

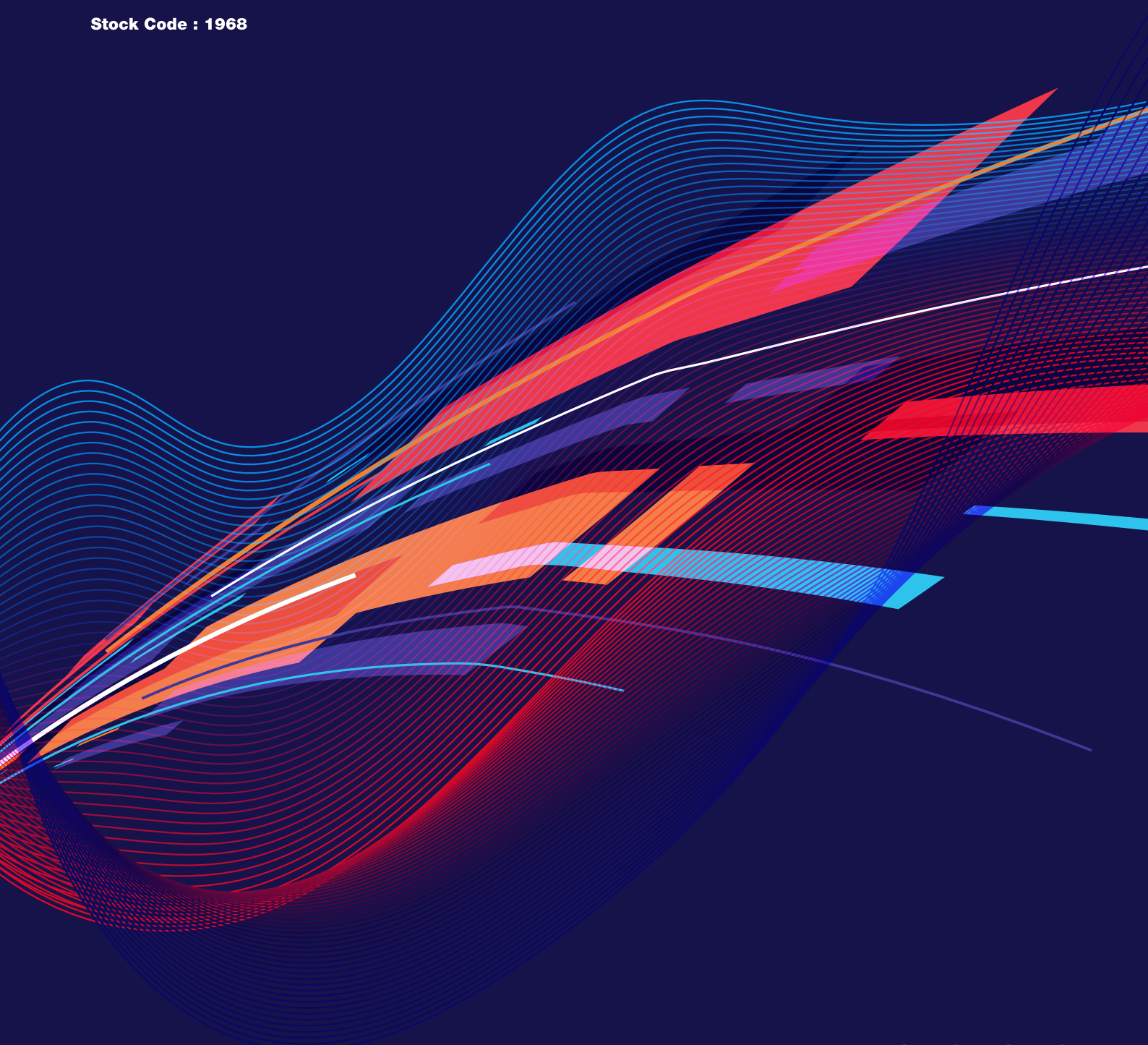
HINGTEX

HOLDINGS LIMITED

興紡控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1968



INTERIM REPORT 2026

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Financial Highlights

	For the six months ended	
	30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Revenue	105,096	108,258
Gross profit	21,423	20,328
Gross profit margin	20.4%	18.8%
Loss before tax	(8,043)	(10,594)
Loss and total comprehensive loss for the period attributable to owners of the Company	(9,404)	(10,410)
LOSS PER SHARE		
— Basic and diluted (HK cents)	(1.47)	(1.63)

Management Discussion and Analysis

Against a backdrop of persistent global economic uncertainty, supply-chain pressures and cross-border trade frictions, the operating environment for the textile sector remained challenging during the first half of 2026. Volatility in raw material and logistics costs, together with subdued market sentiment in key overseas markets, contributed to more cautious order placement by customers.

During the period, Hingtex Holdings Limited (“Hingtex” or the “Company”) and its subsidiaries (collectively, the “Group”) continued to advance its “China Plus One” strategy through the development of its Vietnam platform, with a view to strengthening supply-chain resilience and broadening supply alternatives for customers seeking diversification outside the Chinese Mainland.

At the same time, the Group maintained a disciplined approach to pricing, cost control and order selection. It also continued to optimise its product mix towards higher margin products. These measures helped mitigate external cost pressures and supported the improvement in gross profit margin.

