

2026 Interim Report

TONGDA HONG TAI HOLDINGS LIMITED



Incorporated in the Cayman Islands with limited liability
Stock Code: 2363

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Shiu Man (*Chairman*)

Mr. Wang Ming Zhi

Independent Non-executive Directors

Mr. Wan, Aaron Chi Keung

Mr. Chan Luk On

Ms. Kwok Sau King Tina

Mr. Leung Tang Fung (*appointed on 1 June 2026*)

AUDIT COMMITTEE

Ms. Kwok Sau King Tina (*Chairlady*)

Mr. Wan, Aaron Chi Keung

Mr. Chan Luk On

Mr. Leung Tang Fung (*appointed on 1 June 2026*)

REMUNERATION COMMITTEE

Mr. Wan, Aaron Chi Keung (*Chairman*)

Mr. Chan Shiu Man

Mr. Chan Luk On

Ms. Kwok Sau King Tina

Mr. Leung Tang Fung (*appointed on 1 June 2026*)

NOMINATION COMMITTEE

Mr. Chan Shiu Man (*Chairman*)

Mr. Wan, Aaron Chi Keung

Mr. Chan Luk On

Ms. Kwok Sau King Tina

Mr. Leung Tang Fung (*appointed on 1 June 2026*)

COMPANY SECRETARY

Mr. Chan Shiu Man

AUDITOR

CLA Prism Hong Kong Limited
(formerly known as Prism Hong Kong Limited)

Certified Public Accountant

Registered Public Interest Entity Auditor

Units 1903-1905, 19/F

8 Observatory Road

Tsim Sha Tsui, Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Chan Shiu Man

Mr. Chan Luk On

PRINCIPAL BANKERS

In Hong Kong:

The Hongkong and Shanghai Banking Corporation Limited

Shanghai Commercial Bank Limited

Hang Seng Bank Limited

In the PRC:

United Overseas Bank (China) Limited
Suzhou Branch

China Construction Bank
Changshu Branch

LEGAL ADVISERS

As to Hong Kong laws:

Fairbairn Catley Low & Kong

As to PRC laws:

Jiangsu New Talent (Changshu)

Law firm

As to Cayman Islands laws:

Conyers Dill & Pearman, Cayman

REGISTERED OFFICE

Cricket Square, Hutchins Drive

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Grand Cayman, KY1-1111

Cayman Islands

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LISTING INFORMATION

Listed on the Hong Kong Stock

Exchange (Main Board)

Stock short name: Tongda Hong Tai

Stock code: 2363

Board lot: 5,000 shares

Listing date: 16 March 2018

(the “Listing Date”)

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square

338 King’s Road

North Point, Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This interim report contains certain forward-looking statements with respect to the financial conditions, results of operations and the business of Tongda Hong Tai Holdings Limited (the “Company”, and together with its subsidiaries the “Group” or “We”). These forward-looking statements represent the Group’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Certain statements, that include wordings like “potential”, “estimated”, “expects”, “anticipates”, “objective”, “intends”, “plans”, “believes”, “estimates”, and similar expressions or variations on such expressions may be considered “forward-looking statements”.

Forward-looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ in some instances materially, from those anticipated or implied in any forward-looking statement. Forward-looking statements pertain only at the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events. Trends and factors that are expected to affect the Group’s results of operations are described in the section headed “Management Discussion and Analysis” below.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is “one-stop” manufacturing solutions provider in the manufacture and sale of components, casings and related products for electronic and consumer applications, as well as the trading of related materials.

During the Period, the Group’s revenue decreased by approximately 39.2%, from approximately HK\$50.2 million for the same period last year to approximately HK\$30.5 million during the Period. The decrease was primarily attributable to continued weakness in the notebook and tablet computer markets, which faced headwinds from volatile global trade policies and a persistent memory chip shortage that constrained product availability and dampened sales of notebooks and tablets during the Period.

During the Period, the Group’s gross profit margin has increased and was mainly attributable to actively optimized its business strategies and controlled costs by optimizing its existing resources. The Group had also carried on with its reassessment of its projects to adjust product portfolio and market strategy which resulted in improving profit margin.

BUSINESS PROSPECTS

The business outlook for the remainder of the year remains challenging. Against a backdrop of deteriorating macroeconomic conditions, an intensifying global memory chip shortage, softening consumer spending, ongoing geopolitical tensions and intense industry competition, the Group nonetheless delivered a resilient performance during the Period and will continue to navigate these headwinds with a disciplined and adaptive approach.

The Group has continued to diversify beyond its core notebook and tablet casing business into other consumer electronics and household items, thereby reducing its dependence on the cyclicity of any single end-market. The Group remains committed to continuously reviewing its operations with a view to enhancing its overall competitiveness.

Mindful of intense market competition, management will continue to identify and capture new business opportunities, including in the trading of materials and in research and development relating to AI technology. Management will also continue to closely monitor developments in the supply chain, pricing and market demand, and will adjust the Group's plans as appropriate to safeguard profitability.

FINANCIAL REVIEW

The Group's total revenue decreased by approximately 39.2%, from approximately HK\$50.2 million for the same period last year to approximately HK\$30.5 million during the Period. The decrease was primarily reflecting lower sales volume following the strong contribution by the launch of new business in casings of robot vacuum which resulted in more sales order received for the same period last year.

During the Period, the Group recorded a gross profit of approximately HK\$4.3 million, as compared to a gross profit of approximately HK\$2.3 million for the same period last year, reflecting improved gross margin management despite the decrease in Group's total revenue.

