (unaudited):					
Other information:					
Addition of right-of-use assets					
– Unallocated	–	–	2,394	–	2,394
Purchase of intangible assets	221	–	221	–	221
Depreciation of right-of-use assets					
– Allocated	1,033	–	1,033	102	1,135
– Unallocated			1,409	–	1,409
Depreciation of property, plant and equipment					
– Allocated	789	–	789	20	809
– Unallocated			30	–	30
Amortization of intangible assets	638	–	638	7	645

(b) Geographical segment

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets[Note]	
	30 June 2026 (Unaudited) HK$'000	30 June 2025 (Unaudited) (Restated) (Note 29) HK$'000	**30 June 2026 (Unaudited) HK$'000**	31 December 2025 (Audited) HK$'000
The People's Republic of China (the "PRC")	**220,054**	241,313	**42,533**	42,074
Hong Kong	**–**	–	**1,110**	1,716
South Korea	**–**	–	**99,833**	100,637
	220,054	241,313	**143,476**	144,427

Note: Non-current assets exclude non-current portion of deposits and other receivables.

(c) Revenue from major customers who have individually contributed 10% or more of the total revenue of the Group for the six months ended 30 June 2026 and 30 June 2025 are disclosed as follows:

	Six months ended 30 June	
	2026 (Unaudited) HK$'000	2025 (Unaudited) (Restated) (Note 29) HK$'000
Customer A	**N/A**	64,380
Customer B	**92,706**	N/A

Note: Revenue from customer A did not exceed 10% of the total revenue for the six months ended 30 June 2026, and revenue from customer B did not exceed 10% of the total revenue for the six months ended 30 June 2025.

6. FINANCE COSTS

	Six months ended 30 June	
	2026 (Unaudited) HK$'000	2025 (Unaudited) (Restated) (Note 29) HK$'000
Continuing Operations:		
Interest on bank and other borrowings	**(540)**	(656)
Interest on convertible bonds (Note 28)	**(4,737)**	(7,501)
Interest on lease liabilities (Note 11)	**(117)**	(163)
Interest on long-term financial liabilities	**(2,283)**	(1,960)
	(7,677)	(10,280)

7. LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
		(Note 29)
	HK$'000	HK$'000
Continuing operations:		
Depreciation of property, plant and equipment (Note 12)	**450**	819
Depreciation of right-of-use assets (Note 11)	**1,436**	2,442
Expense relating to short-term leases (Note 11)	**1,135**	1,219
Amortization of intangible assets (Note 13)	**31**	7
Costs of digitized operation services in healthcare industry	**143,033**	161,311
Marketing and promotion expenses	**67,090**	64,036
Employee benefit expenses:		
Directors' fees	**360**	480
Wages and salaries	**9,208**	27,012
Contributions to defined contribution pension schemes	**1,898**	5,113
	11,466	32,605

8. TAXATION

No Hong Kong profits tax has been provided as the Group has no estimated assessable profit in Hong Kong for the period (2025: same). Taxation on profits outside Hong Kong has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the regions/countries in which the Group operates.

The weighted average applicable tax rate for the six months ended 30 June 2026 was 20.06% (2025: 21.04%).

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

For the purpose of calculation of basic and diluted loss per share for the six months ended 30 June 2026 and 2025, the share consolidation being effective on 11 December 2025 (as detailed in note 27 to the condensed consolidated interim financial information) was deemed to be effective throughout the period from 1 January 2025 to 30 June 2026. Accordingly, the weighted average number of ordinary shares of the Company in issue and the basic and diluted loss per share during the six months ended 30 June 2025 were restated to reflect the effect of the above share consolidation.

	2026 (Unaudited)	2025 (Unaudited) (Restated) (Note 29)
Weighted average number of ordinary shares in issue (thousands)	**1,495,207**	1,358,534
Loss from continuing operations attributable to equity holders of the Company (HK$'000)	**(10,431)**	(33,560)
Loss per share from continuing operations attributable to equity holders of the Company (HK cents per share)	**(0.70)**	(2.47)
Profit/(loss) from discontinued operation attributable to equity holders of the Company (HK$'000)	**5,212**	(1,412)
Profit/(loss) per share from discontinued operation attributable to equity holders of the Company (HK cents per share)	**0.35**	(0.10)
Loss attributable to equity holders of the Company (HK$'000)	**(5,219)**	(34,972)
Loss per share attributable to equity holders of the Company (HK cents per share)	**(0.35)**	(2.57)

For the six months ended 30 June 2026 and 2025, diluted loss per share equals to basic loss per share as the potential ordinary shares were not included in the calculation of diluted loss per share because they are anti-dilutive.

10. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the six months ended 30 June 2026 (2025: Nil).

11. LEASES

(i) Amounts recognized in the condensed consolidated interim balance sheet

The condensed consolidated interim balance sheet shows the following amounts relating to leases:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Right-of-use assets		
Office	**6,584**	4,273
Lease liabilities		
Current	**2,745**	2,949
Non-current	**4,215**	1,626
	6,960	4,575

Additions to the right-of-use assets during the six months ended 30 June 2026 were HK$5,365,000 (2025: HK$2,394,000).

(ii) Amounts recognized in the condensed consolidated interim income statement

The condensed consolidated interim income statement shows the following amounts relating to leases:

	Notes	30 June 2026 (Unaudited) HK$'000	30 June 2025 (Unaudited) HK$'000
Depreciation charge of right-of-use assets – offices	7	**1,436**	2,544
Interest expense (included in finance costs)	6	**117**	166
Expenses relating to short-term leases (included in administrative expenses)	7	**1,135**	1,287

The total cash outflow for leases for the six months ended 30 June 2026 was HK$5,484,000 (2025: HK$3,188,000).

(iii) Extension and termination options

Extension and termination options are included in the lease held by the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable only by the Group and not by the respective lessor.

12. PROPERTY, PLANT AND EQUIPMENT

	Building (Unaudited) HK$'000	Machinery and equipment (Unaudited) HK$'000	Furniture, computer and equipment (Unaudited) HK$'000	Leasehold improvements (Unaudited) HK$'000	Motor vehicles (Unaudited) HK$'000	Total (Unaudited) HK$'000
Six months ended 30 June 2026						
Opening net book amount	**–**	**1**	**694**	**798**	**70**	**1,563**
Addition	**–**	**–**	**104**	**–**	**–**	**104**
Disposal of subsidiaries	**–**	**–**	**(36)**	**–**	**–**	**(36)**
Depreciation	**–**	**–**	**(145)**	**(305)**	**–**	**(450)**
Exchange difference	**–**	**–**	**26**	**25**	**3**	**54**
Closing net book amount	**–**	**1**	**643**	**518**	**73**	**1,235**
Six months ended 30 June 2025						
Opening net book amount	–	1	1,020	1,744	81	2,846
Depreciation	–	–	(246)	(583)	(10)	(839)
Exchange difference	–	–	20	23	1	44
Closing net book amount	–	1	794	1,184	72	2,051

During the six months ended 30 June 2026, depreciation expenses of approximately HK$423,000 (2025: HK$784,000), HK$1,000 (2025: HK$6,000) and HK$26,000 (2025: HK$49,000) have been charged in administrative expenses, marketing and selling expenses and research and development expenses respectively.

13. INTANGIBLE ASSETS

	Licenses and software Six months ended 30 June	
	2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Six months ended 30 June		
Opening net book amount	**293**	1,186
Additions	**–**	221
Amortization	**(31)**	(645)
Disposal of subsidiaries	**(91)**	–
Exchange differences	**7**	14
Closing net book amount	**178**	776
As at 30 June		
Cost	**232**	5,227
Accumulated amortization	**(54)**	(4,451)
Net carrying amount	**178**	776

During the six months ended 30 June 2026, amortization expenses of approximately HK$24,000 (2025: HK$584,000) and HK$7,000 (2025: HK$61,000) have been charged in administrative expenses and marketing and selling expenses respectively.

14. GOODWILL

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost and net carrying amount as at 1 January	**27,243**	27,198
Exchange differences	**113**	186
Cost and net carrying amount as at 30 June	**27,356**	27,384

15. INTEREST IN AN ASSOCIATE

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Interest in an associate accounted for using the equity method		
– Interest in HB Entertainment Co., Ltd.	**99,833**	100,637

Set out below are the associate of the Group as at 30 June 2026 which, in the opinion of the directors, are material to the Group. The associate is a private company and there is no quoted market price available for its shares. There is no contingent liability relating to the Group's interest in an associate, and there is no contingent liability of the associate itself.