For the six months ended 30 June 2026, the Group recorded total revenue of approximately HK\$105.1 million (1H 2025: HK\$108.3 million). Gross profit amounted to approximately HK\$21.4 million (1H 2025: HK\$20.3 million), representing a gross profit margin of approximately 20.4% (1H 2025: 18.8%). The financial results showed continued improvement with the loss attributable to owners of the Company narrowing to approximately HK\$9.4 million (1H 2025: loss of HK\$10.4 million), with loss per share of approximately 1.47 HK cents (1H 2025: loss per share of 1.63 HK cents).

As at 30 June 2026, the Group’s gearing ratio was at 19.5%, compared with 18.6% as at 31 December 2025. Its bank balances and cash equivalents amounted to approximately HK\$35.7 million, compared with approximately HK\$34.0 million as at 31 December 2025.

BUSINESS REVIEW

During the Period, the Group operated amid raw material cost pressure, elevated logistics expenses and cautious customer purchasing behaviour. It focused on maintaining sales stability and enhancing operational flexibility, supported by a disciplined approach to pricing, order selection and cost management. The Group also maintained close communication with customers and suppliers on pricing, delivery schedules and inventory requirements. Where commercially viable, price adjustments were implemented to mitigate higher raw material and logistics costs. These measures supported the improvement in the Group’s gross profit margin and helped ensure reliable service for its major brand owner customers (“BOCs”) and other customers.

Management Discussion and Analysis

Product Portfolio and Customer Base

The Group further optimised its product portfolio and deepened engagement with customers whose requirements aligned with its technical capabilities. While BOCs continued to be key revenue contributors, the Group explored cooperation with selected premium brand customers that placed greater emphasis on product differentiation, functionality and fabric performance, strengthening its order profile and margin resilience.

Higher-value-added denim fabrics remained a key product focus, with stretch blended denim fabrics continuing to represent a substantial majority of revenue. Depending on customer requirements, these products may incorporate certified recycled materials, synthetic fibres, and other functional features. R&D efforts during the Period included specialised yarns and new fabric constructions.

Production Network and Supply Chain Operations

The Group made further progress in implementing its “China Plus One” strategy during the Period, building on the production network initiatives undertaken in 2025. Following the transfer of weaving machinery to Vietnam in late 2025, the Group progressively integrated its Vietnam-based operations into the broader production network.

This expanded network enhanced the supply-chain flexibility and resilience, and provided greater room for production planning and customer servicing. It also strengthened the Group’s ability to respond to evolving sourcing requirements, delivery schedules and supply-chain diversification needs.

Sales Development and Cost Management

The Group strengthened sales and customer engagement by maintaining close communication with existing BOCs, and exploring selected overseas opportunities in a measured manner. These efforts were aimed at broadening customer reach and supporting the development of the Group’s order pipeline over time.

In terms of cost management, the Group maintained disciplined cost control across production, procurement, logistics and administrative functions. Operating expenses decreased compared with the first half of 2025, reflecting improved operational efficiency and spending optimisation. The Group also reviewed production scheduling, resource utilisation, energy efficiency and workflow arrangements where appropriate, while capital expenditure remained conservative.

With respect to property-related operations, the Group’s diversified property portfolio generated recurring rental income as a supplementary source of revenue. Property renovation activities in Shanghai remained generally stable amid evolving and uneven local property market conditions.

Management Discussion and Analysis

PROSPECTS

For the second half of 2026, the Board remains cautious, recognising that external uncertainties are expected to persist. Geopolitical developments, raw material and logistics cost volatility, and consumer sentiment in overseas markets may continue to influence customer procurement behaviour. While market conditions may gradually stabilise, the timing and extent of any improvement in order flows remain uncertain.

Quality Growth and Market Development

The Group will pursue quality growth, with a focus on profitability, customer quality and operational resilience. Management will allocate resources to four key areas: product differentiation, targeted customer development, supply-chain flexibility and disciplined financial and operational management.

Product differentiation will form part of the Group's quality growth strategy. Although overall customer procurement remains cautious, certain brand-owner and premium customers continue to emphasise fabric quality, consistency, functionality and supply-chain reliability. The Group will seek to address these requirements through differentiated denim fabric solutions and technical support, to enhance customer stickiness, improve order quality and support margin resilience.

On targeted customer development, the Group will maintain close engagement with its established BOCs while exploring opportunities across different geographical markets. It will focus on customers with demand for higher-value-added denim fabrics and stable order potential. New opportunities will be assessed prudently, taking into account customer profile, order quality and market characteristics.

Supply Chain Flexibility and Financial Discipline

The Group will further advance its "China Plus One" strategy to enhance supply-chain flexibility and resilience. With production capabilities in both the PRC and Vietnam, the Group will seek to provide customers with more flexible sourcing options and better support their evolving supply-chain diversification needs. The Group will continue to integrate and optimise its broader production network in a prudent and progressive manner.

Financial and operational discipline will be maintained through conservative capital expenditure and careful assessment of new opportunities, with reference to profitability, resource requirements, operational capacity and risk profile. Business development will be pursued without compromising margin discipline or credit-risk management.

Moving forward, delivery against these strategic priorities will require consistent operational execution. Drawing upon its PRC manufacturing expertise, evolving Vietnam production platform and accumulated know-how in differentiated denim fabrics, the Group will seek to reinforce its competitive position and pursue sustainable long-term growth amid a challenging operating landscape.

Other Disclosures

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group finances its operations primarily with internally generated funds from operating activities and banking facilities currently available. It is anticipated that the Group will have sufficient working capital to meet its present funding requirements.

