



INTERIM REPORT 2026

TATA Health International Holdings Limited
TATA健康國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1255)

An abstract graphic on the left side of the page, consisting of several overlapping, translucent blue shapes that create a sense of depth and movement, resembling waves or flowing liquid. The colors range from a very light, almost white blue to a medium blue.

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CORPORATE INFORMATION

Board of Directors

Executive Director

Mr. Zhang Ming Qi (*Chief Executive Officer*)

Non-executive Directors

Mr. Chu Chun Ho, Dominic (resigned on 9 April 2026)

Mr. Chen Qi

Independent Non-executive Directors

Ms. Huang Lin

Mr. Li Liang

Mr. Du Jianfeng

Mr. Tan Kaiguo

Audit Committee

Mr. Tan Kaiguo (*Chairman*)

Mr. Li Liang

Mr. Du Jianfeng

Remuneration Committee

Ms. Huang Lin (*Chairman*)

Mr. Li Liang

Mr. Du Jianfeng

Nomination Committee

Ms. Huang Lin (*Chairman*)

Ms. Li Liang

Mr. Du Jianfeng

Authorised Representatives

Mr. Zhang Ming Qi

Mr. Tung Tat Chiu, Michael

Company Secretary

Mr. Tung Tat Chiu, Michael

Registered Office in the Cayman Islands

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PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

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15-33 Kwai Tak Street
Kwai Chung
New Territories
Hong Kong

Stock Code

1255

Website

www.s-culture.com

Legal Adviser as to Hong Kong Law

Tung & Co.
Office 1601, 16/F, LHT Tower
31 Queen's Road Central
Central
Hong Kong

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

FINANCIAL HIGHLIGHTS

For the six months ended 30 June

		2026	2025 (restated)
Revenue	HK\$'000	47,275	49,525
Gross profit	HK\$'000	30,969	42,240
(Loss)/profit before taxation	HK\$'000	(1,110)	20,596
(Loss)/profit attributable to owners of the Company	HK\$'000	(290)	20,596
Gross profit margin	%	65.5	85.3
(Loss)/profit margin attributable to owners of the Company	%	(0.6)	41.6
(Loss)/earning per share — basic and diluted	HK\$	(0.001)	0.08

As at

	30 June 2026	31 December 2025
Current ratio	0.57 times	0.50 times
Gearing ratio	-14.6%	-18.9%
Average trade receivables turnover period	23.4 days	15.8 days
Average trade payables turnover period	57.9 days	71.6 days
Average inventory turnover period	109.6 days	189.6 days

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (“**Director(s)**”) of TATA Health International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby presents the Group’s interim results for the six months ended 30 June 2026 (the “**Reporting Period**”).

OPERATION REVIEW AND FUTURE DEVELOPMENT

The Group recorded a decrease in total revenue for the Reporting Period of approximately HK\$47.3 million, representing approximately 4.4% decrease from approximately HK\$49.5 million for the corresponding period in 2025 (the “**Previous Period**”), which were attributable to the decrease in revenue of the Group’s footwear business in Hong Kong and Macau, resulting from weak consumer sentiment with the ongoing economic uncertainty in the regions. The effect was partially offset by (i) the Group’s strategic expansion of its business footprint by launching footwear materials supply business in Mainland China; and (ii) the Group’s proactive exploration and commencement of new Artificial Intelligence (“**AI**”) related business line as part of its business diversification strategy. The newly launched AI business has contributed additional operating revenue of HK\$1.1 million during the Reporting Period (the Previous Period: not applicable), which further lifted the Group’s overall revenue scale.

Footwear Business

The revenue of the Group’s footwear business for the Reporting Period was approximately HK\$46.2 million, representing approximately 6.7% decrease from approximately HK\$49.5 million for the Previous Period, which was mainly attributable to the decrease in traditional footwear business of approximately HK\$3.3 million, resulting from weak consumer sentiment with the ongoing economic uncertainty in Hong Kong and Macau. The effect was partially offset by the expansion of footwear materials supply business in Mainland China, which has contributed additional revenue of approximately HK\$3.0 million.

Healthcare Business

The revenue of the healthcare business segment for the Reporting Period was nil (the Previous Period: nil), while a segment loss for the Reporting Period of nil (the Previous Period: nil) was recorded. The nil in revenue for the Reporting Period and the Previous Period was mainly due to the previous healthcare business stagnation.

While the healthcare business is currently in a state of stagnation with zero revenue contribution to the Group, the management considers this segment to be a promising area with substantial growth potential. The Group intends to proactively explore and revive this business by pursuing effective integration of traditional healthcare operations with AI. Leveraging market-available artificial-intelligence technologies, the Group will explore and implement viable solutions to build up its effective healthcare-related business operations.

Artificial Intelligence Related Business

Facing with intense competition and challenges in traditional segments, the Group is actively exploring opportunities in the artificial intelligence sector.

Within this segment, the Group has been advancing its development along two primary fronts:

1. **Robotics Business** — The Group has commenced exploration and trial implementation in the field of industrial robotics. As these initiatives are currently under trial implementation, the Group had generated relevant revenue of HK\$1.1 million (the Previous Period: not applicable) from such business in the Reporting Period.
2. **AI-Enabled Healthcare Business** — The Group is also actively exploring the integration and synergistic development of artificial intelligence technologies with the traditional healthcare industry, with a view to identifying viable business models and applications that will enhance operational efficiency and support the transformation and development of its existing healthcare business.

Going forward, the Group will continue to further develop and expand these operations with a view to diversifying its income base and creating an additional source of revenue for the Group.

Prospects

Moving forward, the Group will continue to consolidate and expand its core footwear and healthcare businesses, as well as its upstream and downstream footwear materials-related segments. The Group will uphold stable operational strategies, optimise product portfolio, upgrade production efficiency, and further strengthen its market competitiveness and sustainable profitability in the traditional footwear industry.

While steadily solidifying its existing core business as the fundamental revenue base, the Group will proactively develop and deploy AI technologies and AI-enabled intelligent businesses. The Group will leverage AI capabilities to empower, synergise and iterate its traditional industrial operations, drive operational optimisation, efficiency improvement and business increment based on existing industrial layout.

The Group will also strategically allocate resources for technological innovation and business incubation in AI-related fields. By achieving effective industrial synergy between traditional footwear business and emerging AI business, the Group will cultivate new growth drivers, generate incremental revenue sources, enrich its diversified business layout, and deliver dual-business growth momentum.