Details of interest in an associate as at 30 June 2026 and 31 December 2025 are as follows:

Name	Place of establishment and kind of legal entity	% of ownership interest		Principal activities and place of operation
		30 June 2026	31 December 2025	
HB Entertainment Co., Ltd. ("HB Entertainment")	Korea, limited liability company	**31%**	31%	Production of and investments in movies and TV drama series, provision of entertainer/artist management and agency services in Korea

As disclosed in Note 28 to the condensed consolidated interim financial information, the Group has provided pledges over its equity interest in HB Entertainment in favour of the subscribers of the convertible bonds.

16. INVESTMENT PROPERTIES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Non-current assets – at fair value		
Opening balance at 1 January	**10,418**	10,629
Net loss from fair value adjustment (Note 4)	**(2,495)**	–
Exchange differences	**367**	164
Closing balance at 30 June	**8,290**	10,793

The Group has entered into agreements to dispose of the above investment properties to independent third parties at an aggregated consideration of RMB7,200,000 in June 2026. The fair value of the investment properties as at 30 June 2026 was adjusted accordingly. The said disposals were completed in July 2026.

The Group has engaged an independent valuer to determine the fair value of the investment properties as at 31 December 2025 using the market approach.

Amounts recognized in profit or loss for investment properties

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Rental income from operating leases	**60**	117
Direct operating expenses from property that generated rental income	**49**	46
Fair value loss recognized in other income and other gains, net	**2,495**	–

As at 31 December 2025, investment properties were leased to tenants under operating leases with rentals payable half-yearly. Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term.

Minimum lease payments receivable on leases of investment properties are as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Within 1 year	**–**	59

17. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Put option		
– Deep Sea Health Limited	**13,454**	12,938

Refer to Note 22 to the condensed consolidated financial information for details of the nature and fair value determination of the unlisted investment in Deep Sea Health Limited and the relevant put option.

18. TRADE AND BILLS RECEIVABLES

At 30 June 2026 and 31 December 2025, the aging analysis of the trade and bills receivables based on invoice date were as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
0–3 months	**10,095**	40,084
4–6 months	**444**	9,262
7–9 months	**–**	2,618
10–12 months	**26**	365
Over 1 year	**12,101**	10,676
	22,666	63,005
Less: Provision for impairment	**(8,814)**	(9,077)
	13,852	53,928

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Prepayments	**5,476**	2,343
Deposits and other receivables	**125,224**	123,057
	130,700	125,400
Less: Provision for impairment of deposits and other receivables	**(17,207)**	(13,224)
Total net balance of prepayments, deposits and other receivables (Note)	**113,493**	112,176
Less: Non-current portion	**(23,637)**	(25,217)
Current portion	**89,856**	86,959

Note: The total net balance of prepayments, deposits and other receivables comprised the following significant components:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Unutilized film production investment amount (i)	**30,998**	32,147
Deposits paid for securing other borrowings (ii)	**48,650**	48,650
Other receivable generated from the discontinued operation of "Beijing Bayhood No. 9 Club" (iii)	**21,301**	20,484
Rental deposits	**1,255**	866
Others	**11,289**	10,029
	113,493	112,176

(i) As detailed in the Company's announcement dated 10 December 2015, the Group has invested an aggregate amount equivalent to approximately HK$369 million (the "Total Investment Amount") pursuant to a film production investment agreement entered into with an independent film producer in 2015. Over the time a portion of the Total Investment Amount was converted into the Group's investment in movie projects, while a portion of such amounts were not utilized and were returned back to the Group. The amount of HK$30,998,000 (31 December 2025: HK$32,147,000) as at 30 June 2026 represented the outstanding balance of the unutilized film investment amounts due from the film producer. On the other hand, the Group has received a security deposit (included in other payables of the Group) of approximately HK$6,563,000 (31 December 2025: HK$6,311,000) from an affiliate of the film producer as a pledge against these other receivables.

