DONGWU CEMENT INTERNATIONAL LIMITED
東吳水泥國際有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 695

INTERIM REPORT 2026

CONTENTS

DEFINITIONS

In this report, unless the context otherwise requires, the following terms have the following meanings:

associated corporation(s)	has the same meaning ascribed to it under the SFO
associate(s)	has the same meaning ascribed to it under the Listing Rules
Audit Committee	the audit committee of the Company
Board	the board of Directors of the Company
Company	Dongwu Cement International Limited, a company incorporated in the Cayman Islands with limited liability and listed on the main board of the Stock Exchange
controlling shareholder(s)	has the same meaning ascribed to it under the Listing Rules
Corporate Governance Code	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
Director(s)	the director(s) of the Company
Goldview	Goldview Development Limited, a controlling shareholder and an associated corporation of the Company, wholly-owned by Mr. Tseung Hok Ming, a non-executive Director
Group	the Company and its subsidiaries
HKD	Hong Kong dollars, the lawful currency of Hong Kong
IPO	the initial public offering of the Shares by the Company on 13 June 2012

Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
R&D	the research and development
Reporting Period	the six months ended 30 June 2026
RMB or Renminbi	Renminbi, the lawful currency of the PRC
PRC or China	The People's Republic of China, which only for the purpose of this report, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shareholder(s)	holder(s) of Shares
Shares	shares of the Company in issue, all of which are listed on the main board of the Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Substantial Shareholder(s)	has the same meaning ascribed to it under the Listing Rules
%	per cent

CORPORATE INFORMATION

Board of Directors

Executive Directors

Liu Dong *(Chairman)*
Wu Junxian

Non-executive Directors

Tseung Hok Ming
Xie Yingxia

Independent non-executive Directors

Yu Ronald Patrick Lup Man
Suo Suo
Yuan Yuan

Chief Executive Officer

Wu Junxian *(resigned on 9 June 2026)*
Tang Yingjie *(appointed on 9 June 2026)*

Company Secretary

Lu Rulan

Auditor

BDO Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Authorized Representatives

Liu Dong
Lu Rulan

Audit Committee

Yu Ronald Patrick Lup Man *(Chairman)*
Suo Suo
Yuan Yuan

Remuneration Committee

Suo Suo *(Chairman)*
Yu Ronald Patrick Lup Man
Yuan Yuan

Nomination Committee

Suo Suo *(Chairman)*
Yu Ronald Patrick Lup Man
Yuan Yuan

Stock Code

695

Registered office

190 Elgin Avenue
George Town
Grand Cayman
KY1-9008
Cayman Islands

Principal place of business in the PRC

Ganxian District,
Ganzhou City, Jiangxi Province
Lili Town, Wujiang District
Suzhou City, Jiangsu Province, the PRC

Principal place of business in Hong Kong

Unit 4308, 43/F.,
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

Share Registrar

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

Hong Kong Legal Advisor

Stephenson Harwood
43/F, One Taikoo Place
979 King's Road Quarry Bay,
Hong Kong

Contacts Details

Tel: (852) 2520 0978
Fax: (852) 2520 0696
Email: contacts@dongwucement.com

Company Website

http://www.dongwucement.com

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Cement Segment

In the first half of 2026, the cement industry exhibited a panoramic picture characterised by "sharp demand decline, loss of supply control, price bottoming out and profits turning into losses", with the industry as a whole operating through its most severe phase in seventeen years. Amid weak demand and due to differences in the implementation of policies such as capacity control, consensus on off-peak production remained difficult to achieve across the industry. The "anti-involution" production model failed to deliver the expected results, as some companies shifted to a strategy of "prioritising market share over profit protection", leading to tepid supply contraction. Coupled with the rebound in coal prices in the second quarter, cement prices continued to trend downward, trapping the industry in a predicament of "declining volume and falling prices". The industry as a whole remains in a deep adjustment phase.

During the Reporting Period, China's gross domestic product amounted to RMB69,570.4 billion in the first half of 2026, representing a year-on-year growth of 4.7% in terms of constant price (compared to 5.3% growth in the corresponding period of last year). The growth momentum of fixed asset investment and infrastructure investment declined. The fixed asset investment in China (excluding rural households) reached RMB22.64 trillion, representing a year-on-year decline of 5.7% (compared to 2.8% growth in the corresponding period of last year). Real estate development investment amounted to RMB3.81 trillion, marking a year-on-year decrease of 18% on a comparable basis, with the contraction widening by 6.8 percentage points as compared to the corresponding period of last year. The area under construction by real estate developers was 5,540 million square meters, representing a year-on-year decline of 12.5%. The area of new property construction was 232 million square meters, representing a year-on-year decrease of 23.4%. Available funding for real estate developers was RMB4.02 trillion, representing a year-on-year decrease of 20.2%. The decline in real estate development investment continues to bottom out and national total real estate development investment amounted to RMB3.81 trillion. In the first half of 2026, China's national cement output reached 736 million tonnes, reflecting a year-on-year decline of 8% on a comparable statistical basis and a widening of 3.7 percentage point as compared to the corresponding period of last year, the lowest production volume in seventeen years. (Source: NBS) In June, China's single-month cement output was 144 million tonnes, representing a year-on-year decrease of 5.6% on a comparable statistical basis and a month-on-month decline of 4%.