The Group's selling and distribution expenses decreased from approximately HK\$0.1 million for the same period last year to approximately HK\$0.042 million during the Period, which was in line with the decrease in Group's total revenue.

The Group's general and administrative expenses decreased by approximately 33.3%, from approximately HK\$3.0 million for the same period last year to approximately HK\$2.0 million during the Period. The decrease was due to the decrease in salary expenses as well as legal and professional fee.

The Group's finance costs decreased from approximately HK\$6.0 million for the same period last year to approximately HK\$4.3 million for the Period. The decrease in finance costs was primarily due to the reduction in interest-bearing liabilities following the restructuring of certain payables.

The Group's other income, increased from approximately HK\$0.8 million for the same period last year to approximately HK\$1.1 million for the Period, which was due to the increase in the sales of scrap materials and bank interest income offset by the reduction in the rental income during the Period.

The Group's other operating expense/income, net, changed from approximately HK\$11.3 million in income for the same period last year to approximately HK\$8.9 million in expense during the Period, which was due to increase in impairment of inventory and decrease in exchange gain due to appreciation of Renminbi for the Period.

As a result of the foregoing, the Group's loss for the Period attributable to equity holders of the Company amounted to approximately HK\$9.7 million, as compared to a profit approximately HK\$5.2 million for the same period last year. Basic and diluted loss per share attributable to equity holders of the Company was approximately HK4.77 cents for the Period as compared to a basic and diluted profit per share approximately HK2.55 cents for the same period last year.

The Group's inventory turnover days decreased from approximately 59.0 days for the year ended 31 December 2025 to approximately 53.9 days for the Period. The Group will keep on tighter controls over raw materials and finished goods which are important to ensure efficient working capital cycle and supported the Group's goal of enhancing operating cash flow.

The Group's trade and bills receivables turnover days increased from approximately 84.3 days for the year ended 31 December 2025 to approximately 143.7 days for the Period. The increase reflects the challenging macroeconomic conditions during the Period. The Group needs to continually closely monitor customer credit profiles and maintained prudent credit risk management to safeguard cash flow stability. The Group will strengthen credit control measures and takes more proactive collection efforts during the remaining time of current year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the Group financed its capital expenditure and working capital requirements mainly through other payables, loans from and amounts due to related parties, the proceeds received from the Listing in March 2018 and the proceeds received from the Rights Issue in May 2024.

As at 30 June 2026, we had interest-bearing other payables of approximately HK\$283.7 million (31 December 2025: approximately HK\$279.4 million), loans from and amounts due to related companies of approximately HK\$2.9 million (31 December 2025: approximately HK\$2.9 million). Their range of interest rates was 3.5% to 4.75% (31 December 2025: 2.00% to 7.0%) per annum.

As at 30 June 2026, the Group's cash and cash equivalents were mainly held in USD, RMB and HK\$, and the cash and cash equivalents of approximately HK\$90.4 million (31 December 2025: approximately HK\$84.9 million). The Group currently does not use any financial instruments for hedging purposes.

As at 30 June 2026, the Group had restricted bank balances of approximately HK\$nil million (31 December 2025: approximately HK\$nil million).

As at 30 June 2026, the Group had interest-bearing loans from independent third parties of approximately HK\$283.7 million (31 December 2025: approximately HK\$279.4 million).

As at 30 June 2026, the Group had interest bearing loans from a related party (who is also one of the former controlling shareholders) of approximately HK\$2.4 million (31 December 2025: approximately HK\$2.4 million).

Average trade and bills receivable turnover days as at 30 June 2026 was approximately 143.7 days (31 December 2025: approximately 84.3 days).

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to four months. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Average inventory turnover days as at 30 June 2026 was approximately 53.9 days (31 December 2025: approximately 59.0 days). Overall, the current ratio of the Group as at 30 June 2026 was approximately 2.62 (31 December 2025: approximately 3.03).

As at 30 June 2026, the Group's gearing ratio was approximately 94% (31 December 2025: 101%).

Gearing ratio is calculated based on total borrowings (i.e. certain interest-bearing other payables classified as current and non-current portion and loans from and amounts due to related parties) less total cash and bank balances (including restricted bank balances) divided by total equity attributable to equity holders of the Company as at year-end date and expressed as a percentage.

The Group's operations were mainly financed by internal resources including but not limited to existing cash and cash equivalents, cash flow from its operating activities, the net proceeds generated from the Listing and Rights Issue, other payables and from and amounts due to related parties. The Board believes that the Group's liquidity needs will be satisfied.

CAPITAL STRUCTURE

The Company was successfully listed on the Main Board of the Stock Exchange on 16 March 2018.

On 12 January 2024, the Board of the Company proposed to implement the shares consolidation, pursuant to which every ten issued and unissued existing shares of par value HK\$0.01 each consolidated into one consolidated share of par value HK\$0.1 each (the "Shares Consolidation"). The Shares Consolidation was completed and effective on 19 March 2024. Immediately following the Shares Consolidation having become effective, the authorised share capital of the Company was increased from HK\$10,000,000 divided into 1,000,000,000 existing shares to HK\$60,000,000 divided into 600,000,000 consolidated shares by the creation of an additional 500,000,000 new consolidated shares, details of which were disclosed in the Company's circular dated 29 February 2024.

CAPITAL EXPENDITURE

The Group incurred capital expenditure of approximately HK\$nil during the Period (31 December 2025: approximately HK\$nil).