In pursuit of sustainable corporate value growth, the Group will continue to proactively capture market opportunities in both traditional and AI emerging sectors, progressively optimise its revenue structure with synergistic incremental growth, enhance overall operational quality, and strive to create stable and long-term incremental returns for the shareholders of the Company (the **"Shareholders"**).

FINANCIAL REVIEW

Revenue

Revenue of the Group's businesses for the Reporting Period was approximately HK\$47.3 million, representing an approximate HK\$2.2 million decrease from approximately HK\$49.5 million for the Previous Period, which was mainly due to the decrease in the revenue of the footwear business in Hong Kong and Macau, respectively.

Revenue from the Footwear and Related Materials Business

Revenue of the Group's footwear business for the Reporting Period was approximately HK\$46.2 million, representing an approximate 6.7% decrease from HK\$49.5 million for the Previous Period. The decrease in revenue of the Group's footwear and related materials business was mainly attributable to the decrease in revenue of the Group's footwear business in Hong Kong and Macau. The effect was partially offset by the Group's expansion of footwear materials supply business in Mainland China during the Reporting Period.

As at 30 June 2026, the Group operated 23 retail outlets in Hong Kong (the Previous Period: 31) and 4 retail outlets in Macau (the Previous Period: 4).

Revenue from the Healthcare Business

Revenue of the Group's healthcare business for the Reporting Period was nil (the Previous Period: nil). The main reason for the suspension of sales activities was that the healthcare business was in a state of stagnation during the Reporting Period.

Revenue from the Artificial Intelligence Related Business

The Group proactively explored and commenced new AI related business which contributed additional revenue of HK\$1.1 million during the Reporting Period.

Cost of Sales

Cost of sales amounted to approximately HK\$16.3 million for the Reporting Period, representing approximately 34.5% of revenue (the Previous Period: approximately HK\$7.3 million, representing approximately 14.7% of revenue). The increase in cost of sales was mainly due to higher cost of the footwear products related materials.

Gross Profit

Gross profit (which equals to revenue minus cost of sales) of the Group for the Reporting Period was approximately HK\$31.0 million, representing a decrease of approximately HK\$11.2 million from approximately HK\$42.2 million recorded for the Previous Period. Gross profit margin of the Group for the Reporting Period was approximately 65.5% (the Previous Period: approximately 85.3%).

Staff Costs

Staff costs for the Reporting Period were approximately 19.6 million, representing approximately 41.5% of revenue (the Previous Period: approximately HK\$27.6 million, representing approximately 55.6% of revenue). The decrease in staff costs was primarily driven by strategic workforce restructuring.

Depreciation

Depreciation accounted for approximately 9.0% of revenue for the Reporting Period (the Previous Period: approximately 10.6%).

Finance Costs

Finance costs for the Reporting Period amounted to approximately HK\$0.5 million (the Previous Period: approximately HK\$1.3 million). The finance costs mainly consist of interest expenses incurred on lease liabilities.

(Loss)/Profit Before Taxation

As a result of the foregoing, loss before taxation for the Reporting Period was approximately HK\$1.1 million (the Previous Period: profit before taxation of approximately HK\$20.6 million), which is mainly due to the one-off gain on disposal of subsidiaries in the respective amounts of approximately HK\$16.2 million and approximately HK\$34.7 million for each of the Reporting Period and the Previous Period.

Liquidity and Financial Resources

The Group finances its working capital with internally generated cash flows, bank borrowings and financial support from the Shareholders. As at 30 June 2026, the Group had bank deposits and cash amounting to approximately HK\$10.4 million (31 December 2025: approximately HK\$17.9 million), representing a decrease of approximately 41.9% from 31 December 2025. The decrease in bank deposits and cash balances was mainly due to the higher cost of sales from the footwear business. Most bank deposits and cash were denominated in Hong Kong dollars and Renminbi. As at 30 June 2026, the Group had amount due to a director of approximately HK\$24.5 million (31 December 2025: approximately HK\$4.8 million). As at 30 June 2026, the Group did not have any outstanding long-term borrowings, except for long-term lease liabilities in the amount of approximately HK\$0.9 million (31 December 2025: approximately HK\$2.5 million).

Pledge of Assets

There was no pledge of asset of the Group as at 30 June 2026 (31 December 2025: leasehold land and buildings, inventories, investment properties and deposit and prepayment for a life insurance policy were pledged to secure the borrowings and facilities granted to the Group).

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

Gearing Ratio

As at 30 June 2026, the Group's gearing ratio (which equals to total debt to total equity) was not applicable (31 December 2025: approximately negative 18.9%).

Future Plans for Material Investments or Acquisition of Capital Assets

Save as disclosed in this report, the Group had no specific plans for material investments or acquisition of capital assets as at 30 June 2026.

Management Discussion and Analysis

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

On 13 March 2026, the Group entered into a sale and purchase agreement with an independent third party for the disposal of Kong Tai Sundry Goods (BVI) Company, at a cash consideration of HK\$1. For details, please refer to the Company's announcements dated 13 and 17 March 2026.

Save for the above, the Group had no significant investments held, nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Treasury Policy

The Group adopts a treasury policy that aims to better control its treasury operations and lower borrowing costs. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board will also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

Foreign Currency Risks

The Group's sales and purchases for the Reporting Period were mostly denominated in Hong Kong dollars, Renminbi and Macau Pataca. Renminbi is not a freely convertible currency, and the currency market for Macau Pataca is relatively small and undeveloped. In view of the above, future exchange rates of the above currencies could vary significantly from the current or historical exchange rates as a result of the controls that could be imposed by the respective governments and the depth and breadth of the respective markets of currency exchange. The respective exchange rates may also be affected by economic developments and geopolitical changes domestically and internationally, and the demand and supply of the respective currencies. The appreciation or devaluation of the respective currencies against Hong Kong dollars may also have an impact on the Group's results.

The Group manages its foreign currency risk by closely monitoring the movements of foreign currency exchange rates. The Group did not enter into any foreign currency forward contracts to hedge against foreign currency risk as at 30 June 2026.

HUMAN RESOURCES

The Directors believe that employees are an important asset to the Group and the quality of the employees is an important factor in sustaining the Group's business growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. Staff benefits include basic salary, contributions to the mandatory provident fund, social security (社保) and housing provident fund contributions (住房公積金). The remuneration package of employees is reviewed on a regular basis.