As at 30 June 2026, net current assets were approximately HK\$82.8 million (31 December 2025: HK\$84.7 million). Cash and cash equivalents as at 30 June 2026 were approximately HK\$35.7 million (31 December 2025: HK\$34.0 million).

As at 30 June 2026, there were bank borrowings of approximately HK\$37.9 million (31 December 2025: HK\$35.6 million), and the Group had HK\$62.0 million in available banking facilities as at 30 June 2026 (31 December 2025: HK\$81.3 million).

GEARING RATIO

As at 30 June 2026, the gearing ratio of the Group, based on total borrowings (including bank borrowings and lease liabilities) to total equity (including all capital and reserves) of the Group, was 19.5% (31 December 2025: 18.6%).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 326 employees (31 December 2025: 341 employees). The Group recognises the importance of maintaining good relationship with its employees and retaining competent staff to ensure operational efficiency and effectiveness. Remuneration packages offered to the Group's employees are consistent with prevailing levels and are reviewed on a regular basis. Discretionary bonuses may be provided to selected employees taking into consideration the Group's performance and that of the individual employee. The Group provides training to employees. During the six months ended 30 June 2026 (the "Period"), the Group had not encountered any significant problems with its employees, nor had there been any dispute between the Group and its employees that might have caused any disruption to the Group's business or operation. The Group has had no difficulty in recruiting and retaining experienced staff.

A share option scheme was adopted on 19 June 2018 by the Company. As at 30 June 2026 and up to the date of this report, no share options were granted or to be granted, exercised, vested, cancelled nor lapsed and the Company had no share options outstanding or unvested under the share option scheme at 1 January 2026 and 30 June 2026. The number of options available for grant under the share option scheme mandate at 1 January 2026 and 30 June 2026 was 64,000,000, which represented approximately 10% of the issued shares of the Company at the date of this report.

Other Disclosures

CAPITAL EXPENDITURE

The Group's capital expenditure was approximately HK\$0.2 million during the current interim Period (1H2025: HK\$0.6 million), which was mainly due to the capital investments in the Group's property, plant and equipment.

ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS HELD

As at 30 June 2026, H.W. Properties Investment Limited, one of the subsidiaries of the Group, held eight ordinary shares in (or 8% of the entire issued share capital of) Supreme Gain Investments Limited ("Supreme Gain"), a company incorporated in Hong Kong principally engaged in property investment in Hong Kong, as disclosed in note 13 to this interim report.

As of 30 June 2026, the Group has made a total investment of HK\$20,000,000 to Supreme Gain. With a fair value of HK\$16,741,000 after a fair value gain of approximately HK\$141,000 during the Period, the Group's investment in Supreme Gain is approximately 5.7% of the Group's unaudited consolidated total assets as at 30 June 2026. The Group did not receive any dividend income from Supreme Gain during the Period.

Although the Group principally engages in the manufacturing and sales of denim fabrics, the Directors have always been proactive in seeking opportunities in diversifying the scope of business of the Group. The Directors consider that the investment in Supreme Gain represents an investment opportunity to participate in the property investment market in Hong Kong and that such investment will generate stable income for the Group. The Directors also take an optimistic view of the property market in Hong Kong and believe that the Group will benefit from the long-term appreciation of the price in properties in Hong Kong.

Save as disclosed in this report, the Group did not have any significant investments held or material acquisition or disposal of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2026. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") as and when appropriate.

TREASURY POLICIES AND FOREIGN CURRENCY EXPOSURE

The Group is exposed to foreign currency risk primarily through sales, purchases, cash and cash equivalents, and bank borrowings that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily Renminbi. As at 30 June 2026, the Group's bank borrowings carried variable rates from 2.7% to 5.2% per annum (31 December 2025: 1.5% to 6.0%). The Group has not experienced any material difficulty or liquidity problems resulting from foreign exchange fluctuations.

The Group is not engaged in the use of any financial instruments for hedging purposes. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Other Disclosures

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liability (31 December 2025: Nil).

PLEDGE OF ASSETS

As at 30 June 2026, the Group had no pledged assets (31 December 2025: Nil).

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had no capital commitments (31 December 2025: Nil).

PURCHASE, SALE OR 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 from 16 July 2018 (the "Listing Date") up to 30 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of listed issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by Directors. Following specific enquiry by the Company, all the Directors have confirmed that they have complied with the required standard as set out in the Model Code and its code of conduct regarding directors' securities transactions for the Period and up to the date of this report.

CORPORATE GOVERNANCE CODE

The Company has applied and complied with all code provisions of the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules (the "CG Code") for the Period and up to the date of this report. There were no deviations from the CG Code during the Period.

AUDIT COMMITTEE

Our Company has established the Audit Committee in accordance with the requirements of the CG Code for the purpose of reviewing and supervising the Group's financial reporting process. The Audit Committee currently has three independent non-executive Directors, namely Mr. Tsang Ling Biu Gilbert, Mr. Cheung Che Kit Richard and Mr. Wong Ming Bun David. Mr. Tsang Ling Biu Gilbert is the chairman of the Audit Committee. The latest meeting of the Audit Committee was held to review the results of the Group for the Period.

REVIEW OF THE INTERIM RESULTS

The Audit Committee had reviewed the unaudited interim condensed consolidated results of the Group for the Period and discussed with the management of the Company the accounting principles and practices adopted by the Group as well as internal controls and other financial reporting matters.