In the first half of 2026, the domestic cement market generally showed a continuous downward trend. The first quarter, being the industry's traditional off-season, saw weak market demand, with cement prices falling under pressure; the second quarter, normally a minor peak season for demand, failed to see downstream demand recovery as expected, and the market did not warm up, with prices continuing their downward trend. On the one hand, the pace of macroeconomic recovery was limited; the progress of disbursement and allocation of special-purpose bonds in the second quarter was slow, and infrastructure and real estate projects generally faced funding shortages, while new project starts across the country were scarce. As a result, overall cement demand became increasingly weak, and the support to underpin demand was insufficient. On the other hand, many regions experienced extreme weather such as high temperatures and heavy rainfall during the year, which hindered construction progress. At the same time, some companies in the industry shifted their business strategies; at this stage, they prioritised market share over profits and generally adopted sales strategies aimed at safeguarding cash flow and market share. Market competition became fierce, leading to continuous price declines and putting pressure on industry operations.

In the first half of the year, cement prices in the Northeast, South China, Southwest and Northwest regions fluctuated several times, only to fall back to bottom levels by the end of June. Despite market fluctuations and after multiple rounds of bargaining, companies' confidence in raising prices weakened; however, constrained by persistent losses, they had no choice but to continue seeking opportunities to push prices higher. By contrast, prices in the Beijing-Tianjin-Hebei region, the Yangtze River Delta and Hubei largely fluctuated around the bottom, with companies' strategies focusing more on safeguarding cash flow and stabilising market share; their overall approach was also shifting. According to the Digital Cement, taking the cement prices in the provincial capital cities of the Group's main sales regions (Jiangsu Province, Zhejiang Province, and Shanghai) as an example, in June 2026, the average price of PO42.5 bulk cement in Nanjing (the provincial capital city of Jiangsu Province), Hangzhou (the provincial capital city of Zhejiang Province) and Shanghai was RMB260 per tonne, RMB310 per tonne and RMB335 per tonne respectively, representing a decrease of 12.1%, 10.0% and 3.0% respectively as compared with RMB296 per tonne, RMB345 per tonne and RMB346 per tonne for the same period last year. (Source: Digital Cement)

Rare Earth Segment

On 12 September 2025, the Company entered into a sale and purchase agreement with a purchaser to dispose of the Group's rare earth segment. The transaction was completed on 24 December 2025. For details regarding the disposal, please refer to the announcement and circular dated 12 September 2025 and 17 October 2025, respectively.

Biomedical Segment

The Group terminated its investment in the biomedical segment in the first half of 2024 and completed the disposal of relevant assets on 26 June 2025.

International Trading Segment

In the first half of 2026, impacted by geopolitical factors, commodity prices exhibited significant volatility. Coupled with multiple uncertainties, the Group did not conduct any international trading business.

Latest Business Update

The Group is actively advancing its integrated circuit packaging and testing business, continuously assessing industry opportunities, and preparing for the introduction of professional teams, selection of factory facilities, and procurement of related fixed assets, laying the foundation for the Group's future expansion into new businesses. The Group believes that the development of the new business will enhance its long-term profitability, strengthen its resilience against economic cycles and risks, and create long-term value for shareholders.

Revenue

During the Reporting Period, the Group's revenue amounted to approximately HKD52,965,000, which was all generated from the cement segment, representing a decrease of approximately HKD65,676,000 or 55.4% from approximately HKD118,641,000 in the corresponding period in 2025. The decrease is mainly due to the following reasons:

In the first half of 2026, the imbalance between supply and demand in the domestic cement industry further intensified. Downstream market demand remained sluggish, and market demand during the traditional peak season also did not meet expectations. The industry is plagued by overcapacity with increasingly fierce market competition. Affected by the industry's low-price competitive landscape, the Group recorded a sharp decline in revenue.

The table below sets forth the analysis of the Group's revenue by product type:

	For the six months ended 30 June					
	2026			2025		
	Sales Volume	**Average Selling Price**	**Revenue**	Sales Volume	Average Selling Price	Revenue
	Thousand tonnes	***HKD/ tonne***	***HKD'000***	*Thousand tonnes*	*HKD/ tonne*	*HKD'000*
PO 42.5 Cement	**163**	**194**	**31,580**	394	218	85,809
PC 42.5 Cement	**84**	**230**	**19,328**	120	242	28,947
PSS 32.5	**12**	**171**	**2,057**	23	169	3,885

Categorized by product type, the sales volume of the Group's cement products during the Reporting Period amounted to approximately 259 thousand tonnes, representing a decrease of approximately 51.8% year on year, while the sales revenue of cement products decreased by approximately 55.4% year on year.

