Herbs Generation Group Holdings Limited
草姬集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2593

2026

INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Ms. Kwok Chi Yan Gammy
(Chairlady and Chief Executive Officer)
Mr. Li Yat Sing Petras
Ms. Young Yuen Pik (resigned on 1 August 2026)

NON-EXECUTIVE DIRECTOR

Mr. Kwok Chun On

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Chan Chi Fai Andrew, *SBS, JP*
Mr. Lam Yiu Por
Dr. Tsang Hing Lim Kenneth

AUDIT COMMITTEE

Mr. Lam Yiu Por *(Chairman)*
Professor Chan Chi Fai Andrew, *SBS, JP*
Dr. Tsang Hing Lim Kenneth

REMUNERATION COMMITTEE

Professor Chan Chi Fai Andrew, *SBS, JP (Chairman)*
Ms. Kwok Chi Yan Gammy
Mr. Lam Yiu Por
Dr. Tsang Hing Lim Kenneth

NOMINATION COMMITTEE

Ms. Kwok Chi Yan Gammy *(Chairlady)*
Mr. Lam Yiu Por
Professor Chan Chi Fai Andrew, *SBS, JP*
Dr. Tsang Hing Lim Kenneth

COMPANY SECRETARY

Mr. Tsang Hing Suen, *HKICPA*

AUTHORISED REPRESENTATIVES

Mr. Li Yat Sing Petras
Mr. Tsang Hing Suen

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
Hang Seng Bank Limited

REGISTERED OFFICE IN THE CAYMAN ISLANDS

89 Nexus Way
Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units A7 & A8, 6/F of NCB Innovation Centre
888 Lai Chi Kok Road
Kowloon
Hong Kong

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor Registered in accordance with the Accounting and Financial Reporting Council Ordinance
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

COMPANY WEBSITE

www.herbs.hk

STOCK CODE

2593

FINANCIAL HIGHLIGHTS

The board (the "**Board**") of directors (the "**Directors**") of Herbs Generation Group Holdings Limited (the or our "**Company**") is pleased to present the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**" or "**1H2026**") prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") as follows:

RESULTS

	Six month ended 30 June	
	2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Revenue	**110,013**	117,292
Gross profit	**78,121**	82,643
Loss from operations	**(3,700)**	(8,503)
Loss and total comprehensive income for the period	**(3,710)**	(7,535)
Loss per share	**HK(2.78) cents**	HK(5.65) cents

FINANCIAL POSITION

	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
Non-current assets	**32,308**	34,251
Current assets	**146,951**	159,880
Non-current liabilities	**9,725**	8,786
Current liabilities	**29,070**	41,171
Net assets	**140,464**	144,174

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Established for over 20 years, the Group is a provider of a variety of health supplements and cosmetics and skincare products in Hong Kong. The Group focuses on the development, sales and marketing of products under its own brands through a multi-channel sales model. Since the founding of the Group in 1999, the Group has been actively building its own brands by selling a wide variety of products. As at 30 June 2026, the Group carried a total of eleven own brands. The Group sells products under its own brands and certain third-party brands through (i) retail business, (ii) wholesale business, and (iii) consignment arrangements.

For the Reporting Period, the Group encountered a challenging market landscape, resulting in a 6.2% decline in revenue compared to the six months ended 30 June 2025 ("**1H2025**") and recording a reduced net loss of approximately HK$3.7 million for the Reporting Period, as compared to a net loss of approximately HK$7.5 million for 1H2025. Such change was mainly due to the decrease in advertising and promotion expenses (including but not limited to online advertising, offline advertising and engagement of entertainers and KOLs) during the Reporting Period, offset by the decrease in the Group's revenue and gross profit during the Reporting Period which was largely attributed to the decrease of sales from the retail business during the Reporting Period.

During the Reporting Period, in response to the challenging market landscape, the Group actively developed new brand and new products to expand its product portfolio, including new products "Herbs EGT+PQQ (草姬麥角巯因+PQQ)", "Herbs Meno Vital Premium (草姬更年美)" and "MedHerbs Sleep & Relax Medical Formula (MedHerbs醫學級甜睡放鬆配方)". Looking ahead, the Group plans to continue innovating through the development of additional products, as well as the upgrading of existing products in the second half of 2026, with the aim of further reducing losses in 2026 compared with 2025.

