

GREEN FRESH BIOTECHNOLOGY COMPANY LIMITED 綠新生物科技有限公司

Incorporated in the Cayman Islands with limited liability

Stock Code: 01084



2026

INTERIM REPORT

VISION MISSION CORE VALUES



Vision

Being a global leader in the technical development and manufacturing of all-natural performance materials



Mission

Keeping pace with the times and meeting the evolving application needs of customers with quality and innovation

Core values

Innovation, growth, and re-innovation



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. CHAN Kam Chung
(Chairman and Chief Executive Officer)
Mr. GUO Dongxu
(Vice Chairman and Vice President)
Mr. CHAN Shui Yip
(Vice Chairman and Vice President)
Mr. SHE Xiaoying
Ms. Chen Yi

Independent non-executive Directors

Mr. HO Kwai Ching, Mark
Mr. NG Man Kung
Mr. HU Guohua

COMPANY SECRETARY

Mr. SO Chi Man

AUTHORISED REPRESENTATIVES

Mr. CHAN Kam Chung
Mr. SO Chi Man

AUDIT COMMITTEE

Mr. HO Kwai Ching, Mark *(Chairman)*
Mr. NG Man Kung
Mr. HU Guohua

REMUNERATION COMMITTEE

Mr. NG Man Kung *(Chairman)*
Mr. HO Kwai Ching, Mark
Mr. CHAN Kam Chung

NOMINATION COMMITTEE

Mr. CHAN Kam Chung *(Chairman)*
Mr. HO Kwai Ching, Mark
Mr. NG Man Kung
Mr. HU Guohua
Ms. CHEN Yi

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISER AS TO HONG KONG LAW

LCH Lawyers LLP

PRINCIPAL BANKERS

In Hong Kong:
Bank of China (Hong Kong) Limited
29-31 Lee Chung Street
Chai Wan
Hong Kong

In the PRC:
Industrial Bank Co., Ltd.
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Zi Guang Road
Shima Town
Longhai City
Zhangzhou
Fujian Province
China

CORPORATE INFORMATION

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat A, 16th Floor
169 Electric Road
North Point
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Anshan Industrial Park
Zini Town
Longhai, Zhangzhou City
Fujian Province
PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY'S WEBSITE

<http://www.greenfreshfood.com>

STOCK CODE

01084





MANAGEMENT DISCUSSION AND ANALYSIS

LONG-TERM BUSINESS STRATEGY

The Group is a global leader in the technical development and manufacturing of all-natural performance materials. The current main products of the Group include agar-agar and carrageenan products made from naturally breeding seaweed, konjac gum products made from naturally breeding konjac, blended products with extended functions through blending different colloids and gums and professional solutions thereof. The hydrocolloid products developed and manufactured by the Group are mainly applied in processed food such as processed meat, confectioneries, dairy products, sauces, bakery products, pet foods and the rising trend of flavored tea beverages. Additionally, along with the development of functional applications, our products are widely used in beauty and household products such as 100% bio-degradable face masks and air fresheners, as well as plastics-alternative wrapping and soil film. Agarose and agarophyte products manufactured through more complex processes are also primary materials of laboratory culture medium and medium for electrophoresis in genetic sequencing.

The Group has maintained a leading position in the market, ranking first in terms of the sales value, sales volume and the related market share among manufacturers of agar-agar products and refined and semi-refined carrageenan products in the PRC for both 2020 and 2021, and again in 2023 and 2024. Additionally, the Group is recognized as the largest global manufacturer of these products during these years, according to a report prepared by Frost & Sullivan in March 2025. As an enterprise engaged in the essential supply chain of large-scale manufacturers, the capabilities of steady supply secured by a top-class production scale and technological acumen are the key competitive edges of the Group.

BUSINESS REVIEW

The Group's major markets—China and Europe—remained sluggish in 1H2026 amid lingering macroeconomic challenges. In Europe, surging energy prices kept inflation high, weighing on growth and consumer spending. In China, widespread “involution” in business competition and subdued wage income fueled deflationary pressures, considerably affecting domestic demand.

To counteract these headwinds, the Group implemented a price-led sales strategy in respect of the sales of refined carrageenan during 1H2026 with the very aim to increase the Group's cash reserve and at the same time lower the corresponding inventory level. As a result, we saw sales volume of refined carrageenan surge 90.7%, period-on-period, with the average selling price down by 6.9%. On the other hand, benefited from the growth in demand due to market dynamics and the cost-performance of the Group's other hydrocolloid products, we saw sales volume of agar-agar and konjac rose by 7.9% and 30.4%, respectively, while average selling price experienced a modest 4.4% and 3.7% decline, respectively, over the same comparative period. For konjac products, sales volume increased by 47% while average selling price increased by 1.1%, as compared to 1H2025.

During 1H2026, the depreciation of United States dollars (“USD”) against Renminbi (“RMB”) has resulted in an increase in exchange loss and hence finance cost to the Group, as compared to 1H2025.

During 1H2026, the Group's revenue was RMB534.8 million (1H2025: RMB410.0 million), increased by 30.4% as compared to 1H2025. The increase in the Group's revenue was mainly attributable to the increase in the revenue of all major types of hydrocolloid products caused mainly by the increase in the sales volume driven by (i) the implementation of the price-led sales strategy in respect of the sales of refined carrageenan; and (ii) the growth in demand due to market dynamics and cost-performance of the Group's other hydrocolloid products during the period. The total revenue of carrageenan and agar-agar products contributed 76.1% of the total revenue of the Group, representing a mild increase of 0.3% as compared to the 1H2025.

MANAGEMENT DISCUSSION AND ANALYSIS

In 1H2026, the Group's gross profit amounted to RMB75.8 million (1H2025: RMB60.1 million), up by RMB15.7 million, or 26.1%. The overall gross profit margin for the period was 14.2%, representing a period-on-period decrease of 0.5 percentage point. The decrease in the overall gross profit margin was mainly due to the dilution effect of the price-led pricing strategy in respect of the sales of carrageenan and the decrease in the gross profit margin of konjac products caused by market dynamics. Consequently, the Group's net loss narrowed from RMB12.3 million in 1H2025 to RMB3.0 million in 1H2026. Relative to the gross profit growth, the net profitability improvement reflects the net effect of increase of RMB2.8 million, RMB1.9 million and RMB0.9 million in other loss, selling and distribution expenses and net finance costs, respectively, partially offset by RMB2.2 million reduction (turned around from a loss at RMB1.2 million to a gain of RMB1.0 million) and RMB3.1 million decrease in fair value loss on financial assets and tax credit, respectively.

During 1H2026, the revenue in the PRC and the overseas markets accounted for 52.8% and 47.2% of the Group's total revenue, respectively (1H2025: 46.2% and 53.8%). Revenue in the PRC market amounted to RMB282.6 million for 1H2026, increased by RMB93.3 million or 49.3% as compared to 1H2025. Revenue in the overseas market amounted to RMB252.2 million for 1H2026, increased by RMB31.5 million or 14.3% as compared to 1H2025. Within the revenue in the overseas market, the total sales to European countries decreased by RMB13.6 million or 10.9%, while the total sales to Asian countries (excluding Chinese Mainland) increased by RMB49.5 million or 80.2%, attributable mainly to the Group's continuous efforts in building and expanding sales and supporting networks in the ASEAN region.

ONGOING INVESTMENT IN PRODUCT TECHNOLOGY

The Group sets its long-term goal of offering products carrying higher level of product technology which enables us to differentiate from our competitors in meeting the changing needs of customers. Through our ongoing investment in the product research and development capability, the Group has been able to enhance product mix and hence profitability in a sustainable manner. For instance, blended products provide customers with readily usable food additives solution which carries higher profit margin as compared to that of hydrocolloid products in raw form. Besides, fast-dissolvable agar-agar used in dairy products and deep-processed carrageenan products used in bakery products are products with ample market potential and the Directors believe that these products shall become key contributors to the enhancement of the Group's profit margin in the foreseeable future. Furthermore, the konjac gum has become a key ingredient of various health foods for its rich soluble dietary fibers, and its development is on the momentum. As for the daily necessities, the markets for gel-type air fresheners and beauty products such as face masks were further developed during the period. Last but not the least, the Group has devoted additional research and development resources in the development of 100% bio-degradable plastics-alternative envelope window, wrapping film and soil cover. The Directors expect that the diversity in the end products and the applications will be key areas for expansion in the future.

BUSINESS PROSPECTS

Despite the sluggish economic environment of the Group's major markets that restricted the resurgence of business performance of the Group during 1H2026, the global demand and hence the average selling price for refined carrageenan has been riding on a rising trend caused by an occasional shortage of raw material supply since June 2026. Such rising trend is expected to continue with a receding momentum during the second half of 2026. Moreover, the Directors expect the sales performance in the PRC will continue to grow with manageable fluctuations and the uprising trend of konjac and blended products will continue. As the key applications of hydrocolloid products are basic consumer goods including food, household, skincare and 100% bio-degradable products, there is a strong resilience in demand at all times and the Group shall benefit from the advantages well-established for years as the industry leader.





MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the Group's effort to diversify the geographical location of the production facilities as well as ongoing endeavor in cost-reductions, the Group's subsidiary, PT Hongxin Algae International ("**Hongxin**"), a company incorporated in Indonesia engaged principally in the manufacturing of semi-refined carrageenan with clear advantages in lower operating cost and proximity to seaweed resources, has maintained its production scale on one hand and invested in the continuous enhancement of production facilities on the other hand with the aim to step up further its product quality as well as cost competitiveness in the foreseeable future.

Looking forward, the prospect of hydrocolloid products under the context of advanced biotechnology is promising and the Group is committed to powering sustainable growth of business and improving returns on investments by leveraging its strengths in business scale and technical expertise.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for 1H2026.

FINANCIAL REVIEW

Revenue

During 1H2026, the Group's revenue was RMB534.8 million (1H2025: RMB410.0 million), increased by 124.8 million or 30.4%, as compared to the same period of last year. The revenue of carrageenan, agar-agar, konjac and blended products increased by RMB92.0 million or 49.4%, RMB4.3 million or 3.5%, 17.1 million or 47.6% and RMB13.4 million or 24.2%, respectively. The increase in the revenue was mainly attributable to the increase in the sales volume driven by (i) the implementation of the price-led sales strategy in respect of the sales of refined carrageenan; and (ii) the growth in demand due to market dynamics and cost-performance of the Group's other hydrocolloid products during the period. The total revenue of carrageenan and agar-agar products contributed 76.1% of the total revenue of the Group, representing a mild increase of 0.3% as compared to the 1H2025.

Cost of Sales

During 1H2026, the Group's cost of sales was RMB459.1 million (1H2025: RMB349.9 million), increased by RMB109.2 million or 31.2%, as compared to the same period of last year. The Group's cost of sales mainly consisted of the cost of raw materials (seaweed and konjac), ancillary materials and direct production cost. The increase in the cost of sales during 1H2026 was mainly due to a composite effect of (i) the increase in the sales volume of all types of hydrocolloid products by approximately 37.1% in aggregate; and (ii) the increase in the cost of direct materials consumed and direct production cost due to increase in material, transportation and energy costs.

Gross Profit and Gross Profit Margin

During 1H2026, the Group's gross profit was RMB75.8 million (1H2025: RMB60.1 million), increased by RMB15.7 million or 26.1%, as compared to the same period of last year. The overall gross profit margin for 1H2026 was 14.2%, representing a decrease of 0.5 percentage points as compared to 1H2025. The gross profit margin of carrageenan and blended products increased by 2.7 percentage points and 3.6 percentage points, respectively, while the gross profit margin of agar-agar and konjac products decreased by 0.1 percentage points and 4.4 percentage points, respectively in 1H2026, as compared to 1H2025. The decrease in the overall gross profit margin was mainly due to the dilution effect of the price-led pricing strategy in respect of the sales of carrageenan and the decrease in the gross profit margin of konjac products caused by market dynamics.

Selling and Distribution Expenses

During 1H2026, the Group's selling and distribution expenses were RMB13.9 million (1H2025: RMB12.1 million), increased by RMB1.8 million or 14.9%. The increase was mainly due to the increase in the number of sales representatives located overseas for market development. Besides, during 1H2026, the Company has participated in an increased number of trade shows held locally and overseas, as well as increased number of customer visits with corresponding increase in travelling and accommodation expenses.

Administrative Expenses

During 1H2026, the administrative expenses of the Group were RMB52.6 million (1H2025: RMB52.9 million), decreased by RMB0.3 million or 0.6%, which was mainly attributable to the temporary reduction in research and development expenses pertaining to the technology and know-how associated for producing both current mainstream products and new products.

Net Finance Costs

During 1H2026, the Group's finance income and costs were RMB106,000 and RMB13.7 million, respectively, (1H2025: RMB130,000 and RMB12.9 million), representing a decrease of RMB24,000 in finance income and an increase of RMB0.8 million or 6.2% in finance costs. The decrease in finance income was directly linked to the amount and duration of bank deposit made during the 1H2026, while the variation in finance costs was a composite effect of the increase in exchange loss due to the depreciation of USD against RMB during the period and the decrease in interest expense due to the decrease in the average outstanding balance of borrowings coupled with the decrease in variable interest rate on USD and HKD denominated loans during 1H2026.



MANAGEMENT DISCUSSION AND ANALYSIS

Income Tax Credit

During 1H2026, the Group's income tax credit was RMB1.0 million (1H2025: RMB4.1 million), representing a decrease of RMB3.1 million, or 75.6% which was mainly attributable to the Group's lower tax loss level for 1H2026 and was adjusted by the deferred income tax credit accounted for during 1H2026.

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Current income tax	75	654
Deferred income tax	(1,059)	(4,712)
Income tax credit	(984)	(4,058)

Profit Attributable to Owners of the Company

During 1H2026, loss attributable to owners of the Company was RMB1.4 million (1H2025: loss attributable to owners of the Company – RMB12.1 million), representing an improvement of RMB10.7 million, as a result of the corresponding decrease in the Group's net loss for 1H2026.

Liquidity and Financial Resources

As of 30 June 2026, the Group's cash and bank balances amounted to RMB168.8 million, of which substantially were denominated in RMB and USD, representing an increase of RMB60.4 million or 55.7% from 31 December 2025. The financial ratios of the Group as of 30 June 2026 were as follows:

	As at 30 June 2026	As at 31 December 2025
Current ratio	1.71	1.68
Gearing ratio ¹	32.4%	37.3%

Note 1: Gearing ratio is calculated as net debt divided by total of net debt and equity.

Net Current Assets

As of 30 June 2026, the Group's net current assets were RMB453.4 million, representing an increase of RMB2.9 million or 0.6% from RMB450.5 million as of 31 December 2025, primarily due to the increase of RMB60.4 million in cash and bank balances and the decrease of RMB29.3 million in the balance of short-term bank loans as of 30 June 2026. Such increase was partly off-set by the decrease of RMB64.3 million in inventories and RMB15.8 million in trade and other receivables. These changes created a composite effect to the net change of net current assets level across the relevant periods.

Borrowings

As of 30 June 2026, the total borrowings of the Group amounted to RMB546.1 million, of which RMB459.5 million shall be repaid within one year and RMB86.6 million shall be repaid after one year with respective mature dates ranged from 2027 to 2030. The carrying amounts of borrowings were denominated in HKD, USD and RMB.

The Group did not use any financial instruments for hedging purposes and did not have any net foreign currency investments hedged against existing borrowings and/or other hedging instruments. As of 30 June 2026, the weighted average interest rate on bank borrowings was 4.27% (1H2025: 3.93%) per annum. For other borrowing, interest rate was charged at a fixed rate.

INTEREST RATE RISK

The interest rate risk of the Group arises from short-term interest-bearing deposits and bank borrowings. The Group is exposed to the interest rate risk of cash flow on short-term deposits and bank borrowings totalling RMB527.1 million at variable rate. Other borrowings amounting to RMB19.0 million at fixed interest rate expose the Group to fair value interest rate risk.

The Group does not have any significant interest-bearing assets other than short-term interest-bearing deposits. The Directors do not expect any material impact on interest-bearing assets from interest rate movement, as interest rates on short-term deposits are not expected to fluctuate substantially.

PLEDGE OF ASSETS

As of 30 June 2026, the Group's bank borrowings were secured by the pledge of the Group's land use rights and buildings with a carrying value of RMB78.5 million (31 December 2025: RMB81.4 million). As of 30 June 2026, the amount of secured bank borrowings was RMB137.5 million (31 December 2025: RMB173.6 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any future plans for material investments or capital assets.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures for 1H2026.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group adopts a conservative approach for cash management and investment on funds. The Group's receipts and payments were mainly denominated in RMB and USD which enabled the Group to achieve a good degree of natural-hedging of foreign currency exposure. The Group will closely monitor foreign exchange fluctuations and will consider hedging should the need arises. During 1H2026, the Group did not use any financial instrument for hedging purpose.





MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2026, the Group had 1,030 full-time employees, of whom 834 were based in Mainland China and 196 were based in Hong Kong and other countries and territories. The total staff cost during 1H2026 was RMB62.3 million.

The management of the Group maintains good working relationship with its employees and provides training to keep the employees abreast of the latest developments of its products and production processes. Remuneration packages offered to the Group's employees are generally competitive and consistent with the prevailing levels in the market and are reviewed on a regular basis. Apart from basic remuneration and statutory retirement benefit scheme, discretionary bonuses and share award may be provided to selected employees taking into consideration the Group's performance and the performance of the individual employee.

SHARE OPTION SCHEME AND SHARE AWARD SCHEME

The Group's existing share option scheme (the "**Share Option Scheme**") was adopted on 25 September 2019 and became unconditional and effective on 17 October 2019. During 1H2026, no option had been granted, exercised, lapsed or cancelled under the Share Option Scheme. There was no outstanding option as at 1 January 2026 and 30 June 2026. The number of share options available for grant under the Share Option Scheme and any other share scheme(s) of the Company was 80,000,000 as of 1 January 2026 and 30 June 2026.