The table below sets forth an analysis of the Group's turnover by geographical region:

	For the six months ended 30 June			
	2026		2025	
	Revenue	**% of total revenue**	Revenue	% of total revenue
	HKD'000		HKD'000	
Jiangsu Province	**34,712**	**65.54%**	59,840	50.44%
Wujiang District	**23,381**	**44.15%**	35,506	29.93%
Suzhou (excluding Wujiang District)	**11,331**	**21.39%**	24,334	20.51%
Zhejiang Province	**17,865**	**33.73%**	57,460	48.43%
Southern Zhejiang Province (Taizhou, Zhoushan and Ningbo)	**1,091**	**2.06%**	11,828	9.97%
Jiaxing	**5,482**	**10.35%**	2,110	1.78%
Huzhou	**11,292**	**21.32%**	43,522	36.68%
Shanghai	**388**	**0.73%**	1,341	1.13%
Total	**52,965**	**100.00%**	118,641	100.00%

During the Reporting Period, the overall imbalance between supply and demand in the domestic cement market further intensified, with product prices continuously hitting new lows. The industry faced severe challenges of slumping sales volume and prices amid the continuous deterioration of low-price competition in the market. The Group's sales were under immense pressure. Cement sales volumes saw substantial declines in southern Zhejiang (Taizhou, Zhoushan and Ningbo) and Huzhou markets. Despite the sluggish market environment, the Group's sales revenue in Jiaxing recorded a notable increase compared with the same period last year.

Gross Profit and Gross Profit Margin

During the Reporting Period, the gross loss of cement segment business amounted to approximately HKD4,090,000, representing an increase of approximately HKD217,000 or 5.6% as compared to the gross loss of approximately HKD3,873,000 in the corresponding period last year, while the gross profit margin amounted to approximately -7.7%, representing a decrease of approximately 4.4% as compared to approximately -3.3% in the corresponding period last year. The decrease was mainly attributable to the decrease in sales volume and price of cement products while the raw materials cost and overheads did not decrease accordingly in similar scale.

Other Income

During the Reporting Period, the Group's other income amounted to approximately HKD16,033,000, representing a decrease of approximately HKD8,688,000 or 35.1% as compared to approximately HKD24,721,000 in the corresponding period last year. The decrease was mainly due to the transfer of 750,000 tons/year cement clinker production quota by the Company in the corresponding period last year, and the recognition in the statement of profit or loss of a gain arising from the repayment and settlement of borrowings at a lower consideration during the Reporting Period, both of which were one-off events. For details, please refer to Notes 8 and 17(b) to the unaudited consolidated results for the six months ended 30 June 2026.

Distribution Expenses

The Group's distribution expenses amounted to approximately HKD799,000, representing an increase of approximately 8.7% as compared to approximately HKD735,000 in the corresponding period last year. The balance remained similar in both periods. Sales and distribution expenses accounted for approximately 1.5% of the revenue of the Group, representing an expansion from approximately 0.6% in the corresponding period last year, mainly due to the decline in the Group's revenue.

Administrative Expenses

During the Reporting Period, the Group's general and administrative expenses amounted to approximately HKD9,934,000, representing a decrease of HKD1,388,000 or 12.3% as compared to approximately HKD11,322,000 in the corresponding period last year. The decrease was due to the efficient allocation of administrative resources and cost savings through management optimization.

Income Tax Expenses

During the Reporting Period, the Group's income tax expenses amounted to approximately HKD6,090,000, representing a significant increase from tax credit of approximately HKD4,049,000 in the corresponding period last year, which is mainly attributable to the release of deferred tax assets related to tax loss due to unpredictability of future profit streams.

Details of the Group's income tax are set out in note 9 to the condensed consolidated financial statements in this report.

Net Profit Margin

During the Reporting Period, the Group's net profit margin was approximately -30.2%. The net profit margin decreased by 19.3% as compared to approximately -10.9% in the corresponding period last year. As compared with the net profit margin of approximately 6.2% generated from continuing operations in the corresponding period last year, the Group's net profit margin decreased by 36.4%. The decrease was mainly attributable to lower revenue from cement products as a result of sluggish market demand and low-price competition within the industry, decrease of other income and other gains due to the reasons as mentioned in "Other Income", and increase of income tax expenses due to reasons as mentioned in "Income Tax Expenses".

Liquidity and Capital Resources

The Group planned to meet its working capital requirements primarily through cash flow from operating activities, bank loans and the use of trade and other payables.

	30 June 2026	31 December 2025
	HKD'000	*HKD'000*
Cash and cash equivalents	**190,755**	154,115
Borrowings	**93,042**	104,541
Debt to equity ratio	**50.2%**	56.7%
Liability to asset ratio	**33.4%**	36.2%

Cash Flow

As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately HKD190,755,000, representing an increase of approximately 23.8% from approximately HKD154,115,000 as at 31 December 2025, which was mainly due to the combined effect of proceeds from settlement of trade and other receivables, offset the impact of repayment to the trade and other payables during the Reporting Period.

Borrowings

	30 June 2026	31 December 2025
	HKD'000	*HKD'000*
Current:		
– Cement segment	**93,042**	93,841
– Unallocated	**–**	10,700
	93,042	104,541

As at 30 June 2026, the Group's bank borrowings amounted to approximately HKD93,042,000, representing a decrease of approximately 11.0% from approximately HKD104,541,000 as at 31 December 2025, which was mainly due to settlement of other borrowings during the Reporting Period.