Other Disclosures

INTERESTS OF DIRECTORS AND THE CHIEF EXECUTIVE

As at 30 June 2026, the interests and short positions of each Director and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required to be notified to our Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code, are as follows:

(a) Interests and/or short positions in our Company

Director	Nature of interest	Number of Shares held ¹	Percentage of Interest in our Company
Ms. Lau Chung Chau (“Ms. Lau”)	Interest in controlled corporation ⁽²⁾	480,000,000 (L)	75%
Mr. Tung Wai Ting Stephen (“Mr. Stephen Tung”)	Interest in controlled corporation ⁽²⁾	480,000,000 (L)	75%
Mr. Tung Cheuk Ming Stanley (“Mr. Stanley Tung”)	Interest in controlled corporation ⁽²⁾	480,000,000 (L)	75%

Notes:

1. The letter “L” denotes a long position in the Shares.
2. Ms. Lau, Mr. Stephen Tung, Mr. Stanley Tung, Ms. Tung Wei Ling Barbara (“Ms. Barbara Tung”), Ms. Tung Wai Lai Mabel (“Ms. Mabel Tung”) and the late Mr. Tung Tsun Hong (“Mr. TH Tung”) entered into the Deed of Concert Parties, pursuant to which, the parties confirmed that they have been acting in concert with each other in exercising and implementing the management and operations of our subsidiaries and that it is their intention to continue to act in the above manner upon the listing of our Shares on the Main Board of the Stock Exchange (the “Listing”). Accordingly, Manford Investment Holdings Limited (“Manford Investment”) is deemed to be accustomed and/or obliged to act in accordance with their directions and/or instructions and that, among others, each of Ms. Lau, Mr. Stephen Tung, Mr. Stanley Tung and the late Mr. TH Tung is deemed to be interested in all the Shares held by Manford Investment under the SFO.

Other Disclosures

(b) Interests and/or short positions in associated corporation(s)

Director	Company concerned	Nature of interests	Number of Shares held in the company concerned ¹	Percentage of interest in the company concerned
Ms. Lau	Manford Investment ²	Beneficial owner; a concert party to an agreement to buy shares described in s. 317(1)(a) of the SFO ³	100 (L)	100%
Mr. Stephen Tung	Manford Investment ²	Beneficial owner; a concert party to an agreement to buy shares described in s. 317(1)(a) of the SFO ³	100 (L)	100%
Mr. Stanley Tung	Manford Investment ²	Beneficial owner; a concert party to an agreement to buy shares described in s. 317(1)(a) of the SFO ³	100 (L)	100%

Notes:

1. The letter "L" denotes long position in the shares held.
2. As at 30 June 2026, Manford Investment is interested in 75% of the issued Shares and, accordingly, is the holding company of our Company within the meaning of the SFO.
3. Manford Investment is owned as to 40% by Ms. Lau, 20% each by Mr. Stephen Tung and Mr. Stanley Tung and 10% each by Ms. Barbara Tung and Ms. Mabel Tung, all of whom have entered into the Deed of Concert Parties, pursuant to which, the parties confirmed that they have been acting in concert with each other in exercising and implementing the management and operations of our subsidiaries and that it is their intention to continue to act in the above manner upon the Listing. Accordingly, each of Ms. Lau, Mr. Stephen Tung, Mr. Stanley Tung and the late Mr. TH Tung is deemed to be interested in the shares of Manford Investment held by the other parties to the Deed of Concert Parties under the SFO.

Save as disclosed above, as at 30 June 2026, none of our Directors nor the chief executive of our Company had any interests or short positions in the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code.

Other Disclosures

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, so far as our Directors are aware, the following persons had an interest or short position in the Shares or the underlying Shares which were required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity/nature of interest	Number of Shares ⁽¹⁾	Percentage shareholding
Manford Investment ⁽²⁾	Beneficial owner	480,000,000 (L)	75%
Mr. Stephen Tung	Interest of controlled corporation ⁽³⁾	480,000,000 (L)	75%
Mr. Stanley Tung	Interest of controlled corporation ⁽³⁾	480,000,000 (L)	75%
Ms. Li Ka Mei	Interest of spouse ⁽⁴⁾	480,000,000 (L)	75%
Ms. Lau	Interest of controlled corporation ⁽³⁾	480,000,000 (L)	75%
Ms. Barbara Tung	Interest of controlled corporation ⁽³⁾	480,000,000 (L)	75%
Mr. Li Chi Hiu Lawrence	Interest of spouse ⁽⁵⁾	480,000,000 (L)	75%
Ms. Mabel Tung	Interest of controlled corporation ⁽³⁾	480,000,000 (L)	75%
Mr. Fung Cheong Chi	Interest of spouse ⁽⁶⁾	480,000,000 (L)	75%

Other Disclosures

Notes:

1. The letter "L" denotes a long position in the Shares.
2. As at 30 June 2026, Manford Investment was owned as to 40% by Ms. Lau, 20% by Mr. Stephen Tung, 20% by Mr. Stanley Tung, 10% by Ms. Barbara Tung and 10% by Ms. Mabel Tung.
3. Ms. Lau, Mr. Stephen Tung, Mr. Stanley Tung, Ms. Barbara Tung, Ms. Mabel Tung and the late Mr. TH Tung entered into the Deed of Concert Parties, pursuant to which, among others, the parties confirmed that they have been acting in concert with each other in exercising and implementing the management and operations of our subsidiaries and that it is their intention to continue to act in the above manner upon the Listing. Accordingly, Manford Investment is deemed to be accustomed and/or obliged to act in accordance with their directions and/or instructions and that each of Ms. Lau, Mr. Stephen Tung, Mr. Stanley Tung, Ms. Barbara Tung, Ms. Mabel Tung and the late Mr. TH Tung is deemed to be interested in all the Shares held by Manford Investment under the SFO.
4. Ms. Li Ka Mei is the spouse of Mr. Stanley Tung and is deemed, under the SFO, to be interested in all the Shares that Mr. Stanley Tung is interested.
5. Mr. Li Chi Hiu Lawrence is the spouse of Ms. Barbara Tung and is deemed, under the SFO, to be interested in all the Shares that Ms. Barbara Tung is interested.
6. Mr. Fung Cheong Chi is the spouse of Ms. Mabel Tung and is deemed, under the SFO, to be interested in all the Shares that Ms. Mabel Tung is interested.

Save as disclosed above, as at 30 June 2026, our Directors are not aware of any person who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, our Directors are not aware of any person who had an interest or short position in the Shares or the underlying Shares which were required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

IMPORTANT EVENTS AFTER THE INTERIM PERIOD UNDER REVIEW

There were no material events undertaken by the Group subsequent to 30 June 2026 and up to the date of this report.

Independent Review Report



TO THE BOARD OF DIRECTORS OF HINGTEX HOLDINGS LIMITED

興紡控股有限公司

(incorporated in the Cayman Islands as an exempted company with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 14 to 35, which comprises the condensed consolidated statement of financial position of Hingtex Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place
979 King’s Road
Quarry Bay, Hong Kong

28 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	NOTES	Six months ended	
		30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Revenue	5	105,096	108,258
Cost of sales		(83,673)	(87,930)
Gross profit		21,423	20,328
Other income	6	974	1,496
Other gains and losses, net		910	1,092
Reversal of impairment loss on financial assets at amortised cost, net		35	1
Selling and distribution expenses		(6,521)	(6,749)
Administrative expenses		(21,484)	(22,390)
Research and development expenses		(2,711)	(3,550)
Fair value gain on financial asset at fair value through profit or loss ("FVTPL")		141	242
Share of loss of an associate		(30)	(15)
Finance costs		(780)	(1,049)
Loss before tax	7	(8,043)	(10,594)
Income tax (expense)/credit	8	(1,361)	184
Loss and total comprehensive loss for the period attributable to owners of the Company		(9,404)	(10,410)
LOSS PER SHARE			
— Basic and diluted (HK cents)	10	(1.47)	(1.63)

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	NOTES	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	76,635	81,597
Right-of-use assets		15,181	17,715
Goodwill		1,184	1,184
Other intangible assets		2,051	2,234
Interest in an associate	12	296	326
Financial asset at FVTPL	13	16,741	16,600
Other receivables	14	7,800	7,800
Deferred tax assets		11,699	11,699
Total non-current assets		131,587	139,155
Current assets			
Inventories		80,412	77,405
Contract assets		4,023	266
Trade and other receivables	14	41,678	47,873
Amount due from an associate	18	616	616
Cash and cash equivalents		35,722	34,041
Total current assets		162,451	160,201
Current liabilities			
Trade and other payables	15	44,010	40,340
Contract liabilities		3,597	3,170
Tax payables		1,650	2,024
Lease liabilities		1,012	3,172
Bank borrowings	16	29,426	26,769
Total current liabilities		79,695	75,475
Net current assets		82,756	84,726
Total assets less current liabilities		214,343	223,881

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	NOTES	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Non-current liabilities			
Other payables	15	849	1,043
Lease liabilities		–	113
Bank borrowings	16	8,497	8,857
Deferred tax liabilities		4,977	4,444
Total non-current liabilities		14,323	14,457
Net assets		200,020	209,424
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	6,400	6,400
Reserves		193,620	203,024
Total equity		200,020	209,424

The condensed consolidated financial statements on pages 14 to 35 were approved and authorised for issue by the board of directors on 28 August 2026.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital HK\$'000	Share premium* HK\$'000	Other reserve* HK\$'000	Retained earnings* HK\$'000	Total HK\$'000
Six months ended 30 June 2026 (unaudited)					
At 1 January 2026	6,400	141,986	10,882	50,156	209,424
Loss and total comprehensive loss for the period	–	–	–	(9,404)	(9,404)
At 30 June 2026	6,400	141,986	10,882	40,752	200,020
Six months ended 30 June 2025 (unaudited)					
At 1 January 2025	6,400	141,986	10,882	81,454	240,722
Loss and total comprehensive loss for the period	–	–	–	(10,410)	(10,410)
At 30 June 2025	6,400	141,986	10,882	71,044	230,312

* These reserve accounts comprise the consolidated reserves of HK\$193,620,000 (31 December 2025: HK\$203,024,000) in the consolidated statement of financial position.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