FOREIGN EXCHANGE

Given the increasingly international nature of our operations and business coverage, the Group faces foreign exchange exposure including transaction and translation exposure. As far as possible, the Group aims to achieve natural hedging by investing and borrowing in the functional currencies. Where a natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange contracts. The Group has not entered nor will it enter into any derivative transactions for speculative trading purposes as at 30 June 2026 (31 December 2025: Nil).

SIGNIFICANT INVESTMENTS HELD

The Group had not held any significant investments during the Period.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, the Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures.

CONTINGENT LIABILITIES

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

EMPLOYEE INFORMATION

As at 30 June 2026, the Group employed a total of 11 permanent employees, who are mainly employees in administration department, down from 22 as at 30 June 2025. Total employee benefit expenses including Directors' remuneration for the Period were approximately HK\$0.9 million, as compared to approximately HK\$2.6 million in the same period last year. Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. The management regularly reviews the Group's remuneration policy and appraises the work performance of its staff. Employee remuneration includes salaries, allowances, bonuses, social insurance and mandatory pension fund contribution. As required by the relevant regulations in the PRC, the Group participates in the social insurance schemes operated by the relevant local government authorities. Our employees in Hong Kong participate in the mandatory provident fund scheme.

CHARGE ON GROUP ASSETS

As at 30 June 2026, the Group had no charges on Group's assets (31 December 2025: Nil).

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
	Notes	2026 HK\$'000	2025 HK\$'000
REVENUE	5	30,507	50,206
Cost of sales		(26,185)	(47,952)
Gross profit		4,322	2,254
Other income		1,149	796
Selling and distribution expenses		(42)	(137)
General and administrative expenses		(1,974)	(3,025)
Other operating expense/income, net		(8,859)	11,268
Finance costs		(4,336)	(5,952)
(LOSS)/PROFIT BEFORE TAX	6	(9,740)	5,204
Income tax	7	–	–
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(9,740)	5,204
(LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	9	HK(4.77) cents	HK2.55 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
(LOSS)/PROFIT FOR THE PERIOD	(9,740)	5,204
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive expense that may be reclassified to the income statement in subsequent periods:		
Exchange differences on translation of a foreign operation	(2,580)	(9,812)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(12,320)	(4,608)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	10	-	-
Right-of-use assets	11(a)	-	-
Lease receivables	11(d)	294	561
Total non-current assets		294	561
CURRENT ASSETS			
Inventories	12	-	15,459
Trade and bills receivables	13	29,702	18,336
Lease receivables	11(d)	540	3,817
Prepayments, deposits and other receivables		942	1,326
Tax recoverable		32	542
Cash and bank balances		90,447	84,896
Total current assets		121,663	124,376
CURRENT LIABILITIES			
Trade payables	14	17,798	9,405
Other payables and accruals	15	25,146	22,088
Loans from and amounts due to related parties	16	2,889	2,889
Lease liabilities	11(b)	527	6,686
Total current liabilities		46,360	41,068

	Notes	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
NET CURRENT ASSETS		75,303	83,308
TOTAL ASSETS LESS CURRENT LIABILITIES		75,597	83,869
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	287	547
Other payable	15	283,722	279,414
Total non-current liabilities		284,009	279,961
Net liabilities		(208,412)	(196,092)
DEFICIENCY			
Equity attributable to equity holders of the Company			
Issued capital	17	20,422	20,422
Deficit		(228,834)	(216,514)
Total deficit		(208,412)	(196,092)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited six months ended 30 June 2026 Attributable to equity holders of the Company

	Issued capital HK\$'000 (Note 17)	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve fund HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated Loss HK\$'000	Total deficit HK\$'000
At 1 January 2026	20,422	250,476	200,706	16,031	3,851	(687,578)	(196,092)
Profit for the period	-	-	-	-	-	(9,740)	(9,740)
Other comprehensive expense for the period:	-	-	-	-	-	-	-
Exchange differences on translation of a foreign operation	-	-	-	-	(2,580)	-	(2,580)
Total comprehensive expense for the period	-	-	-	-	(2,580)	(9,740)	(12,320)
At 30 June 2026	20,422	250,476*	200,706*	16,031*	1,271*	(697,318)*	(208,412)

Unaudited six months ended 30 June 2025 Attributable to equity holders of the Company

	Issued capital HK\$'000 (Note 16)	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve fund HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated Loss HK\$'000	Total deficit HK\$'000
At 1 January 2025	20,422	250,476	200,706	16,031	4,756	(663,778)	(171,387)
Profit for the period	-	-	-	-	-	5,204	5,204
Other comprehensive expense for the period:							
Exchange differences on translation of a foreign operation	-	-	-	-	(9,812)	-	(9,812)
Total comprehensive expense for the period	-	-	-	-	(9,812)	5,204	(4,608)
At 30 June 2025	20,422	250,476*	200,706*	16,031*	(5,056)*	(658,574)*	(175,995)

* These reserve accounts comprise the consolidated deficit of approximately HK\$228,834,000 (six months ended 30 June 2025: HK\$196,417,000) in the consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	(4,852)	(11,198)
Interest paid	6,504	6,848
Net cash flows generated from/(used in) operating activities	1,652	(4,350)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	568	647
Proceeds from disposal of items of property, plant and equipment	5,461	124
Receipt from lease receivables	3,508	3,476
Decrease in restricted bank balances	–	371
Exchange realignment	91	–
Net cash flows generated from investing activities	9,628	4,618

