



Hung Fook Tong Group Holdings Limited
鴻福堂集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

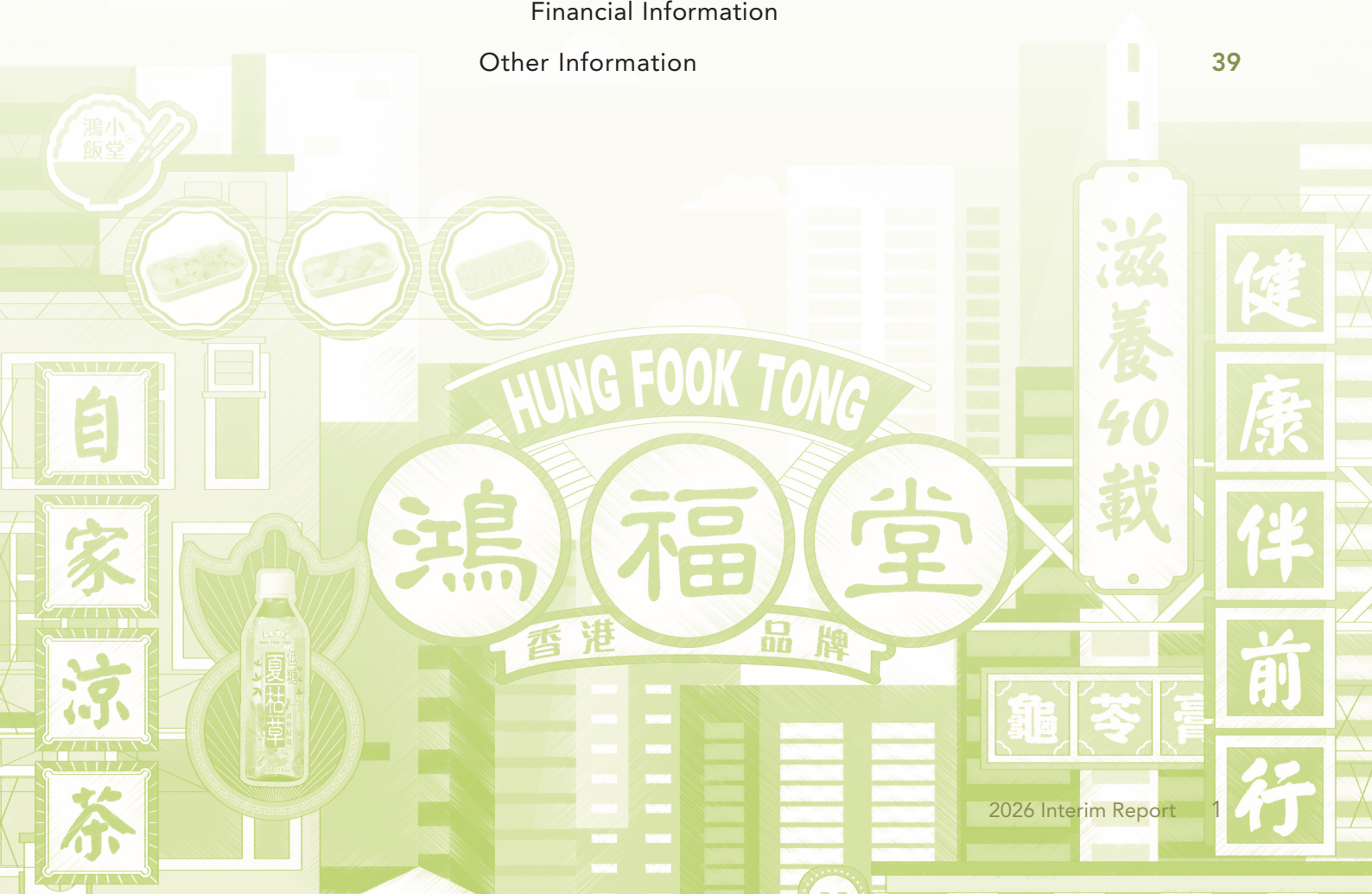
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INTERIM REPORT 中期報告 2026



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CORPORATE INFORMATION



PLACE OF INCORPORATION

Cayman Islands

BOARD OF DIRECTORS

Executive Directors

Mr. TSE Po Tat (*Chairman*)
Dr. SZETO Wing Fu (*Chief Executive Officer*)
Ms. WONG Pui Chu

Independent Non-executive Directors

Prof. SIN Yat Ming
Mr. Andrew LOOK
Mr. YEUNG Chu Kwong

AUDIT COMMITTEE

Mr. Andrew LOOK (*Chairman*)
Prof. SIN Yat Ming
Mr. YEUNG Chu Kwong

REMUNERATION COMMITTEE

Prof. SIN Yat Ming (*Chairman*)
Ms. WONG Pui Chu
Mr. YEUNG Chu Kwong

NOMINATION COMMITTEE

Mr. YEUNG Chu Kwong (*Chairman*)
Dr. SZETO Wing Fu
Mr. Andrew LOOK
Prof. SIN Yat Ming

STRATEGY AND DEVELOPMENT COMMITTEE

Dr. SZETO Wing Fu (*Chairman*)
Ms. WONG Pui Chu

AUTHORISED REPRESENTATIVES

Dr. SZETO Wing Fu
Mr. LAU Siu Ki

COMPANY SECRETARY

Mr. LAU Siu Ki

AUDITOR

PricewaterhouseCoopers
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
22/F, Prince's Building
Central, Hong Kong

REGISTERED OFFICE

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P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11 Dai King Street
Tai Po Industrial Estate
Tai Po, New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

CORPORATE INFORMATION



HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

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Hong Kong

Bank of China (Hong Kong) Limited

Bank of China Tower
1 Garden Road
Central
Hong Kong

DBS Bank (Hong Kong) Limited

G/F, The Center
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COMPANY WEBSITE

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STOCK CODE

1446

BUSINESS REVIEW

During the six months ended 30 June 2026 (“1H2026” or the “Review Period”), the Group continued to operate under complex and challenging conditions in both Hong Kong and Chinese Mainland. In particular, the retail sector remained affected by structural shifts in consumer spending patterns and difficult operating environment. Against this backdrop, the Group made dedicated efforts to optimise its product portfolio and deepen customer loyalty, maintaining business stability and operational resilience throughout the Review Period.

In 1H2026, the Group’s total revenue stood at HK\$289.5 million, down slightly by 1.0% from HK\$292.3 million for the six months ended 30 June 2025 (“1H2025”). This decline aligned closely with the 1.14% revenue contraction in miscellaneous eating and drinking places reported by the Census and Statistics Department of Hong Kong over the first two quarters of 2026 compared with the same period in 2025, demonstrating the Group’s ability to maintain overall revenue in an environment of macroeconomic slowdown and intense business competition. As at 30 June 2026, receipts in advance stood at HK\$155.0 million, which represents over four months of revenue of the Group’s Hong Kong retail business recognised during the Review Period, indicating sustained customer confidence in the brand and sound revenue visibility for the Group.

Gross profit amounted to HK\$168.9 million (1H2025: HK\$177.1 million), with the gross profit margin at 58.4% (1H2025: 60.6%). The decrease was largely attributable to higher packaging costs and the appreciation of Renminbi against Hong Kong dollar. Loss attributable to owners of the Company was HK\$11.9 million for the Review Period (1H2025: HK\$10.9 million). The slight deterioration was mainly due to the time required for adaptation to the upgraded trading system and the additional resources invested in the application of artificial intelligence technology.

Despite challenging conditions, the Group remains in a solid financial position and has stable operating cash flows. It has sufficient cash and cash equivalents as well as unutilised banking facilities of approximately HK\$100.7 million and HK\$81.7 million, respectively, as at 30 June 2026 (31 December 2025: HK\$119.0 million and HK\$90.2 million, respectively). Earnings before interest, taxes, depreciation and amortization (EBITDA) in 1H2026 amounted to HK\$49.1 million (1H2025: HK\$55.7 million), reflecting the Group’s operating profitability and continued generation of stable cash flow.

BUSINESS SEGMENT ANALYSIS

Hong Kong Retail

During the Review Period, the Hong Kong retail operation continued to be impacted by the ongoing northbound travel and leisure consumption trend, as well as the overall cautious consumption sentiment driven by an uncertain economic outlook. Despite these challenges, the Group made concerted efforts to maintain stable overall sales performance. Consequently, the Hong Kong retail operation, as the Group’s largest revenue contributor, generated HK\$223.4 million in 1H2026 (1H2025: HK\$226.5 million) and accounted for 77.2% (1H2025: 77.5%) of total revenue.