The Group adopted the share award scheme (the "**Share Award Scheme**") on 10 July 2020 for recognising and rewarding the contribution of the selected participants to the business growth of the Group. During 1H2026, no shares have been purchased on-market by the trustee (the "**Trustee**") of the Share Award Scheme as part of the share pool under the Share Award Scheme (1H2025: 1,596,000 shares purchased) and the total consideration paid for the purchased shares was HK\$ Nil (1H2025: HK\$1,120,700). For movement of the awarded shares during 1H2026, please refer to note 15 to the interim condensed consolidated financial information and the section headed "Share Schemes" in this report. The number of shares held by the Trustee which were available for grant under the Share Award Scheme were 6,530,000 and 7,010,000 as of 1 January 2026 and 30 June 2026, respectively.

The total number of shares that may be issued in respect of options and awards granted under all schemes of the Company during 1H2026 divided by the weighted average number of shares of relevant class in issue (excluding treasury shares) for 1H2026 was nil.

The Company has relied on the transitional arrangements provided for the existing share incentive schemes and will comply with the new Chapter 17 of the Listing Rules accordingly (effective from 1 January 2023).

CAPITAL EXPENDITURES

The Group's capital expenditures primarily comprise cash expenditures for plant, equipment and land use rights. The capital expenditures for the 1H2026 were RMB5.8 million (31 December 2025: RMB26.1 million).

COMMITMENTS

The Group's capital commitments in respect of those that have been contracted for as of 30 June 2026 and 31 December 2025 amounted to RMB3.9 million and RMB5.9 million, respectively.

LEASE LIABILITIES

Lease liabilities are related to buildings of the Group.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Minimum lease payments:		
Within one year	2,211	2,103
Later than 1 year and no later than 5 years	3,148	3,716
Over 5 years	2,807	3,171
	8,166	8,990
Future finance charges	(629)	(1,143)
Total lease liabilities	7,537	7,847

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as of 30 June 2026.

CAPITAL STRUCTURE

During 1H2026, there has been no change in the capital structure of the Company.





REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Green Fresh Biotechnology Company Limited

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 13 to 38, which comprises the interim condensed consolidated balance sheet of Green Fresh Biotechnology Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2026 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months then ended, and selected 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" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the 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 of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 31 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

	Note	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	6	534,828	409,977
Cost of sales	6	(459,078)	(349,924)
Gross profit		75,750	60,053
Other income		2,401	2,759
Other losses - net		(2,948)	(173)
Fair value gain/(loss) on financial assets		990	(1,233)
Selling and distribution expenses		(13,942)	(12,085)
Administrative expenses		(52,622)	(52,932)
Operating profit/(loss)		9,629	(3,611)
Finance income		106	130
Finance costs		(13,714)	(12,878)
Finance costs – net		(13,608)	(12,748)
Loss before income tax	7	(3,979)	(16,359)
Income tax credit	8	984	4,058
Loss for the period		(2,995)	(12,301)
Loss for the period attributable to:			
Owners of the Company		(1,392)	(12,068)
Non-controlling interests		(1,603)	(233)
		(2,995)	(12,301)
Earnings per share for loss attributable to owners of the Company			
Basic loss per share (RMB)	9	(0.002)	(0.014)
Diluted loss per share (RMB)	9	(0.002)	(0.014)

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Loss for the interim period	(2,995)	(12,301)
Other comprehensive income or (expense)		
Items that may be reclassified to profit or loss		
– Currency translation differences	7,073	3,661
Items that will not be subsequently reclassified to profit or loss		
– Currency translation differences	(6,210)	(2,691)
Total comprehensive expense for the interim period	(2,132)	(11,331)
Total comprehensive (expense)/income for the interim period attributable to:		
Owners of the Company	228	(10,891)
Non-controlling interests	(2,360)	(440)
	(2,132)	(11,331)

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

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Assets			
Non-current assets			
Land use rights	11	49,498	50,757
Property, plant and equipment	11	343,904	362,137
Intangible assets	11	61,171	63,740
Prepayments for non-current assets		1,222	1,671
Deferred income tax assets		41,261	40,528
Total non-current assets		497,056	518,833
Current assets			
Inventories		774,005	838,336
Trade and other receivables	13	151,013	166,782
Restricted cash	12	15,663	19,716
Cash and bank balances	12	153,112	88,635
Total current assets		1,093,793	1,113,469
Total assets		1,590,849	1,632,302
Equity			
Equity attributable to owners of the Company			
Share capital	14	7,892	7,892
Other reserves		270,530	277,643
Shares held for the share award scheme		(7,191)	(8,412)
Retained earnings		559,134	561,570
Capital and reserves attributable to the owners of the Company		830,365	838,693
Non-controlling interests		6,051	8,411
Total equity		836,416	847,104



INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	17	86,586	96,127
Lease liabilities	17	5,614	6,029
Deferred income		18,835	16,695
Deferred income tax liabilities		3,033	3,359
Total non-current liabilities		114,068	122,210
Current liabilities			
Trade and other payables	16	176,697	167,760
Bank borrowings	17	459,532	488,874
Lease liabilities	17	1,923	1,818
Current income tax liabilities		2,213	4,536
Total current liabilities		640,365	662,988
Total liabilities		754,433	785,198
Total equity and liabilities		1,590,849	1,632,302

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

CHAN Kam Chung

Director

CHAN Shui Yip

Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

	Note	Equity attributable to owners of the Company						
		Share capital RMB'000	Other reserves RMB'000	Shares held for the Share Award Scheme RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)								
Balance at 1 January 2026		7,892	277,643	(8,412)	561,570	838,693	8,411	847,104
Comprehensive income								
Loss for the period		—	—	—	(1,392)	(1,392)	(1,603)	(2,995)
Other comprehensive income/(expense)								
– Currency translation differences		—	1,620	—	—	1,620	(757)	863
Total comprehensive income/(expense) for the interim period		—	1,620	—	(1,392)	228	(2,360)	(2,132)
Transactions with owners								
2026 final dividend provided		—	(9,089)	—	—	(9,089)	—	(9,089)
Equity-settled share-based payment	15	—	533	—	—	533	—	533
Shares exercised from								
Share Award Scheme		—	(1,221)	1,221	—	—	—	—
Profit appropriation to statutory reserves		—	1,044	—	(1,044)	—	—	—
Total transactions with owners		—	(8,733)	1,221	(1,044)	(8,556)	—	(8,556)
Balance at 30 June 2026		7,892	270,530	(7,191)	559,134	830,365	6,051	836,416
(Unaudited)								
Balance at 1 January 2025		7,892	285,052	(8,797)	555,723	839,870	10,272	850,142
Comprehensive income								
Loss for the period		—	—	—	(12,068)	(12,068)	(233)	(12,301)
Other comprehensive income/(expense)								
– Currency translation differences		—	1,177	—	—	1,177	(207)	970
Total comprehensive income/(expense) for the interim period		—	1,177	—	(12,068)	(10,891)	(440)	(11,331)
Transactions with owners								
2025 final dividend paid		—	(9,020)	—	—	(9,020)	—	(9,020)
Equity-settled share-based payment	15	—	1,227	—	—	1,227	—	1,227
Shares exercised from								
Share Award Scheme		—	(1,426)	1,426	—	—	—	—
Profit appropriation to statutory reserves		—	636	—	(636)	—	—	—
Buy-back of shares		—	—	(1,041)	—	(1,041)	—	(1,041)
Total transactions with owners		—	(8,583)	385	(636)	(8,834)	—	(8,834)
Balance at 30 June 2025		7,892	277,646	(8,412)	543,019	820,145	9,832	829,977

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities		
Cash generated from operations	125,378	17,758
Income tax paid	(2,397)	(3,109)
Net cash inflow from operating activities	122,981	14,649
Cash flows from investing activities		
Proceeds from government grants	3,651	—
Purchase of property, plant and equipment	(5,845)	(18,306)
Purchase of intangible assets	—	(319)
Interest received	106	130
Net cash used in investing activities	(2,088)	(18,495)
Cash flows from financing activities		
Proceeds from borrowings	348,168	339,413
Dividend paid	—	(9,020)
Buy-back of shares	—	(1,041)
Repayments of borrowings	(387,929)	(351,206)
Interest paid	(12,028)	(13,118)
Settlements of lease liabilities	(1,178)	(734)
Net cash used in financing activities	(52,967)	(35,706)
Net increase/(decrease) in cash and cash equivalents	67,926	(39,552)
Cash and cash equivalents at beginning of period	88,635	120,734
Effect of foreign exchange rates changes	(3,449)	133
Cash and cash equivalents at end of period	153,112	81,315

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

1 GENERAL INFORMATION OF THE GROUP

Green Fresh Biotechnology Company Limited (the “Company”) was incorporated on 3 July 2015 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands.