		Six months ended	
		30 June 2026	30 June 2025
		HK\$'000 (unaudited)	HK\$'000 (unaudited)
Notes			
OPERATING ACTIVITIES			
Loss before tax		(8,043)	(10,594)
Adjustments for:			
Finance costs		780	1,049
Interest income	6	(210)	(428)
Share of loss of an associate		30	15
Depreciation of property, plant and equipment	7	4,877	3,475
Depreciation of right-of-use assets	7	2,534	2,534
Amortisation of other intangible assets	7	183	184
Reversal of impairment loss on financial assets at amortised cost, net		(35)	(1)
Loss on disposals of items of property, plant and equipment	7	6	85
Fair value gain on financial assets at FVTPL		(141)	(242)
Foreign exchange differences, net		246	(159)
		227	(4,082)
Increase in inventories		(3,007)	(1,277)
Decrease in trade and other receivables		6,712	6,929
(Increase)/decrease in contract assets		(3,711)	152
Increase/(decrease) in trade and other payables		3,144	(6,814)
Increase in contract liabilities		387	191
		3,752	(4,901)
Cash generated from/(used in) operations		(1,202)	(292)
Income tax paid			
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		2,550	(5,193)
INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(156)	(596)
Interest received		210	428
Proceeds from disposals of items of property, plant and equipment		1	200
NET CASH FLOWS FROM INVESTING ACTIVITIES		55	32

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	Six months ended	
		30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
FINANCING ACTIVITIES			
New bank borrowings raised		59,121	34,042
Repayment of bank borrowings		(57,189)	(29,041)
Principal portion of lease payments		(2,273)	(2,097)
Interest paid		(780)	(1,049)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		(1,121)	1,855
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,484	(3,306)
Cash and cash equivalents at beginning of the period		34,041	46,187
Effect of foreign exchange rate changes		197	129
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by cash and bank balances		35,722	43,010

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

1. GENERAL

The Company was incorporated in the Cayman Islands on 3 November 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the Listing Date.

The Company’s immediate and ultimate holding company is Manford Investment Holdings Limited (“Manford Investment”), a company incorporated on 24 October 2017 in the British Virgin Islands (“BVI”) under the laws of BVI with limited liability.

The principal activities of the Group are the manufacturing and sale of denim fabrics.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

The functional currency of the Company is United States dollar (“US\$”) and the presentation currency of the Group is Hong Kong dollar (“HK\$”) as the directors of the Company consider HK\$ can provide more meaningful information to the Company’s investors.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

3. CHANGES IN ACCOUNTING POLICIES (Continued)

The nature and impact of the amended HKFRS Accounting Standards are described below:

- (a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) *Annual Improvements to HKFRS Accounting Standards — Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

4. OPERATING SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

- (a) Denim fabrics segment — manufacture and sale of denim fabrics
- (b) Property renovation services segment — provision of property renovation services

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group’s loss before tax except that other income, other gains and losses, net, fair value gain/(loss) on financial asset at FVTPL and the share of loss of an associate are excluded from such measurement.

There were no material intersegment sales and transfers during the current and prior periods:

	Denim fabrics		Property renovation services		Total	
	30 June	30 June	30 June	30 June	30 June	30 June
	2026	2025	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue						
Sales to external customers	97,726	99,467	7,370	8,791	105,096	108,258
Segment results	(10,503)	(13,332)	465	(77)	(10,038)	(13,409)
<i>Reconciliations</i>						
Other income					974	1,496
Other gains and losses, net					910	1,092
Fair value gain on financial asset at FVTPL					141	242
Share of loss of an associate					(30)	(15)
Loss before tax					(8,043)	(10,594)

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

4. OPERATING SEGMENT INFORMATION *(Continued)*

Except as disclosed above, no other amounts are included in the measure of segment results reviewed by the CODM nor regularly provided to the CODM of the Group and therefore, no further analysis is presented.

Information of assets, liabilities and capital expenditure of reportable segments is not regularly provided to the CODM for their review. Therefore, no analysis of the Group's assets, liabilities and capital expenditure by reportable segments is presented.

Geographical information

Information about the Group's revenue presented based on the geographical location of the customers is as follows:

	Six months ended	
	30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Bangladesh	32,747	33,765
Egypt	22,019	10,459
Chinese Mainland	18,142	18,213
Hong Kong	16,211	20,342
Vietnam	12,501	20,844
Indonesia	3,216	2,106
Other countries and regions	260	2,529
Total	105,096	108,258

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

5. REVENUE

An analysis of the Group's revenue from contracts with customers is as follows:

	Six months ended 30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Sales of denim fabrics		
Stretchable blended denim fabrics	87,444	88,499
Stretchable cotton denim fabrics	2,357	1,358
Non-stretchable denim fabrics	7,636	9,078
	97,437	98,935
Property renovation services	7,370	8,791
Others (note)	289	532
Total revenue from contract with customers	105,096	108,258

Note: Others mainly include revenue from sales of yarns and provision of subcontracting services.

Revenue from contracts with customers

Disaggregated revenue information

For the six months ended 30 June 2026

Segments	Denim fabrics HK\$'000 (unaudited)	Property renovation services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Types of goods or services			
Sales of denim fabrics	97,437	–	97,437
Property renovation services	–	7,370	7,370
Others	289	–	289
Total	97,726	7,370	105,096
Timing of revenue recognition			
Goods or services transferred at a point in time	97,726	–	97,726
Services transferred over time	–	7,370	7,370
Total	97,726	7,370	105,096

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

5. REVENUE (Continued)

Revenue from contracts with customers (continued)

For the six months ended 30 June 2025

Segments	Denim fabrics HK\$'000 (unaudited)	Property renovation services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Types of goods or services			
Sales of denim fabrics	98,935	–	98,935
Property renovation services	–	8,791	8,791
Others	532	–	532
Total	99,467	8,791	108,258
Timing of revenue recognition			
Goods or services transferred at a point in time	99,467	–	99,467
Services transferred over time	–	8,791	8,791
Total	99,467	8,791	108,258