As at 30 June 2026 and 31 December 2025, the aforesaid borrowings were not secured, pledged and guaranteed by the Group's properties, plant and equipment, land use rights, bill receivables or restricted bank deposits.

Details of the Group's borrowings due are set out in note 17 to the condensed consolidated interim financial statements in this report.

As at 30 June 2026, the Group had no unutilised bank financing facilities.

Debt to Equity Ratio

As at 30 June 2026, the Group's debt to equity ratio was 50.2%, which decreased from 56.7% as at 31 December 2025.

The debt to equity ratio is calculated by dividing the debt by the difference between total assets and total liabilities.

Capital Expenditure and Capital Commitments

As at 30 June 2026, the Group had no capital expenditures during the Reporting Period, representing a decrease from approximately HKD4,375,000 in the corresponding period last year.

As at 30 June 2026, the Group had capital commitments of approximately HKD1,083,000 (31 December 2025: nil).

Pledge of Assets

As at 30 June 2026, bank deposits of approximately HKD2,352,000 (31 December 2025: HKD5,279,000) are pledged as security for bill payables.

Contingent Liabilities

As at 30 June 2026, the Group had no material contingent liabilities.

Foreign Currency Risk

The Group conducted its business primarily in Chinese Mainland with the majority of its operating expenses and capital accounts denominated in Renminbi, and a small amount denominated in Hong Kong dollars. During the Reporting Period, the Group was not materially affected in operating business and working capital due to fluctuations in foreign exchange rates.

During the Reporting Period, the Group did not expose to any material currency exchange risks, and therefore the Group did not implement any hedging measures for such risks. As Renminbi is not a freely convertible currency, the future exchange rates of Renminbi could vary significantly from the current or historical levels as a result of any controls that the PRC government may impose. The exchange rates may also be affected by economic developments and political changes in the PRC and/or abroad, as well as the demand and supply of Renminbi. A significant appreciation or devaluation of Renminbi against foreign currencies resulting from the Company's exchange of its remaining balance of IPO net proceeds into Renminbi may have a positive or negative impact on the Company's financial position. The management will closely monitor the foreign exchange exposures and will consider taking appropriate measures on hedging foreign currency risks when necessary.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

During the Reporting Period, the Group did not conduct any material acquisitions or disposals of its subsidiaries or associated companies.

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 102 employees. The total remuneration of our employees amounted to approximately HKD7,506,000 during the Reporting Period. The remuneration levels of employees are commensurate with their responsibilities, performance and contributions and set on the basis of their merits, qualification and competence as well as the opinions from the remuneration committee of the Company (if applicable).

FUTURE PROSPECTS

In the second half of 2026, the Group will coordinate its business and management activities around the core objectives of expanding its business models, maintaining stable operating revenue and exercising stringent control over operating risks. In its core cement business, the Company will continue to deepen refined cost management and control across the entire value chain, steadily expand into diversified regional markets, pursue differentiated and distinctive development, and continue to explore solutions to the challenges arising from intense industry competition, thereby consolidating its revenue base. At the same time, the Group will continue to ensure the safe operation and maintenance of its existing production facilities and strengthen its safety production safeguards. The Group will remain committed to the development principles of environmental protection and clean production, and make every effort to develop modern production bases featuring green and low-carbon operations and sustainable development. In addition, the Group will continue to optimise its customer service system and enhance its internal control system, comprehensively improving its overall operational and governance capabilities and creating long-term and stable core value for its customers and shareholders.

The Group continues to regard transformation and upgrading as its core development strategy, seizing major opportunities arising from the global technological revolution and industrial upgrading and making every effort to promote high-quality and sustainable development, thereby delivering long-term and stable returns to shareholders. Currently, artificial intelligence and the semiconductor industry have become key drivers of global economic growth, supported by increasing policy support, accelerated technological advancement and expanding application scenarios. The industries therefore have broad development prospects and substantial growth potential. The Group will accurately capture the historic opportunities arising from industry development, leverage technological innovation as its core driver, and focus on high-growth sectors such as artificial intelligence and semiconductors. It will selectively identify, reserve and implement quality industrial projects with technological barriers, broad market potential and stable profitability.

The Group is actively advancing its integrated circuit packaging and testing business, continuously assessing industry opportunities, and preparing for the introduction of professional teams, selection of factory facilities, and procurement of related fixed assets, laying the foundation for the Group's future expansion into new businesses. The Group believes that the development of the new business will enhance its long-term profitability, strengthen its resilience against economic cycles and risks, and create long-term value for shareholders.

Upholding an open and mutually beneficial development philosophy, the Group will proactively connect with industry resources and quality capital, deepen cross-sector collaboration, promote the efficient integration of core resources including technology, capital and channels, and build a long-term, stable and mutually beneficial industrial ecosystem. Through systematic strategic transformation and innovative industrial deployment, the Group will enhance quality and efficiency through transformation and achieve breakthroughs and upgrades through development, striving to create a new chapter of high-quality, resilient and dynamic development for the Group.

OTHER INFORMATION

Share Capital

As at 30 June 2026, the Company's issued share capital was HKD5,520,000, divided into 552,000,000 Shares with a par value of HKD0.01 each.