In line with the Group’s prudent approach to shop openings, it maintained a network of 97 HFT Shops and 10 HFT Life shops as at 30 June 2026, representing a total of 107 self-operated shops. As a result, the Group remained the largest herbal retailer in Hong Kong by retail network size. While maintaining a stable network size, the Group has optimised its store network by strategically relocating selected stores to more cost-effective locations.

Marking a key milestone in its digital transformation, the Group launched a unified IT system powered by cloud and AI technologies in March 2026. This enterprise-wide initiative is engineered to comprehensively elevate business performance, from enhancing marketing capabilities and operational efficiency to deepening customer loyalty.

MANAGEMENT DISCUSSION AND ANALYSIS

Previously, the Group relied on separate systems for sales, inventory and CRM, which limited the implementation of unified promotional strategies and prevented members from seamlessly earning or redeeming points across online and offline channels. By integrating these platforms into a single, unified ecosystem, customers can now enjoy a frictionless cross-channel shopping experience. On the operational side, the new platform enables one-stop, real-time monitoring across all business functions. Importantly, inventory data is updated instantly, facilitating immediate inter-store transfers and automated replenishment, while the system also delivers real-time sales analytics and actionable commercial insights to support agile decision-making.

Although the Group's business operations were temporarily impacted by the implementation challenges arising from the IT system transition in 1H2026, these have since been resolved.

With respect to the JIKA CLUB (自家 CLUB) membership programme, the Group continued to strengthen member loyalty by delivering a highly personalised experience, supported by exclusive offers and tailored loyalty initiatives as rewards, as well as enhanced functionality of its member app. As at 30 June 2026, total membership exceeded 1.6 million, representing an increase of over 80,000 members during the Review Period. At the same time, 40% of coupons were redeemed via the digital channel, reflecting strong adoption of its e-format. To further enhance the user experience and streamline the customer journey, the Group introduced the In-App Points and Digital Stamp Redemption feature in early March 2026, enabling members to seamlessly track and redeem rewards as well as monitor their loyalty progress directly through the app, which in turn contributed to a notable increase in daily active users (DAU), highlighting the effectiveness of the Group's digital engagement strategy. The Group also introduced a new Diamond Membership tier to drive high-value customer retention with more exclusive privileges.

As part of its strategic efforts to strengthen its meal segment and position the Group as an all-day destination for nutritional food, the Group successfully drove the growth of its "Hung+ Dining" (鴻小飯堂) personalised healthy combo set through expanded offerings, targeted product innovation, and effective promotions. To capture morning consumption demand, the Group broadened the "Hung+ Dining" offerings by launching the low-calorie, balanced "Hung+ Energy Boosting Meal Box" breakfast series, complemented with a wider range of healthier and traditional food item options blending heritage flavours with modern wellness appeal. Strategic promotional collaborations with high-traffic channels such as the MTR Mobile App and Hong Kong Telecom further amplified the growth momentum of the Group's breakfast offerings. Since its April launch, the Hung+ Breakfast Series has been well received by customers, achieving continuous sales increment. The meal-and-beverage bundling strategy for breakfast sets also drove sustained average daily volumes (ADV) growth for the popular Soy Milk Series across Q1 and Q2 2026.

Additionally, to enrich the "Hung+ Dining" combo set offerings for lunch and dinner, the Group introduced a series of healthy, Chinese festival-themed dishes, including the Fortune Braised Dongpo Pork Set Menu (鴻運東坡肉套餐) and the Prosperity Lion's Head Set (福滿獅子頭套餐) during Chinese New Year. The "Hung+ Dining" business was also strengthened through enhanced upselling efforts, supported by pre-sale coupons to encourage bulk purchases and add-on promotions for pairing meals with Hung Fook Tong's healthy homemade soups and herbal drinks.

MANAGEMENT DISCUSSION AND ANALYSIS



Among the other new products to drive market appeal and foster deeper customer engagement, the Group introduced high-value offerings such as Melon Soup with Sea Whelk and Fish Maw (蜜瓜響螺花膠爵士湯). Meanwhile, two new rice dumplings, namely, Zhongshan Reed Leaf (中山蘆兜糰) and Shaoxing Rice Dumpling with Preserved Vegetables and Pork Belly (梅菜五花肉紹興糰), were well received by the market and will be kept in the 2027 festive lineup. Additionally, HFT Life rolled out seasonal beverages for Chinese New Year and Easter to attract younger customers, featuring Mandarin Cappuccino (大桔大利泡泡咖啡) and Mandarin Espresso Tonic (大桔大利濃縮咖啡湯力). To cater for fitness-focused consumers, the Group expanded its active health portfolio with dedicated high-protein products. It also broadened its vegetarian portfolio to capture growing demand for plant-based and sustainable dietary options.

Building on the strong market reception of its proprietary Shao Mai IP (intellectual property) launched last year, the Group introduced a new Shao Mai character premium series during the Review Period to capitalise on the momentum of its 40th anniversary. Featuring functional daily essentials that integrate into consumers' daily routines, the lifestyle merchandise aimed to deepen brand engagement and extend touchpoints beyond the dining table. Offered as a member-exclusive reward, the series contributed to strengthening member recruitment and loyalty. It also helped enhance the Group's appeal to younger demographics and expedited the expansion of its home-style snack category.

To further broaden its customer base, the Group has continued to tap the expectant and new mother segment, raising its brand profile among relevant audiences. Efforts have included the sponsorship of various artists, issuing the "Home Made Joyous Voucher" to celebrate the birth of their child. For the ginger category, the Group has sought to increase its exposure by introducing both tailor-made and generic ginger cards to boost sales. Furthermore, micro-influencer advertising was developed to increase exposure of the ginger category products. In addition, the Group has actively participated in several exhibitions, flying the flag at such popular events as the Hong Kong Brands and Products Expo, Wedding and Baby Expo, and other gatherings.

Separately, amid the challenging retail conditions, the Group has continued to secure rental concessions, as well as more preferential terms for the majority of its lease renewals to contain such expenses.

Meanwhile, as a strong advocate of sustainability and product transparency, the Group extended the front-of-pack (FOP) labelling initiative to three additional retail beverages and products during the Review Period, reflecting its unwavering commitment to empowering customers with accessible nutritional information to support healthier decision-making.

Wholesale

Both the Hong Kong and Chinese Mainland wholesale markets were affected by increasingly cautious consumer sentiment and intensifying competitive pressure. Nevertheless, the business segment recorded revenue of HK\$66.1 million (1H2025: HK\$65.8 million) – a slight increase of 0.5% year-on-year and accounting for 22.8% (1H2025: 22.5%) of the Group's total revenue.

Hong Kong

During the Review Period, the Hong Kong wholesale operation recorded revenue of HK\$57.5 million (1H2025: HK\$56.7 million), up 1.4% year-on-year, primarily driven by the expansion of product portfolio and distribution network.

MANAGEMENT DISCUSSION AND ANALYSIS



To further raise awareness and encourage healthier consumption choices, the Group relaunched two popular limited-edition healthy beverages during the Review Period, namely, Sugar Free Champagne Oolong Tea (無糖香檳烏龍茶) and Low Sugar Rye and Cassia Seed Tea (低糖黑麥決明子茶), closely aligning with evolving consumer preferences. Complementing this initiative, the Group rolled out the “Wellness at Work Campaign” (帶薪養生活動) under the theme “This Bottle Supports Your Workday” (撐你番工靠呢樽), intensively promoting its low-sugar and zero-sugar range during the summer season. Through a series of engaging activities, including on-site challenge games and co-branding promotions, the campaign conveyed the message that employees can maintain wellness even during busy workdays, thereby enhancing consumer awareness in a lifestyle-oriented manner.

In addition, responding to growing consumer demand for wellness-oriented products, the Group strengthened its collaboration with Mr. Juicy (果汁先生) to launch the Wellness Water (養生水) series, featuring Osmanthus with Dried Longan (桂花圓肉滋潤養生水) and Red Date with Apple Drink (紅棗蘋果美顏養生水). This new line provides consumers with additional low-sugar and health-focused beverage choices, enriching the Group’s product portfolio while concurrently bolstering its youthful, health-conscious brand positioning. By leveraging the cross-brand synergy, this initiative also further enhanced the Group’s competitiveness in the market and deepened its consumer engagement. Separately, during the World Cup, the Group partnered with major shopping malls, supporting their on-site activities by offering complimentary beverages to consumers participating in interactive games, thereby boosting brand visibility and strengthening interaction throughout the tournament period.