As at 30 June 2026, the Group had a total of 107 employees (the Previous Period: 107 employees). The Group's staff costs, including Directors' emoluments, amounted to approximately HK\$19.6 million for the Reporting Period (the Previous Period: approximately HK\$27.6 million). This decrease in staff costs was primarily driven by strategic workforce restructuring. The Group continues to determine employee remuneration with reference to prevailing market conditions and based on certain factors such as performance, qualifications, and years of experience. During the Reporting Period, various training activities, such as training of product and service knowledge, management skills as well as local consumer laws, had been conducted to improve the performance of the Group's staff members.

Interim Dividend

The Board has resolved not to declare an interim dividend for the Reporting Period (the Previous Period: Nil).

Purchase, Sale and Redemption of the Company's Listed Securities

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As at 30 June 2026 and the date of this report, the Company did not hold any treasury shares.

Corporate Governance Practices

The Board believes that good corporate governance practices are very important for maintaining and promoting investor confidence and sustainable growth of the Group. The Board is committed to maintaining a solid, transparent and sensible framework of corporate governance and related measures that the Directors consider applicable to and practical for the Group. The Board will continue to monitor and review their effectiveness.

The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") since its listing date (which was 11 July 2013).

The Board considers that during the Reporting Period, the Company has complied with the code provisions set out in the CG Code except for the following deviations:

Code Provision	Reasons for the non-compliance and improvement actions took or to be taken
C.1.7	As it takes time for the Company to identify a suitable insurer under reasonable commercial terms and conditions, the Company will arrange appropriate insurance cover in respect of legal action against its Directors.
C.2.1 to C.2.9	Following the retirement of Mr. Yang Jun (the former chairman of the Company) after the conclusion of the annual general meeting held on 7 September 2023 and up to the date of this report, the Company has not appointed any individual to take up the office of the chairman of the Company. The responsibilities of the chairman were shared among the other members of the Board during the vacant period.

Notwithstanding the above, the Company has adopted alternative actions and steps during the Reporting Period to redress the deficiencies in the relevant code provisions.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) as contained in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ dealings in the Company’s securities. Following specific enquiry made to the Directors, each of them has confirmed their compliance with the required standard set out in the Model Code throughout the Reporting Period.

Audit Committee’s Review

The audit committee of the Company, has reviewed with the management the principal accounting policies adopted by the Group and discussed the risk management and internal control systems and financial reporting matters, including the review of the unaudited condensed consolidated financial statements, for the Reporting Period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 17 August 2026, on 11 August 2026, a winding-up petition (the “**Petition**”) was filed by Mr. Tao Chi Keung, a former independent non-executive director of the Company, at the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) against the Company in relation to the demand for the outstanding payment of director’s emolument in the sum of HK\$139,150.68 (the “**Claim**”). The filing of the Petition does not represent the successful winding up of the Company by the petitioner. No winding-up order has been granted by the High Court to wind up the Company as at the date of this report. Given that the Claim is not of a significant amount, the Board believes that the Claim can be resolved. For details, please refer to the aforesaid announcement.

Save as disclosed above, the Board is not aware of any significant event affecting the Group since the end of the Reporting Period and up to the date of this report.

Extract from Independent Auditor's Report

The opinion of HLB Hodgson Impey Cheng Limited ("**HLB**"), the Company's auditor, on the Group's consolidated financial statements for the year ended 31 December 2025 is as follows:

"Basis for Disclaimer of Opinion

The financial impact to the Group's consolidated financial statements due to the Lost Records

As disclosed in note 3 to the consolidated financial statements, the directors of the Company were unable to locate certain accounting books and records and the supporting documents of certain subsidiaries, namely, the Shang Ying International Trade Holdings Limited and its subsidiaries (collectively referred to as the "**Shang Ying International Group**") and Shang Ying New Retail Group Holdings Limited and its subsidiaries (collectively referred to as the "**Shang Ying Retail Group**") (the "**Lost Records**").

As disclosed in the note of Disposal of subsidiaries, on 9 April 2025 and 24 September 2025 (the "**Disposal Dates**"), the Group disposed of Shang Ying International Group and Shang Ying Retail Group respectively to the independent third parties, which resulted in gains on disposal of the subsidiaries which amounted to approximately HK\$38,562,000 in aggregate recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 (the "**Gain on Disposal**").

Due to the unavailability of the Lost Records, the directors were unable to provide us with satisfactory accounting books and records and supporting documents of Shang Ying International Group and Shang Ying Retail Group for the financial year ended 31 December 2024 and the period from 1 January 2025 to the respective Disposal Dates. We were therefore unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the financial information of the Shang Ying International Group and Shang Ying Retail Group included in the consolidated financial statements of the Group for the years ended 31 December 2024 and 2025 were free from material misstatements. We were unable to carry out audit procedures to obtain sufficient appropriate audit evidence necessary to satisfy ourselves as to the completeness, existence and valuation of the carrying amounts of the assets and liabilities of the Shang Ying International Group and Shang Ying Retail Group as at 31 December 2024 and at the Disposal Dates and the occurrence, accuracy, completeness, cutoff, classification and presentation of the transactions, results and cash flows of the Shang Ying International Group and Shang Ying Retail Group for the year ended 31 December 2024 and the period from 1 January 2025 to the respective Disposal Dates. Further, since the carrying amounts of the assets and liabilities of the Shang Ying International Group and Shang Ying Retail Group affect the determination of the gains on disposal of these groups of companies, we were also unable to determine whether adjustments to the Gain on Disposal might be necessary to be made in the consolidated profit or loss and other comprehensive income for the year ended 31 December 2025.