Unaudited
Six months ended 30 June
2026 2025
HK\$'000 HK\$'000

CASH FLOWS FROM FINANCING ACTIVITIES

Principal elements of lease payments	(6,614)	(3,906)
Increase in loans from related parties	(59)	–
Increase in amount due to a related company	–	(5,386)
Proceeds from issue of new shares under Rights Issue	–	–
Exchange realignment	257	5,632

Net cash flows used in financing activities	(6,416)	(3,660)
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NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES

	4,864	(3,392)
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Cash and cash equivalents at beginning of period	84,896	84,153
Effect of foreign exchange rate changes, net	687	605

CASH AND CASH EQUIVALENTS AT END OF PERIOD

	90,447	81,366
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ANALYSIS OF BALANCES OF CASH AND BANK BALANCES

Cash and bank balances	90,447	82,134
Less: Restricted bank balances	–	(768)

	90,447	81,366
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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tongda Hong Tai Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally involved in the manufacture and sale of components, casings and related products for electronic and consumer applications in Chinese Mainland.

2. BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standards (the “HKASs”) No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025.

2. BASIS OF PRESENTATION *(continued)*

Going concern assumptions

The Group incurred net loss of approximately HK\$9,740,000 for the Period, and as of that date, the Group had net current assets of approximately HK\$75,303,000 (31 December 2025: net current assets of approximately HK\$83,308,000) and net liabilities of approximately HK\$208,412,000 (31 December 2025: net liabilities of approximately HK\$196,092,000).

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The Interim Financial Statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 30 June 2026 and subsequently thereto up to the date when the Interim Financial Statements are authorised for issue. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the directors of the Company have adopted several measures together with other measures in progress at the date when the Interim Financial Statements are authorised for issue, including but not limited to, the followings:

- (a) Implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure; and
- (b) The management is in process to develop a plan to restructure the Group's business, improve operational efficiency, and explore new opportunities.

2. BASIS OF PRESENTATION *(continued)*

Going concern assumptions *(continued)*

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the date of report. They are of the opinion that, taking into account the abovementioned plans and measures, 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 the date of report. Accordingly, the directors are satisfied that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may 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 these Interim Financial Statements.

3. ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted are consistent with those adopted in the Group's financial statements for the year ended 31 December 2025, except for the adoption of the following revised HKFRS Accounting Standards for the first time for the current Period's financial information.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity ¹
Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

The application of the amendment to HKFRS Accounting Standards in the current interim period has had no material impact on the Group financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of components, casings and related products for electronic and consumer applications, as well as the trading of related materials. The Group's products are generally similar in nature and are subject to similar risks and returns.

Geographical information

During the Period, the Group operates within two geographical locations, Hong Kong and Chinese Mainland. Further details of the geographical information in respect of revenue from external customers are set out in note 5 to the consolidated financial statements.

Non-current assets

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Hong Kong	—	—
Chinese Mainland	294	561
TOTAL	294	561

The non-current asset information above is based on the locations of the assets.

5. REVENUE

An analysis of the Group's revenue is as follows:

	Unaudited 30 June 2026 HK\$'000	Unaudited 30 June 2025 HK\$'000
Manufacture and sale of products		
in Hong Kong	22,219	–
in Chinese Mainland	8,288	50,206
TOTAL	30,507	50,206
Timing of revenue recognition:		
At a point in time	30,507	50,206

Information about major customers

Revenue derived from sales to individual customers which contribute over 10% of the total revenue of the Group is as follows:

	Unaudited Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
Customer A	16,210	–
Customer B	7,143	14,557
Customer C	3,782	–
Customer D	N/A¹	23,746
	27,135	38,303

¹ Revenue generated from retail sales accounts for less than 10% of the total revenue of the Group

6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Cost of inventories sold	26,185	47,952
Employee benefit expense (excluding directors' remuneration):		
Salaries and wages	647	1,052
Pension scheme contributions	159	706
Foreign exchange differences, net	(3,155)	(11,144)
Written off of/Provision for inventories ¹	17,565	–

- ¹ Management has reassessed the presentation of the consolidated statement of profit or loss. Given the specific nature and significance of the written off of/provision for inventories recognised, management considers that presenting these charges outside of "Cost of sales" provides a fairer representation of the direct costs associated with revenue generation. The written off of/provision for inventories is now classified under "other operating expense/income, net" in the consolidated statement of profit or loss.

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Period (six months ended 30 June 2025: Nil). No provision for corporate income tax in Chinese Mainland has been made as the Group did not generate any assessable profits in Chinese Mainland during the Period.

Pursuant to the Corporate Income Tax Law of the PRC being effective on 1 January 2008, the income tax unified at 25% for all enterprises in Chinese Mainland.

7. INCOME TAX *(continued)*

通達宏泰科技(蘇州)有限公司(Tongda HT Technology (Suzhou) Company Limited), as a High New Technology Enterprise, was subject to a preferential tax rate of 15% starting from the year ended 31 December 2022 for three years.

Unaudited	
Six months ended 30 June	
2026	2025
HK\$'000	HK\$'000

Total current tax charge for the Period
from Chinese Mainland

—

—

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

The Group has estimated tax losses arising in Chinese Mainland of HK\$223,208,000 (31 December 2025: HK\$223,208,000) that will expire in five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as directors consider that it is uncertain that whether sufficient taxable profits will be available against which the tax losses can be utilised in the foreseeable future.

8. DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the Period (six months ended 30 June 2025: Nil).

9. (LOSS)/PROFIT PER SHARE

The calculations of basic and diluted (loss)/profit per share are based on:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
(Loss)/profit:		
(Loss)/profit for the period attributable to owners of the Company used in the basic and diluted (loss)/profit per share calculation	(9,740)	5,204
Weighted average number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/profit per share	204,224,073	204,224,073

The Group had no potentially dilutive ordinary shares in issue during the Period and for the six months ended 30 June 2025.

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK\$nil (six months ended 30 June 2025: HK\$nil).

11. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold buildings used in its operations. Leases of leasehold buildings generally have lease terms between 3 to 10 (31 December 2025: 3 to 10) years.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the Period are as follows:

	Leasehold buildings HK\$'000
As at 1 January 2024	17
Addition of leases	13,205
Depreciation charge	(733)
Impairment loss	(1,467)
Reversal of impairment loss arising from subleasing arrangements	2,114
Derecognition arising from subleasing arrangements	(13,135)
Exchange realignment	(1)
As at 31 December 2024, 31 December 2025, 1 January 2026 and 30 June 2026	–

11 LEASES *(continued)*

The Group as a lessee *(continued)*

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Period are as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Carrying amount at 1 January	7,233	10,877
Accretion of interest recognised during the year	23	188
Payments	(6,634)	(4,286)
Exchange realignment	192	454
Carrying amount at 30 June/ 31 December	814	7,233
Analysed into:		
Current portion	527	6,686
Non-current portion	287	547

11. LEASES (continued)

The Group as a lessee (continued)

(c) The amounts debited in the consolidated income statement in relation to leases are as follows:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Interest on lease liabilities	23	95
Expense relating to short-term lease	17	16
Total amount debited in the consolidated income statement	40	111

11. LEASES *(continued)*

The Group as a lessee *(continued)*

(d) Finance lease arrangement

The Group subleases certain of its leasehold buildings in the PRC. The terms of the lease require the tenants to pay in advance periodically before use. Finance income on the subleases recognised by the Group during the Period was HK\$24,000 (six months ended 30 June 2025: HK\$88,000).

As of 30 June 2026, the reconciliation between the undiscounted lease payments receivable and the lease receivables by the Group in future periods under non-cancellable leases with its tenants are as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within one year	570	3,859
After one year but within two years	299	577
Gross investment in leases	869	4,436
Less: Unearned finance income	(35)	(58)
Lease receivables	834	4,378
Less: Non-current portion	(294)	(561)
Current portion	540	3,817

11. LEASES *(continued)*

The Group as a lessee *(continued)*

(d) Finance lease arrangement *(continued)*

The management of the Group considers lease receivables to have minimal expected credit loss when the balances related to a number of tenants that have good repayment history and have strong capacities to meet their contractual cash flow obligation. As at 30 June 2026, none of the balances has been past due (31 December 2025: nil).

12. INVENTORIES

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Raw materials	–	502
Work in progress	–	7,909
Finished goods	–	7,048
	–	15,459

13. TRADE AND BILLS RECEIVABLES

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Trade receivables	30,254	18,982
Impairment	(748)	(722)
	29,506	18,260
Bills receivables	196	76
	29,702	18,336

As at 30 June 2026, the Group has bills receivable of approximately HK\$196,000 (31 December 2025: approximately HK\$76,000) were measured at fair value through other comprehensive income as these trade and bills receivables are managed within a business model with the objective of both holding to collect contractual cash flows and selling for working capital management and the contractual terms of these receivables give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

13. TRADE AND BILLS RECEIVABLES *(continued)*

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to four months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. As at 30 June 2026, approximately 53.1% (31 December 2025: approximately 68.5%) of the total trade and bills receivables, and approximately 93.9% (31 December 2025: approximately 83.1%) of the total trade and bills receivables, were due from the Group's largest customer and the five largest customers, respectively.

An ageing analysis of the Group's trade and bills receivables as at the end of the Period, based on the invoice date and net of provisions, is as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 3 months	18,621	6,082
4 to 6 months, inclusive	3,943	7,888
7 to 9 months, inclusive	4,004	3,115
10 to 12 months, inclusive	2,666	1,251
Over 1 year	468	–
	29,702	18,336

The impairment of trade receivables included the amount of a specific trade receivable which is considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amount in full.

13. TRADE AND BILLS RECEIVABLES *(continued)*

No loss allowance was provided for bills receivable because management considers that there were minimal expected credit losses associated with the bills receivable in view of the fact that majority of these bills receivable were issued by creditworthy banks and the balances are not yet past due.

14. TRADE PAYABLES

The trade payables are non-interest bearing and are normally settled on terms of one to four months. An ageing analysis of the Group's trade payables as at the end of the Period, based on the invoice date, is as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 3 months	17,798	4,574
4 to 6 months, inclusive	—	542
7 to 9 months, inclusive	—	1,447
10 to 12 months, inclusive	—	493
Over 1 year	—	2,349
	17,798	9,405

15. OTHER PAYABLES AND ACCRUALS

	Notes	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Other payables	(a)	305,772	298,800
Accruals		1,586	1,187
Receipt in advance	(b)	1,510	1,515
		308,868	301,502
Less: Non-current portion for other payable	(a)	(283,722)	(279,414)
Current portion		25,146	22,088

Notes:

- (a) One of the other payables recognised in non-current portion (31 December 2025: current portion) of HK\$181,055,000 (31 December 2025: HK\$181,055,000) is unsecured, bear interest ranges from 3.6% to 4.75% (31 December 2025: 3.6% to 4.75%) per annum and repayable after one year (31 December 2025: repayable within one year). The corresponding accrued interest of HK\$30,455,000 (31 December 2025: HK\$27,197,000) is repayable after one year (31 December 2025: repayable within one year).