The Group has also leveraged strategic partnerships to reinforce its distribution network, welcoming YATA as a premium retail partner and adding Citistore as a new online sales channel. Concurrently, the Group has expanded its targeted outreach to the school and food and beverage sectors, further diversifying its customer base and deepening market penetration.

Chinese Mainland

With overall sales performance in the Chinese Mainland yet to recover, the wholesale segment recorded revenue of HK\$8.6 million for the Review Period (1H2025: HK\$9.1 million). Among the factors hindering recovery is a market that has been significantly impacted by deep structural changes in distribution channels, particularly the rapid rise of instant retail models, which disrupted traditional sales channels.

To diversify its wholesale portfolio and unlock new revenue streams, the Group made major strides in its OEM business during 1H2026 by partnering with a leading nationwide hypermarket retailer. Debuting in April with a new multi-grain beverage series, the collaboration rapidly gained sales momentum and successfully expanded its retail footprint to 270 stores nationwide.

To alleviate the impact of declining sales, the Group also actively explored and developed new channels and new products during the Review Period. It introduced freshly prepared new products through its direct-operated channels, including the launch of a 310 ml wellness tea, which helped to partly offset the downturn. The Group also rolled out a range of milk tea combo sets, which significantly boosted sales of Hong Kong-style milk tea in convenience stores. Additionally, the Group actively expanded into key regional growth markets such as Changsha and Chongqing to broaden distribution networks and capture emerging market opportunities through strategic partnerships. Furthermore, the Group leveraged strong collaborations with key accounts and major distributors to increase the availability and market penetration of its long shelf-life and fresh beverage products. In 1H2026, these products were found at approximately 15,000 convenience

MANAGEMENT DISCUSSION AND ANALYSIS



stores across 13 provinces, including Guangzhou, Dongguan, Shenzhen and Shanghai, as well as in various supermarkets and department stores. Key accounts include established retail partners such as FamilyMart (全家), Sanyuan (賽壹), China Resources Vanguard (華潤) and RT-Mart (大潤發), while new channels secured since 2025 include Hema Supermarket (盒馬超市), Lawson (羅森) and AEON (永旺), covering 21 cities including Beijing, Shanghai, Chengdu, Hangzhou and Changsha.

The Group also continued to leverage popular online platforms to promote sales, such as JD.com (京東), Taobao (淘寶), Tmall (天貓), Meituan (美團), Douyin (抖音) and Xiaohongshu (小紅書). During the Review Period, it actively rolled out weekly promotional initiatives across major digital platforms, exploring new traffic-driving methods and collaborating with micro-influencers to enhance exposure for its official account. In addition to Douyin and Xiaohongshu, the Group leveraged its WeChat official account to launch festive engagement initiatives, such as exclusive Chinese New Year red packet cover images for followers. It also partnered with experienced media operators familiar with platform dynamics to refine brand positioning and ensure campaigns remained closely aligned with market trends. Regular weekly content updates featuring new products and promotional offers also enabled customers to access timely information while allowing the Group to strengthen digital engagement.

Other Markets

In terms of other markets, overall sales remained relatively stable during 1H2026. However, international conflicts drove up transportation costs, prompting overseas customers to be more cautious when placing orders. In response, the Group intensified promotional support and strengthened business collaboration with overseas clients, helping most customers recover to their 2025 sales levels and alleviating the impact of external disruptions. The Group also expanded into Indonesia and Scotland, successfully initiating business development activities and acquiring new customers. In Indonesia, it obtained the required import documentation and launched its products across multiple outlets of major retail groups, including Grand Luck, Hokky and Brastagi supermarkets, marking a significant step in growing its footprint in Southeast Asia. In the United States, existing partners are preparing to promote Hung Fook Tong products on Amazon, representing another important step in broadening market reach and strengthening the Group's brand presence in North America.

PROSPECTS

Looking ahead to the second half of 2026, the local retail sector and broader consumer market are expected to remain challenging amid lingering economic uncertainties and changing consumption habits. In view of these headwinds, the Group maintains a prudent and cautious outlook for the near term. Nonetheless, it remains committed to sustaining operational stability and resilience across its core business segments. The Group will therefore place greater emphasis on operational efficiency and cost optimisation, leveraging the deeper integration of AI technologies across its upgraded IT platform. Supported by targeted efficiency gains and focused marketing initiatives, the Group expects to achieve potential performance improvements in the second half of the year. While remaining vigilant of macroeconomic developments, the Group aims to deliver better results for the full 2026 financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

Hong Kong Retail

In Hong Kong, with respect to the Group's new IT system, it is expected to drive business development by enhancing data insights, customer engagement and operational efficiency. AI-driven personalisation will enable the Group to gain a more detailed understanding of individual customer preferences and purchasing behaviour, allowing for highly targeted and effective predictive purchase recommendations across its extensive product portfolio. This will be instrumental in improving conversion rates and fostering deeper customer ties. The Group will also continue to train its AI agents so that they can transition from routine assistants into sharp-minded business partners, fully attuned to customer needs, retail network dynamics and commercial scale, which in turn enable teams to implement optimal solutions and continuously enhance overall service standards.

The Group will also place greater emphasis on recruiting new JIKA CLUB members in the second half of 2026. In bridging the gap between digital discovery and store fulfilment, it will further enhance platform integration by launching an online-order, offline-pickup (BOPIS) workflow and unifying online and offline membership points, which are expected to increase store traffic and purchase frequency, thereby strengthening the link between digital engagement and offline retail performance. At the same time, the enhanced Diamond Member Tier will be relaunched in the second half of 2026 to better reach affluent customer segments. In parallel, the Group is deploying advanced AI analytics to turn transaction data into predictive, personalised rewards, further enhancing member engagement and loyalty.

To broaden its appeal to Chinese Mainland tourists, the Group will continue promoting Mango Deluxe and *Shao Mai* with Hong Kong-style drinks via *Xiaohongshu*, while encouraging social media check-ins to redeem mini premiums. Regarding the expectant and new mother segment, the Group has actively issued sponsorship invitations to pregnant artists and will continue sponsoring the BB Talk expo to encourage trial of Hung Fook Tong ginger products. In tandem, it will increase the number of FOP labels to provide clearer nutritional and product information, supporting more informed and health-conscious choices.

The Group will also continue to diversify its product offerings and strengthen promotional efforts amid the rapidly evolving retail landscape. To further expand its presence in the high-protein segment, it will launch the Spicy Chicken Hotpot (麻辣雞煲) and protein drinks to capture growing demand from health – and fitness-conscious consumers. The Group will also continue to roll out monthly flavours under its "Hung+ Dining" (鴻小飯堂) initiatives, supported by coupon sets bundled with healthy premiums such as resistance bands to reinforce its healthy lifestyle positioning. For festive promotions, three new mooncake products were launched in July ahead of the Mid-Autumn Festival, and the Group has also upgraded its Village-Style Poon Choi (圍村豐味盆菜) with premium ingredients to enhance festive appeal.

Leveraging the success of its *Shao Mai* IP, the Group will introduce a new *Shao Mai* premium collection to generate market excitement and deepen engagement with younger consumers. A new curry flavour *Shao Mai* will also be introduced to expand the snack category.

In terms of its retail footprint, the Group plans to expand the shop at the Lo Wu MTR Station considering the continuing increase in the number of southbound travellers visiting Hong Kong. This strategic expansion is expected to attract additional customer traffic and support revenue growth.

Market demand in the second half of the year is expected to be supported by the seasonal concentration of key festivals and large-scale industry expos. The Group will actively capitalise on these business opportunities to strive for stronger operating performance.

Wholesale

Hong Kong

To tackle the Hong Kong wholesale market, the Group will continue to diversify its product offerings, including its herbal beverage portfolio, along with developing new drink categories to meet the needs of younger consumers, such as introducing more low-sugar products. These initiatives aim to rejuvenate the Hung Fook Tong brand, actively expand the Group in the younger market segment, and broaden its customer base.

The Group will also engage in cross-brand collaborations with well-known partners, including other food and beverage brands, to attract younger demographics. Such collaborations are expected to further elevate Hung Fook Tong's brand image, increase exposure, and strengthen product coverage across multiple consumer touchpoints.