Management Discussion and Analysis

As disclosed in the notes of Basis of preparation and loans to an associate, the principal assets of Shang Ying International Group and Shang Ying Retail Group included in the consolidated statement of financial position of the Group as at 31 December 2024 were loans to an associate with carrying amount of HK\$29,325,000 as at 31 December 2024. Allowance for impairment loss of approximately HK\$16,771,000 had been deducted in arriving at the carrying amount of the loans to the associate as at 31 December 2024. The management of the Company has determined the allowance for impairment loss as at 31 December 2024 and at the date of derecognition of the loans to the associate based on the offset amount set out in the deed of assignment and set-off which was executed in August 2025, details of which are disclosed in note of loans to an associate. Consequently, no gain or loss on derecognition of the loans to the associate was recognised in consolidated profit or loss of the Group upon the derecognition of the loans as at the date of the deed of assignment and set-off. Due to lack of any other sufficient supporting documents of Shang Ying Retail Group, for reasons as described above, and of the associate, we have been unable to obtain sufficient and appropriate audit evidence to satisfy ourselves about the adequacy of the related allowance for impairment losses as at 31 December 2024 and at the derecognition date of the loans and consequently whether the carrying amounts of the loans to an associate of HK\$29,325,000 as at 31 December 2024 and at the derecognition date of the loans respectively and whether the impairment loss allowance of the loans recognised in consolidated profit or loss for the years ended 31 December 2024 and 2025 and the gain or loss on derecognition of the loans recognised in consolidated profit or loss for the year ended 31 December 2025 were materially misstated.

Lack of access to the accounting books and records of Shang Ying Capital Limited and its subsidiaries

The directors advised us that, up to the date of disposal of Shang Ying Capital Limited and its subsidiaries ("**Shang Ying Capital Group**") in September 2025, they had failed to obtain access to the accounting books and records of Shang Ying Capital Group in spite of repeated attempts made to the directors of the Shang Ying Capital Group. The directors of the Company informed us that they have taken all reasonable steps and have used their best endeavours to seek to resolve the matter. Besides, the financial information of Shang Ying Capital Group for the years ended 31 December 2024 and the period from 1 January 2025 to the date of disposal of Shang Ying Capital Group available to the management of the Group is insufficient for the purposes of the preparation of the consolidated financial statements of the Group and performance of the Group's audit. The directors were unable to provide us with satisfactory accounting books and records and supporting documents of Shang Ying Capital Group for the financial years ended 31 December 2024 and the period from 1 January 2025 to the date of disposal of Shang Ying Capital Group. We were therefore unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the carrying amounts of assets and liabilities of Shang Ying Capital Group included in the consolidated assets and liabilities of the Group presented in the consolidated statement of financial position as at 31 December 2024 and at date of disposal of Shang Ying Capital Group, and the results and cash flows of Shang Ying Capital Group for the year ended 31 December 2024 and period from 1 January 2025 to date of disposal of Shang Ying Capital Group included in the consolidated revenue, income, expenses, gains and losses and cash flows of the Group presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the years ended 31 December 2024 and 2025, were free of material misstatement. We were unable to carry out audit procedures to obtain sufficient appropriate audit evidence necessary to satisfy ourselves as to the completeness, existence and valuation of the carrying amounts of the assets and liabilities of the Shang Ying Capital Group as at 31 December 2024 and at its disposal date and the occurrence, accuracy, completeness, cutoff, classification and presentation of the transactions results and cash flows of the Shang Ying Capital Group for the year ended 31 December 2024 and the period from 1 January 2025 to its disposal date.

As disclosed in note of Disposal of subsidiaries, on 24 September 2025, the Group disposed of Shang Ying Capital Group to an independent third party, which resulted in a gain on disposal of subsidiaries of approximately HK\$1,541,000 recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025. Since the carrying amounts of the assets and liabilities of the Shang Ying Capital Group affect the determination of the gain on disposal of the group of companies, we were also unable to determine whether adjustments to the gain on disposal of subsidiaries might be necessary to be made in the consolidated profit or loss and other comprehensive income for the year ended 31 December 2025.

Liquidation of Shangying Internet Medical (Shanghai) Co. Limited* 商贏互聯網醫療(上海)有限公司 (“Shangying Medical”)

As disclosed in notes on Basis of preparation and Deconsolidation of subsidiaries, an administrator was appointed to Shangying Internet Medical (Shanghai) Co. Limited and its subsidiaries (“**Shangying Medical Group**”) on 6 May 2024, pursuant to a civil ruling issued by Shanghai Third Intermediate People’s Court on 29 April 2024. The administrator is tasked with various responsibilities including taking over the debtor’s assets, conducting financial investigations, managing daily expenses, and representing the debtor in legal proceedings. The directors of the Company are of the opinion that following the appointment of the bankruptcy administrator, the decision making rights concerning company assets, financial records, internal affairs, expenses and asset disposals of Shangying Medical Group have been transferred from the Group’s management to the administrator, causing the shareholders of Shangying Medical Group to forfeit their control over the assets and operations of Shangying Medical Group. The Shangying Medical Group was therefore deconsolidated from the consolidated financial statements of the Group with effect from 6 May 2024 (the “**Deconsolidation date**”).

The Shangying Medical Group was held by the Shang Ying International Group. As a result of the above matters and the matters in relation to the Lost Records described above, the Directors were unable to provide us with satisfactory accounting books and records and supporting documents of Shangying Medical Group for the period from 1 January 2024 to the Deconsolidation date and for subsequent periods. We were therefore unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the results and cash flows of Shangying Medical Group for the period from 1 January 2024 to the Deconsolidation date included in the consolidated revenue, income, expenses, gains and losses and cash flows of the Group presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 31 December 2024 were free of material misstatement. For the same reasons, we were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the carrying amounts of assets and liabilities of Shangying Medical Group at the Deconsolidation date which entered into the determination of the loss on deconsolidation of the Shangying Medical Group, and consequently the loss on deconsolidation of the Shangying Medical Group amounting to HK\$5,554,000 included in the “Other gains and losses” recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 as disclosed in note on Deconsolidation of subsidiaries, were free of material misstatement. Our opinion on the current year’s consolidated financial statements is therefore modified because of the possible effect of this matter on the comparability of the current year’s figures and the corresponding figures.

There were no other satisfactory alternative audit procedures that we could perform to obtain sufficient audit evidence regarding the matters as set out above. As a result of these matters, we were unable to determine whether any adjustments might have been found to be necessary in respect of the items as set out above, and the related elements of and disclosures in the consolidated financial statements.”