(ii) As of 30 June 2026, the Group has paid deposits of approximately HK$48,650,000 (31 December 2025: HK$48,650,000) for securing certain of its other borrowings equivalent to approximately HK$50,889,000 (31 December 2025: HK$48,936,000) (Note 23).

(iii) The amount represented the net receivable amount due from Beijing Bayhood No. 9 Business Hotel Company Limited generated from the Group's discontinued operation in relation to Healthcare and Wellness Services – Beijing Bayhood No. 9 Club.

20. INVENTORIES

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Finished goods	**–**	445

No (2025: Nil) cost of inventories sold was recognized as expense and included in "Cost of sales" from continuing operations in the condensed consolidated interim income statement for the six months ended 30 June 2026.

No provision of impairment of inventories was recognized for the six months ended 30 June 2026 (2025: Nil).

21. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Cash and bank balances	**60,328**	23,888
Denominated in:		
HK$	**32,148**	10,416
RMB	**28,170**	13,471
US$	**10**	1
	60,328	23,888
Maximum exposure to credit risk	**60,302**	23,863

The Group's cash and bank balances of approximately HK$28,170,000 (31 December 2025: HK$13,471,000) as at 30 June 2026 were denominated in RMB and held in the PRC. The remittance of these funds out of the PRC is subject to the foreign exchange restrictions imposed by the PRC government.

As disclosed in Note 28 to the condensed consolidated interim financial information, the Group has provided pledges over certain of its bank accounts in favour of the subscribers of the convertible bonds. The amount of such pledged bank accounts as of 30 June 2026 was approximately HK$53,000 (31 December 2025: HK$55,000).

22. ASSET CLASSIFIED AS HELD FOR SALE

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Interest in an associate – Deep Sea Health Limited	**13,232**	12,725

On 12 August 2021, the Company has completed an acquisition of 21.88% equity interest in Deep Sea Health Limited ("DSH"), which became an associate of the Group. In connection with the acquisition, the Company has been granted an option to put the whole of acquired 21.88% equity interests in DSH to the founder and largest shareholder of DSH by 30 December 2022 at its original cost of acquisition ("2022 option"). Pursuant to the supplemental agreement entered into on 28 December 2022, the Company has agreed not to exercise the 2022 option, and has been granted another option to put its equity interests in DSH to the founder and the largest shareholder of DSH by 31 December 2024 at its original cost of acquisition plus a premium of 8% per annum. On 30 December 2024, it was agreed that the Group will dispose the investment in DSH at a consideration of RMB23,200,000 to the controlling shareholder of DSH or his designate parties. As of 30 June 2026, RMB15,000,000 of such consideration has been received by the Group.

As the Group has agreed with the controlling shareholder of DSH to dispose of the investment in DSH at a consideration of RMB23,200,000, the Group's management adopted the approach of estimating the fair value of the unlisted investment and put option as at 30 June 2026 and 31 December 2025 by making referencing to the agreed transaction consideration.

23. BANK AND OTHER BORROWINGS

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Current:		
Bank borrowing (Note a)	**29,935**	22,143
Other borrowings (Note b)	**62,748**	61,779
	92,683	83,922
Non-current:		
Bank borrowing (Note a)	**10,362**	–
	103,045	83,922
Denominated in:		
RMB	**103,045**	83,922

As at 30 June 2026 and 31 December 2025, carrying amounts of bank and other borrowings approximated their fair values.

Note a: As at 30 June 2026, bank borrowing is secured (31 December 2025: secured) and interest bearing at 3.11% (31 December 2025: 3.3%). Except for certain bank borrowing of approximately HK$10,362,000 (31 December 2025: Nil) which is repayable within 3 years, the remaining bank borrowing of approximately HK$29,935,000 (31 December 2025: HK$22,143,000) is repayable within 1 year.

Note b: As at 30 June 2026, approximately HK$50,889,000 (31 December 2025: HK$48,936,000) of the other borrowings are secured by deposits of approximately HK$48,650,000 (31 December 2025: HK$48,650,000) (Note 19). The remaining other borrowings of approximately HK$11,859,000 (31 December 2025: HK$12,843,000) are unsecured.