6. OTHER INCOME

	Six months ended 30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Interest income from bank deposits	210	428
Government grants (note)	61	110
Sample sales	542	558
Others	161	400
Total	974	1,496

Note: Government grants in both periods represent unconditional grants from the Mainland China government. These are no unfulfilled conditions or other contingencies attaching to the government grants recognised.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	Six months ended	
	30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Total employee benefits expenses	23,856	25,869
Capitalised in cost of inventories manufactured	(8,622)	(7,787)
	15,234	18,082
Depreciation of property, plant and equipment	4,877	3,475
Depreciation of right-of-use assets (including leasehold land)	2,534	2,534
Amortisation of other intangible assets	183	184
	7,594	6,193
Capitalised in cost of inventories manufactured	(4,094)	(2,756)
	3,500	3,437
Cost of inventories recognised as expense	76,895	79,080
Loss on disposals of items of property, plant and equipment	6	85
Foreign exchange differences, net*	(814)	(1,083)

* Included in "other gains and losses, net" on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

8. INCOME TAX EXPENSE/(CREDIT)

The Group provides income tax expense/(credit) for each interim period based on the best estimate of the weighted average annual income rate expected for the full financial year. The major components of income tax expense/(credit) recognised in profit or loss are:

	Six months ended 30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Current tax:		
— PRC Enterprise Income Tax	828	293
Deferred tax	533	(477)
	1,361	(184)

9. DIVIDENDS

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

10. LOSS PER SHARE

The Company did not have any dilutive potential ordinary shares in issue for the six months ended 30 June 2026 and 2025. The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Loss for the period attributable to owners of the Company for the purpose of loss per share calculation	(9,404)	(10,410)

	Six months ended 30 June 2026 '000 (unaudited)	30 June 2025 '000 (unaudited)
Number of ordinary shares for the purpose of loss per share calculation	640,000	640,000

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired manufacturing and office equipment of approximately HK\$156,000 (six months ended 30 June 2025: HK\$596,000).

12. INTEREST IN AN ASSOCIATE

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Cost of investment in an associate	2,282	2,282
Share of post-acquisition losses	(1,986)	(1,956)
	296	326

13. FINANCIAL ASSET AT FVTPL

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Unlisted:		
— Equity investment, at fair value	16,741	16,600

The above equity investment was classified as financial asset at FVTPL as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

14. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Bills receivables (note i)	15,369	6,565
Trade receivables	7,589	21,415
Less: Allowance for expected credit losses	(125)	(160)
	22,833	27,820
Prepayments and other receivables (note ii)	9,731	9,725
Value-added tax recoverable	15,426	16,141
Utility and rental deposits	1,248	1,630
Others	240	357
	49,478	55,673
Analysed as:		
Current	41,678	47,873
Non-current	7,800	7,800
	49,478	55,673

Notes:

- (i) Included in the Group's trade and bills receivables are bills receivables of approximately HK\$15,369,000 (31 December 2025: HK\$6,565,000). During the reporting period, the Group had entered into certain trade finance arrangement with a bank in which certain bills receivables held by the Group were presented to the bank to draw down export bills payables ("Arrangement"). Under the Arrangement, the export bills payables were settled by these corresponding bills receivables on the maturity date under the same conditions as agreed with the customers. As at the end of the reporting period, bills receivables of HK\$8,638,000 (31 December 2025: HK\$4,991,000) and export bills payables of HK\$8,558,000 (31 December 2025: HK\$4,949,000) were outstanding under this Arrangement. The Group continues to recognise these bills receivables and export bills payables as the relevant banks are obliged to make payments only on the due dates of the bills receivables, under the same conditions as agreed with the customers of the Group, and make corresponding settlements to its export bills payables accordingly.
- (ii) Included in the Group's prepayments and other receivables is an amount due from an investee of HK\$7,800,000 (31 December 2025: HK\$7,800,000) which is unsecured, interest-free and repayable on demand. In the opinion of the directors, the Group will not demand for repayment in the next twelve months from the end of the reporting period.

The Group generally allows credit periods ranging from 30 days to 120 days regarding different customers. The following is an ageing analysis of the gross carrying amount of trade and bills receivables, presented based on the invoice date, at the end of the reporting period:

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Within 30 days	11,283	15,320
31 to 60 days	5,801	3,776
61 to 120 days	3,656	6,846
121 to 180 days	330	268
181 to 365 days	1,043	1,714
More than 365 days	845	56
	22,958	27,980

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

15. TRADE AND OTHER PAYABLES

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Trade and bills payables (note i)	38,867	29,950
Deposits received (note ii)	–	2,914
Payroll payables	4,338	5,498
Accrued charges	1,198	2,392
Others	456	629
	44,859	41,383
Analysed as:		
Current	44,010	40,340
Non-current	849	1,043
	44,859	41,383

Notes:

- (i) Included in the Group's trade and bills payables are bills payables of HK\$26,817,000 (31 December 2025: HK\$19,172,000) issued by the Group to the relevant suppliers for future settlement. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers and the Group makes corresponding settlements with the relevant banks on due date without further extension. Accordingly, the management of the Group considered these arrangements do not involve financing and presents cash outflows for such settlements as arising from operating activities.
- (ii) The balance mainly represented deposits received from an apparel brand for the Group to secure production of denim fabrics based on procurement projections of the brand owner before confirmed purchase orders.