FINANCIAL REVIEW

Revenue

The principal activities of the Group are sales of health supplements and cosmetics and skincare products. The Group recorded a decrease in revenue by approximately HK$7.3 million or 6.2% from approximately HK$117.3 million for 1H2025 to approximately HK$110.0 million for 1H2026.

The following table sets forth the breakdown of the revenue by sales channel for 1H2026 and 1H2025:

	Six months ended 30 June			
	2026 (Unaudited)		2025 (Unaudited)	
	HK$'000	**%**	HK$'000	%
Revenue				
– Retail business	**62,322**	**56.6**	71,484	60.9
– Wholesale business	**46,530**	**42.3**	43,831	37.4
– Consignment arrangements	**1,161**	**1.1**	1,977	1.7
Total	**110,013**	**100.0**	117,292	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Retail business:

The Group sold its products directly to end-customers, primarily through its self-operated retail shops, brand experience centres, its own e-commerce platform Zinomall, and its self-operated account and store on third-party online platforms including HKTVmall and Tmall.hk. Revenue generated from retail business decreased by approximately HK$9.2 million or 12.8% from approximately HK$71.5 million for 1H2025 to approximately HK$62.3 million for 1H2026. The decrease in revenue from the retail business was mainly attributable to the increasingly competitive environment in the health supplement retail sector during the Reporting Period.

Wholesale business:

The Group sold its products to wholesale customers, primarily consist of chain retailers such as large-scale local health and beauty product chain retailers, as well as non-chain retailers such as pharmacies and trading companies, for onward sale to end-customers. Revenue generated from wholesale business increased by approximately HK$2.7 million or 6.2% from approximately HK$43.8 million for 1H2025 to approximately HK$46.5 million for 1H2026. The increase in revenue from the wholesale business was largely attributable to higher demand from the Group's largest customer during the Reporting Period.

Consignment arrangements:

The Group sold its products at the retail shops of its consignees to end-customers visiting their retail shops. Revenue generated from consignment arrangements decreased by approximately HK$0.8 million or 41.3% from approximately HK$2.0 million for 1H2025 to approximately HK$1.2 million for 1H2026. The decrease of revenue from consignment arrangement primary due to the reduced demand from the Group's largest consignee, one of the leading retailers in Hong Kong, during the Reporting Period.

Cost of Sales and Gross Profit

The Group's cost of sales primarily comprised materials costs, packaging costs and delivery costs. Material costs constitutes the majority of the Group's cost of sales and includes the costs for (i) semi-finished products; and (ii) raw materials used in the manufacturing of the Group's products. The Group's cost of sales decreased by approximately HK$2.7 million or 8.0% from approximately HK$34.6 million for 1H2025 to approximately HK$31.9 million for 1H2026.

The Group's gross profit represents its revenue less costs of sales. The Group's gross profit decreased by approximately HK$4.5 million or 5.5% from approximately HK$82.6 million for 1H2025 to approximately HK$78.1 million for 1H2026. The Group's overall gross profit margin increased sightly by 0.5 percentage point from 70.5% for 1H2025 to 71.0% for 1H2026.

Other income

The Group's other income primarily consist of (i) bank interest income generated from bank deposits; and (ii) government grants, which mainly included fund on branding, upgrading and domestic sales. The decrease in other income of approximately HK$1.2 million for 1H2026 was attributable to the absence of government grants in 1H2026 (1H2025: government grants of HK$0.8 million).

Selling and distribution costs

The Group's selling and distribution costs primarily consist of (i) salaries and commission paid to its product consultants and sales promoters; (ii) advertising and promotion expenses incurred for engagement of entertainers (such as actors and singers), KOLs and medical professionals, and for placement of advertisements in its marketing and promotional activities; (iii) delivery expenses incurred for delivery of products to its customers; and (iv) consignment expenses paid to its consignees.

The decrease in selling and distribution costs of approximately HK$11.0 million or 16.6% for 1H2026 was primarily attributable to a reduction in advertising and promotion expenses, resulting from the Group's tighter management of such expenses during the Reporting Period. The Group had entered into advertising and promotion commitment agreement with advertising platforms with unutilised amount of approximately HK$12.4 million at 30 June 2025.

Administrative and other operating expenses

The Group's administrative and other operating expenses mainly consist of (i) depreciation of its leased properties, including its self-operated retail shops and brand experience centres; (ii) salaries and benefits paid to its employees; and (iii) rental and other premise expenses, mainly including management fees.