Interests and Short Positions of Directors, Supervisors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2026, the interests of the Directors, chief executive or their respective associates in the Shares and underlying Shares of the Company and its associated corporations which were required, pursuant to section 352 of the SFO, to be recorded in the register maintained by the Company are as follows:

Name	Capacity	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding
Mr. Tseung Hok Ming[1]	Interest of controlled corporation	Long position	297,500,000	53.89%
Mr. Liu Dong	Beneficial owner	Long Position	1,484,000	0.27%

Notes:

1. *Goldview is wholly-owned by Mr. Tseung Hok Ming, a non-executive Director. Accordingly, Mr. Tseung is deemed to be interested in the same Shares of the Company held by Goldview by virtue of Part XV of the SFO. Goldview is also an associated corporation of the Company.*

Save as disclosed in the above, as at 30 June 2026, so far as is known to the Directors, no Directors or chief executive of the Company or their respective associates had or were deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations by virtue of Part XV of the SFO which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code, or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein.

As at 30 June 2026, none of the Directors and chief executive of the Company (including their respective spouses and children under the age of 18) had or were granted any rights to subscribe for the securities and share options of the Company and its associated corporations, nor had they exercised any such rights.

Interests and Short Positions of Substantial Shareholders in the Shares of the Company

As at 30 June 2026, so far as is known to the Directors, the person(s), not being the Directors or chief executive of the Company, who had any interests or short positions in the Shares and underlying Shares of the Company required to be recorded in the register kept under section 336 of the SFO are set out below:

Name	Capacity	Long position/ Short position	Number of shares held	Approximate percentage of shareholding
Goldview[1]	Beneficial owner	Long position	297,500,000	53.89%
Mr. Huang Yingbiao	Beneficial owner	Long position	56,650,000	10.26%

Notes:

1. *Goldview is wholly-owned by Mr. Tseung Hok Ming, a non-executive Director. Accordingly, Mr. Tseung is deemed to be interested in the same Shares of the Company held by Goldview by virtue of Part XV of the SFO.*

Save as disclosed in the above, as at 30 June 2026, so far as is known to the Directors, no other persons had any interests or short positions in the Shares and underlying Shares of the Company which had to be disclosed to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company under section 336 of the SFO.

Share Option Scheme

On 28 May 2015 ("**Adoption Date**"), the Company adopted a share option scheme (the "**Share Option Scheme**"). The Share Option Scheme expired at the close of business on the tenth anniversary of the Adoption Date, i.e. 28 May 2025, after which period no further options shall be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects in respect of the options remaining outstanding and exercisable on the expiry of the Share Option Scheme.

The Company did not grant any options under the Share Option Scheme since its adoption. During the Reporting Period, no option was granted due to the expiration of the Share Option Scheme, no option was exercised and no option remained outstanding or unexercised as of the date of this report.

The Company has not adopted any other share option scheme thereafter.

CHANGE IN INFORMATION OF DIRECTORS AND THE SENIOR MANAGEMENT

Mr. Wu Junxian has resigned as the chief executive officer of the Company with effect from 9 June 2026.

Mr. Tang Yingjie has been appointed as the chief executive officer of the Company with effect from 9 June 2026. The biographical details of Mr. Tang Yingjie are set out below:

Mr. Tang Yingjie (唐英傑) ("**Mr. Tang**"), aged 40, has extensive experience in management, operations, supply chain and procurement sectors. Since March 2025, he has also served as the deputy general manager of Orient Danse AI Technology Co., Ltd., and is responsible for its general operations and management duties. Since February 2024, Mr. Tang has served as the deputy general manager (supply chain and procurement) of Orient Semiconductor Technology Equipment Co., Ltd., where he is responsible for procurement and supply chain management, including cost control, supplier management and cross departmental coordination. From December 2018 to March 2023, Mr. Tang served as the Executive Assistant to President in Suzhou Everhealth Biomedical Co., Ltd, which was then a subsidiary of the Company. From August 2017 to December 2018, Mr. Tang served as a senior procurement supervisor at Jiangsu Hengtong Intelligent IoT System Co., Ltd., where he was responsible for supplier sourcing and procurement management. From June 2013 to May 2017, Mr. Tang served as an operations manager at Unisource Technology Inc., where he oversaw logistics, quality control, workforce management and supply chain operations, and was also involved in product management and cross-border procurement coordination. Mr. Tang obtained a Bachelor of Arts degree in Mathematics and Economics from the University of California, Los Angeles in June 2013 and obtained an Associate Degree from East Los Angeles College in June 2011.

For further details, please refer to the announcement dated 5 June 2026 of the Company.

Save as disclosed above, the Directors have confirmed that there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company or any of its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the Reporting Period.

MATERIAL LITIGATION AND ARBITRATION

So far as is known to the Directors, the Group was not involved in any litigation, arbitration or claims of material importance and there was no litigation or claims of material importance to be pending or threatened by or against the Company during the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining high standards of corporate governance. The Board believes that effective corporate governance and disclosure practices are not only crucial to the enhancement of the Company's accountability and transparency and investors' confidence, but also critical to the Group's long-term success. The Company has adopted the code provisions in the Corporate Governance Code ("**Corporate Governance Code**") as set out in Appendix C1 to the Listing Rules as its own code on corporate governance.