Management Discussion and Analysis

Management's position, view and assessment on the Disclaimer of Opinion

As disclosed in the Company's announcement dated 28 November 2025, the Company has obtained written confirmation from HLB that the disclaimer of opinion is expected to be fully removed in the financial year of 2027 and will not have any continuing effect on the Group's consolidated financial statements thereafter for the reasons that:

- the disposals of certain subsidiaries (as disclosed in the notes to the financial statements contained in the Company's 2023, 2024 and 2025 Annual Reports, where appropriate) have impacted the Group's profit or loss for the financial year of 2025, thereby impacting the comparability of the amounts reported in the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year of 2026; and
- the remaining portion of the loans to an associate (as disclosed in notes to the financial statements contained in the Company's 2023, 2024 and 2025 Annual Reports, where appropriate) after set-off was fully impaired during the financial year of 2024 and has no financial impact on the closing balances as at 31 December 2025.

The Board has carefully considered HLB's rationale and acknowledges their basis for issuing their disclaimer of opinion on the Group's consolidated financial statements for the financial years ended 31 December 2023, 2024 and 2025 as set out in the Management Discussion and Analysis and Independent Auditors' Report of the Company's Annual Reports which disclaimer of opinion is expected to be fully removed in the financial year of 2027.

Audit Committee's position, view and assessment on the Disclaimer of Opinion

The Audit Committee of the Company had critically reviewed the disclaimer of opinion, together with the management's position, view and assessment concerning the matters of the disclaimer. The Audit Committee had also discussed with HLB regarding the Group's financial position, the measures taken and those to be taken, and considered HLB's rationale, acknowledging its basis for arriving its opinion. After careful deliberation, the Audit Committee agreed with the management's position for the reasons stated above. Furthermore, the Audit Committee requested the management to take all necessary actions to address the effect on the disclaimer so that no such disclaimer will be issued in the financial year of 2027.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited) (Restated)
Revenue	3	47,275	49,525
Cost of sales		(16,306)	(7,285)
Gross profit		30,969	42,240
Other income		98	1,030
Other gain and loss	5	16,205	34,675
Selling and distribution costs		(16,490)	(18,714)
Administrative expenses		(31,344)	(37,303)
Finance costs		(548)	(1,332)
(Loss)/profit before taxation	6	(1,110)	20,596
Taxation	7	—	—
(Loss)/profit for the period		(1,110)	20,596
Other comprehensive expense			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		(33)	—
Release of translation reserve upon deconsolidation or disposal of foreign subsidiaries		(264)	(3,348)
Total other comprehensive expense for the year		(297)	(3,348)
Total comprehensive (expense)/income for the period		(1,407)	17,248
(Loss)/profit for the period attributable to:			
Owners of the Company		(290)	20,596
Non-controlling interests		(820)	—
		(1,110)	20,596
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(579)	17,248
Non-controlling interests		(828)	—
		(1,407)	17,248
(Loss)/earning per share — basic and diluted (HK\$)	9	(0.001)	0.08

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30.6.2026 HK\$'000 (unaudited)	At 31.12.2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		6,517	12,230
Investment properties		—	1,400
Goodwill		85	—
Deferred tax assets		2,316	2,860
Deposits and prepayment for a life insurance policy		1,947	1,944
Rental deposits and prepayment		120	1,536
		10,985	19,970
Current assets			
Inventories		10,222	9,520
Trade and other receivables	10	65,770	43,712
Bank balances and cash		10,434	17,920
		86,426	71,152
Current liabilities			
Trade and other payables	11	120,389	112,950
Contract liabilities		—	27
Amounts due to related companies		—	999
Amount due to a director		24,493	4,768
Lease liabilities		7,282	13,059
Other borrowing — due within one year		—	10,264
		152,164	142,067
Net current liabilities		(65,738)	(70,915)
Total assets less current liabilities		(54,753)	(50,945)

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	At 30.6.2026 HK\$'000 (unaudited)	At 31.12.2025 HK\$'000 (audited)
Non-current liabilities		
Employee benefit obligations	234	950
Lease liabilities	860	2,545
	1,094	3,495
Net liabilities	(55,847)	(54,440)
Capital and reserves		
Share capital	2,428	2,428
Reserves	(57,447)	(56,868)
Equity attributable to owners of the Company	(55,019)	(54,440)
Non-controlling interests	(828)	—
Total equity	(55,847)	(54,440)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Special reserve	Legal reserve	Other reserve	Property revaluation reserve	Translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000 (Note c)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2026 (audited)	2,428	221,340	15,800	12	—	1,935	(388)	(295,567)	(54,440)	—	(54,440)
Loss for the period	—	—	—	—	—	—	—	(290)	(290)	(820)	(1,110)
Exchange difference on translation from functional currency to presentation currency	—	—	—	—	—	—	(25)	—	(25)	(8)	(33)
Release of other reserve and translation reserve upon disposal of foreign subsidiaries	—	—	—	—	—	—	(264)	—	(264)	—	(264)
Total comprehensive expense for the period	—	—	—	—	—	—	(289)	(290)	(579)	(828)	(1,407)
At 30 June 2026 (unaudited)	2,428	221,340	15,800	12	—	1,935	(677)	(295,857)	(55,019)	(828)	(55,847)
At 1 January 2025 (audited)	2,428	221,340	15,800	12	1,672	1,935	1,515	(309,151)	(64,449)	8,270	(56,179)
Profit for the period	—	—	—	—	—	—	—	20,596	20,596	—	20,596
Release of other reserve and translation reserve upon disposal of foreign subsidiaries	—	—	—	—	(1,672)	—	(3,348)	—	(5,020)	(8,093)	(13,113)
Total comprehensive income/(expense) for the period	—	—	—	—	(1,672)	—	(3,348)	20,596	15,576	(8,093)	7,483
At 30 June 2025 (unaudited)	2,428	221,340	15,800	12	—	1,935	(1,833)	(288,555)	(48,873)	177	(48,696)

Notes:

- The special reserve of the Group represents the difference between the nominal amount of the share capital and share premium of certain subsidiaries of the Company, and the nominal amount of share capital of the Company pursuant to a group reorganisation.
- As stipulated by the relevant laws and regulations in the Macau Special Administrative Region of the People's Republic of China ("Macau"), a subsidiary of the Company is required to set aside 25% of its profit for the period to a legal reserve until the legal reserve has reached 50% of its registered capital.
- The other reserve of the Group represents the deemed capital contribution arising from interest-free loans from a related company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended	
	30.06.2026 HK\$'000 (unaudited)	30.06.2025 HK\$'000 (unaudited)
Net cash used in operating activities	(2,470)	(14,109)
Investing activities		
Interest received	256	331
Withdrawal of time deposits over three months	—	22,098
Repayment to related companies	—	(169)
Net cash inflow from acquisition of a subsidiary	6	—
Net cash outflow from disposal of subsidiaries	(3,963)	—
Purchase of property, plant and equipment	(1,734)	—
Net cash (used in)/generated from investing activities	(5,435)	22,260
Financing activities		
Repayment of lease liabilities	(7,930)	(7,490)
Advance from a director	19,725	—
Repayment of other borrowings	(10,264)	—
Repayment to amounts due to related companies	(999)	—
Interest paid	(80)	(1,262)
Net cash generated from/(used in) financing activities	452	(8,752)
Net decrease in cash and cash equivalents	(7,453)	(601)
Cash and cash equivalents at beginning of the period	17,920	22,999
Effect of foreign exchange rate changes	(33)	—
Cash and cash equivalents at end of the period, representing bank balances and cash	10,434	22,398

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). For the purpose of preparation of the condensed consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance (Cap. 622, Laws of Hong Kong).

On 7 September 2023, Mr. Yang Jun (“Mr. Yang”) retired as executive Director with effect from the conclusion of the annual general meeting (the “2022 AGM”) held on the same date as the resolution regarding his re-election was being voted down at the 2022 AGM. He was the responsible director of certain subsidiaries, namely, Shang Ying International Trade Holdings Limited, Shang Ying Development Limited, Shang Ying Internet Micro-credit Co., Limited, Shang Ying Commerce and Trade Holding Co., Ltd, 商贏醫院管理(上海)有限公司, 上海家庭力量文化傳播有限公司, 家庭力量(上海)健康管理有限公司, 上海禾恩醫院有限公司, 商贏互聯網醫療(上海)有限公司, 上海慈醫尚曜生物科技有限公司, 上海同舟共濟互聯網醫院有限公司, 恒贏商貿(上海)有限公司, 上海茂富管理諮詢有限公司 and 上海商贏互聯網醫院有限公司 (collectively referred to as the “Shang Ying International Group”), Shang Ying New Retail Group Holdings Ltd, Shang Ying Retail Plus Holdings Ltd, Shang Ying New Retail Ltd, Shang Ying Brand Management Co., Ltd, Sixth Avenue Plus Pty Ltd, 第六大道健康科技(上海)有限公司, Shang Ying Health Holding Limited, Sun Medical and Technology Investment Holdings Co., Limited and certain associates, namely, Century Health Holdings Co., Limited, Dermaco Pty Ltd., Pharma Science Australia Pty. Ltd. and Century Health Brands Pty Ltd (collectively referred to as the “Shang Ying Retail Group”).

Following the retirement of Mr. Yang, the then existing Directors (the “Existing Directors”) were unable to locate certain books, records and corresponding supporting documents of Shang Ying International Group and Shang Ying Retail Group (the “Lost Records”).

In view of the Lost Records, for the purposes of the preparation of the Group’s consolidated financial statements for the six months ended 30 June 2025, the Directors have determined to consolidate the Shang Ying International Group and the Shang Ying Retail Group using the carrying amounts of their assets and liabilities and their results and cash flows as at and for the six months’ period ended 30 June 2023 that were included in the consolidated assets, liabilities, results and cash flows of the Group presented in the condensed consolidated financial statements financial position as at and for the six months’ period ended 30 June 2023.

The Existing Directors have failed to obtain books and records by making repeated attempts to Mr. Yang, who was responsible for maintaining proper books and records for the Group. As of the approval date of these consolidated financial statements, the Directors were unable to locate the Lost Records.

The Group entered into a sale and purchase agreement to dispose of its financial services business which was carried out by Shang Ying Capital Limited and its subsidiaries (collectively, the “Shang Ying Capital Group”) in September 2025 (the “Disposal”).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. BASIS OF PREPARATION (Continued)

The books and records of the Shang Ying Capital Group available to the Group at the material time which were retained by the Group were not found to be of a sufficient level for audit purposes. Despite the Directors having taken all reasonable steps and having used their best endeavours to resolve the matter, including making repeated requests to Shang Ying Capital Group, the Company has been unable to access to the complete set of books and records of these subsidiaries and is unable to determine whether the records retained by the Group upon Disposal was updated and complete.

In view of the Disposal, for the purposes of the preparation of the Group's consolidated financial statements for the six months ended 30 June 2025, the Directors have determined to consolidate the Shang Ying Capital Group using the carrying amounts of their assets and liabilities and their results and cash flows as at and for the six months ended 30 June 2024 that were included in the consolidated assets, liabilities, results and cash flows of the Group presented in the condensed consolidated financial statements financial position as at and for the six months ended 30 June 2024.

The Shanghai Third Intermediate People's Court issued a civil ruling on 29 April 2024, with reference number "(2024) Hu 03 Po 396," accepting the applicant's request for the bankruptcy liquidation of Shangying Internet Medical (Shanghai) Co. Limited* 商贏互聯網醫療(上海)有限公司 ("**Shangying Medical**"). Subsequently, on 6 May 2024, a decision was made with the same reference number appointing PricewaterhouseCoopers (PwC) as the bankruptcy administrator for Shangying Medical. As of the date of approval of the consolidated financial statements, Shangying Medical remains in the bankruptcy examination stage. As per Article 25(1) of the Enterprise Bankruptcy Law, the administrator is tasked with various responsibilities including taking over the debtor's assets, conducting financial investigations, managing daily expenses, and representing the debtor in legal proceedings. Consequently, following the appointment of the bankruptcy administrator, Shangying Medical's management rights concerning company assets, financial records, internal affairs, expenses, and asset disposal have been transferred to the administrator, causing all shareholders to forfeit their control over the company's assets and operations as per the regulations outlined in Enterprise Accounting Standard No. 33 — Consolidated Financial Statements (revised in 2014), Article 7.

Based on the above, the management of the Company determined that the effective date of loss of control over Shangying Medical is 6 May 2024. The management will apply deconsolidation of Shangying Medical with effect from the same date.

The Group incurred a net loss of approximately HK\$1,110,000 (2025: net profit of approximately HK\$20,596,000) during the six months ended 30 June 2026. As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately HK\$65,738,000 (31 December 2025: approximately HK\$70,915,000) and total liabilities exceeded its total assets by approximately HK\$55,847,000 (31 December 2025: approximately HK\$54,440,000).