The increase in administrative expenses of approximately HK$0.4 million or 1.6% for 1H2026 was mainly attributable to (i) the increase in staff costs during 1H2026 when comparing to that of 1H2025; (ii) the increase in depreciation of leased properties, stemming from the increase in average number of self-operated retail shops from 33 in 1H2025 to 36 in 1H2026, partially offset by the decrease in impairment losses on property, plant and equipment and the net foreign exchange (gain)/loss.

Finance costs

The Group's finance costs represent interest on lease liabilities. The decrease in finance costs of approximately HK$163,000 or 28.0% from approximately HK$583,000 for 1H2025 to approximately HK$420,000 for 1H2026 was mainly attributable to the decrease in the carrying amount of lease liabilities during the Reporting Period.

Income tax credit

Income tax credit primarily consists of movements in deferred income tax assets. Income tax credit in 1H2026 and 1H2025 mainly arising from the recognition of deferred tax credits as a result of the losses incurred in the periods.

Loss and total comprehensive income for the period

As a result of the foregoing, the Group recorded a net loss for the period amounted to approximately HK$3.7 million for 1H2026, as compared to a net loss of approximately HK$7.5 million for 1H2025. Such change was mainly due to the decrease in advertising and promotion expenses (including but not limited to online advertising, offline advertising and engagement of entertainers and KOLs) during the Reporting Period, offset by the decrease in the Group's revenue and gross profit during the Reporting Period which was largely attributed to the decrease of sales from the retail business during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2026, the Company's issued share capital was approximately HK$1.3 million and the number of its issued ordinary shares was 133,333,600 of HK$0.01 each.

Cash flows

As at 30 June 2026 and 31 December 2025, the Group had cash and cash equivalents of approximately HK$69.1 million and HK$78.2 million, respectively, which were mainly denominated in Hong Kong dollars and US dollars. The Group's primary uses of cash were mainly for financing daily operations and working capital requirements, including payment for procurement of health supplements and cosmetics and skincare products.

Bank borrowings and gearing ratio

Gearing ratio is calculated by using total interest-bearing borrowings (excluding lease liabilities) as at the respective dates divided by total equity as at the same dates and multiplied by 100%.

The gearing ratio was not applicable as at 30 June 2026 and 31 December 2025 as the Group did not have any borrowings (excluding lease liabilities) as at both dates.

Net debt to equity ratio

Net debt to equity ratio is calculated as net debts (i.e. bank borrowings, net of cash and cash equivalents) divided by total equity as at the respective reporting dates.

The net debt to equity ratio was not applicable as at 30 June 2026 and 31 December 2025 as the Group had net cash position as at both dates.

Treasury management

The Group maintains sufficient cash and cash equivalents to support its regular business operations. Management closely monitors trade receivables and overdue balances (if any) and ensures that the Group engages only with creditworthy counterparties. Additionally, the Group's liquidity position is carefully monitored to ensure its assets, liabilities, and commitments are structured to meet funding requirements, thereby effectively managing liquidity risk.

Capital expenditures

During 1H2026, the Group's capital expenditures, primarily directed towards the acquisition of property, plant, and equipment, totaled approximately HK$1.2 million, compared to approximately HK$0.2 million in 1H2025. Except for approximately HK$661,000 related to leasehold improvement for self-operated retail shops newly setup in 1H2026, which were funded by the net proceeds from the global offering of the Listing, other capital expenditures were financed through internally generated cash flow from our operating activities.

Looking forward, the Group anticipate a rise in capital expenditures in line with the continued growth of its business. These future investments will predominantly support the acquisition of property, plant, and equipment. The Group intend to fund such expenditures using a combination of cash flow from ongoing operations and the net proceeds from the global offering.

Exposure to fluctuations in exchange rates and related hedges

While the Group's revenue is mainly denominated in HKD, most of the Group's operating expenses are primarily denominated in HKD, RMB and USD, and the Group is exposed to foreign currency risks primarily as a result of operating expenses that are denominated in foreign currencies other than HKD.

The Group has set up a policy to manage its foreign currency risk by closely monitoring the movement of the foreign currency rates and employing financial instruments for hedging should the need arise. The Group does not adopt a formal hedge accounting policy.