The English name and the dual foreign name in Chinese of the Company were changed from “Green Future Food Hydrocolloid Marine Science Company Limited” to “Green Fresh Biotechnology Company Limited” and from “綠新親水膠體海洋科技有限公司” to “綠新生物科技有限公司” respectively with effect from 17 July 2025 subsequent to the passing of a special resolution for approval of the change by the shareholders at an extraordinary general meeting held on 6 June 2025.

The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are in the business of manufacturing and sales of food manufacturing hydrocolloid products including carrageenan products, agar-agar products, blended products and konjac products in the People’s Republic of China (the “PRC”) and overseas.

The ultimate controlling parties of the Group are Mr. Chan Kam Chung, Mr. Chan Shui Yip, Mr. Guo Songsen, Mr. Guo Dongxu, Mr. Guo Yuansuo and Mr. Guo Donghuang who act in concert under a contractual agreement (the “Controlling Shareholders”).

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since 17 October 2019.

This condensed consolidated interim financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

This condensed consolidated interim financial information has been approved for issue by the board of directors of the Company on 31 August 2026.

This condensed consolidated interim financial information has been reviewed, not audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information does not include all the notes of the type normally included in the annual consolidated financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants, except for the adoption of the new and amended standards as disclosed in note 3 below.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this condensed consolidated interim financial information are consistent with those of the annual consolidated financial statements for the year ended 31 December 2025 and the corresponding interim financial period, except for the adoption of new and amended standards as set out below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(i) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group assessed the adoption of these new and amended standards and concluded that they did not have a significant impact on the Group's interim results and financial position.

Standard and amendments	Effective for accounting periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments) - Amendments to the classification and measurement of financial instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments) - Contracts Referencing Nature-dependent Electricity	1 January 2026

(ii) New and amended standards not yet effective

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2026 and have not been early adopted by the Group:

Standard and amendments	Effective for accounting periods beginning on or after
HKFRS 18 (Amendments) - Presentation and Disclosure in Financial Statements and HK Interpretation 5 - Presentation of Financial Statements –Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 19 (Amendments) - Subsidiaries without Public Accountability: Disclosures and subsequent amendments in October 2025	1 January 2028
HKAS 21 (Amendments) - Translation to a Hyperinflationary Presentation Currency	To be determined
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 (Amendments to Illustrative Examples) - Disclosures about Uncertainties in the Financial Statements	To be determined

The Group is assessing the full impact of the new standard, new interpretations and amendments to standards and interpretations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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

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

(a) Liquidity risk

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 30 June 2026 (Unaudited)					
Borrowings	459,532	61,270	25,316	—	546,118
Interest payable on borrowings	12,127	2,385	4,356	—	18,868
Lease liabilities	2,211	1,022	2,126	2,807	8,166
Trade and other payables (excluding non-financial liabilities)	135,965	—	—	—	135,965
	<u>609,835</u>	<u>64,677</u>	<u>31,798</u>	<u>2,807</u>	<u>709,117</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

5 FINANCIAL RISK MANAGEMENT (Continued)

5.1 Financial risk factors (Continued)

(a) Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2025					
Borrowings	488,874	70,799	25,328	—	585,001
Interest payable on borrowings	13,471	3,261	4,059	—	20,791
Lease liabilities	2,103	1,607	2,109	3,171	8,990
Trade and other payables (excluding non-financial liabilities)	147,195	—	—	—	147,195
	651,643	75,667	31,496	3,171	761,977

5.2 Fair value estimation of financial assets and liabilities measured at amortised cost

The carrying amounts of the Group's current financial assets (including cash and bank balances, trade and other receivables) and current financial liabilities (including trade and other payables, bank borrowings and lease liabilities) approximated their fair values as at the balance sheet date due to their short maturities.

6 REVENUE AND SEGMENT INFORMATION

The Company's executive directors, the chief executive officer, the chief financial officer and the manager for corporate planning are regarded as the Group's chief operating decision maker. The chief operating decision maker examines the Group's performance from a product perspective and has identified five operating segments of its business as follows:

- (i) Manufacturing and sales of agar-agar;
- (ii) Manufacturing and sales of carrageenan;
- (iii) Manufacturing and sales of konjac products;
- (iv) Manufacturing and sales of blended products; and
- (v) Others, such as manufacturing and sales of algae powder and other operations.

The amounts provided to the chief operating decision maker with respect to total assets, total liabilities and capital expenditure are measured in a manner consistent with that of interim condensed consolidated financial information. The chief operating decision maker reviews the total assets, total liabilities and capital expenditure at Group level mainly because the manufacturing of the four categories of products of the Group is managed by the same management team and there is a certain degree of sharing of production facilities and warehouses. Therefore, no segment information on total assets, total liabilities and capital expenditure is presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

6 REVENUE AND SEGMENT INFORMATION (Continued)

(a) Segment information

The segment information of the Group during the period is set out as follows:

	(Unaudited)					
	For the six months ended 30 June 2026					
	Sales of agar-agar RMB'000	Sales of carrageenan RMB'000	Sales of konjac products RMB'000	Sales of blended products RMB'000	Others RMB'000	Total RMB'000
Revenue recognised at a point-in-time:						
Sales to customers	128,731	278,472	52,924	68,638	6,063	534,828
Cost of sales	(95,539)	(264,568)	(46,175)	(48,349)	(4,447)	(459,078)
Segment results	33,192	13,904	6,749	20,289	1,616	75,750

A reconciliation of results of reportable segments to loss for the period is as follows:

	RMB'000 (Unaudited)
Results of reportable segments	75,750
Other income	2,401
Other losses – net	(2,948)
Fair value gain on financial assets	990
Selling and distribution expenses	(13,942)
Administrative expenses	(52,622)
Finance income	106
Finance costs	(13,714)
Loss before income tax	(3,979)
Income tax credit	984
Loss for the period	(2,995)



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

6 REVENUE AND SEGMENT INFORMATION (Continued)

(a) Segment information (Continued)

	(Unaudited)					
	For the six months ended 30 June 2025					
	Sales of agar-agar RMB'000	Sales of carrageenan RMB'000	Sales of konjac products RMB'000	Sales of blended products RMB'000	Others RMB'000	Total RMB'000
Revenue recognised at a point-in-time:						
Sales to customers	124,418	186,443	35,865	55,250	8,001	409,977
Cost of sales	(92,147)	(182,228)	(29,711)	(40,882)	(4,956)	(349,924)
Segment results	<u>32,271</u>	<u>4,215</u>	<u>6,154</u>	<u>14,368</u>	<u>3,045</u>	<u>60,053</u>

A reconciliation of results of reportable segments to loss for the period is as follows:

	RMB'000 (Unaudited)
Results of reportable segments	60,053
Other income	2,759
Other losses – net	(173)
Fair value loss on financial assets	(1,233)
Selling and distribution expenses	(12,085)
Administrative expenses	(52,932)
Finance income	130
Finance costs	<u>(12,878)</u>
Loss before income tax	(16,359)
Income tax credit	<u>4,058</u>
Loss for the period	<u>(12,301)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

6 REVENUE AND SEGMENT INFORMATION (Continued)

(a) Segment information (Continued)

Revenue from external customers by country/region, based on the destination of the shipment, is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Chinese Mainland	282,645	189,308
Europe	110,815	124,373
Asia (excluding Chinese Mainland)	111,285	61,766
South America	17,071	19,916
North America	10,897	11,796
Africa	2,075	2,700
Oceania	40	118
Total	534,828	409,977



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

7 LOSS BEFORE INCOME TAX

Loss before income tax is stated after crediting and charging the following:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Crediting		
Government grants	2,366	2,583
Fair value gain on financial assets	990	—
Interest income from banks	106	130
Charging		
Employee benefit expenses, including directors' emoluments	62,343	61,026
Depreciation of property, plant and equipment (note 11)	21,803	21,634
Net foreign exchange loss on financing activities and operating activities	3,720	95
Amortisation of intangible assets (note 11)	1,252	1,290
Amortisation of land use rights (note 11)	495	599
Electricity and water expenses	12,754	14,831
Interest and finance charges on bank borrowings	12,708	13,118
Fair value loss on financial assets	—	1,233
Consulting fee	579	624

8 INCOME TAX CREDIT

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current income tax	75	654
Deferred income tax	(1,059)	(4,712)
Income tax credit	(984)	(4,058)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

8 INCOME TAX CREDIT (Continued)

The Group's income tax comprises:

(i) Cayman Islands, British Virgin Islands ("BVI"), Indonesia and Hong Kong profits tax

The Company is an exempted company incorporated in the Cayman Islands and is not liable for taxation in the Cayman Islands on its Cayman Islands or non-Cayman Islands income.

The Group's subsidiaries incorporated in BVI are exempted companies and are not liable for taxation in BVI on their BVI or non-BVI income.

The Group's subsidiaries in Indonesia are subject to Indonesian profits tax at the rate of 22% (2025: 22%) on the estimated assessable profits for the year.

The Group's subsidiaries in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the year with certain concession. Pursuant to the two-tiered profits tax regime, the first HK\$ 2 million of assessable profits of one of the Group's subsidiaries incorporated in Hong Kong is subject to a tax rate of 8.25%. The Group's remaining Hong Kong assessable profits above HK\$ 2 million will continue to be subject to a tax rate of 16.5% (2025: 16.5%).