The Directors have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of twelve months from the date of approval for issue of these consolidated financial statements. They are of the opinion that, taking into account the continuous support by a Director, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from date of approval for issue of these consolidated financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. BASIS OF PREPARATION (Continued)

The validity of the use of the going concern basis for the preparation of the consolidated financial statements is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when they fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements. The Directors are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

(a) Financial support from a Director

Mr. Zhang Ming Qi ("**Mr. Zhang**"), the Executive Director, has agreed to provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from the date of approval for issue of these consolidated financial statements, with a financial facility amounted to HK\$50,000,000 available to the Group. The Group has unutilised facility of approximately HK\$25,507,000 as at 30 June 2026.

(b) Cost control

The Directors will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring selling and distribution costs and administrative expenses.

However, the outcome of the above-mentioned management's plans to deal with the condition that cast significant doubt on the Group's ability to continue as a going concern cannot be ascertained with certainty. Hence, there exists material uncertainty about the ability of the Group to continue its operations for the foreseeable future as a going concern. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current period

In the current interim period, the Group has applied the following new and amendments to HKFRS Accounting Standards issued by HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of the condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standard — Volume 11

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited) (Restated)
Sales of goods		
Footwear and related products	39,584	42,118
Retail support services income	6,634	7,407
Artificial intelligence and related services	1,057	—
	47,275	49,525
Sales of channel		
Retail	36,418	40,546
Wholesale	4,223	1,572
	40,641	42,118
Time of revenue recognition		
A point in time	47,275	49,525

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

4. OPERATING SEGMENT

Information reported to the Directors, being the chief operating decision makers (the “**CODM**”), for the purpose of resource allocation and assessment of segment performance focusing on types of goods or services delivered or provided.

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

1. Trading of footwear and related products
2. Artificial intelligence related business
3. Trading of healthcare products
4. Financial services
5. Online medical services

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

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

For the six months ended 30 June 2026 (unaudited)

	Trading of footwear and related products HK\$’000	Artificial intelligence related business HK\$’000	Trading of healthcare products HK\$’000	Financial services HK\$’000	Online Medical services HK\$’000	Total HK\$’000
Revenue						
External sales	46,218	1,057	—	—	—	47,275
Segment results	(12,285)	(1,673)	—	—	—	(13,958)
Gain on disposal of subsidiaries						16,197
Unallocated income						8
Unallocated expenses						(3,357)
Loss before taxation						(1,110)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

4. OPERATING SEGMENT (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2025 (unaudited) (Restated)

	Trading of footwear and related products HK\$'000	Artificial intelligence related business HK\$'000	Trading of healthcare products HK\$'000	Financial services HK\$'000	Online Medical services HK\$'000	Total HK\$'000
Revenue						
External sales	49,525	—	—	—	—	49,525
Segment results	(11,886)	—	—	—	—	(11,886)
Unallocated income						35,263
Unallocated expenses						(2,781)
Profit before taxation						20,596

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the respective group entities' operations:

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited) (Restated)
Hong Kong	35,427	42,517
Macau	7,756	7,008
Mainland China	4,092	—
	47,275	49,525

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the loss resulted from each segment without allocation of central administration costs and rental income. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

5. OTHER GAIN AND LOSS

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Net exchange gain	8	7
Gain on disposal of subsidiaries (Note 12)	16,197	34,668
	16,205	34,675

6. (LOSS)/PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
(Loss)/profit before taxation has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	4,272	5,224
Premium charges on a life insurance policy	15	15
Staff costs, including directors' emoluments	19,631	27,558
Reversal of allowance for inventories, included in cost of sales	(1,117)	(4,041)
Cost of inventories recognised as expenses (including reversal of allowance for inventories, net)	16,306	7,285

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

7. TAXATION

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Current tax		
Hong Kong Profits Tax	—	—
Macau Complementary Tax	—	—
Deferred taxation	—	—
	—	—

The Company, which was incorporated in the Cayman Islands, together with those group entities incorporated in the British Virgin Islands, have no assessable profits for both periods.

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

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2026 as the Group has sufficient tax losses brought forward available to offset the current year estimated assessable profits (six months ended 30 June 2025: Nil).

Macau Complementary Tax is calculated at the rate of 12% (six months ended 30 June 2025: 12%) on the estimated assessable profit exceeding MOP600,000 for the period.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (six months ended 30 June 2025: 25%). No provision for PRC Enterprise Income Tax has been made in the condensed consolidated financial statements as the subsidiaries operating in the PRC have no assessable profits for both periods.

8. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2026 (six months ended 30 June 2025: nil). The Directors have determined that no dividends will be paid in respect of the six months ended 30 June 2026.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

9. (LOSS)/EARNING PER SHARE

The calculation of the basic and diluted loss per share for the six months ended 30 June 2026 is based on the loss for the period attributable to owners of the Company of approximately HK\$290,000 (six months ended 30 June 2025: earning for the period attributable to owners of the Company of approximately HK\$20,596,000) and the weighted average number of 242,845,000 (six months ended 30 June 2025: 242,845,000) ordinary shares for the purpose of basic and diluted earning per share during the period.

10. TRADE AND OTHER RECEIVABLES

Retail sales of footwear products are made at retail shops and concession counters in department stores. The department stores collect payments from the ultimate customers and then repay the balance after deducting the concessionaire commission to the Group. The credit periods granted to the department stores range from 30 to 60 days. Sales made at retail shops are settled by cash or credit cards. For wholesale of footwear products and trading of healthcare products, the Group allows a credit period ranging from 30 to 90 days to its trade customers. The following is an aging analysis of trade receivables presented based on the invoice date at the end of each Reporting Period:

	At 30.6.2026 HK\$'000 (unaudited)	At 31.12.2025 HK\$'000 (audited)
Within 30 days	2,032	3,305
31 to 60 days	4,124	625
61 to 90 days	400	168
Over 90 days	1,554	—
	8,110	4,096

11. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables based on invoice date at the end of each Reporting Period:

	At 30.6.2026 HK\$'000 (unaudited)	At 31.12.2025 HK\$'000 (audited)
Within 30 days	761	1,902
31 to 60 days	4,974	207
61 to 90 days	600	—
Over 90 days	402	1,580
	6,737	3,689

The average credit period of trade payables is 30 days.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

12. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Kong Tai Sundry Goods (BVI) Company Limited and its subsidiaries

On 13 March 2026, the Group has entered into a sale and purchase agreement with an independent third party for the disposal of its entire interest in Kong Tai Sundry Goods (BVI) Company Limited and its subsidiaries, at a cash consideration of \$1. The disposal was completed on 13 March 2026.