As at 30 June 2026 and 31 December 2025, the Group did not hold any outstanding forward foreign exchange contract.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2026 and 31 December 2025.

Off-balance sheet commitments and arrangements

The Group did not have any outstanding off-balance sheet arrangements for 1H2026. Except for the advertising and promotion commitment mentioned in the section of "FINANCIAL REVIEW – Selling and distribution costs", the Group did not have any outstanding off-balance sheet arrangements for 1H2025.

EVENTS AFTER THE REPORTING PERIOD

The Group had no material events after the Reporting Period and up to the date of this interim report.

EMPLOYEE INFORMATION

As at 30 June 2026, the Group had 239 employees, including part-time staff. The Group remunerates employees based on their performance and experience, the Group's results as well as prevailing market condition. In addition to salary and commission payment to staff, other staff benefits include discretionary bonus and internal training.

SIGNIFICANT INVESTMENT

During 1H2026, the Group did not have any plan for significant investment.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During 1H2026, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report, there were no other plans for material investments or capital assets as at 30 June 2026.

PLEDGE OF ASSETS

As at 30 June 2026, the Group has not pledged any assets.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") except for the deviation mentioned in the section of "CHAIRLADY AND CHIEF EXECUTIVE OFFICER".

Chairlady and chief executive officer

For 1H2026, under code provision C.2.1 of the CG Code, the roles of the Chairlady and Chief Executive Officer (the "**CEO**") of the Company should be separated and should not be performed by the same individual. However, the roles of the Chairlady and CEO of the Group are not being separated pursuant to the requirement under the code provision C.2.1 of the CG Code. Ms. Kwok Chi Yan Gammy ("**Ms. Gammy Kwok**") is the Chairlady and also the CEO and is responsible for overseeing the operations of the Group during such period. In view of the fact that Ms. Gammy Kwok is the founder of the Group and has been operating and managing the Group since 2000, the Board believes that it is in the best interests of the Group to have Ms. Gammy Kwok taking up both roles for effective management and business development.

The Board also believes that vesting the roles of both Chairlady and CEO in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Although Ms. Gammy Kwok performs both roles of Chairlady and CEO, the division of responsibilities between the two roles is clearly established. While the Chairlady is responsible for supervising the functions and performance of the Board, the CEO is responsible for the management of the Group's business. The Board considers that the balance of power and authority for the present arrangement will not be impaired given the appropriate delegation of the power of the Board to the senior management for the day-to-day management of the Group, and the effective functions of the independent non-executive directors representing at least one-third of the Board such that no one individual has unfettered power of decisions. This structure will also enable the Company to make and implement decisions promptly and effectively.

MODEL CODE OF CONDUCT OF DIRECTORS' SECURITIES TRANSACTIONS

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its shares as required under the Listing Rules during the Reporting Period and up to the date of this interim report.

SHARE AWARD SCHEME

The Company has adopted a share award scheme (the "**Share Award Scheme**") on 3 December 2024 and the Share Award Scheme became effective from 19 December 2024 (the "**Effective Date**"). No share awards have been granted since the Effective Date and therefore no new shares may be issued in respect of awards granted during the Reporting Period to eligible participants pursuant to the Share Award Scheme. The total number of shares that may be issued in respect of awards granted during the Reporting Period pursuant to Share Award Scheme, divided by the weighted average number of issued shares for the six months ended 30 June 2026 was 10%.

As at 1 January 2026 and 30 June 2026, the number of shares available for grant under the Share Award Scheme was 13,333,360 shares, representing 10% of the issued share capital as at 30 June 2026.

USE OF PROCEEDS

On 11 December 2024, the Company offered 33,333,600 shares for subscription in the global offering. The offer price per share was determined at HK$3.75 and the shares were successfully listed on the Main Board of the Stock Exchange on 19 December 2024. The net proceeds (after deduction of underwriting fees and commissions and other listing expenses) from the listing of the Company's shares on the Main Board of the Stock Exchange on 19 December 2024 (the "**Listing**") were approximately HK$94.4 million. The estimated net proceeds under the section headed "Future plans and use of proceeds" in the prospectus of the Company dated 11 December 2024 (the "**Prospectus**") was HK$102.0 million. The difference of approximately HK$7.6 million has been adjusted in the same proportion to the use of proceeds as disclosed in the Prospectus.