The Company has complied with the Corporate Governance Code during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiries to all Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") has reviewed the Group's unaudited interim financial report for the six months ended 30 June 2026 and has discussed the financial reporting, risk management and internal control with the management. In addition, the Company's auditor, BDO Limited, has reviewed the unaudited interim financial report of the Group for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagement 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by HKICPA. The Audit Committee is of the opinion that the preparation of these financial statements within which the appropriate disclosures have been made has complied with the applicable accounting standards and requirements.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, there is no significant event that requires additional disclosures or might affect the Company after the Reporting Period.

By order of the Board
Dongwu Cement International Limited
Liu Dong
Chairman

Hong Kong, 21 August 2026

As at the date of this report, the Board comprises Mr. Liu Dong and Mr. Wu Junxian as executive Directors; Mr. Tseung Hok Ming and Ms. Xie Yingxia as non-executive Directors; and Mr. Yuan Yuan, Mr. Yu Ronald Patrick Lup Man and Mr. Suo Suo as independent non-executive Directors.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE BOARD OF DIRECTORS OF DONGWU CEMENT INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated interim financial statements set out on pages 23 to 68, which comprise the condensed consolidated interim statement of financial position of Dongwu Cement International Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") as at 30 June 2026 and the related condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements, including material accounting policy information (the "**condensed consolidated interim financial statements**"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited
Certified Public Accountants
Choi Kit Ying
Practising Certificate no. P07387

Hong Kong, 21 August 2026

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

	Notes	Six months ended 30 June 2026 HKD'000 (Unaudited)	2025 HKD'000 (Unaudited) (Re-presented)
Revenue	7	**52,965**	118,641
Cost of sales		**(57,055)**	(122,514)
Gross loss		**(4,090)**	(3,873)
Distribution expenses		**(799)**	(735)
Administrative expenses		**(9,934)**	(11,322)
Other income and other gain, net	8	**16,033**	24,721
Provision for impairment losses on property, plant and equipment	11(b)	**(6,861)**	–
Operating (loss)/profit		**(5,651)**	8,791
Finance income		**43**	4,122
Finance expenses		**(2,309)**	(2,312)
Finance (expenses)/income – net		**(2,266)**	1,810
Share of results of associates		**(1,971)**	(211)
Loss on disposal of subsidiaries	10(b)	**–**	(7,073)
(Loss)/profit before income tax	10(a)	**(9,888)**	3,317
Income tax (expenses)/credit	9	**(6,090)**	4,049
(Loss)/profit for the period from continuing operations		**(15,978)**	7,366
Discontinued operation			
Loss for the period from a discontinued operation, after tax	10(b)	**–**	(20,332)
Loss for the period		**(15,978)**	(12,966)

	Notes	Six months ended 30 June	
		2026	2025
		HKD'000	HKD'000
		(Unaudited)	(Unaudited)
			(Re-presented)
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of financial statements of foreign operations		**10,290**	17,059
Item that have been reclassified to profit or loss:			
Exchange reserve released upon disposal of subsidiaries		**–**	(1,116)
Total comprehensive income for the period		**(5,688)**	2,977
(Loss)/profit for the period attributable to:			
Owners of the Company			
– From continuing operations		**(15,978)**	7,527
– From discontinued operations		**–**	(16,682)
		(15,978)	(9,155)
Non-controlling interests			
– From continuing operations		**–**	(161)
– From discontinued operations		**–**	(3,650)
		–	(3,811)
		(15,978)	(12,966)
Total comprehensive income for the period attributable to:			
Owners of the Company			
– From continuing operations		**(5,688)**	18,772
– From discontinued operations		**–**	(14,848)
		(5,688)	3,924

		Six months ended 30 June	
	Notes	**2026** **HKD'000** **(Unaudited)**	2025 HKD'000 (Unaudited) (Re-presented)
Non-controlling interests			
– From continuing operations		**–**	(166)
– From discontinued operations		**–**	(781)
		–	(947)
		(5,688)	2,977
Loss per share from continuing and discontinued operations			
– Basic and diluted *(HKD per share)*	20	**(0.029)**	(0.017)
(Loss)/profit per share from continuing operations			
– Basic and diluted *(HKD per share)*	20	**(0.029)**	0.014

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2026 HKD'000 (Unaudited)	At 31 December 2025 HKD'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	**104,217**	112,096
Deposit paid for purchase of machineries	15	**335**	–
Investments in associates	12	**22,980**	24,161
Deferred tax assets	18	**–**	6,641
Financial assets at fair value through profit or loss	13	**115,481**	112,299
Total non-current assets		**243,013**	255,197
Current assets			
Inventories	14	**21,135**	19,769
Trade and other receivables	15	**22,031**	75,890
Pledged bank deposits		**2,352**	5,279
Cash and cash equivalents		**190,755**	154,115
		236,273	255,053
Assets classified as held for sale	11(c)	**19,396**	18,768
Total current assets		**255,669**	273,821
Total assets		**498,682**	529,018