(ii) PRC corporate income tax ("CIT")

Taxation on PRC income has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group's subsidiaries operate. The Company's subsidiaries incorporated in the PRC are subject to CIT at the rate of 25% (2025: 25%), except for Fujian Province Lvqi Food Colloid Company Ltd. ("Lvqi (Fujian)"), Longhai City Donghaiwan Seaweed Breeding Comprehensive Development Company Limited ("Donghaiwan"), Blandaway (Xiamen) Biotechnology Co., Ltd. ("Baidemei") and Lvqi Biotechnology (Shanghai) Company Limited ("Lvqi (Shanghai)") which are subject to CIT at the preferential rate of 15%, 12.5%, 5% and 5% respectively for both the six months ended 30 June 2026 and 2025.

Lvqi (Fujian) obtained the qualification of certified high and new technology enterprises and has been entitled to a preferential income tax rate of 15% since 2015, subject to renewal of the qualification for every three years interval. The latest approval of the qualification is for years 2024 to 2027.

Donghaiwan is qualified as an agricultural products enterprise and is subject to a CIT reduction of 50% as granted by the local tax bureau, and the CIT rate is 12.5% for the six months ended 30 June 2026 and 2025.

Baidemei and Lvqi (Shanghai) are qualified as small low-profit enterprises and are eligible for the preferential income tax policy effective through 31 December 2027. Under this policy, for taxable income of a small low-profit enterprise up to RMB3 million, only 25% of the income is included in the tax base, which is then subject to a 20% CIT rate—resulting in an effective tax rate of 5% for the six months ended 30 June 2026 and 2025.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

8 INCOME TAX CREDIT (Continued)

(iii) PRC withholding income tax

According to the CIT Law, a 10% withholding tax on dividends received/receivable will be levied on the PRC companies' immediate holding companies established outside PRC. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies. For the six months ended 30 June 2026 and 2025, the holding companies of the Group's subsidiaries in the PRC are Hong Kong incorporated companies and are subject to a withholding tax rate of 5%.

The Group has undistributed earnings of RMB549,563,000 as at 30 June 2026 (31 December 2025: RMB 586,860,000), which, if paid out as dividends, would be subject to income tax borne by their overseas holding companies. An assessable temporary difference exists, but no deferred income tax liability has been recognised as the parent entities are able to control the timing of distributions from their subsidiaries and the subsidiaries are expected to retain these profits for future development purpose and not to distribute the profits in the foreseeable future.

9 EARNINGS PER SHARE

(a) Basic and diluted loss per share

	Six months ended 30 June	
	2026 RMB (Unaudited)	2025 RMB (Unaudited)
Basic loss per share attributable to the ordinary equity holders of the Company	(0.002)	(0.014)
Diluted loss per share attributable to the ordinary equity holders of the Company	(0.002)	(0.014)

Basic and diluted loss per share is calculated by dividing the loss attributable to owners of the Company, by the weighted average number of ordinary shares in issue during the financial period, excluding ordinary shares held for the share award scheme.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

9 EARNINGS PER SHARE (Continued)

(b) Reconciliations of loss used in calculating loss per share

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
<i>Basic and diluted loss per share</i>		
Loss attributable to the ordinary equity holders of the Company	<u>(1,392)</u>	<u>(12,068)</u>

(c) Weighted average number of shares used as the denominator

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	863,864,254	863,153,800
Adjustments for calculation of diluted earnings per share:		
– Share options	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>863,864,254</u>	<u>863,153,800</u>

10 DIVIDENDS

No interim dividend was proposed by the board of directors of the Company for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

11 PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INTANGIBLE ASSETS

	(Unaudited)			
	Property, plant and equipment RMB'000	Land use rights RMB'000	Intangible assets Goodwill RMB'000	Others RMB'000
At 1 January 2026	362,137	50,757	47,060	16,680
Additions	4,495	—	—	—
Depreciation/amortisation	(21,803)	(495)	—	(1,252)
Disposal	(26)	—	—	—
Currency translation differences	(899)	(764)	(903)	(414)
At 30 June 2026	343,904	49,498	46,157	15,014

	(Unaudited)			
	Property, plant and equipment RMB'000	Land use rights RMB'000	Intangible assets Goodwill RMB'000	Others RMB'000
At 1 January 2025	372,947	52,593	47,655	19,488
Additions	13,100	—	—	17
Depreciation/amortisation	(21,634)	(599)	—	(1,290)
Disposal	(76)	—	—	—
Currency translation differences	(548)	(222)	(365)	(176)
At 30 June 2025	363,789	51,772	47,290	18,039

The bank borrowings of the Group as at 30 June 2026 were secured by the pledge of the Group's land use rights and buildings as stated in note 17(a).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

12 CASH AND BANK BALANCES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Cash and cash equivalents		
Cash on hand	177	188
Cash in banks	152,935	88,447
Cash on hand and in banks	153,112	88,635
Restricted cash - cash in banks	15,663	19,716
Total of cash and bank balances	168,775	108,351

The restricted cash are deposits held at bank as deposit and pledged for issue of notes payable and letter of credit of the Group.

13 TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Trade receivables	128,687	125,198
Loss allowance provision	(2,155)	(3,170)
	126,532	122,028
Prepayments for purchases of raw materials	5,159	10,010
Export tax rebate receivables and deductible value-added tax	4,779	15,810
Other receivables	14,543	18,934
	24,481	44,754
Total trade and other receivables	151,013	166,782



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

13 TRADE AND OTHER RECEIVABLES (Continued)

The ageing analysis of the trade receivables as at 30 June 2026 based on invoice date was as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Up to 30 days	75,417	61,477
31 to 90 days	39,892	32,019
91 to 180 days	3,720	16,302
181 to 365 days	1,561	632
Over one year	8,097	14,768
	128,687	125,198

14 SHARE CAPITAL

	(Unaudited)		(Unaudited)	
	2026 Shares	2026 RMB'000	2025 Shares	2025 RMB'000
As at 1 January	874,120,000	7,892	874,120,000	7,892
Shares issued upon exercise of share options	—	—	—	—
As at 30 June	874,120,000	7,892	874,120,000	7,892

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

15 EQUITY-SETTLED SHARE-BASED PAYMENT

The equity-settled share-based payment expenses charged to the consolidated statement of profit or loss during the period ended 30 June 2026 are as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Awarded shares granted in 2022 (a)	380	837
Awarded shares granted in 2024 (b)	153	390
	<u>533</u>	<u>1,227</u>

(a) Awarded shares granted in 2022

On 10 July 2020, the Company's board of directors approved a share award scheme of the Company.

On 5 December 2022, the Company granted awarded shares to three employees (the "Awarded shares granted in 2022"), and the first vesting date is 1 April 2023, and the remaining vesting dates shall fall on each subsequent anniversary date until 1 April 2027.

The Company planned to use "shares held for the share award scheme" to award the grantees of the awarded shares.

The total amount of the fair value of the awarded shares to the three employees are expensed over the vesting period and recorded in 'employee benefit expenses' in the consolidated statement of profit or loss. For the six months ended 30 June 2026, the amount of the fair value of these awarded shares expensed in the consolidated statement of profit or loss is RMB380,000 (2025: RMB837,000).

Movements in the number of awarded shares outstanding during the period are as follows:

	2026 (Unaudited)
As at 1 January 2026	1,720,000
Vested during the period	<u>(860,000)</u>
As at 30 June 2026	<u>860,000</u>

As at 30 June 2026, the remaining unamortised fair value of awarded shares transferred to the three employees amounted to approximately RMB515,000 which will be charged to the consolidated statement of profit or loss in the future.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

15 EQUITY-SETTLED SHARE-BASED PAYMENT (Continued)

(b) Awarded shares granted in 2024

On 21 May 2024, the Company's board of directors granted awarded shares to five employees (the "Awarded shares granted in 2024"), and the first vesting date is 21 May 2024, and the remaining vesting dates shall fall on each subsequent anniversary of the date of grant until the fourth anniversary. If a grantee ceases to be employed by the Group within this period, his entitlement to any unvested awarded shares granted will automatically lapse.

The Company planned to use "shares held for the share award scheme" to award the grantees of the awarded shares.

The total amounts of the fair value of the awarded shares to the five employees are expensed over the vesting period and recorded in 'employee benefit expenses' in the consolidated statement of profit or loss. For the six months ended 30 June 2026, the amount of fair value of these awarded shares expensed in the consolidated statement of profit or loss is RMB153,000 (2025: RMB390,000).