Another payable recognised in non-current portion (31 December 2025: non-current portion) of HK\$60,000,000 (31 December 2025: HK\$60,000,000) is unsecured, bear interest at 3.50% (31 December 2025: 3.5% to 7.00%) per annum and repayable after one year (31 December 2025: repayable after one year). The corresponding accrued interest of HK\$12,212,000 (31 December 2025: HK\$11,162,000) is repayable after one year (31 December 2025: repayable after one year).

- (b) As at 30 June 2026, the Group held receipt in advance approximately HK\$1,510,000 (31 December 2025: HK\$1,515,000). This amount primarily relates to an overpayment from customers for goods. As there is no contract with the customers that defines specific performance obligations related to the overpayment, the receipt in advance do not constitute a contract liability.
- (c) The remaining other payables recognised in current portion are unsecured, non-interest-bearing and repayable on demand.
- (d) During the Period, the management has revisited the other payables balance and noted that certain suppliers are in an insolvency position. Accordingly, the Group has written-off the other payables of HK\$nil (31 December 2025: HK\$60,000).

16 LOANS FROM AND AMOUNTS DUE TO RELATED PARTIES

		Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
	Notes		
Loan from Mr. Wang Ya Nan	(a)	2,400	2,400
Amount due to Tongda Group International Limited	(a), (b)	336	336
Amount due to Tong Da General Holdings (HK) Limited	(a), (b)	153	153
		2,889	2,889

Notes:

- (a) The balance of loan from Mr. Wang Ya Nan of HK\$2,400,000 is unsecured, bearing interest at 2% per annum and is repayable on demand. The remaining balances of amounts due to related parties are unsecured, non-interest bearing and repayable on demand.
- (b) Tongda Group International Limited and Tong Da General Holdings (HK) Limited are related companies controlled by Mr. Wang Ya Nan.

17. ISSUED CAPITAL

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Authorised:		
600,000,000 (31 December 2025: 600,000,000) ordinary shares of HK\$0.1 each (31 December 2025: HK\$0.1 each)	60,000	60,000
Issued and fully paid:		
204,224,073 (31 December 2025: 204,224,073) ordinary shares of HK\$0.1 each (31 December 2025: HK\$0.1 each)	20,422	20,422

17. ISSUED CAPITAL *(continued)*

A summary of movements in the Company's authorised and issued share capital is as follows:

	Notes	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised:			
At 31 December 2025, 1 January 2026 and 30 June 2026	(a)	600,000,000	60,000
Issued and fully paid:			
At 31 December 2025, 1 January 2026 and 30 June 2026	(b)	204,224,073	20,422

Note (a):

On 12 January 2024, the Board of the Company proposed to implement the shares consolidation, pursuant to which every ten issued and unissued existing shares of par value HK\$0.01 each consolidated into one consolidated share of par value HK\$0.1 each (the "Shares Consolidation"). The Shares Consolidation was completed and effective on 19 March 2024. Immediately following the Shares Consolidation having become effective, the authorised share capital of the Company was increased from HK\$10,000,000 divided into 1,000,000,000 existing shares to HK\$60,000,000 divided into 600,000,000 consolidated shares by the creation of an additional 500,000,000 new consolidated shares, details of which were disclosed in the Company's circular dated 29 February 2024.

17. ISSUED CAPITAL *(continued)*

Note (b):

On 12 January 2024, the Board of the Company has proposed to implement the rights issue on the basis of two rights shares for every one consolidated share at the subscription price of HK\$0.58 per rights share (the “Rights Issue”). At the same date, the Company entered into a placing agreement with an independent placing agent, pursuant to which the Company has conditionally agreed to place, through the independent placing agent, on a best effort basis to procure placees to subscribe the unsubscribed rights shares at a price at least equal to the subscription price of the rights shares (the “Placing”).

Based on the acceptance results of the Rights Issue and the Placing, rights shares (including the placing shares) of 136,149,382 shares to be allotted and issued, representing 100% of the total number of rights shares offered for subscription under the Rights Issue. The gross proceeds from the placing are HK\$78,967,000. The net proceeds (after deducting the placing commission and other related expenses of approximately HK\$1,109,000) was approximately HK\$77,858,000. The Rights Issue and Placing has been completed on 8 May 2024.

The subscription price HK\$0.58 per Rights Issue and Placing represents a premium of approximately 5.45% to the market closing price HK\$0.55 per share of the Company’s shares as quoted on the Stock Exchange on 8 May 2024, being the date on which the Rights Issue and Placing were completed and the terms were fixed.

Further details of the Right Issue and Placing are set out in the Company’s announcement dated 12 January 2024, the circular dated 29 February 2024, the prospectus dated 28 March 2024 and the announcements dated 26 April 2024 and 8 May 2024.

18. CONTINGENT LIABILITIES

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

19. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these condensed consolidated interim financial statements, the Group had the following transactions with related parties during the Period:

		Unaudited	
		Six months ended 30 June	
		2026	2025
Notes		HK\$'000	HK\$'000
Lease payments to Tongda Group	(i)	—	—

Notes:

- (i) During the Period, rental payment in relation to a lease with Tongda Group International Limited ("Tongda Group"), of which Mr. Wang Ya Nan is a key management, were charged to the consolidated income statement.