Approximately HK$4,605,000 (31 December 2025: HK$4,429,000) of the other borrowings are interest-bearing at a weighted average rate of 6% (31 December 2025: 6.00%) per annum. The remaining other borrowings of approximately HK$58,143,000 (31 December 2025: HK$57,350,000) are interest-free.

24. TRADE PAYABLES

The aging analysis of the trade payables based on invoice date was as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
0–3 months	**15,531**	22,205
3–6 months	**872**	244
Over 6 months	**543**	41,671
	16,946	64,120

25. CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUED LIABILITIES

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Other payables and accrued liabilities (Note i)	**29,460**	37,343
Deposits received for asset held for sale (Note 22)	**17,270**	15,500
	46,730	52,843
Contract liabilities (Note ii)	**–**	122
	46,730	52,965

Notes:

(i) Other payables and accrued liabilities mainly represented accrued operating expenses and PRC other tax payables.

(ii) Contract liabilities represent advance payments received from the customers for services that have not been transferred to the customers.

26. LONG-TERM FINANCIAL LIABILITIES

In 2023, several subsidiaries of the Group have entered into a series of agreements (the "YZN Capital Increase and Reorganization Agreements") with 張家港翼唐股權投資合夥企業(有限合夥) (Zhangjiagang Yitang Equity Investment Partnership (Limited Partnership)) ("Yitang") and other relevant parties. Pursuant to the YZN Capital Increase and Reorganization Agreements, Yitang agreed to make capital contributions of RMB40,000,000 to Yizhinuo Technology (Suzhou) Co., Ltd. ("Suzhou YZN"), the holding company of the Echartnow operations after completion of the YZN Capital Increase and Reorganization Agreements, and would be interested in approximately 6.25% of the enlarged equity interest in Suzhou YZN.

In addition, pursuant to the YZN Capital Increase and Reorganization Agreements, Suzhou YZN shall use all endeavours to achieve the initial public offering on a reputable securities exchange within 5 years ("Qualified IPO"). If Suzhou YZN fails to complete a Qualified IPO or fails to be entirely acquired within the said period, Yitang may require Suzhou YZN to repurchase all or part of its equity interest held in Suzhou YZN in cash at cost of Yitang plus interest at 10% per annum (the "Repurchase Clause"). Accordingly, the capital contribution received by Suzhou YZN is accounted for as the Group's long-term financial liabilities.

In May 2025, Yitang has made another capital contribution of RMB2,500,000 to Suzhou YZN with similar Repayment Clause as described above. Such additional capital contribution is also accounted for as the Group's long-term financial liabilities.

27. SHARE CAPITAL

	Ordinary shares		Preference shares of HK$0.01 each		
	Number of shares '000	HK$'000	Number of shares '000	HK$'000	Total HK$'000
Authorized:					
At 30 June 2026 (ordinary shares: HK$0.20 each) (Unaudited)	**15,000,000**	**3,000,000**	**240,760**	**2,408**	**3,002,408**
At 31 December 2025 (ordinary shares: HK$0.20 each) (Audited)	15,000,000	3,000,000	240,760	2,408	3,002,408
Issued and fully paid:					
At 1 January 2026 (ordinary shares: HK$0.20 each) (Note a)	**1,482,154**	**296,431**	**–**	**–**	**296,431**
Issuance of shares upon share subscription (ordinary shares: HK$0.20 each) (Note b)	**112,500**	**22,500**	**–**	**–**	**22,500**
At 30 June 2026 (ordinary shares: HK$0.20 each)	**1,594,654**	**318,931**	**–**	**–**	**318,931**
At 1 January 2025 and 30 June 2025 (ordinary shares: HK$0.02 each)	13,585,339	271,707	–	–	271,707

Notes:

(a) Share consolidation

As approved at the extraordinary general meeting of the Company held on 9 December 2025, every ten issued and unissued shares of HK$0.02 each in the share capital of the Company have been consolidated into one consolidated share of HK$0.20 each effective from 11 December 2025. For details, please refer to the circular dated 19 November 2025 and the supplemental announcement dated 20 November 2025 issued by the Company.

(b) Share subscription

The Company issued 112,500,000 new ordinary shares of HK$0.20 each upon completion of share subscription to an independent investor on 15 June 2026, raising gross proceeds of approximately HK$45,000,000.