Chinese Mainland

In the Chinese Mainland, the Group will promote a wider range of products to its existing partners to broaden business opportunities and distribution channels, with the ultimate aim of diversifying customer segments and increasing market share. The Group will also seek to explore new online and offline channels and potential collaborations by participating in major international exhibitions and trade associations, with a view to targeting specific markets and customer groups. Besides, building on the successful partnership with the giant hypermarket retailer established in 1H2026, the Group will further deepen its OEM business by expanding the product lineup to include a dedicated Herbal Drink series, functional Protein Beverages and Organic Low-Sugar options tailored to address market demand for health-oriented offerings. This expansion is expected to strengthen customer penetration, enhance the Group's product mix, and further diversify its wholesale revenue streams while reinforcing its position as a trusted health and wellness product provider.

Other Markets

As for other markets, the Group will continue to consolidate and deepen its presence in established locations, including Malaysia, Australia, the United States and Canada. At the same time, it will further explore opportunities in Southeast Asia, particularly Indonesia and Thailand, where market development is already underway. In Europe, the Group is actively developing the Scottish market and working with potential customers to assess the feasibility of tapping new sales channels and enhancing brand exposure. These initiatives reflect a balanced approach to strengthening core markets while expanding into new geographies and broadening the Group's footprint.

CONCLUSION

In 2026, as Hung Fook Tong celebrates its landmark 40th anniversary, the Group takes pride in having navigated four decades of market cycles while remaining true to its motto, "Naturally Made, Wholeheartedly Good (真心製造, 自然流露)". Looking ahead, the Group will continue to embrace change while maintaining stability, and remains committed to safeguarding public health through an expanding portfolio of nourishing food and beverage offerings. Supported by its unwavering dedication to operational excellence, uncompromising product quality and a solid business foundation built over the past 40 years, the Group is well positioned to capture opportunities arising from the growing health and wellness trend and achieve sustainable long-term development.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

In 1H2026, the Group's revenue amounted to HK\$289.5 million, representing a decrease of 1.0% from HK\$292.3 million in 1H2025. Revenue from Hong Kong retail operations declined to HK\$223.4 million, representing a decrease of 1.4% from HK\$226.5 million in 1H2025. Meanwhile, revenue from wholesale business increased to HK\$66.1 million, representing an increase of 0.5% from HK\$65.8 million in 1H2025. The overall slight decrease demonstrates the Group's sustained operational stability and steady performance despite challenging market conditions in Hong Kong and the Chinese Mainland, supported by consistent customer demand and enduring brand loyalty.

Cost of Sales

In 1H2026, the Group's cost of sales amounted to HK\$120.6 million, representing an increase of 4.7% from HK\$115.2 million in 1H2025. As a percentage of revenue, cost of sales represented 41.6% and 39.4% in 1H2026 and 1H2025 respectively.

Gross Profit and Gross Profit Margin

In 1H2026, the Group's gross profit amounted to HK\$168.9 million, representing a decrease of 4.6% from HK\$177.1 million in 1H2025. The Group's gross profit margin decreased by 2.2 percentage points to 58.4% as compared to 60.6% in 1H2025. The decrease was mainly due to the increase in packaging materials price and appreciation of Renminbi causing an increase in production costs.

Staff Costs

In 1H2026, the Group's staff costs amounted to HK\$88.8 million, representing a decrease of 2.2% from HK\$90.8 million in 1H2025. The staff costs-to-revenue ratio is 30.7% as compared to 31.1% in 1H2025.

Rental Expenses

In 1H2026, rental expenses in relation to the Group's retail shops in Hong Kong (being the aggregate of lease rental in respect of retail outlets, depreciation of right-of-use assets for shop properties and the interest expense arisen from lease liabilities) amounted to HK\$43.9 million, representing a decrease of 7.0% from HK\$47.2 million in 1H2025. The decrease was mainly due to the ongoing review of underperforming shops and more favourable lease terms secured upon renewal of tenancy agreements. Rental expenses-to-revenue ratio for the Hong Kong retail shops is 19.7% as compared to 20.8% in 1H2025.

Advertising and Promotional Expenditure

In 1H2026, the Group's advertising and promotional expenditure amounted to HK\$5.5 million, representing a decrease of 1.2% from HK\$5.6 million in 1H2025. This accounted for 1.9% in percentage to revenue in both 1H2026 and 1H2025.

Depreciation

In 1H2026, the depreciation of property, plant and equipment of the Group amounted to HK\$12.8 million, representing a decrease of 10.4% from HK\$14.3 million in 1H2025. The depreciation-to-revenue ratio is 4.4% as compared to 4.9% in 1H2025.

Loss Attributable to Owners of the Company

For the six-month period ended 30 June 2026, loss attributable to owners was HK\$11.9 million, as compared to HK\$10.9 million in 1H2025.

Loss per share for loss attributable to owners amounted to HK1.82 cents for the six-month period ended 30 June 2026, as compared to HK1.66 cents in the corresponding period of the prior year.

Capital Expenditure

Capital expenditure incurred during 1H2026 amounted to HK\$5.9 million (1H2025: HK\$6.8 million), primarily for the revamping of existing retail shops and the migration to the new POS platform in retail shops.

Liquidity and Financial Resources Review

As at 30 June 2026, the Group had bank deposits and cash balance amounted to HK\$100.7 million (31 December 2025: HK\$119.0 million).

As at 30 June 2026, the gearing ratio of the Group was 0.69 (31 December 2025: 0.60), which was calculated based on total debts including bank borrowings and lease liabilities divided by equity attributable to owners of the Company.

As at 30 June 2026, the Group had total banking facilities of HK\$118.4 million (31 December 2025: HK\$116.9 million) of which HK\$36.7 million (31 December 2025: HK\$26.7 million) had been utilised.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by HK\$124.4 million (31 December 2025: HK\$112.6 million). Included in current liabilities are receipts in advance relating to sales of prepaid coupons and credits to customers in Hong Kong of HK\$155.0 million (31 December 2025: HK\$168.3 million) which will reduce gradually over time through redemption by customers and are not expected to be settled by cash under normal business circumstances. Excluding the aforementioned receipts in advance, the Group would have net current assets of HK\$30.6 million (31 December 2025: HK\$55.7 million) and current ratio of 1.16 (31 December 2025: 1.31).

The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest bearing borrowings which enable it to continue its business in a manner consistent with its short-term and long-term financial strategies.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Currency Risk

The Group operates mainly in Hong Kong and Chinese Mainland and conducts its business primarily in Hong Kong dollars and Renminbi. We are exposed to foreign exchange risk arising primarily with respect to Renminbi. The Group will continue to take proactive measures and monitor closely of its exposure to such currency movement.

Material Acquisitions, Disposals and Significant Investments

There were no material acquisitions, disposals and significant investments during the six months ended 30 June 2026.

Contingent Liabilities

Taclon Industries Limited, a wholly-owned subsidiary of the Company, has several pending litigations and claims with its former employees which the directors do not consider an outflow of resources to be probable.

Human Resources

As at 30 June 2026, the Group employed approximately 827 employees. Remuneration was based on market price, individual qualification and experience, and there was discretionary bonus based on years of service and performance appraisal.

During the six months ended 30 June 2026, various training activities, such as orientation on retail shop and back office operations, customer services and sales skills, product knowledge and retail operations, have been conducted to improve the quality of frontline services, as well as enhance customer experience and to ensure the smooth and effective operation of the Point-of-Sales ("POS") system. A supervisor trainee program was also implemented to attract production talents, enhancing the leadership skills of the participants including their professional and managerial techniques as well as their knowledge in machinery monitoring and production processes.

AWARDS AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE



AWARDS AND RECOGNITION

Committed to the advancement of society, industry and workforce, the Group has continued to wholeheartedly fulfil relevant commitments, as reflected by the honours listed below:

Award		Issuer of Award
1	GS1 Consumer Caring Scheme 10 Years+ Award	GS1 Hong Kong
2	ESG pledge III	The Chinese Manufacturers' Association of HK
3	Signatories of the Packaging Reduction Charter	Hong Kong Environmental Protection Department
4	Green Office 7+ Label and Eco-Healthy Workplace 2026	World Green Organisation
5	15 Years Plus Caring Company Logo 2006-2025	The Hong Kong Council of Social Service
6	ERB Manpower Developer Award Scheme: Super Manpower Developer (2023-2028)	Employees Retaining Board
7	Happiness-at-Work Promotional Scheme – Happy Company 10 Years+	The Chinese Manufacturers' Association of HK
8	Y-Care Outstanding Performance (Social) Award	Chinese YMCA of Hong Kong

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During 1H 2026, the Group continued to wholeheartedly advance its ESG efforts, which included supporting different stakeholders through a range of initiatives.