Movements in the number of awarded shares outstanding during the period are as follows:

	2026 (Unaudited)
As at 1 January 2026	2,280,000
Granted during the period	—
Lapsed during the period	(480,000)
Vested during the period	(600,000)
As at 30 June 2026	1,200,000

As at 30 June 2026, the remaining unamortised fair value of awarded shares transferred to the five employees amounted to approximately RMB335,000 which will be charged to the consolidated statement of profit or loss in the future.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

16 TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Trade payables	121,662	132,612
Payables for property, plant and equipment	2,941	4,496
Contract liabilities - advance receipts from customers	19,907	7,215
Employee benefit payables	7,834	10,890
Other taxes payable	3,902	2,460
Dividend payable	9,089	—
Others	11,362	10,087
	176,697	167,760

Trade payables are usually paid within 90 days of recognition.

The ageing analysis of trade payables as at 30 June 2026 based on invoice date was as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
0-90 days	107,263	88,212
91-180 days	5,741	19,271
181-365 days	8,658	25,129
	121,662	132,612

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

17 BORROWINGS AND LEASE LIABILITIES

	(Unaudited) As at 30 June 2026			(Audited) As at 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings (a)						
– secured	95,100	42,409	137,509	115,969	57,606	173,575
– unsecured	364,432	25,137	389,569	372,905	20,161	393,066
	459,532	67,546	527,078	488,874	77,767	566,641
Loan from third party (b)						
– unsecured	—	19,040	19,040	—	18,360	18,360
Total borrowings	459,532	86,586	546,118	488,874	96,127	585,001
Lease liabilities (c)						
– unsecured	1,923	5,614	7,537	1,818	6,029	7,847
Total borrowings and lease liabilities	461,455	92,200	553,655	490,692	102,156	592,848
Total secured borrowings	95,100	42,409	137,509	115,969	57,606	173,575
Total unsecured borrowings and lease liabilities	366,355	49,791	416,146	374,723	44,550	419,273
Total borrowings and lease liabilities	461,455	92,200	553,655	490,692	102,156	592,848

(a) Bank borrowings

The bank borrowings of the Group as at 30 June 2026 were secured by the pledge of the Group's land use rights and buildings as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Land use rights	27,718	28,072
Buildings	50,823	53,317
Total assets pledged as security	78,541	81,389

For the six months ended 30 June 2026, the weighted average effective interest rates on bank borrowings were 4.27% (for the six months ended 30 June 2025: 3.93%).

The unsecured bank borrowings of the Group were supported by guarantees from Mr. Chan Kam Chung and Mr. Guo Dongxu to the extent of RMB79,910,000 and RMB10,000,000, respectively, as at 30 June 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

17 BORROWINGS AND LEASE LIABILITIES (Continued)

(b) Loan from third party

The Group's long-term loan from third party, namely Zhangzhou City Longhai District Xinwan Industrial Investment Company Limited ("Longhai District Xinwan"), amounting to RMB19,040,000 as at 30 June 2026, arose from the first tranche capital injection of quadripartite investment agreement in relation to an incubation project of bio-degradable bio-polysaccharides membrane of Xiamen Blue Ocean Algae Membrane Technologies Co., Ltd. ("Xiamen Blue Ocean Algae", a subsidiary of the Company), entered into between Green Fresh (Fujian) Foodstuff Co., Ltd. ("Green Fresh", an indirect wholly-owned subsidiary of the Company), Longhai District Xinwan, and other independent non-controlling shareholders, pursuant to which Longhai District Xinwan agreed to inject up to RMB63,850,000 in Xiamen Blue Ocean Algae, for a fixed rate of return of 8.0% per annum.

(c) Lease liabilities

Lease liabilities are related to buildings of the Group.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Minimum lease payments:		
Within one year	2,211	2,103
Later than 1 year and no later than 5 years	3,148	3,716
Over 5 years	2,807	3,171
	8,166	8,990
Future finance charges	(629)	(1,143)
Total lease liabilities	7,537	7,847
Payable:		
Within one year	1,923	1,818
Over one year	5,614	6,029
Total lease liabilities	7,537	7,847



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(ALL AMOUNTS EXPRESSED IN RMB THOUSANDS UNLESS OTHERWISE STATED)

18 COMMITMENTS

Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is set out below:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
Contracted but not recognised as liabilities: Property, plant and equipment	3,936	5,870

19 CONTINGENT LIABILITIES

At 30 June 2026, the Group had no material contingent liabilities (31 December 2025: nil).

20 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the period, and significant balances arising from related party transactions as at the end of the reporting period.

(a) Transactions with related parties

Two directors provided personal guarantees for the Group's bank borrowings. Details are set out in note 17.

(b) Key management compensation

For the six months ended 30 June 2026, the key management compensation amounted to approximately RMB4,618,000 (2025: RMB4,584,000).

OTHER INFORMATION

DONATIONS

Charitable donations made by the Group during 1H2026 amounted to approximately RMB5,000 (year ended 31 December 2025: RMB95,000).

USE OF PROCEEDS FROM THE ISSUE OF EQUITY SHARES

On 5 August 2024, the Company, as the issuer, entered into a subscription agreement with a subscriber which is an independent third party, namely Power Partner Capital Limited, pursuant to which the subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 40,000,000 ordinary shares at the subscription price of HK\$0.81 per subscription share under general mandate. The subscription price of HK\$0.81 per subscription share represents: a premium of approximately 3.8% to the closing price of HK\$0.78 as quoted on the Stock Exchange on 5 August 2024. The net proceeds of the subscription, after deduction of all relevant expenses, amounted to HK\$32.34 million, representing a net price of approximately HK\$0.81 per subscription share. The share subscription was completed on 23 August 2024.

In respect of the net proceeds of HK\$32.34 million raised from the above subscription of new shares under general mandate, an unused amount of HK\$6.54 million was brought forward from 2025. The following table summarizes the use of net proceeds from the above subscription during 1H2026:

	Original allocation of net proceeds as at 5 August 2024 HK\$ (million)	Unused amount of net proceeds as at 1 January 2026 HK\$ (million)	Actual use of net proceeds during the period ended 30 June 2026 HK\$ (million)	Unused amount of net proceeds as at 30 June 2026 HK\$ (million)	Expected timeline for utilisation of the unused amount of net proceeds as at 30 June 2026
Expansion of research and development and production capacity of 100% biodegradable algae membrane	16.20	—	—	—	—
Expansion of research and development and production capacity of creative and ready-to-use chewing contents for the trendy flavored beverage market	6.50	1.70	0.68	1.02	31 December 2027
General working capital	9.64	4.84	0.37	4.47	31 December 2027
Total	32.34	6.54	1.05	5.49	

The net proceeds utilised up to 30 June 2026 were used in accordance with the intentions previously disclosed, and the remaining unutilised net proceeds of HK\$5.49 million are expected to be applied in accordance with the intended use. There has been no material change in the use of proceeds.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATIONS

As of 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), which were (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have taken under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix C3 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), were as follows:

(i) Interests in the Company

Name of Directors	Nature of interest and capacity	Number of shares or underlying shares held ⁽⁶⁾	Approximate percentage of shareholding ⁽⁷⁾
Mr. CHAN Kam Chung	Interest in a controlled corporation ⁽¹⁾	161,700,000	18.50%
	Interest under the Concert Party Agreement ⁽²⁾	588,000,000	67.27%
Mr. CHAN Shui Yip	Interest in a controlled corporation ⁽³⁾	161,700,000	18.50%
	Interest under the Concert Party Agreement ⁽²⁾	588,000,000	67.27%
Mr. GUO Dongxu	Interest in a controlled corporation ⁽⁴⁾	66,150,000	7.57%
	Interest under the Concert Party Agreement ⁽²⁾	588,000,000	67.27%
Ms. CHEN Yi	Beneficial owner ⁽⁵⁾	818,000	0.09%

Notes:

- (1) Mr. CHAN Kam Chung held all issued share in COS Kreation Investment Development Company Limited ("**COS Kreation**"). Therefore, Mr. CHAN Kam Chung is deemed to be interested in all shares held by COS Kreation for the purpose of the SFO. Mr. CHAN Kam Chung is the sole director of COS Kreation.
- (2) These shareholders are controlling shareholders and concert parties by virtue of the Concert Party Agreement, a summary of which is set forth in the section headed "Controlling Shareholders and Substantial Shareholders — Summary of terms of the Concert Party Agreement" in the Prospectus of the Company dated 30 September 2019. Each of them is deemed to be interested in all shares in which any other party to the Concert Party Agreement is interested for the purpose of Part XV of the SFO.
- (3) Mr. CHAN Shui Yip held all issued share in Epoch Investment Development Co., Limited ("**Epoch**"). Therefore, Mr. CHAN Shui Yip is deemed to be interested in all shares held by Epoch for the purpose of the SFO. Mr. CHAN Shui Yip is the sole director of Epoch.
- (4) Mr. GUO Dongxu held all issued share in Strong Achievement (BVI) Investment Company Limited ("**Strong Achievement**"). Therefore, Mr. GUO Dongxu is deemed to be interested in all shares held by Strong Achievement for the purpose of the SFO. Mr. GUO Dongxu is the sole director of Strong Achievement.
- (5) These interests include interest in 320,000 shares awarded under the Share Award Scheme which remain unvested as at 30 June 2026.
- (6) All the interests disclosed represent long positions in the ordinary shares and underlying ordinary shares of the Company.
- (7) As of 30 June 2026, the total number of issued shares of the Company was 874,120,000.