The below table sets out the planned application of the net proceeds:

Intended application of the net proceeds	Approximate percentage of total net proceeds	Adjusted planned allocation HK$ million	Unutilised amount as at 31 December 2025 HK$ million	Utilised amount during the Reporting Period HK$ million	Unutilised amount as at 30 June 2026 HK$ million	Expected timetable for full utilisation (Note)
Strategic marketing and promotion activities to further enhance the brand awareness and recognition of products under our own brands	35.7%	33.7	22.6	9.3	13.3	December 2027
Expanding, improving and optimising our sales network	37.8%	35.7	33.3	5.0	28.3	December 2027
Diversifying and enhancing our product portfolio	4.7%	4.4	4.4	–	4.4	December 2027
Talent recruitments	12.4%	11.7	10.0	2.6	7.4	December 2027
General working capital	9.4%	8.9	–	–	–	N/A
Total	100.0%	94.4	70.3	16.9	53.4	

Note: The expected timeline for the usage of the remaining proceeds is made based on the best estimate of our Group's future market conditions, which is subject to the current and future development of the market conditions.

As at 30 June 2026, the unutilised net proceeds have been placed in interest-bearing accounts with licensed banks in Hong Kong.

REVIEW REPORT TO THE BOARD OF DIRECTORS

KPMG

Herbs Generation Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 13 to 28 which comprises the consolidated statement of financial position of Herbs Generation Group Holdings Limited (the "**company**") and its subsidiaries (the "**group**") as of 30 June 2026 and the related consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

25 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Revenue	3	**110,013**	117,292
Cost of sales		**(31,892)**	(34,649)
Gross profit		**78,121**	82,643
Other income	4	**799**	2,062
Selling and distribution costs		**(55,447)**	(66,458)
Administrative and other operating expenses		**(27,173)**	(26,750)
Loss from operations		**(3,700)**	(8,503)
Finance costs	5	**(420)**	(583)
Loss before taxation	5	**(4,120)**	(9,086)
Income tax credit	6	**410**	1,551
Loss and total comprehensive income for the period		**(3,710)**	(7,535)
Loss per share	7		
Basic and diluted		**HK(2.78) cents**	HK(5.65) cents

The notes on pages 13 to 28 form part of this interim financial report. Details of dividends payable to equity shareholders of the company are set out in note 13.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026
(Expressed in Hong Kong dollars)

	Note	**30 June 2026 (Unaudited) HK$'000**	31 December 2025 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	8	**25,440**	27,794
Deferred tax assets		**6,868**	6,457
		32,308	34,251
Current assets			
Inventories	9	**35,095**	39,443
Trade and other receivables	10	**41,286**	40,766
Tax recoverable		**1,449**	1,449
Cash and cash equivalents	11	**69,121**	78,222
		146,951	159,880
Current liabilities			
Trade and other payables	12	**13,930**	23,082
Contract liabilities		**1,354**	2,642
Lease liabilities		**13,786**	15,447
		29,070	41,171
Net current assets		**117,881**	118,709
Total assets less current liabilities		**150,189**	152,960

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026
(Expressed in Hong Kong dollars)

	Note	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Non-current liabilities			
Lease liabilities		**7,625**	6,784
Other payables and accruals	12	**2,100**	2,002
		9,725	8,786
NET ASSETS		**140,464**	144,174
CAPITAL AND RESERVES			
Share capital	13(b)	**1,333**	1,333
Reserves		**139,131**	142,841
TOTAL EQUITY		**140,464**	144,174

The notes on pages 13 to 28 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026
(Expressed in Hong Kong dollars)

	Note	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Retained profits HK$'000	Total HK$'000
Balance at 1 January 2025		1,333	112,251	1,510	72,089	187,183
Changes in equity for the six months ended 30 June 2025:						
Loss and total comprehensive income for the period		–	–	–	(7,535)	(7,535)
Dividends declared in respect of the current period		–	–	–	(20,000)	(20,000)
Balance at 30 June 2025		1,333	112,251	1,510	44,554	159,648
Balance at 1 January 2026		**1,333**	**112,251**	**1,510**	**29,080**	**144,174**
Changes in equity for the six months ended 30 June 2026:						
Loss and total comprehensive income for the period		**–**	**–**	**–**	**(3,710)**	**(3,710)**
Balance at 30 June 2026		**1,333**	**112,251**	**1,510**	**25,370**	**140,464**