Cash outflow arising on disposal and cash consideration received:

	HK\$'000
Cash consideration	—*
Cash and cash equivalents disposed of	(3,493)
	(3,493)

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Properties, plant and equipment	3,188
Investment properties	1,400
Trade and other receivables	2,313
Taxation receivable	24
Bank balances and cash	3,493
Trade and other payables	(15,231)
Amount due to a related company	(935)
Other borrowings — due within one year	(10,345)
Employee benefit obligations	(633)
	(16,726)
Gain on disposal of subsidiaries:	
Cash consideration	—*
Release of foreign currency translation reserve	264
Net liabilities disposed of	16,726
Gain on disposal of subsidiaries	16,990

* Less than HK\$1,000

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

12. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of Shoe Mart Company Ltd

On 11 February 2026, the Group has entered into a sale and purchase agreement with an independent third party for the disposal of its entire interest in Shoe Mart Company Ltd and, at a cash consideration of \$1. The disposal was completed on 11 February 2026.

Cash outflow arising on disposal and cash consideration received:

	HK\$'000
Cash consideration	—*
Cash and cash equivalents disposed of	(470)
	(470)

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Inventories	284
Trade and other receivables	1,193
Taxation receivable	953
Deferred taxation	(409)
Bank balances and cash	470
Trade and other payables	(1,614)
Employee benefit obligations	(84)
	793
Loss on disposal of a subsidiary:	
Cash consideration received	—*
Net assets disposed of	(793)
Loss on disposal of a subsidiary	(793)

* Less than HK\$1,000

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

13. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the condensed financial statements, the Group had entered into the following related party transactions:

Name of related companies	Nature of transactions	Six months ended 30 June	
		2026 HK\$'000	2025 HK\$'000
Come Good Investment Limited (note a)	Short-term lease expense	242	600

Note:

(a) Mr. Chu Chun Ho, Dominic, a director of the Company (resigned on 9 April 2026), is the controlling shareholder of these companies.

Compensation of key management personnel

The remuneration of key management of the Group during the period was as follows:

	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Salaries and allowance	2,400	578
Retirement benefit schemes contributions	—	—
	2,400	578

Key management personnel are deemed to be the members of the board of directors of the Company which has responsibility for planning, directing and controlling the activities of the Group.

14. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 17 August 2026, on 11 August 2026, a winding-up petition (the "**Petition**") was filed by Mr. Tao Chi Keung, a former independent non-executive director of the Company, at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") against the Company in relation to the demand for the outstanding payment of director's emolument in the sum of HK\$139,150.68 (the "**Claim**"). The filing of the Petition does not represent the successful winding up of the Company by the Petitioner. No winding-up order has been granted by the High Court to wind up the Company as at the date of this report. Given that the Claim is not of a significant amount, the Board believes that the Claim can be resolved. For details, please refer to the aforesaid announcement.

GENERAL INFORMATION

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2026, the interests of the Directors and chief executive in the shares, underlying shares or debentures of the Company and/or its associated corporations, which were required, pursuant to Section 352 of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO"), to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Long position in the issued shares of the Company

Name of Director	Nature of interests	Number of the Company's shares interested	Approximate
			percentage of the Company's issued share capital*
Mr. Chu Chun Ho, Dominic (resigned on 9 April 2026)	Person having a security interest in shares (Note)	22,000,000	9.06%

Note:

Mr. Chu Chun Ho, Dominic (a former Director) and Mr. Chong Hot Hoi (a former Director) were jointly having security interest in these shares of the Company.

* The percentage represents the number of the Company's shares interested divided by the number of the Company's issued shares as at 30 June 2026 (i.e. 242,845,000 shares).

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2026, the following persons (other than the Directors or chief executive of the Company) had interests in the issued shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the issued shares of the Company

Name of shareholder	Nature of interests	Notes	Number of the Company's shares interested	Approximate percentage of the Company's issued share capital*
Shang Ying Financial Holding Co., Limited ("Shang Ying Financial")	Beneficial owner	1	149,993,617	61.77%
Mr. Yang Jun	Interest hold by controlled corporations	1	149,993,617	61.77%
SIGMA INTERNATIONAL HOLDING LIMITED ("Sigma")	Person having a security interest in shares	2	123,993,617	51.06%
Mr. Chong Hot Hoi	Person having a security interest in shares	3	22,000,000	9.06%
Mr. Liu Shaolin	Beneficial owner	4	14,848,000	6.11%
Ms. Li Yun	Interest held by spouse	4	14,848,000	6.11%

General Information

Notes:

- (1) The shares held by Shang Ying Financial (currently known as Starting Line Health Group Holdings Limited) which in turn was wholly owned by Mr. Yang Jun. Accordingly, Mr. Yang Jun was deemed to be interested in these shares of the Company pursuant to Part XV of the SFO.
- (2) These shares held by Shang Ying Financial were, following assignment from Great Wall International Investment X Limited, pledged to Sigma. Accordingly, Sigma was deemed to be interested in these shares of the Company pursuant to Part XV of the SFO.
- (3) The interest of Mr. Chong Hot Hoi was held jointly with Mr. Chu Chun Ho, Dominic appearing in the above section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares".
- (4) These 14,848,000 shares were held by Mr. Liu Shaolin, the spouse of Ms. Li Yun. Accordingly, Ms. Li Yun was deemed to be interested in these shares pursuant to the SFO.

* The percentage represents the number of the Company's shares interested divided by the number of the Company's issued shares as at 30 June 2026 (i.e. 242,845,000 shares).

Save as disclosed above, as at 30 June 2026, no person, other than the Directors and chief executive of the Company whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had an interest or a short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

Update on Director's Information

During the Reporting Period, save for the resignation of Mr. Chu Chun Ho, Dominic as a non-executive Director with effect from 9 April 2026, there was no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Share Scheme

The Group had no share scheme during the Reporting Period.

Appreciation

The Board would like to thank the management of the Group and all its staff for their hard work and dedication, as well as the Shareholders, business partners and associates, bankers and auditors for their support to the Group.