Environmental

On the environmental front, the Group further expanded its plastic recycling coverage by growing its network to include three reverse vending machines ("RVMs") – one was newly installed in the first half of 2026 – and three plastic bottle recycling bins across selected retail outlets, which also went towards encouraging customers to clean and recycle beverage containers. During 1H 2026, approximately 30.1 kg of plastic beverage bottles were collected, contributing to a reduction of approximately 40,782 grams of carbon dioxide emissions.

An integral part of the Group's environmental protection focus has been the use of recycled Polyethylene Terephthalate ("rPET") in the production of its beverage bottles, since 2022. In 1H 2026, the use of this eco-friendly material was further expanded to a wider range of bottled beverages. During the period, approximately 46.8 tonnes of rPET were utilised, accounting for approximately 7% of the Group's total bottle production – a reflection of the Group's dedication to reducing its environmental impact and advancing circular packaging solutions.

AWARDS AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE



In terms of food waste recycling, the Group has maintained zero food waste disposal to landfills during 1H 2026, helping to reduce greenhouse gas emissions. This was primarily achieved by recycling food waste at the Organic Resources Recovery Centre Phase 1 (O•Park 1) and by collaborating with the green social enterprise FoodCycle+, which converts food waste into locally produced organic compost, "MixO' Plus". During the period, approximately 60.8 tonnes of food waste were recycled (1H 2025: 84.8 tonnes), resulting in a reduction of approximately 33.5¹ tonnes of carbon dioxide equivalent ("CO₂-e") emissions (1H 2025: 18.1 tonnes).

To further reduce its carbon footprint, the Group has been generating renewable energy through its solar panel installations. During 1H 2026, the solar panels installed on the rooftop of its Hong Kong factory contributed approximately 78.8 MWh of renewable energy to CLP's Feed-in Tariff (FiT) Scheme. Meanwhile, solar panels at the Kaiping factory generated around 143 MWh of renewable energy, part of which was utilised to support the operations.

Social

In line with its commitment to helping the less fortunate in society, the Group has continued to support the Community Chest Skip Lunch Day, now for the 17th consecutive year. For the event, the Group sponsored over 12,000 food coupons, raising over \$0.8M for The Community Chest of Hong Kong and its high-quality social services.

The Group is actively dedicated to community service, demonstrating sustained care and social responsibility. Since the residential fire at Wang Fuk Court in November 2025, our volunteer team has continued to support affected residents temporarily accommodated at Trackside Villas in Tai Po. During the Dragon Boat Festival in June 2026, the team conducted home visits to deliver nourishing homemade soups, healthy beverages, and traditional festive rice dumplings, bringing practical aid, warmth, and care to the residents.

The Group has also been dedicated to preserving and promoting Hong Kong's unique heritage. Recognising that the city's herbal tea culture is regarded as an Intangible Cultural Heritage (非物質文化遺產), the Group has actively extended its outreach to local secondary schools. Through targeted educational and promotional initiatives, the Group introduced secondary students to the cultural significance and rich history of traditional herbal tea, fostering a deeper appreciation of this cultural legacy among the younger generation and ensuring its long-term preservation.

Additionally, the Group has consistently responded to customer feedback by enhancing product formulations to address their needs. At the same time, the front-of-pack (FOP) labelling initiative has been extended to additional retail beverages and products, specifically, Sugar-Free Canton Love-Pea Vine (無糖雞骨草), Sugar-Free Selfheal Fruit-Spike (無糖夏枯草), and Children's Squeezable Tortoise Plastron Jelly (兒童唧唧龜苓膏). This initiative highlights the Group's focus on promoting transparency and empowering consumers with clear nutritional information so that they can make informed, healthier choices.

Back at home, the Group has continued to invest in the development of its workforce, which comprised a total of 827 employees in 1H 2026 (Hong Kong: 599; Chinese Mainland: 228). During this period, the Group delivered over 54 hours of training, which attracted an aggregate of over 532 staff members. Such activities reflect the Group's ongoing focus on both talent development and empowering employees to chart their own career path.

¹ Conversion factor provided by the Environmental Protection Department (EPD) is adopted for the calculation of carbon emission from food waste.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	(Unaudited)	
		Six months ended 30 June 2026	2025
		HK\$'000	HK\$'000
Revenue	6, 7	289,491	292,313
Cost of sales	8	<u>(120,554)</u>	<u>(115,196)</u>
Gross profit		168,937	177,117
Other income and other gains/(losses), net	7	821	604
Selling and distribution costs	8	<u>(23,806)</u>	<u>(24,192)</u>
Administrative and operating expenses	8	<u>(153,398)</u>	<u>(158,725)</u>
Operating loss		<u>(7,446)</u>	<u>(5,196)</u>
Finance income		69	57
Finance costs		<u>(3,435)</u>	<u>(4,489)</u>
Finance costs, net		<u>(3,366)</u>	<u>(4,432)</u>
Loss before income tax		(10,812)	(9,628)
Income tax expense	9	<u>(266)</u>	<u>(195)</u>
Loss for the period		<u>(11,078)</u>	<u>(9,823)</u>
(Loss)/profit attributable to:			
Owners of the Company		(11,942)	(10,909)
Non-controlling interests		<u>864</u>	<u>1,086</u>
		<u>(11,078)</u>	<u>(9,823)</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	(Unaudited)	
		Six months ended 30 June 2026	2025
		HK\$'000	HK\$'000
Other comprehensive income			
<i>Item that may be reclassified to profit or loss</i>			
– Currency translation differences		<u>4,438</u>	<u>4,052</u>
Other comprehensive income, net of tax		<u>4,438</u>	<u>4,052</u>
Total comprehensive loss for the period		<u>(6,640)</u>	<u>(5,771)</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		<u>(7,737)</u>	<u>(6,977)</u>
Non-controlling interests		<u>1,097</u>	<u>1,206</u>
		<u>(6,640)</u>	<u>(5,771)</u>
Loss per share for loss attributable to owners of the Company			
– Basic and diluted (HK cents)	10	<u>(1.82)</u>	<u>(1.66)</u>

The above condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION



AS AT 30 JUNE 2026

	Note	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12(a)	216,617	219,533
Right-of-use assets	12(b)	171,254	162,109
Intangible assets	13	537	889
Prepayments and deposits		25,853	18,159
Deferred income tax assets		12,857	12,937
		427,118	413,627
Current assets			
Inventories		31,181	26,228
Trade receivables	14	44,471	41,439
Prepayments, deposits and other receivables		44,033	45,821
Prepaid tax		343	379
Cash and cash equivalents		100,663	119,022
		220,691	232,889
Total assets		647,809	646,516
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	6,559	6,559
Reserves		234,387	242,124
		240,946	248,683
Non-controlling interests		(21,191)	(22,288)
Total equity		219,755	226,395

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION



AS AT 30 JUNE 2026

	Note	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		62,193	53,866
Provision for reinstatement costs	18	6,723	6,548
Deferred income tax liabilities		4,766	4,766
Bank borrowings	20	4,734	4,784
Employee benefit obligations		4,528	4,664
		<u>82,944</u>	<u>74,628</u>
Current liabilities			
Trade payables	16	38,566	32,834
Accruals and other payables	17	49,020	50,546
Provision for reinstatement costs	18	2,778	3,060
Receipts in advance	19	154,997	168,319
Lease liabilities		69,321	69,779
Bank borrowings	20	29,969	20,475
Current income tax liabilities		459	480
		<u>345,110</u>	<u>345,493</u>
Total liabilities		<u>428,054</u>	<u>420,121</u>
Total equity and liabilities		<u>647,809</u>	<u>646,516</u>
Net current liabilities		<u>(124,419)</u>	<u>(112,604)</u>
Total assets less current liabilities		<u>302,699</u>	<u>301,023</u>