	Notes	At 30 June 2026 HKD'000 (Unaudited)	At 31 December 2025 HKD'000 (Audited)
Current liabilities			
Trade and other payables	16	**39,592**	61,149
Contract liabilities	7	**17,672**	8,899
Lease liabilities	22	**267**	396
Borrowings	17	**93,042**	104,541
Total current liabilities		**150,573**	174,985
Net current assets		**105,096**	98,836
Total assets less current liabilities		**348,109**	354,033
Non-current liabilities			
Lease liabilities	22	**–**	67
Deferred tax liabilities	18	**16,104**	16,273
Total non-current liabilities		**16,104**	16,340
Net assets		**332,005**	337,693
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	**5,520**	5,520
Reserves		**326,485**	332,173
Total equity		**332,005**	337,693

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Company				
	Share capital HKD'000 (Note 19)	Other reserves HKD'000	Translation reserve HKD'000	Accumulated losses HKD'000	Total equity HKD'000
At 1 January 2026 (audited)	**5,520**	**460,321**	**(70,403)**	**(57,745)**	**337,693**
Loss for the period	**–**	**–**	**–**	**(15,978)**	**(15,978)**
Exchange difference arising on translation of financial statements of foreign operations	**–**	**–**	**10,290**	**–**	**10,290**
Total comprehensive income for the period	**–**	**–**	**10,290**	**(15,978)**	**(5,688)**
At 30 June 2026 (unaudited)	**5,520**	**460,321**	**(60,113)**	**(73,723)**	**332,005**

	Equity attributable to owners of the Company						
	Share capital HKD'000 (Note 19)	Other reserves HKD'000	Translation reserve HKD'000	Retained earnings/ (Accumulated losses) HKD'000	Total HKD'000	Non-controlling interests HKD'000	Total equity HKD'000
At 1 January 2025 (audited)	5,520	463,936	(87,578)	5,437	387,315	89,530	476,845
Loss for the period	–	–	–	(9,155)	(9,155)	(3,811)	(12,966)
Exchange difference arising on translation of financial statements of foreign operations	–	–	14,195	–	14,195	2,864	17,059
Exchange reserve released upon disposal of subsidiaries (Note 10 (b))	–	–	(1,116)	–	(1,116)	–	(1,116)
Total comprehensive income for the period	–	–	13,079	(9,155)	3,924	(947)	2,977
Disposal of subsidiaries (Note 10 (b))	–	–	–	–	–	9,766	9,766
At 30 June 2025 (unaudited)	5,520	463,936	(74,499)	(3,718)	391,239	98,349	489,588

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Operating (loss)/profit before working capital changes	**(7,399)**	12,842
Decrease in trade and other receivables	**9,059**	723
Other operating cash flows	**(7,296)**	(10,206)
Cash (used in)/generated from operating activities	**(5,636)**	3,359
Income tax paid	**–**	(14)
Withholding tax paid	**–**	(4,111)
Net cash used in operating activities	**(5,636)**	(766)
Cash flows from investing activities		
Interest received	**43**	4,123
Purchases of property, plant and equipment	**–**	(4,045)
Deposits paid for purchases of machineries	**(332)**	–
Release of short-term deposits	**–**	209,573
Placement of pledged bank deposits	**(2,361)**	(7,463)
Release of pledged bank deposits	**5,435**	16,141
Disposal of subsidiaries, net of cash disposed	**–**	(13)
Proceed from distribution of interest in trust agreement investment	**–**	4,431
Proceed from consideration received	**46,349**	–
Net cash generated from investing activities	**49,134**	222,747

	Six months ended 30 June	
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
Proceeds from borrowings	**21,540**	62,603
Repayments of borrowings	**(31,443)**	(76,419)
Dividend paid	**–**	(75,072)
Repayments of principal portion of lease liabilities	**(196)**	(189)
Interest paid	**(1,873)**	(6,554)
Net cash used in financing activities	**(11,972)**	(95,631)
Net increase in cash and cash equivalents	**31,526**	126,350
Cash and cash equivalents at the beginning of the period	**154,115**	135,495
Effect of exchange rate changes on bank balances and cash	**5,114**	6,802
Cash and cash equivalents at the end of the period	**190,755**	268,647

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Dongwu Cement International Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 29 November 2011. The address of its registered office is at the offices of Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. In the directors' opinion, the immediate and ultimate holding company of the Company is Goldview Development Limited, a company incorporated in British Virgin Islands (the "**BVI**").

The Company is an investing holding company. The Company and its subsidiaries are collectively referred to as the "**Group**". The Group is principally engaged in the production and sales of cement and the trading business. Principal place of the Group's business is located at Fenhu Economic Development Zone, Wujiang, Jiangsu Province, the People's Republic of China (the "**PRC**").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 13 June 2012.

2 BASIS OF PREPARATION

The condensed consolidated interim financial information (the "**Financial Information**") has been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**"), issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This condensed consolidated interim financial information was approved by the Board of Directors (the "**Board**") for issue on 21 August 2026.