(b) Compensation of key management personnel of the Group

		Unaudited	
		Six months ended 30 June	
		2026	2025
		HK\$'000	HK\$'000
Short term employee benefits		668	954
Post-employment benefits		32	33
Total compensation paid to key management personnel		700	987

20. FAIR VALUE AND FAIR VALUE HIERARCHY

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Management has assessed that the fair values of cash and bank balances, restricted bank balances, trade and bills receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, loans from and amounts due to related parties approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Group's financial controller. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

20. FAIR VALUE AND FAIR VALUE HIERARCHY *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

At at 30 June 2026

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Debt investments at fair value through other comprehensive income – Bills receivable	–	196	–	196

20. FAIR VALUE AND FAIR VALUE HIERARCHY *(continued)*

Fair value hierarchy *(continued)*

At at 31 December 2025

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Debt investments at fair value through other comprehensive income – Bills receivable	–	76	–	76

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 December 2025: Nil).

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by of the Directors on 28 August 2026.

SUPPLEMENTARY INFORMATION

INTERIM DIVIDEND

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of The Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 of the Listing Rules (the "Model Code") were as follows:

Long positions in shares of the Company

Name of shareholder	Nature of interest	Number of shares interested	Percentage of shareholding in the Company
Mr. Wang Ya Nan (former Non-executive Director) (Note 1)	Beneficial owner Interest of controlled corporation	0 18,704,481	0.00% 9.16%

Note:

1. 18,704,481 shares are beneficially held by Landmark Worldwide Holdings Limited ("Landmark Worldwide"). The issued share capital of Landmark Worldwide is beneficially owned as to 25% by each Messrs. Wong Ah Yeung, Wang Ya Hua, Wong Ah Yu and Wang Ya Nan. As Mr. Wong Ming Li, the former executive Director and the chief executive officer of the Group, is the nephew of Mr. Wang Ya Nan and the son of Mr. Wong Ah Yu, Landmark Worldwide and the parties acting in concert to it are deemed as an associate of Mr. Wong Ming Li.

Save as disclosed above, as at 30 June 2026, there were no other interests or short positions of the Directors in the shares or underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) or pursuant to section 352 of the SFO, required to be recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the following persons/entities (other than the Directors or the chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or otherwise notified to the Company were as follows:

Long positions in shares of the Company

Name of shareholder	Nature of interest	Number of shares interested	Percentage of share holding in the Company
Mr. Wong Ah Yeung (Note 1)	Beneficial owner Interest of controlled corporation	0 18,704,481	0.00% 9.16%
Mr. Wong Ah Yu (Note 1)	Beneficial owner Interest of controlled corporation	0 18,704,481	0.00% 9.16%
Mr. Wang Ya Hua (Note 1)	Beneficial owner Interest of controlled corporation	0 18,704,481	0.00% 9.16%
Landmark Worldwide (Note 1)	Beneficial owner	18,704,481	9.16%
Leung Ho Chi (Note 2)	Interest of controlled corporations	40,833,611	19.99%

Note:

- 18,704,481 shares are beneficially held by Landmark Worldwide Holdings Limited ("Landmark Worldwide"). The issued share capital of Landmark Worldwide is beneficially owned as to 25% by each Messrs. Wong Ah Yeung, Wang Ya Hua, Wong Ah Yu and Wang Ya Nan.
- 10,200,000 shares are beneficially held by Hong Kong Education and Culture Centre Limited ("HKECCL"), a company incorporated in Hong Kong with limited liability. 30,633,611 shares are beneficially held by Dashing Vision Limited ("Dashing"), a company incorporated in the British Virgin Islands with limited liability. Leung Ho Chi is deemed to be interested in all the shares held by HKECCL and Dashing under the SFO.

Save as disclosed above, as at 30 June 2026, the Company has not been notified by any persons/entities (other than the Directors or the chief executive of the Company) who held an interest or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed in the section headed “Share Option Scheme” below, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debenture of the Company or any other body corporate.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the “Share Option Scheme”) pursuant to the written resolutions of the sole shareholder passed on 8 February 2018. The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the Eligible Participants (as defined below) have had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

Pursuant to the Share Option Scheme, the Directors may, at their absolute discretion, offer to grant an option to subscribe for the shares subject to such conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before an option can be exercised) as they may think fit, to the following persons (the “Eligible Participants”): (a) any full-time or part-time employees, executives or officers of the Company; (b) any director (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries; (c) any advisers, consultants, service providers, customers and agents to the Company or any of its subsidiaries; and (d) such other persons who, in the sole opinion of the Directors, will contribute or have contributed to the Group.

An option shall have been accepted by an Eligible Participant within 21 days from the date of the offer of grant of the option. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option.

The maximum number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the Shares in issue from time to time. Details of the Share Option Scheme are set out in the section “STATUTORY AND GENERAL INFORMATION – D. SHARE OPTION SCHEME” of the SHARE OFFER prospectus of the Company dated 28 February 2018. No options may be granted under the Share Option Scheme or any other share option schemes of the Group if this will result in the limit being exceeded. No share options had been granted by the Company under the Share Option Scheme up to the date of this report.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of options in excess of the 1% limit shall be subject to shareholders' approval in general meeting with such participant and his associates abstaining from voting.

The subscription price per share under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant, which must be a Business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five Business days immediately preceding the date of grant; and (c) the nominal value of a share.