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY



FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share-based compensation reserve HK\$'000	Other reserves HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
Balance at 1 January 2026 (audited)	6,559	188,104	8,123	5,421	2,394	(7,784)	45,866	248,683	(22,288)	226,395
Comprehensive (loss)/income										
(Loss)/profit for the period	-	-	-	-	-	-	(11,942)	(11,942)	864	(11,078)
Other comprehensive income										
Currency translation differences	-	-	-	-	-	4,205	-	4,205	233	4,438
Total comprehensive (loss)/income for the period	-	-	-	-	-	4,205	(11,942)	(7,737)	1,097	(6,640)
Balance at 30 June 2026 (unaudited)	6,559	188,104	8,123	5,421	2,394	(3,579)	33,924	240,946	(21,191)	219,755
Balance at 1 January 2025 (audited)	6,559	188,104	8,123	5,421	2,394	(13,393)	62,543	259,751	(24,550)	235,201
Comprehensive (loss)/income										
(Loss)/profit for the period	-	-	-	-	-	-	(10,909)	(10,909)	1,086	(9,823)
Other comprehensive income										
Currency translation differences	-	-	-	-	-	3,932	-	3,932	120	4,052
Total comprehensive (loss)/income for the period	-	-	-	-	-	3,932	(10,909)	(6,977)	1,206	(5,771)
Balance at 30 June 2025 (unaudited)	6,559	188,104	8,123	5,421	2,394	(9,461)	51,634	252,774	(23,344)	229,430

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS



FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	(Unaudited)	
		Six months ended 30 June 2026	2025
		HK\$'000	HK\$'000
Cash flows from operating activities			
Cash generated from operations		29,719	63,963
Income tax paid		(189)	(117)
Net cash generated from operating activities		29,530	63,846
Cash flows from investing activities			
Purchase of property, plant and equipment		(9,492)	(6,416)
Reinstatement costs paid for shop and office premises	18	(308)	(304)
Interest received		69	57
Net cash used in investing activities		(9,731)	(6,663)
Cash flows from financing activities			
Payment for lease liabilities (including interest)		(46,627)	(48,288)
Proceeds from bank borrowings		16,155	40,048
Repayment of bank borrowings		(7,299)	(42,055)
Interest paid on borrowings		(485)	(816)
Net cash used in financing activities		(38,256)	(51,111)
Net (decrease)/increase in cash and cash equivalents		(18,457)	6,072
Effect of currency translation differences		98	730
Cash and cash equivalents at beginning of the period		119,022	110,247
Cash and cash equivalents at end of the period		100,663	117,049

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



1 GENERAL INFORMATION

Hung Fook Tong Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 10 January 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. 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 principally engaged in the retail, wholesale and distribution of bottled drinks, other herbal products, soups and snacks in Hong Kong and other parts of the People’s Republic of China (“**PRC**” for the purpose of this condensed consolidated interim financial information).

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This unaudited condensed consolidated interim financial information (the “**Interim Financial Information**”) is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated. The Interim Financial Information has been approved for issue by the Board of Directors (the “**Board**”) of the Company on 31 August 2026.

2 BASIS OF PREPARATION

This 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” as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which were prepared in accordance with HKFRS Accounting Standards.

As at 30 June 2026, the Group’s current liabilities exceeded its current assets by HK\$124,419,000 (31 December 2025: HK\$112,604,000). Besides, the Group recorded a loss for the six-month period ended 30 June 2026 of HK\$11,078,000 (period ended 30 June 2025: HK\$9,823,000). Included in the current liabilities as at 30 June 2026 were non-refundable receipts in advance from customers of HK\$154,997,000 which will gradually reduce over time through utilisation of coupons in exchange for products by customers and expiration of coupons. Excluding the non-refundable receipts in advance from customers, the net current liabilities of the Group as at 30 June 2026 would have become net current assets of HK\$30,578,000. The directors of the Company are of the opinion that, taking into account the anticipated cash flows generated from the Group’s operations as well as the possible changes in its operating performance and the continued availability of the Group’s banking facilities, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming 12 months from 30 June 2026. Accordingly, the Interim Financial Information has been prepared on a going concern basis.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those set out in the Group’s annual financial statements for the year ended 31 December 2025.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



3 ACCOUNTING POLICIES (Continued)

(a) Amendments to existing standards adopted by the Group

The following amendments to existing standards are effective to the Group for accounting periods beginning on or after 1 January 2026:

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 (Amendments)	Disclosures about Uncertainties in the Financial Statements

The above amendments to existing standards did not have any material impact on the results and financial position of the Group.

(b) New standards, amendments to existing standards and interpretation have been issued but not yet adopted

The following new standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning on or after 1 January 2026 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 19 (Amendments)	Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

3 ACCOUNTING POLICIES (Continued)

(b) New standards, amendments to existing standards and interpretation have been issued but not yet adopted (Continued)

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, its impact on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statement of profit or loss and other comprehensive income and providing management-defined performance measures within the consolidated financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

The Group will adopt the above new standards, amendments to existing standards and interpretation when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standards, amendments to existing standards and interpretation, and except for HKFRS 18, none of the others are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 ESTIMATES

The preparation of Interim 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 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 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 and cash flow interest rate risk), credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

There have been no significant changes in the risk management or in any risk management policies since the issue of the Group's annual financial statements for the year ended 31 December 2025.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Liquidity risk

Compared to the year ended 31 December 2025, there was no material change in the contractual undiscounted cash outflows for financial liabilities other than the increase in bank borrowings from HK\$25,259,000 as at 31 December 2025 to HK\$34,703,000 as at 30 June 2026. Of these borrowings, the Group expects HK\$29,508,000 will be settled within 1 year, HK\$5,195,000 in 1 to 2 years. Also, lease liabilities increased from HK\$123,645,000 as at 31 December 2025 to HK\$131,514,000 as at 30 June 2026. Of these liabilities, the Group expects HK\$73,369,000 will be settled within 1 year, HK\$46,510,000 in 1 to 2 years and the remaining HK\$17,409,000 in 2 to 5 years.

5.3 Fair value estimation

The carrying values of the Group's financial assets, including trade receivables, deposits and other receivables, and cash and cash equivalents, and financial liabilities, including trade payables, accruals and other payables, lease liabilities and bank borrowings, approximate their fair values.

6 REVENUE AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Group who make strategic decisions.

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers that are used to making strategic decisions. The chief operating decision-makers are identified as the executive directors of the Company. The executive directors consider the business from a customer perspective and assess the performance of the operating segments based on the segment assets, segment revenue and segment results for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as this Interim Financial Information.

Management has identified two reportable segments based on the Group's business model, namely the (1) Hong Kong Retail and (2) Wholesale.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade receivables, prepayments, deposits and other receivables and cash and cash equivalents. They exclude prepaid tax, deferred income tax assets and assets used for corporate functions.

Capital expenditure comprises additions to property, plant and equipment for the six months ended 30 June 2026 and 2025.

Geographically, management considers the distribution of bottled drinks, other herbal products, soups and snacks through retail and wholesale channels are mainly located in Hong Kong and the PRC, which the revenue and segment results are determined by the nature of the business. The assets are determined based on where the assets are located. Information relating to segment liabilities is not disclosed as such information is not regularly reported to the chief operating decision-makers.

Unallocated corporate expenses, finance income and costs and income tax expense are not included in segment results.

There is no single external customer that contributed more than 10% revenue to the Group's revenue for the six months ended 30 June 2026 and 2025 respectively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the executive directors for the six months ended 30 June 2026 and 2025 are as follows:

	(Unaudited)		
	Six months ended 30 June 2026		
	Hong Kong Retail HK\$'000	Wholesale HK\$'000	Total HK\$'000
Segment revenue	226,822	66,815	293,637
Less: Inter-segment revenue	(3,458)	(688)	(4,146)
Revenue from external customers	223,364	66,127	289,491
Segment results	7,780	5,419	13,199
Corporate expenses (Note (a))			(20,645)
Finance costs, net			(3,366)
Loss before income tax			(10,812)
Income tax expense			(266)
Loss for the period			(11,078)
Other segment items:			
Capital expenditure	2,827	718	3,545
Addition of right-of-use assets	51,723	–	51,723
Depreciation and amortisation (excluding depreciation of right-of-use assets)	8,061	4,796	12,857
Depreciation of right-of-use assets	41,807	416	42,223
Cost of raw materials sold and consumed	68,294	29,341	97,635
Losses on disposal of property, plant and equipment	38	8	46