The notes on pages 13 to 28 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2026
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Operating activities			
Cash generated from operations		**1,360**	747
Tax paid		**–**	(2,096)
Net cash generated from/(used in) operating activities		**1,360**	(1,349)
Investing activities			
Bank interest income received		**844**	1,197
Payment for purchase of property, plant and equipment		**(1,235)**	(245)
Net cash (used in)/generated from investing activities		**(391)**	952
Financing activities			
Capital element of lease rentals paid		**(9,650)**	(8,480)
Interest element of lease rentals paid		**(420)**	(583)
Dividends paid		**–**	(20,000)
Net cash used in financing activities		**(10,070)**	(29,063)
Net decrease in cash and cash equivalents		**(9,101)**	(29,460)
Cash and cash equivalents at the beginning of the period		**78,222**	119,215
Cash and cash equivalents at the end of period	11	**69,121**	89,755

The notes on pages 13 to 28 form part of this interim financial report.

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 25 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 12.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the group's financial statements.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the group are the development and sales of health supplements and cosmetics and skincare products.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major sales channels as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by sales channels		
– Retail business	**62,322**	71,484
– Wholesale business	**46,530**	43,831
– Consignment arrangements	**1,161**	1,977
	110,013	117,292

All of the revenue of the group is recognised at a point in time as customer takes possession of and accepts the products.

The group has applied the practical expedient in paragraph 121(a) of HKFRS 15 to its sales contracts for health supplements and cosmetics and skincare products that the revenue the group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of health supplements and cosmetics and skincare products that had an original expected duration of one year or less.

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

The group's customer base is diversified and includes one customer with whom transactions had exceeded 10 percent of the group's revenues as below:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Customer A	**45,863**	43,508

(b) Segment reporting

The group has one reportable segment which is the development and sales of health supplements and cosmetics and skincare products. The group's chief operating decision maker, which has been identified as the Board of Directors, reviews the consolidated results of the group for the purposes of resource allocation and performance assessment. Therefore, no additional reportable segment information has been presented.

Geographic information

Analysis of the group's revenue and results as well as analysis of the group's carrying amount of segment assets by geographical market are not presented as the group's operations and assets are mainly located in Hong Kong.

4 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Bank interest income	**691**	1,120
Government grants	**–**	818
Others	**108**	124
	799	2,062

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

		Six months ended 30 June	
		2026	2025
		HK$'000	HK$'000
(a)	**Finance costs**		
	Interest on lease liabilities	**420**	583
(b)	**Staff costs**		
	Salaries, wages and other benefits	**42,351**	41,926
	Contributions to defined contribution retirement plan	**1,611**	1,580
		43,962	43,506

The group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the group and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the plan vest immediately.

		Six months ended 30 June	
		2026	2025
		HK$'000	HK$'000
(c)	**Other items**		
	Depreciation charge		
	– owned property, plant and equipment	**2,509**	2,020
	– right-of-use assets	**9,610**	8,751
		12,119	10,771
	Net foreign exchange (gain)/loss	**(417)**	171
	Impairment losses on property, plant and equipment (note 8)	**456**	1,036
	Write-down of inventories	**449**	92
	Reversal of impairment loss on trade receivables	**–**	(40)
	Auditors' remuneration	**1,080**	1,120

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

6 TAXATION IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	**–**	–
Deferred tax		
Origination and reversal of temporary differences	**(410)**	(1,551)
	(410)	(1,551)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the group is not subject to any income tax in these jurisdictions.

The provision for Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the period, except for one subsidiary of the group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

7 LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to ordinary equity shareholders of the company of approximately HK$3,710,000 (six months ended 30 June 2025: approximately HK$7,535,000) and the weighted average of 133,333,600 ordinary shares (2025: 133,333,600 ordinary shares) in issue or deemed to be in issue during the period.

The diluted loss per shares is the same as the basic loss per share as there were no potential dilutive ordinary shares in existence during the six months ended 30 June 2026 and 2025.

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2026, the group entered into a number of lease agreements for use of retail stores and office, and therefore recognised the additions to right-of-use assets of approximately HK$8,830,000 (six months ended 30 June 2025: approximately HK$3,585,000).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2026, the group acquired items of other property, plant and machinery with a cost of approximately HK$1,235,000 (six months ended 30 June 2025: HK$245,000).