(ii) Interests in associated corporations

Name of Directors	Name of associated corporations	Nature of interest and capacity	Number of ordinary shares	Percentage of shareholding
Mr. CHAN Kam Chung	COS Kreation	Beneficial owner	One	100%
Mr. CHAN Shui Yip	Epoch	Beneficial owner	One	100%
Mr. GUO Dongxu	Strong Achievement	Beneficial owner	One	100%

Save as disclosed above, as of 30 June 2026, none of the directors and chief executive of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.



OTHER INFORMATION

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

As of 30 June 2026, so far as was known to the Directors, the person or corporations (not being a Director or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name of Shareholders	Nature of interest and capacity	Number of shares held ⁽⁹⁾	Approximate percentage of shareholding ⁽¹⁰⁾
COS Kreation	Beneficial owner	161,700,000	18.50%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
Epoch	Beneficial owner	161,700,000	18.50%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
Strong Achievement	Beneficial owner	66,150,000	7.57%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
Green Forest (BVI) Investment Company Limited (" Green Forest ")	Beneficial owner	92,603,571	10.59%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
Mr. GUO Songsen	Interest in a controlled corporation ⁽²⁾	92,603,571	10.59%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
	Beneficial owner	866,000	0.10%
Winning Path Trading Company Limited (" Winning Path ")	Beneficial owner	66,150,000	7.57%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
Mr. GUO Yuansuo	Interest in a controlled corporation ⁽³⁾	66,150,000	7.57%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
East Prosperity (BVI) Investment Company Limited (" East Prosperity ")	Beneficial owner	39,696,429	4.54%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
Mr. GUO Donghuang	Interest in a controlled corporation ⁽⁴⁾	39,696,429	4.54%
	Interest under the Concert Party Agreement ⁽¹⁾	588,000,000	67.27%
Ms. LI Shun Ching Louisa	Interest of spouse ⁽⁵⁾	588,000,000	67.27%
Ms. SHE Pin Pin	Interest of spouse ⁽⁶⁾	588,000,000	67.27%
Ms. WU Biling	Interest of spouse ⁽⁷⁾	588,000,000	67.27%
Ms. QIU Qiaoya	Interest of spouse ⁽⁸⁾	588,866,000	67.37%

Notes:

- These shareholders are controlling shareholders and concerted parties by virtue of the Concert Party Agreement, a summary of which is set forth in the section headed "Controlling Shareholders and Substantial Shareholders — Summary of terms of the Concert Party Agreement" in the Prospectus of the Company dated 30 September 2019. Each of them is deemed to be interested in all shares in which any other party to the Concert Party Agreement is interested for the purpose of Part XV of the SFO.
- Mr. GUO Songsen held all issued share in Green Forest. Therefore, Mr. GUO Songsen is deemed to be interested in all shares held by Green Forest for the purpose of the SFO. Mr. GUO Songsen is the sole director of Green Forest.

3. Mr. GUO Yuansuo held all issued shares in Winning Path. Therefore, Mr. GUO Yuansuo is deemed to be interested in all shares held by Winning Path for the purpose of the SFO. Mr. GUO Yuansuo is the sole director of Winning Path.
4. Mr. GUO Donghuang held all issued shares in East Prosperity. Therefore, Mr. GUO Donghuang is deemed to be interested in all shares held by East Prosperity for the purpose of the SFO. Mr. GUO Donghuang is the sole director of East Prosperity.
5. Ms. LI Shun Ching Louisa is the spouse of Mr. CHAN Kam Chung. By virtue of the provisions of Part XV of the SFO, Ms. LI Shun Ching Louisa is deemed to be interested in all the shares in which Mr. CHAN Kam Chung is interested or deemed to be interested.
6. Ms. SHE Pin Pin is the spouse of Mr. CHAN Shui Yip. By virtue of the provisions of Part XV of the SFO, Ms. SHE Pin Pin is deemed to be interested in all the shares in which Mr. CHAN Shui Yip is interested or deemed to be interested.
7. Ms. WU Biling is the spouse of Mr. GUO Dongxu. By virtue of the provisions of Part XV of the SFO, Ms. WU Biling is deemed to be interested in all the shares in which Mr. GUO Dongxu is interested or deemed to be interested.
8. Ms. QIU Qiaoya is the spouse of Mr. GUO Songsen. By virtue of the provisions of Part XV of the SFO, Ms. QIU Qiaoya is deemed to be interested in all the shares in which Mr. GUO Songsen is interested or deemed to be interested.
9. All the interests disclosed represent long positions in the ordinary shares and underlying ordinary shares of the Company.
10. As of 30 June 2026, the total number of issued shares of the Company was 874,120,000.

Save as disclosed above, as of 30 June 2026, the Directors were not aware of any other person or corporation having interests or short positions in the shares and underlying shares of the Company as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE SCHEMES

a) Share Option Scheme

The Share Option Scheme was adopted pursuant to the resolutions passed by the shareholders of the Company on 25 September 2019 and became unconditional and effective on 17 October 2019.

During 1H2026, no share option had been granted, exercised, lapsed or cancelled under the Share Option Scheme. There were no outstanding share options granted under the Share Option Scheme as at the date of this report. The number of share options available for grant under the Share Option Scheme and any other share scheme(s) of the Company was 80,000,000 as of 1 January 2026 and 30 June 2026.



OTHER INFORMATION

A summary of the Share Option Scheme is set forth below:

1. Purpose:

The purpose of the Share Option Scheme is to enable our Company to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group and to provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (a) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; (b) attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group; and/or (c) for such purposes as the Board may approve from time to time.
2. Participants:
 - (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group;
 - (b) a director or proposed director (including independent non-executive director) of any member of the Group;
 - (c) a direct or indirect shareholder of any member of the Group;
 - (d) a supplier of goods or services to any member of the Group;
 - (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;
 - (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of our Group; and
 - (g) an associate of any of the persons referred to in paragraphs (a) to (c) above.
3. Total number of shares available for issue under the Share Option Scheme and any other schemes of the Company together with the percentage of the issued shares that it represents as of the date of this report:

A maximum of 80,000,000 shares to be allotted and issued, representing 9.15% of the issued shares of the Company as of the date of this report.

OTHER INFORMATION

4. Maximum entitlement of each participant:

No option may be granted to any one person such that the total number of shares issued and to be issued upon exercise of options granted and to be granted to that person in any 12-month period exceeds 1% of our shares in issue from time to time.
5. Option period:

The Board shall be entitled at any time within 10 years from the date of adopting the Share Option Scheme to offer the grant of an option to any eligible participant as the Board may in its absolute discretion select to subscribe at the subscription price for such number of shares as the Board may (subject to the terms of the Share Option Scheme) determine. There is no minimum period for which an option must be held before it can be exercised.
6. Amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid:

The amount payable on acceptance of an option is HK\$1.0. An offer of an option must be accepted by the relevant eligible participant, not later than 30 days after the offer date.
7. Basis of determining the exercise price:

The subscription price of a share in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the subscription price shall not be less than whichever is the highest of:

 - (a) the nominal value of a share;
 - (b) the closing price of a share in the Stock Exchange's daily quotations sheet on the date of grant; and
 - (c) the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the 5 business days (as defined in the Listing Rules) immediately preceding the date of grant.
8. Remaining life:

10 years from the date on which it becomes unconditional, expiring on 16 October 2029.



OTHER INFORMATION

b) Share Award Scheme

The Company adopted the Share Award Scheme on 10 July 2020 for recognising and rewarding the contribution of the selected participants to the business growth of the Group. The Share Award Scheme also provides incentive to the selected participants to continue their contribution to the future business development of the Group. The Share Award Scheme includes (a) the rules relating to Share Award Scheme and (b) a trust deed, pursuant to which an independent trust company has been appointed as the trustee (the “**Trustee**”) of the Share Award Scheme. Pursuant to the Share Award Scheme, the Company would provide the Trustee with certain funds for on-market purchase by the Trustee of certain shares or subscription for certain shares from the Company at par value, which will be used to establish a share pool for the benefit of the selected participants. All shares comprising the share pool under the Share Award Scheme have been and will be purchased by the Trustee and will be held by the Trustee for the benefit of the selected participants until vesting. Further details of the Share Award Scheme are set forth in note 15 to the consolidated financial statements. The following table sets forth movements during 1H2026 in the share awards granted under the Share Award Scheme:

List A: Share Award Granted in 2022 Started Vesting from 2023

Category/name of grantee	Date of grant	Vesting period	Number of awarded shares					Fair value	
			As of 1 January 2026	Granted during 1H2026	Vested during 1H2026	Lapsed during 1H2026	Cancelled during 1H2026	As of 30 June 2026	for each of the awarded shares ⁽⁴⁾ HK\$
SHI Shuangquan	5 December 2022 ⁽²⁾	20% each year starting from 1 April 2023	800,000	—	(400,000) ⁽³⁾	—	—	400,000	3.38
SO Chi Man ⁽¹⁾	5 December 2022 ⁽²⁾	20% each year starting from 1 April 2023	600,000	—	(300,000) ⁽³⁾	—	—	300,000	3.38
LIN Kuncheng	5 December 2022 ⁽²⁾	20% each year starting from 1 April 2023	320,000	—	(160,000) ⁽³⁾	—	—	160,000	3.38
			<u>1,720,000</u>	<u>—</u>	<u>(860,000)</u>	<u>—</u>	<u>—</u>	<u>860,000</u>	