Share Option

The previous share option scheme adopted by the Company on 21 June 2022 (the "2022 Share Option Scheme") was terminated on 21 June 2024. No share option has been granted pursuant to the 2022 Share Option Scheme and no further share options could be granted by the Company under such scheme upon its termination. At the same time, the Company adopted a new share option scheme (the "New Share Option Scheme") on 21 June 2024, pursuant to a resolution passed on the extraordinary general meeting of the Company on the same date.

Pursuant to the New Share Option Scheme, the Company can grant options to Eligible Participant(s) (as defined in the New Share Option Scheme) for a consideration of HK$1.00 for each grant payable by the Eligible Participant(s) to the Company.

Subscription price in relation to each option pursuant to the New Share Option Scheme shall not be less than the higher of (i) the closing price of the shares as stated in Stock Exchange's daily quotation sheets on the date on which the option is offered to a Eligible Participant(s); or (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 trading days immediately preceding the date of offer; or (iii) the nominal value of the shares of the Company. The minimum holding period for the vesting or exercise of the options is 12 months and the options are exercisable within the option period as determined by the Board of Directors of the Company. No share-based compensation expense has been charged to the condensed consolidated interim income statement accordingly (2025: Nil).

During the six months ended 30 June 2026, no share options were granted, exercised, cancelled or lapsed, and there was no outstanding option under the New Share Option Scheme as at 30 June 2026 (2025: Nil).

Share award scheme

On 20 August 2021 (the "Adoption Date"), the Group adopted a share award scheme ("Share Award Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. On 21 June 2024, pursuant to a resolution passed on the extraordinary general meeting of the Company on the same date, the Share Award Scheme was further amended to bring it in line with the latest requirements of the Listing Rules. An award granted under the Share Award Scheme will take the form of a Restricted Share Unit ("RSU"), being a contingent right to receive shares of the Company which are awarded under the Share Award Scheme.

All grants of RSUs to the Company's directors (including an executive director, a non-executive and an independent non-executive director) must first be approved by all the members of the remuneration committee of the Company, or in the case where the grant is proposed to be made to any member of the remuneration committee, by all of the other members of the remuneration committee. All grants of RSUs to connected persons shall be subject to compliance with the requirements of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

During the six months ended 30 June 2026, no (2025: nil) shares were granted to selected participants pursuant to the Share Award Scheme. During the six months ended 30 June 2026, no (2025: nil) share were forfeited because the vesting conditions had not been fulfilled. For the six months ended 30 June 2026, share-based compensation expense recognized in the condensed consolidated interim income statement for share awards was approximately HK$9,000 (2025: HK$31,000).

The fair value of the awarded shares granted, if any, during the six months ended 30 June 2026 would be calculated based on the closing price of the Shares at the date of grant.

28. CONVERTIBLE BONDS

References are made to the Company's announcements dated 7 March 2024, 21 March 2024, 26 March 2024, 17 November 2025, 28 November 2025, 9 December 2025 and 22 January 2026 (the "Announcements"). The Company has issued 10% convertible bonds due March 2026 with an aggregate principal amount of HK$120,000,000 in March 2024. The holder of the Convertible Bonds ("CB Holder") has exercised its right to partially convert the Convertible Bonds with an aggregate principal amount of HK$60,000,000 in November 2025. In January 2026, the Company and the CB Holder have entered into an extension deed ("Extension Deed") to extend the maturity date of the outstanding Convertible Bonds by 25 months from 21 March 2026 to 21 April 2028. In addition, the Company and the CB Holder agreed that the repayment date of any accrued interest of the Convertible Bonds shall also be extended to 21 April 2028. The Extension Deed has been effective since 19 March 2026.