(c) Impairment losses

During the six months ended 30 June 2026, management identified retail stores which were under-performed and estimated the recoverable amounts of property, plant and equipment and right-of-use assets of these retail stores.

Based on management's assessment, impairment losses of approximately HK$456,000 (six months ended 30 June 2025: approximately HK$1,036,000) were recognised in "administrative and other operating expenses" on the property, plant and equipment and right-of-use assets of certain retail stores.

The estimates of recoverable amount were based on the value in use of these property, plant and equipment and right-of-use assets, determined using a pre-tax discount rate of 14.8% (six months ended 30 June 2025: 13.8%).

9 INVENTORIES

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Health supplements and cosmetics and skincare products	**32,049**	36,141
Packaging materials and consumables	**3,933**	3,832
	35,982	39,973
Provision against obsolete inventories	**(887)**	(530)
	35,095	39,443

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

10 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Trade receivables, net of loss allowance	**25,836**	24,187
Loss allowance	**(35)**	(35)
	25,801	24,152
Prepayments, deposits and other receivables		
Prepayments	**7,599**	8,606
Deposits	**7,741**	7,582
Other receivables	**145**	426
	15,485	16,614
	41,286	40,766

All trade and other receivables are expected to be recovered or recognised as expense within one year.

Trade receivables

At the end of each of the reporting period, the ageing analysis of trade receivables, which are included in trade and other receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Within 30 days	**6,148**	8,246
31 to 60 days	**9,440**	6,636
61 to 90 days	**10,213**	9,031
Over 90 days	**–**	274
	25,801	24,187

Trade receivables are normally due within 60 to 90 days from date of billing.

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

11 CASH AND CASH EQUIVALENTS

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Cash and cash equivalents in the consolidated cash flow statement and consolidated statement of financial position	**69,121**	78,222

12 TRADE AND OTHER PAYABLES

	Note	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Trade payables	12(a)	**2,982**	3,934
Other payables and accruals			
Accrued employee benefits		**2,279**	6,795
Advertising and promotion expenses payables		**2,176**	8,098
Other payables		**8,593**	6,257
		13,048	21,150
Less: Amounts included in "Other payables and accruals" under non-current liabilities		**(2,100)**	(2,002)
		10,948	19,148
		13,930	23,082

Except for the amounts included in "Other payables and accruals" under non-current liabilities are expected to be settled or recognised as income after more than one year, all other trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Trade payables

At the end of each of the reporting period, the ageing analysis of trade payables, which are included in trade and other payables, based on the invoice date, is as follows:

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Within 30 days	**1,977**	1,928
31 to 90 days	**845**	1,831
Over 90 days	**160**	175
	2,982	3,934

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

13 CAPITAL, RESERVES AND DIVIDEND

(a) Dividends

(i) No interim dividend is declared during the six months ended 30 June 2026 and 2025.

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Final dividend in respect of previous financial year, approved and paid during the following period	**–**	20,000

(b) Share capital

	Number of shares	**Amount**
		HK$'000
Ordinary shares, authorised:		
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	2,000,000,000	20,000
Ordinary share, issued and fully paid:		
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	133,333,600	1,333

14 MATERIAL RELATED PARTY TRANSACTIONS

The following individuals and companies are significant related parties of the group that had transactions and/or balances with the group during the period:

Name of party	Relationship with the group
Ms. Gammy Kwok	Director and controlling shareholder of the group
Mr. Kwok Chun On ("**Mr. Roger Kwok**")	Director of the group
Ms. Young Yuen Pik ("**Ms. Young**")	Director of the group
Bomi Art & Creation Limited	A company controlled by Ms. Gammy Kwok

The group entered into the following material transactions with its related parties during the period.

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

14 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Key management personnel emoluments

All members of key management personnel are directors of the group and their compensation is as following:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Salaries, wages and other benefits	**2,381**	1,758
Contributions to defined contribution retirement plan	**18**	27
	2,399	1,785

(b) Transactions with related parties

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Endorsement fee paid to a director		
– Mr. Roger Kwok	**320**	320
Sales of goods to a director		
– Ms. Young	**5**	15
Sales of goods to a controlling shareholder		
– Ms. Gammy Kwok	**18**	2

The related party transactions above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However those transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1).