OTHER INFORMATION

The Group used Binomial option-pricing model to determine the fair value of the awarded shares as of the grant date. Key assumptions are set as below:

	As at grant date 5 December 2022
Dividend yield (%)	1.74
Risk-free rate (%)	3.72~4.91
Expected volatility (%)	43.67
Fair value per share (HK\$)	3.27~3.50
Exercise price (HK\$)	—

List B: Share Award Granted in 2024 Started Vesting from 2024

			Number of awarded shares					Fair value	
Category/name			As of	Granted	Vested	Lapsed	Cancelled	As of	for each of
of grantee	Date of grant	Vesting period	1 January	during	during	during	during	30 June	the awarded
			2026	1H2026	1H2026	1H2026	1H2026	2026	shares ⁽⁶⁾
									HK\$
Director									
CHEN Yi	21 May 2024 ⁽²⁾	20% each year starting from 21 May 2024	480,000	—	(160,000) ⁽³⁾	—	—	320,000	0.75
Senior Management									
LIN Penghui	21 May 2024 ⁽²⁾	20% each year starting from 21 May 2024	480,000	—	(160,000) ⁽³⁾	—	—	320,000	0.75
ZHOU Jianhua (Resigned in April 2026) ⁵	21 May 2024 ⁽²⁾	20% each year starting from 21 May 2024	480,000	—	—	(480,000)	—	—	0.75
WU Zhiyong	21 May 2024 ⁽²⁾	20% each year starting from 21 May 2024	420,000	—	(140,000) ⁽³⁾	—	—	280,000	0.75
YANG Qigui	21 May 2024 ⁽²⁾	20% each year starting from 21 May 2024	420,000	—	(140,000) ⁽³⁾	—	—	280,000	0.75
			2,280,000	—	(600,000)	(480,000)	—	1,200,000	

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The Group used Binomial option-pricing model to determine the fair value of the awarded shares as of the grant date. Key assumptions are set as below:

	As at grant date 21 May 2024
Dividend yield (%)	2.19
Risk-free rate (%)	3.60~4.25
Expected volatility (%)	63.75
Fair value per share (HK\$)	0.71~0.78
Exercise price (HK\$)	Nil

Notes:

1. Mr. SO Chi Man is one of the five highest paid employees of the Group.
2. The closing price of the shares immediately before the grant date in respect of awardees under List A and List B was HK\$3.54 and HK\$0.77, respectively.
3. All the awarded shares have been granted to the selected participants for nil consideration and the weighted average closing price of the shares immediately before the date on which the awarded shares were vested during 1H2026 was HK\$0.66 for awardees under List A and HK\$0.66 for those under List B, respectively. The vesting of each tranche of the awarded shares is subject to the satisfaction of such predetermined performance targets as determined by the Board (and its committees). The Group has established an appraisal system for the evaluation of the contributions and performance of the grantees against these performance targets.
4. During 1H2026, Nil Shares have been purchased on-market by the Trustee as part of the share pool under the Share Award Scheme (1H2025: 1,596,000) and the total consideration paid for the purchased Shares was HK\$Nil (1H2025: HK\$1,120,700).
5. The awarded shares granted have lapsed and reallocated back to the general pool of share award available to be granted during the existence of the Share Award Scheme upon the resignation of the grantee.
6. The total amounts of the fair value of the awarded shares at the date of grant are amortised over the vesting period and recorded in "employee benefit expenses" in the consolidated statement of profit or loss.

The number of shares held by the Trustee which were available for grant under the Share Award Scheme were 6,530,000 and 7,010,000 (representing approximately 0.75% and 0.80% of the issued shares of the Company (excluding treasury shares, if any)) as of 1 January 2026 and 30 June 2026, respectively.

The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during 1H2026 divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for 1H2026 was nil.

A summary of the Share Award Scheme is set forth below:

1. Purpose:

The purposes of the Share Award Scheme is, through as award of shares, to: (a) recognise and reward the contribution of certain eligible person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (b) to attract suitable personnel for further development of the Group.
2. Participants:

Eligible person(s) means any person belonging to the following classes of persons:

 - (i) any employee of the Group;
 - (ii) any executive director or non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any invested entity;
 - (iii) any customer of the Group or any invested entity;
 - (iv) any supplier of goods or services to any member of the Group or any invested entity;
 - (v) any person or entity that provides research, development or other technological support to the Group or any invested entity;
 - (vi) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity;
 - (vii) any person or entity which has contributed to the Group or its business; and
 - (viii) any other person selected by the Board at its sole discretion.
3. Total number of shares held by the Trustee which were available for award under the Share Award Scheme together with the percentage of the issued shares that it represents as of the date of this report:

7,010,000 shares, representing 0.80% of the issued shares of the Company as of the date of this report.
4. Maximum entitlement of each participant:

Not applicable, but the Board has decided that no more than 1.0% of the issued share capital of the Company could be granted to each selected participant.





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| 5. | Amount, if any, payable on application or acceptance of the awarded shares and the period within which payments or calls must or may be made or loans for such purposes must be repaid: | All awarded shares have been granted to the grantees for nil purchase price. The awarded shares shall be deemed to be irrevocably accepted by the selected participant unless he/she shall within five (5) business days after receipt of notice of award notify the Company in writing that he/she would decline to accept such awarded shares. |
| 6. | Basis of determining the purchase price of shares awarded: | All awarded shares have been granted to the grantees for nil purchase price. The Trustee may purchase the shares on the Stock Exchange at the prevailing market price. If the Trustee effects any purchase off-market, the price for such purchase will not be higher than the lower of the following: (i) the closing market price on the date of such purchase and (ii) the average closing market price for the five preceding trading days on which the shares were traded on the Stock Exchange. |
| 7. | Remaining life: | The Share Award Scheme shall be valid and effective for a term of 10 years commenced from 10 July 2020, expiring on 9 July 2030. |

The Company has relied on the transitional arrangements provided for the existing share incentive schemes and will comply with the new Chapter 17 of the Listing Rules accordingly (effective from 1 January 2023).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including any sale of treasury shares (as defined under the Listing Rules)) during 1H2026. As at 30 June 2026, the Company had no treasury shares (as defined under the Listing Rules).

CORPORATE GOVERNANCE

The Company believes that good corporate governance can enhance its overall effectiveness, and thus create additional value for our shareholders. The Company is committed to maintaining high standards and has applied the principles that are set forth in the Corporate Governance Code (the “**CG Code**”) in Part 2 of Appendix C1 to the Listing Rules. The Company's corporate governance practices are based on these principles. The Board believes that good corporate governance standards are essential in contributing to the provision of a framework for the Company to safeguard the interests of its shareholders, enhance corporate value, formulate its business strategies and policies and enhance transparency and accountability.

The Directors confirmed that the Company has complied with the applicable code provisions of the CG Code during 1H2026, except for the deviation from code provision C.2.1 of the CG Code as described below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. CHAN Kam Chung (“**Mr. CHAN**”) is the Chairman and Chief Executive Officer of the Group. Mr. CHAN is responsible for formulating overall strategic planning and business strategies and implementing major development policies and initiatives for the business development of the Group as a whole. Mr. CHAN's vision and leadership have played a pivotal role in the Group's success and achievements to date, and therefore the Board considers that vesting the roles of chairman and chief executive officer in Mr. CHAN is beneficial to the management of the Group. The Group's long-serving and outstanding senior management team and the Board, which comprise experienced and high-caliber individuals, provide check and balance of power and authority. The Board comprises five executive Directors (including Mr. CHAN) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code during 1H2026. The Company has made specific inquiries of relevant employees about their compliance with the guidelines on transactions of the Company's securities, without noticing any violation of the guidelines.





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AUDIT COMMITTEE AND REVIEW OF THE INTERIM RESULTS

The Company established the audit committee (the “**Audit Committee**”) pursuant to a resolution of Directors passed on 25 September 2019. The primary responsibilities of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and provide material advice in respect of financial reporting at least at half-year intervals, and oversee the risk management policies and internal control procedures of the Group constantly. The Audit Committee consists of three independent non-executive Directors, namely Mr. HO Kwai Ching, Mark, Mr. NG Man Kung and Mr. HU Guohua. Mr. HO Kwai Ching, Mark currently serves as the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the applicable code provisions in the CG Code. The Company’s unaudited interim results for 1H2026, the condensed consolidated interim financial statements for 1H2026 and this report have been reviewed by the Audit Committee.

The condensed consolidated interim financial statements for 1H2026 is unaudited but has been reviewed by PricewaterhouseCoopers, the independent auditors of the Company, in compliance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.