Principal amount:	HK$120,000,000 in two tranches (namely Tranche A Bonds of an aggregate principal amount of HK$60,000,000, and Tranche B Bonds of an aggregate principal amount of HK$60,000,000). On 28 November 2025, the CB holder exercised its right to partially convert the Convertible Bonds with an aggregate principal amount of HK$60,000,000 at the adjusted Conversion Price of HK$1.003 per share, resulting in the Company's allotment and issuance of 59,820,538 new ordinary shares. The remaining outstanding principal amount of Convertible Bonds following the above conversion is HK$60,000,000.
Interest:	10% per annum (payable in advance on the date of issue of the Convertible Bonds ("Issue Date"), and on a half-yearly basis on 30 June and 31 December in each year falling after the Issue Date (each an "Interest Payment Date")). According to the Extension Deed, the repayment date of any accrued interest of the Convertible Bonds has been extended to 21 April 2028.
Maturity Date:	For both Tranche A Bonds and Tranche B Bonds, same maturity date at the second anniversary of the Issue Date of the Tranche A Bonds. According to the Extension Deed, the maturity date of the outstanding Convertible Bonds has been extended to 21 April 2028.
Conversion rights:	At any time after the Issue Date and up to and inclusive of the Maturity Date, the CB holder shall have the right, but not the obligation to convert, in whole or in part, the outstanding principal amount of the Convertible Bonds into such number of Conversion Shares (as defined thereafter) as determined by dividing the outstanding principal amount of the Convertible Bonds to be converted by the Conversion Price (as defined thereafter) in effect on the relevant conversion date.
Conversion Price (adjusted):	HK$1.003 per Share, subject to adjustment for, among other things, capitalisation issue, sub-division, consolidation and reclassification of shares, issue of shares in lieu of the whole or any part of a specifically declared cash dividend, capital distributions, cash dividend, offers to shareholders, issue of new shares for convertible or exchangeable securities at discount, issue of new shares at discount, consideration issues and other dilutive events. The Conversion Price may not be reduced so that, on conversion of the Convertible Bonds, Shares would fall to be issued below their nominal amount.

Conversion Shares:	Assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the adjusted Conversion Price of HK$1.003 per Share, the outstanding Convertible Bonds will be convertible into a total of 59,820,538 new shares of the Company.
Security:	The Company and some of its subsidiaries provided certain pledges in favour of the Subscriber as security for the due performance by the Company of all its obligations under the Convertible Bonds. The said pledges comprise: (i) a share charge as to 100% equity interest in Maximum Gains and as to 100% equity interest in Robust Ocean entered into between the Company, Maximum Gains and the Subscriber, (ii) a share pledge as to 100% equity interest in Tenghai Boye entered into between the Subscriber, Robust Ocean and Tenghai Boye, (iii) a share pledge as to 46.1807% equity interest in Suzhou Yizhinuo entered into between the Subscriber, Tenghai Boye and Suzhou Yizhinuo, (iv) a share pledge as to 30.77% equity interest in HB Entertainment Co., Ltd. (an associated company of the Company) entered into between the Subscriber and the Company, (v) a charge over the bank account of Robust Ocean entered into between the Subscriber and Robust Ocean, and (vi) a charge over the bank account of Tenghai Boye entered into between the Subscriber and Tenghai Boye.
Redemption at option of the Company:	The Company shall have the right, by giving not less than 30 days' prior written notice to the CB Holder, to redeem in whole or in part the Convertible Bonds (which shall be in integral multiples of HK$1,000,000) for the time being outstanding (the "Issuer Redemption Bonds") at 100% of the principal amount and any accrued but unpaid interest (after deducting any interest prepaid but unaccrued) (the "Redemption Amount") for such Issuer Redemption Bonds (each an "Issuer Redemption"). There shall be no more than three (3) Issuer Redemptions in total.
Redemption at maturity:	Unless previously redeemed or converted in full, the Company shall redeem all the Convertible Bonds held by a CB Holder on the Maturity Date by paying the CB Holder the Redemption Amount.

The movement of the Convertible Bonds as of 30 June 2026 and 2025 is set out as below:

	Liability component HK$'000 (Unaudited)	**Equity component** HK$'000 (Unaudited)	**Total fair value of Convertible Bonds** HK$'000 (Unaudited)	**Convertible Bonds interests payable** HK$'000 (Unaudited)	**Total** HK$'000 (Unaudited)
As at 1 January 2026	**59,542**	**1,102**	**60,644**	**11,458**	**72,102**
Effective interest charged (Note 6)	**4,737**	**–**	**4,737**	**–**	**4,737**
Interest paid/payable	**(1,734)**	**–**	**(1,734)**	**1,734**	**–**
Effects of Extension Deed:					
Reserve movement upon modification of convertible bonds	**–**	**(1,102)**	**(1,102)**	**–**	**(1,102)**
Gain on modification of convertible bonds (Note 4)	**(8,178)**	**716**	**(7,462)**	**(3,646)**	**(11,108)**
As at 30 June 2026	**54,367**	**716**	**55,083**	**9,546**	**64,629**
As at 1 January 2025	115,879	2,204	118,083	–	118,083
Effective interest charged (Note 6)	7,501	–	7,501	–	7,501
Interest paid/payable	(5,983)	–	(5,983)	5,983	–
As at 30 June 2025	117,397	2,204	119,601	5,983	125,584

No conversion or redemption of the Convertible Bonds has occurred up to 30 June 2026 (31 December 2025: Nil).

29. DISCONTINUED OPERATION

Disposal of the operation of Smart healthcare services platform (Meerkat Health)

Reference is made to the Company's announcement dated 30 January 2026. On 30 January 2026, the Group entered into a sale and purchase agreement with an independent third party (the "Purchaser"), pursuant to which the Group has agreed to (i) dispose of the entire issued share capital of Heartily Health Limited (being the Hong Kong-incorporated holding company of the operations of Meerkat Health) to the Purchaser; and (ii) assign the shareholder's loan due and owing by Heartily Health Limited to the Purchaser ("Assignment"), at an aggregate consideration of HK$1. The said transaction was completed on 30 January 2026. Upon completion, the financial results, assets and liabilities of the operations of Meerkat Health will no longer be consolidated into the consolidated financial statements of the Group. A gain on disposal of approximately HK$5,503,000 has been recorded by the Group upon completion.

As the operation of Smart healthcare services platform (Meerkat Health) is considered as a separate major line of business, it is accounted for as discontinued operation.

Analysis of the result of discontinued operation in relation to Smart healthcare services platform (Meerkat Health) is as follows:

	During the period from 1 January 2026 to 30 January 2026 HK$'000	Six months ended 30 June 2025 HK$'000
Revenue	**94**	61,068
Cost of sale	**(85)**	(60,730)
Gross profit	**9**	338
Other income and other gains/(losses), net	**6**	(45)
Marketing and selling expenses	**(105)**	(226)
Administrative expenses	**(201)**	(2,088)
	(291)	(2,021)
Finance costs	**–**	(3)
Loss before taxation from discontinued operation	**(291)**	(2,024)
Taxation	**–**	–
Gain on disposal of the operation of Smart healthcare services platform	**5,503**	–
Profit/(loss) for the period from discontinued operation	**5,212**	(2,024)

Analysis of the cash flows of discontinued operation in relation to Smart healthcare services platform (Meerkat Health) is as follows:

	During the period from 1 January 2026 to 30 January 2026 HK$'000	Six months ended 30 June 2025 HK$'000
Operating cash flows	**726**	(2,217)
Investing cash flows	**–**	3
Financing cash flows	**–**	(102)
Total cash flows	**726**	(2,316)

30. RELATED PARTY BALANCES

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Other borrowings (unsecured and non-interest bearing)		
– Mr. YUEN Hoi Po, an executive director of the Company	**–**	1,439

31. CONTINGENT LIABILITIES

As at 30 June 2026, there are no material contingent liabilities to the Group (31 December 2025: Nil).

32. SUBSEQUENT EVENTS

Completion of share subscriptions

In July 2026, the Company issued an aggregate of 162,500,000 new ordinary shares of HK$0.20 each upon completion of share subscriptions to a few independent investors, raising total gross proceeds of HK$65,000,000. The Conversion Price of the outstanding Convertible Bonds has been adjusted from HK$1.003 to HK$0.9925 per Share accordingly.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. YUEN Hoi Po *(Chief Executive Officer)*
Mr. CHENG Wu

Independent Non-executive Directors

Mr. YUEN Kin
Ms. WANG Song Song
Ms. PAN Min

COMPANY SECRETARY & QUALIFIED ACCOUNTANT

Mr. HAU Wai Man, Raymond

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

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Hang Seng Bank
The Hongkong and Shanghai Banking Corporation Limited

SOLICITORS

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