(c) Balances with related parties

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Lease liability (Note)		
– Bomi Art & Creation Limited	**843**	1,669

Note: The outstanding balance arising from the leasing arrangement with the related party included in "Lease liabilities". In May 2025, the group entered into a lease in respect of a leasehold property from a related party of the group for office use. The amount of rent payable by the group under the lease is HK$142,000 per month, which was determined with reference the prevailing market prices. At the commencement date of the lease, the group recognised a right-of-use asset and a lease liability of HK$2,540,000.

OTHER INFORMATION

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

As at 30 June 2026, the interests or short positions of our Directors and chief executives in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange are set out below:

Interests in Our Company

Name of director	Nature of interest	Number of shares	Approximate % of interest in Shares of the Company
Ms. Gammy Kwok	Interest in a controlled corporation (Note 2)	90,000,000 (L) (Note 1)	67.50%
	Interest of spouse (Note 4)	10,000,000 (L) (Note 1)	7.50%
Li Yat Sing Petras ("**Mr. Petras Li**")	Interest in a controlled corporation (Note 3)	10,000,000 (L) (Note 1)	7.50%
	Interest of spouse (Note 4)	90,000,000 (L) (Note 1)	67.50%

Notes:

1. The Letter "L" denotes a person's long position (as defined under Part XV of the SFO) in such shares.

2. Joy & Love Limited ("**Joy& Love**") is wholly owned by Ms. Gammy Kwok. By virtue of the SFO, Ms. Gammy Kwok is therefore deemed to be interested in the shares that Joy & Love is interested in.

3. Joy & Faith Limited ("**Joy & Faith**") is wholly owned by Mr. Petras Li. By virtue of the SFO, Mr. Petras Li is therefore deemed to be interested in the shares that Joy & Faith is interested in.

4. Ms. Gammy Kwok and Mr. Petras Li are spouses to each other. By virtue of the SFO, Ms. Gammy Kwok is deemed to be interested in all the shares in which Mr. Petras Li is interested and Mr. Petras Li is deemed to be interested in all the shares in which Ms. Gammy Kwok is interested.

Interests in Associated Corporations of Our Company

Name of director	Name of associated corporation	Nature of interest	Number of shares interested in the associated corporation (Note 1)	Percentage of shareholding in the associated corporation
Ms. Gammy Kwok	Joy & Love	Beneficial owner	1 share (L)	100.00%
Mr. Petras Li	Joy & Faith	Beneficial owner	1 share (L)	100.00%

Note:

1. The Letter "L" denotes a person's long position in the share of the associated corporation.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, which had notified to the Company and the Stock Exchange under the SFO or pursuant to Section 352 of the SFO, entered in the register referred to therein or which were, pursuant to the Model Code, notified to the Company and the Stock Exchange.

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Name of shareholder	Nature of interest	Number of shares (Note 1)	Approximate percentage of interest in the Company
Joy & Love	Beneficial owner	90,000,000 (L)	67.50%
Joy & Faith	Beneficial owner	10,000,000 (L)	7.50%

Note:

1. The Letter "L" denotes a person's long position in the share.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

AUDIT COMMITTEE AND REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

Pursuant to Rule 3.21 of the Listing Rules, the audit committee of the Company ("**Audit Committee**") comprises of three independent non-executive Directors, including Mr. Lam Yiu Por ("**Mr. Lam**") (chairman of the Audit Committee), Professor Chan Chi Fai Andrew, *SBS, JP*, and Dr. Tsang Hing Lim Kenneth. Mr. Lam (chairman of the Audit Committee) possesses the appropriate professional qualifications or accounting or related financial management expertise as required. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group.

The interim financial report for the six months ended 30 June 2026 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants, whose review report is included on page 12 of this interim report. The Audit Committee has reviewed this report and the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2026 and confirmed that it has complied all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of financial reporting.

By order of the Board
Herbs Generation Group Holdings Limited
Kwok Chi Yan Gammy
Chairlady

Hong Kong, 25 August 2026

As at the date of this report, the Board comprises (i) Ms. Kwok Chi Yan Gammy and Mr. Li Yat Sing Petras as executive Directors; (ii) Mr. Kwok Chun On as non-executive Director; and (iii) Professor Chan Chi Fai Andrew, SBS, JP, Mr. Lam Yiu Por and Dr. Tsang Hing Lim Kenneth as independent non-executive Directors.