Unless there is an early termination of the Share Option Scheme pursuant to the rules of the Share Option Scheme, the Share Option Scheme will remain in force for a period of 10 years after the date on which the Share Option Scheme is adopted. The period during which an option may be exercised will be determined by the Directors in their absolute discretion, save that no option shall be exercised later than 10 years from the date of grant. The remaining life of the Share Option Scheme was approximately 5 years.

The number of options available for grant under the scheme mandate of the Share Option Scheme was 18,911,563 as at 1 January 2024 and 1,891,156 as at 31 December 2024, 31 December 2025 and 30 June 2026 as a result of the share consolidation of every ten (10) issued and unissued existing shares of par value of HK\$0.01 each into one (1) consolidated share of par value of HK\$0.1 each which took effect on 19 March 2024.

The total number of Shares available for issue under the Share Option Scheme was 1,891,156 Shares, representing approximately 0.93% of the total number of Shares in issue (excluding treasury shares) as at 30 June 2026 and up to the date of this report.

Although there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, the Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as the Directors may determine in their absolute discretion.

Since the adoption of the Share Option Scheme, no share option has been granted under the Share Option Scheme. Therefore, no share option was exercised or cancelled or lapsed during the Period and there was no outstanding option as at 30 June 2026.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the Period.

USE OF NET PROCEEDS FROM THE LISTING

The Company was successfully listed on the Main Board of the Stock Exchange on 16 March 2018. Net proceeds from the Listing (after deducting underwriting fee and relevant expenses payable by the Group in connection with the Listing) amounted to approximately HK\$48.5 million. As at 30 June 2026, a total amount of approximately HK\$47.3 million out of the net proceeds had been used by the Group and the unutilised amount will be used by the Group according to the allocation as set out in the SHARE OFFER prospectus of the Company dated 28 February 2018.

The following sets forth a summary of the utilisation of the net proceeds:

Purpose	Percentage to total amount	Net proceeds HK\$ million	Utilised amount (as at 30 June 2026) HK\$ million	Unutilised amount (as at 30 June 2026) HK\$ million	Expected timeline of full utilisation of the balance
Lease of factory (Note 1)	15.1%	7.3	6.1	1.2	2027-2028
Refurbish the new factory	19.9%	9.6	9.6	-	-
Capital expenditure for additional production facilities and machineries	46.2%	22.4	22.4	-	-
Capital expenditure on enhancing the automation in the Group's manufacturing process	16.1%	7.8	7.8	-	-
Additional effort in sales and marketing activities	0.3%	0.2	0.2	-	-
Enhancement of research and development capabilities	2.4%	1.2	1.2	-	-
Total	100%	48.5	47.3	1.2	

Note:

1. The lease of the factory is for a term of three years, and therefore the remaining balance of approximately HK\$1.2 million is expected to be fully utilised by the year 2027 to 2028.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

On 08 May 2024, the Group completed the rights issue on the basis of two rights shares for every one consolidated ordinary share of the Company at the subscription price of HK\$0.58 per rights share, the net proceeds from the rights issue, after deducting the estimated expenses of approximately HK\$1.1 million (including but not limited to placing commission, legal expenses and disbursements), are approximately HK\$77.9 million. The Company intends to apply the net proceeds to (i) approximately HK\$70.0 million for repayment of loans and other payables of the Group; and (ii) approximately HK\$7.9 million as general working capital of the Group. As of 30 June 2026, a total amount of HK\$7.9 million out of the net proceeds had been used by the Group and the unutilised amount will be used by the Group according to the allocation set out in the RIGHTS ISSUE prospectus of the Company dated 28 March 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float for the Period and up to the date of this report.

CORPORATE GOVERNANCE CODE

The Board of the Company is committed to achieving high corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules as the basis of the Company’s corporate governance practices.

During the Period and up to the date of this report, the Company has complied with all the applicable code provisions of the CG Code as the basis of the Company's corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions (the "Securities Dealing Code") by the Directors and employees who, because of his office or employment in the Group, is likely to possess inside information of the Company.

In response to specific enquires made by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Securities Dealing Code for the Period.

For the Period, the Company is not aware of any incident of non-compliance of the Securities Dealing Code by the relevant employees.

AUDIT COMMITTEE

As at the date of this report, the audit committee of the Company (the "Audit Committee") consists of four independent non-executive Directors including Ms. Kwok Sau King Tina, Mr. Wan, Aaron Chi Keung, Mr. Chan Luk On and Mr. Leung Tang Fung. Ms. Kwok Sau King Tina is the chairlady of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the accounting principles and policies adopted by the Group, and the financial information of the Group, the unaudited interim results announcement of the Company for the Period and this report, and considered that they were prepared in compliance with the relevant accounting standards and that adequate disclosures have been made.

EVENTS AFTER THE PERIOD

There were no significant events affecting the Company nor any of its subsidiaries after the end of the Period requiring disclosure in this report.

PUBLICATION OF INTERIM REPORT

This report is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's website at <http://www.tongdahongtai.com>.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises Mr. Chan Shiu Man and Mr. Wang Ming Zhi as executive Directors; and Mr. Wan, Aaron Chi Keung, Mr. Chan Luk On, Ms. Kwok Sau King Tina and Mr. Leung Tang Fung as independent non-executive Directors.

By order of the Board

Tongda Hong Tai Holdings Limited

Chan Shiu Man

Chairman

Hong Kong, 28 August 2026