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



6 REVENUE AND SEGMENT INFORMATION (Continued)

	(Unaudited)		
	Six months ended 30 June 2025		
	Hong Kong Retail HK\$'000	Wholesale HK\$'000	Total HK\$'000
Segment revenue	229,459	66,839	296,298
Less: Inter-segment revenue	(2,959)	(1,026)	(3,985)
Revenue from external customers	226,500	65,813	292,313
Segment results	5,765	9,853	15,618
Corporate expenses (Note (a))			(20,814)
Finance costs, net			(4,432)
Loss before income tax			(9,628)
Income tax expense			(195)
Loss for the period			(9,823)
Other segment items:			
Capital expenditure	5,793	992	6,785
Addition of right-of-use assets	28,683	–	28,683
Depreciation and amortisation (excluding depreciation of right-of-use assets)	9,026	5,137	14,163
Depreciation of right-of-use assets	44,827	373	45,200
Cost of raw materials sold and consumed	63,246	27,440	90,686
Losses on disposal of property, plant and equipment	119	8	127

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment assets as at 30 June 2026 and 31 December 2025 are as follows:

	Hong Kong Retail HK\$'000	Wholesale HK\$'000	Total HK\$'000
As at 30 June 2026 (Unaudited)			
Segment assets	398,287	210,801	609,088
Prepaid tax			343
Deferred income tax assets			12,857
Corporate assets (Note (b))			25,521
Total assets			647,809
As at 31 December 2025 (Audited)			
Segment assets	408,317	193,831	602,148
Prepaid tax			379
Deferred income tax assets			12,937
Corporate assets (Note (b))			31,052
Total assets			646,516

Notes:

- (a) Corporate expenses mainly included employee benefit expenses, depreciation of right-of-use assets and property, plant and equipment of headquarters office and auditors' remuneration for the six months ended 30 June 2026 and 2025.
- (b) Corporate assets mainly included cash and cash equivalents, prepayment, deposits and other receivables, and right-of-use assets and property, plant and equipment of headquarters office as at 30 June 2026 and 31 December 2025.

The Company is domiciled in the Cayman Islands while the Group operates its business primarily in Hong Kong and the PRC. For the six months ended 30 June 2026 and 2025, no revenue was generated from the Cayman Islands. As at 30 June 2026 and 31 December 2025, no assets were located in the Cayman Islands.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



7 REVENUE, OTHER INCOME AND OTHER GAINS/(LOSSES), NET

The Group's revenue, other income and other gains/(losses), net recognised during the six months ended 30 June 2026 and 2025 are as follows:

	(Unaudited) Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Revenue recognised at a point in time		
Sale of goods	<u>289,491</u>	<u>292,313</u>
Other income		
Service income	149	264
Others	<u>664</u>	<u>917</u>
	<u>813</u>	<u>1,181</u>
Other gains/(losses), net		
Exchange differences	(83)	(456)
Losses on disposal of property, plant and equipment	(46)	(127)
Others	<u>137</u>	<u>6</u>
	<u>8</u>	<u>(577)</u>
Other income and other gains/(losses), net	<u>821</u>	<u>604</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



8 EXPENSES BY NATURE

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Cost of raw materials sold and consumed	97,635	90,686
Lease rental in respect of retail outlets (Note (a))		
– Contingent rental	31	26
Lease rental in respect of storage spaces and office premises (Note (a))	4,677	4,785
Advertising and promotional expenditure	5,499	5,567
Depreciation of property, plant and equipment (Note 12(a))	12,786	14,263
Depreciation of right-of-use assets (Note 12(b))	43,392	46,322
Amortisation of intangible assets (Note 13)	352	352
Communication and utilities	12,810	13,808
Employee benefit expenses (including directors' emoluments)	88,770	90,813
Provision for impairment loss on right-of-use assets (Note 12(b))	–	184
Legal and professional fees	2,201	1,988
Auditor's remuneration		
– Audit services	1,490	1,475
Tools, repair and maintenance expenses	5,604	5,273
Transportation and distribution expenses	13,062	12,312
Others	9,449	10,259
Total cost of sales, selling and distribution costs and administrative and operating expenses	297,758	298,113

Note:

- (a) For the six-month period ended 30 June 2026, these expenses included short-term leases expenses of HK\$95,000 (2025: HK\$125,000), variable lease payment expenses of HK\$191,000 (2025: HK\$235,000) and other rental-related expenses of HK\$4,422,000 (2025: HK\$4,451,000) and are charged in "administrative and operating expenses".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



9 INCOME TAX EXPENSE

Hong Kong Profits Tax and PRC Corporate Income Tax have been provided at the rate of 16.5% and 25% respectively (2025: Same).

The amount of income tax expense charged to the condensed consolidated interim statement of profit or loss and other comprehensive income represents:

	(Unaudited) Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Current income tax		
– Current period's provision	176	401
– Under-provision in prior years	10	3
Deferred income tax		
– Deferred income tax expense/(credit)	80	(209)
Income tax expense	266	195

10 LOSS PER SHARE

	(Unaudited) Six months ended 30 June	
	2026	2025
Loss attributable to owners of the Company (HK\$'000)	(11,942)	(10,909)
Weighted average number of ordinary shares for the calculation of basic loss per share (thousands)	655,944	655,944
Loss per share for loss attributable to owners of the Company		
– Basic loss per share (HK cents)	(1.82)	(1.66)
– Diluted loss per share (HK cents)	(1.82)	(1.66)

(a) Basic

Basic 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 period.

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Diluted loss per share for the six months ended 30 June 2026 and 2025 equal basic loss per share as there were no potentially dilutive ordinary shares as at both period ends.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



11 DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (2025: Nil).

12 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Property, plant and equipment

	(Unaudited)	
	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
At 1 January	219,533	233,150
Additions	5,935	6,816
Disposals	(46)	(127)
Depreciation (Note 8)	(12,786)	(14,263)
Exchange difference	3,981	3,150
At 30 June	216,617	228,726

Depreciation of HK\$3,541,000 (2025: HK\$4,203,000) has been charged in 'cost of sales' and HK\$9,245,000 (2025: HK\$10,060,000) in 'administrative and operating expenses' for the six months ended 30 June 2026.

(b) Right-of-use assets

	(Unaudited)	
	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
At 1 January	162,109	172,034
Inception of lease contracts	51,723	35,479
Depreciation (Note 8)	(43,392)	(46,322)
Modification of lease contracts	–	(429)
Provision for impairment loss on right-of-use assets (Note 8)	–	(184)
Exchange difference	814	620
At 30 June	171,254	161,198

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



13 INTANGIBLE ASSETS

	(Unaudited) Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
At 1 January	889	1,593
Amortisation (Note 8)	(352)	(352)
At 30 June	537	1,241

Amortisation of HK\$352,000 (2025: HK\$352,000) has been charged in 'administrative and operating expenses' for the six months ended 30 June 2026.

14 TRADE RECEIVABLES

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Trade receivables from third parties	44,932	41,900
Less: Provision for impairment on trade receivables	(461)	(461)
Trade receivables, net	44,471	41,439

The Group's credit terms granted to wholesale customers generally ranged from 30 to 105 days (31 December 2025: Same). As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade receivables, based on invoice date, is as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Less than 30 days	19,503	11,254
31 to 90 days	19,987	26,435
Over 90 days	5,442	4,211
	44,932	41,900

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



15 SHARE CAPITAL

	Number of shares	Nominal value of ordinary shares HK\$'000
Authorised:		
At 31 December 2025, 1 January 2026 and 30 June 2026 (Unaudited)	1,000,000,000	10,000
Issued and fully paid:		
At 31 December 2025, 1 January 2026 and 30 June 2026 (Unaudited)	655,944,000	6,559

16 TRADE PAYABLES

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
0 to 30 days	19,159	15,315
31 to 60 days	9,792	10,443
61 to 90 days	8,443	6,477
Over 90 days	1,172	599
	38,566	32,834

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



17 ACCRUALS AND OTHER PAYABLES

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Accruals for employee benefit expenses	9,874	10,649
Accruals for marketing and promotional expenses	2,940	3,516
Refund liabilities for sales rebate	2,521	1,767
Rental and related expenses payable	2,187	1,965
Office and utilities expenses payable	3,159	3,716
Deferred revenue	2,617	1,942
Consideration payable for property, plant and equipment acquired	8,000	7,161
Accruals for transportation and delivery charges	2,788	1,735
Accruals for audit fee	1,790	1,921
Other accruals and other payables	13,144	16,174
	49,020	50,546

18 PROVISION FOR REINSTATEMENT COSTS

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Non-current	6,723	6,548
Current	2,778	3,060
	9,501	9,608

Movements on the Group's provision for reinstatement costs are as follows:

	(Unaudited) Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
At 1 January	9,608	8,542
Additional provision during the period	201	1,340
Utilisation	(308)	(304)
At 30 June	9,501	9,578

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



19 RECEIPTS IN ADVANCE

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Receipts in advance	154,997	168,319

Movement on the Group's receipts in advance are as follows:

	(Unaudited) Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
At 1 January	168,319	162,555
Receipt from sales of pre-paid coupons and credits during the period	141,200	148,728
Revenue recognised upon the redemption of coupons by customers and expiration	(154,522)	(149,720)
At 30 June	154,997	161,563

20 BANK BORROWINGS

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Unsecured bank borrowings:		
Portion due for repayment within 1 year or on demand	29,969	20,475
Portion due for repayment after 1 year but within 5 years without repayment on demand clause	4,734	4,784
	34,703	25,259

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



20 BANK BORROWINGS (Continued)

Bank loans due for repayment, based on the scheduled repayment dates set out in the loan agreements are as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Unsecured bank borrowings:		
Within 1 year	29,508	19,050
Between 1 and 2 years	5,195	6,181
Between 2 and 5 years	–	28
	34,703	25,259

Out of the total carrying amount, approximately HK\$17,384,000 (31 December 2025: HK\$16,692,000) and HK\$17,319,000 (31 December 2025: HK\$8,567,000) are denominated in Hong Kong dollars and Renminbi respectively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



21 RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	(Unaudited)	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Salaries, allowances and benefits in kind	8,580	8,421
Pension costs	90	90
	<u>8,670</u>	<u>8,511</u>

22 COMMITMENTS

Capital commitments

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

	As at	As at
	30 June	31 December
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Contracted but not provided for:		
Property, plant and equipment	<u>17,801</u>	<u>10,277</u>

OTHER INFORMATION



DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the interests and short positions of the Directors of the Company and their associates in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which had been notified to the Company and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be disclosed, under the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the "Code of Conduct for Securities Transactions by Directors of the Company" adopted by the Company (the "Code of Conduct") were as follows:

Name of Director	Capacity/Nature of interest	Number of ordinary shares of the Company ("Shares")	Approximate percentage of total issued Shares (%)
Ms. Wong Pui Chu (Notes 1, 2, 3 & 4)	Interests held jointly with other persons; beneficial owner; interest of controlled corporation	404,052,600 (Long position)	61.59
Mr. Tse Po Tat (Notes 1, 5 & 6)	Interests held jointly with other persons; interest of controlled corporation	404,052,600 (Long position)	61.59
Dr. Szeto Wing Fu (Notes 7 & 8)	Beneficial owner; interest of controlled corporation	26,554,600 (Long position)	4.04

OTHER INFORMATION



Notes:

- (1) Pursuant to a deed of confirmation dated 27 March 2014 executed by Ms. Wong Pui Chu, Mr. Tse Po Tat and the late Mr. Kwan Wang Yung (collectively referred to as the “Controlling Shareholders”) which is also binding to their respective successors, the Controlling Shareholders have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be made in accordance with the unanimous consent. Each of the Controlling Shareholders shall exercise their respective voting rights in the Company in the same way. Hence, each of the Controlling Shareholders is deemed to be interested in all the Shares held by the Controlling Shareholders in aggregate by virtue of the SFO.
- (2) The Company was directly owned as to 3.02% (being 19,824,880 Shares) by Ms. Wong Pui Chu.
- (3) The Company was directly owned as to 29.21% (being 191,638,200 Shares) by Think Expert Investments Limited (“Think Expert”). By virtue of her 100% shareholding of Think Expert, Ms. Wong Pui Chu is deemed to be interested in the same number of Shares held by Think Expert.
- (4) The Company was directly owned as to 0.83% (being 5,500,000 shares) by Action Rich Investment Limited (“Action Rich”). By virtue of her 60% shareholding of Action Rich, Ms. Wong Pui Chu is deemed to be interested in the same number of Shares held by Action Rich.
- (5) The Company was directly owned as to 16.63% (being 109,122,400 Shares) by YITAO Investments Limited (“YITAO”). By virtue of his 100% shareholding of YITAO, Mr. Tse Po Tat is deemed to be interested in the same number of Shares held by YITAO.
- (6) The Company was directly owned as to 0.83% (being 5,500,000 shares) by Action Rich. By virtue of his 40% shareholding of Action Rich, Mr. Tse Po Tat is deemed to be interested in the same number of Shares held by Action Rich.
- (7) The Company was directly owned as to 0.28% (being 1,850,000 Shares) by Dr. Szeto Wing Fu.
- (8) The Company was directly owned as to 3.76% (being 24,704,600 Shares) by Aolong Limited (“Aolong”). By virtue of his 100% shareholding of Aolong, Dr. Szeto Wing Fu is deemed to be interested in the same number of Shares held by Aolong.

Save as disclosed above, as at 30 June 2026, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code and the Code of Conduct.

OTHER INFORMATION



SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company), were directly or indirectly, interested in 5% or more of the shares or short positions in the shares and the underlying shares of the Company, which are required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO, or which will be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Name of shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of total issued Shares (%)
Prestigious Time Limited ("Prestigious Time") (Note 1)	Interests held jointly with other persons; beneficial owner	404,052,600 (Long position)	61.59
Think Expert (Note 2)	Interests held jointly with other persons; beneficial owner	404,052,600 (Long position)	61.59
YITAO (Note 3)	Interests held jointly with other persons; beneficial owner	404,052,600 (Long position)	61.59
Ms. Chan Suk Hing Comita (Note 4)	Interest of spouse	404,052,600 (Long position)	61.59
Mrs. Kwan Chan Lai Lai (Note 1)	Interests held jointly with other persons; interest of controlled corporation	404,052,600 (Long position)	61.59

Notes:

- (1) The Company was directly owned as to 11.88% (being 77,967,120 Shares) by Prestigious Time. By virtue of her 100% shareholding of Prestigious Time, Mrs. Kwan Chan Lai Lai, the spouse of the late Mr. Kwan Wang Yung (the former managing Director and an executive Director of the Company), is deemed to be interested in the same number of Shares held by Prestigious Time.
- (2) The interest of Think Expert was disclosed as the interest of Ms. Wong Pui Chu in the above section headed "Directors' Interests and Short Positions in Shares and Underlying Shares".
- (3) The interest of YITAO was disclosed as the interest of Mr. Tse Po Tat in the above section headed "Directors' Interests and Short Positions in Shares and Underlying Shares".
- (4) Ms. Chan Suk Hing Comita is the spouse of Mr. Tse Po Tat and is therefore deemed to be interested in the Shares that Mr. Tse Po Tat is interested in under the SFO.

OTHER INFORMATION



Save as disclosed above, as at 30 June 2026, the Directors had not been notified of any other corporation or individual (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept pursuant to Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 30 June 2026, none of the Directors and directors of the Company's subsidiaries, or their respective associates had interests in businesses, other than being a director of the Company and/or its subsidiaries and their respective associates, which compete or are likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

OTHER INFORMATION

CHANGE OF DIRECTOR'S INFORMATION

Subsequent to publication of the 2025 Annual Report, the change in information of Directors is set out below pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules:

- Dr. Szeto Wing Fu, the Chief Executive Officer and Executive Director of the Company, has been appointed by Wenzhou Kangning Hospital Co., Ltd. (stock code: 2120) as an independent non-executive director, the chairperson of the nomination committee and a member of the remuneration committee with effect from 30 June 2026.
- Mr. Andrew Look, an Independent Non-executive Director of the Company, has retired as an independent non-executive director of CITIC Resources Holdings Limited (stock code: 1205) with effect from 12 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as required under the Listing Rules throughout the six months ended 30 June 2026.

CORPORATE GOVERNANCE CODE

The Company has complied with the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2026.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Code of Conduct based on the required standard set out in the Model Code. For the six months ended 30 June 2026, all of the Directors confirmed that they have complied with the required standards set out in the Model Code and the Code of Conduct.

OTHER INFORMATION



AUDIT COMMITTEE

The Company has established an audit committee ("Audit Committee") which currently consists of all three independent non-executive Directors of the Company with written terms of reference which deal clearly with its authority and duties. Amongst the Audit Committee's principal duties are to review and supervise the Group's financial reporting process, risk management and internal control systems, including the review of the unaudited interim financial information of the Group for the six months ended 30 June 2026.

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been reviewed by the external auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board

Tse Po Tat

Chairman and Executive Director

Hong Kong, 31 August 2026

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