The ageing analysis of the trade and bills payables presented based on the goods receipt date at the end of each reporting period is as follows:

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Within 30 days	19,387	18,231
31 to 60 days	9,001	7,030
61 to 120 days	10,479	4,689
	38,867	29,950

The credit period on purchases of goods is ranging from 30 days to 180 days.

Trade and other payables are non-interest bearing.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

16. BANK BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate	Maturity	HK\$'000	Effective interest rate	Maturity	HK\$'000
Current						
Bank loans	3.8% to 5.2%	2026	19,500	3.2% to 6.0%	2026	20,500
Current portion of long term bank loans	2.7% to 3.0%	2026	1,368	2.7% to 3.0%	2026	1,320
Export bills payables (note ii)	3.0% to 4.2%	2026	8,558	1.5% to 5.0%	2026	4,949
			<u>29,426</u>			<u>26,769</u>
Non-current						
Bank loans	2.7% to 3.0%	2028	8,497	2.7% to 3.0%	2028	8,857
			<u>37,923</u>			<u>35,626</u>
Total						

Notes:

- (i) The above bank loans are unsecured.
- (ii) Details of export bills payables are included in note 14 to these interim condensed consolidated financial statements.
- (iii) As at the end of the reporting period, except for bank borrowings of HK\$9,865,000 (31 December 2025: HK\$10,178,000), which were denominated in Renminbi, all bank borrowings are denominated in HK\$.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

17. SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	1,000,000,000	10,000
Issued and fully paid:		
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	640,000,000	6,400

18. RELATED PARTY DISCLOSURES

(a) Related party transactions

The Group entered into the following transactions with a related party during the six months ended 30 June 2026 and 2025:

Related Party	Nature of transaction	Six months ended	
		30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Star Alliance Holdings Limited (note)	Lease payments	1,415	1,415

Note: The Controlling Shareholders of the Company have control or beneficial interests in this entity.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

18. RELATED PARTY DISCLOSURES (Continued)

(b) Compensation of directors and key management personnel

	Six months ended	
	30 June 2026 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (unaudited)
Salaries and other allowances	4,432	5,032
Retirement benefit scheme contributions	36	36
Other benefits (note)	810	810
	5,278	5,878

Note: Other benefits represented the estimated money value of rentals for directors' quarters. During the current interim period, depreciation of right-of-use assets in relation to these non-monetary benefits amounted to HK\$757,000 (six months ended 30 June 2025: HK\$757,000).

The remuneration of directors and key management personnel are determined having regard to the performance of the individuals and contribution to the Group.

(c) Related party balances

In addition to the balances detailed elsewhere in these interim condensed consolidated financial information, the Group also had the following outstanding balance with a related party at the end of the reporting periods:

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Amount due from:		
Associate		
Ardo Living Limited (note)	616	616

Note: The amount due from Ardo is unsecured, interest-free and repayable on demand.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of financial assets included in trade and other receivables, amount due from an associate, cash and cash equivalents, financial liabilities included in trade and other payables, bank borrowings and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments or the effect of discounting is not material.

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 fair values of the non-current portions of bank borrowings and lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2026 were assessed to be insignificant. In the opinion of the directors, their carrying amounts are not significantly different from their respective fair values.

The fair value of unlisted equity investment included in financial asset at FVTPL has been estimated using assets based approach in which the underlying property is valued by income capitalisation method and is classified under Level 3 of the fair value hierarchy as the valuation involved significant unobservable inputs. The valuation requires the directors to make estimates about the fair value of the assets and liabilities of the entity and using unobservable inputs of reversionary yield and reversionary rental for the valuation of the underlying property. An increase in the reversionary yield used in valuation would result in a decrease in the fair value of the financial asset at FVTPL.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
30 June 2026				
Financial asset at FVTPL	–	–	16,741	16,741
31 December 2025				
Financial asset at FVTPL	–	–	16,600	16,600

During the six months ended 30 June 2026 and 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

The movement in fair values within Level 3 of the fair value measurements hierarchy during the periods are as follows:

	Six months ended	
	30 June 2026 HK\$'000	30 June 2025 HK\$'000
At 1 January	16,600	19,144
Fair value gain recognised in profit or loss	141	242
At 30 June	16,741	19,386

Liabilities measured at fair value

There were no financial liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

Corporate Information

EXECUTIVE DIRECTORS

Mr. Tung Wai Ting Stephen
Mr. Tung Cheuk Ming Stanley

NON-EXECUTIVE DIRECTOR

Ms. Lau Chung Chau (*Chairlady*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tsang Ling Biu Gilbert
Mr. Cheung Che Kit Richard
Mr. Wong Ming Bun David

COMPANY SECRETARY

Mr. Cheung Ka Chun

AUDIT COMMITTEE

Mr. Tsang Ling Biu Gilbert (*Chairman*)
Mr. Cheung Che Kit Richard
Mr. Wong Ming Bun David

REMUNERATION COMMITTEE

Mr. Wong Ming Bun David (*Chairman*)
Mr. Cheung Che Kit Richard
Mr. Tung Wai Ting Stephen

NOMINATION COMMITTEE

Mr. Wong Ming Bun David (*Chairman*)
Mr. Cheung Che Kit Richard
Mr. Tung Cheuk Ming Stanley

AUTHORISED REPRESENTATIVES

Mr. Tung Wai Ting Stephen
Mr. Cheung Ka Chun

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