The Financial Information has been prepared with the same accounting policies adopted in the 2025 annual financial statements, except for those that relate to amended standards effective for the first time for periods beginning on or after 1 January 2026. Details of any changes in material accounting policies are set out in note 3.

The preparation of the Financial Information in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 4.

2 BASIS OF PREPARATION *(CONTINUED)*

The Financial Information is presented in Hong Kong Dollars ("**HKD**"), unless otherwise stated and contains condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The Financial Information does not include all information required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the 2025 consolidated financial statements.

The Financial Information is unaudited, but has been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the HKICPA. BDO Limited's independent review report to the Board of Directors is included on pages 21 to 22.

The Financial Information has been prepared under historical cost convention except for certain financial instruments, which are measured at fair values, as appropriate.

3 MATERIAL ACCOUNTING POLICIES

3.1 Changes in HKFRS Accounting Standards

(a) Adoption of amendments to HKFRS Accounting Standards – first effective on 1 January 2026

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

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

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

3.2 Current income tax

Income tax in the interim period is accrued using tax rate that would be applicable to expected total annual earnings.

3.3 Other new HKFRS Accounting Standards, amendments and interpretations

The Group has not applied any new HKFRS Accounting Standards or amendments that are not yet effective for the current accounting period.

4 USE OF JUDGEMENTS AND ESTIMATES

The preparation of the 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 the 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 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: foreign currency risk, cash flow interest rate risk, credit risk and liquidity risk.

The 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 changes in the risk management department since year end or in any risk management policies since the year end.

5.2 Liquidity risk

The Group aims to maintain sufficient cash and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations, bank borrowings and the financial support provided by the equity holders.

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

6 SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The segments are managed separately as each business offers different products and services and requires different business strategies. The Board has identified the Group's product and service lines as reportable operating segments as follows:

Continuing reportable segments:

– Production and sales of cement

– Trading business

Discontinued reportable segments:

– Production and sales of magnetic materials and other application products

– Research and development in biotechnology

Most of the revenue derived from external customers and most of the non-current assets of the Group are derived from activities located in the PRC. Accordingly, no geographical information is presented.

The table in Note 7 includes a reconciliation of the disaggregated revenue with the Group's reportable segment and by timing of revenue recognition.

6 SEGMENT REPORTING *(CONTINUED)*

For the six months ended 30 June 2026 (Unaudited)

	Continuing operation		
	Production and sales of cement HKD'000	Trading business HKD'000	Total HKD'000
Time of revenue recognition:			
At a point in time	52,965	–	52,965
Segment revenue	52,965	–	52,965
Segment results	(20,298)	(686)	(20,984)
Unallocated income			11,096
Income tax expenses	(6,090)	–	(6,090)
Loss for the period			(15,978)
As at 30 June 2026 (Unaudited)			
Segment assets	379,104	130	379,234
Financial assets at fair value through profit or loss			115,481
Unallocated assets			3,967
Total assets			498,682
Segment liabilities	157,500	–	157,500
Unallocated liabilities			9,177
Total liabilities			166,677

6 SEGMENT REPORTING *(CONTINUED)*

For the six months ended 30 June 2025 (Unaudited)

	Continuing operation		Discontinued operation		
	Production and sales of cement HKD'000	Trading business HKD'000	Production and sale of magnetic materials and other application products HKD'000	Research and development in biotechnology HKD'000	Total HKD'000
Time of revenue recognition:					
At point in time	118,641	–	3,931	–	122,572
Transferred over time	–	–	3,239	–	3,239
Segment revenue	118,641	–	7,170	–	125,811
Segment results	15,572	(871)	(20,520)	(13)	(5,832)
Unallocated expenses					(11,384)
Income tax credit	4,049	–	201	–	4,250
Loss for the period					(12,966)
As at 31 December 2025 (Audited)					
Segment assets	357,289	167	–	–	357,456
Financial assets at FVTPL					112,299
Unallocated assets					59,263
Total assets					529,018
Segment liabilities	162,187	4,020	–	–	166,207
Unallocated liabilities					25,118
Total liabilities					191,325

6 SEGMENT REPORTING *(CONTINUED)*

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for both periods. Revenue derived from the single largest external independent customers amounted to 23.85% of the Group's revenue for the period (30 June 2025: 26.22%).

7. REVENUE

The Group's revenue from continuing operations is analysed as follows:

	Six months ended 30 June	
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Continuing operations:		
Revenue from contract with customers		
Production and sales of cement segment:		
Sale of composite Portland cement strength class 32.5R	**2,057**	3,885
Sale of ordinary Portland cement strength class 42.5	**31,580**	85,809
Sale of composite Portland cement strength class 42.5	**19,328**	28,947
	52,965	118,641
Discontinued operations:		
Production and sale of magnetic materials and other application products segment:		
Sale of motor machines and parts	**–**	3,931
Metal processing service income	**–**	3,239
	–	7,170
	52,965	125,811

7. REVENUE *(CONTINUED)*

The following table provides information about trade and bills receivables, and contract liabilities from contracts with customers.

	As at	
	30 June 2026	31 December 2025
	HKD'000	HKD'000
	(Unaudited)	(Audited)
Trade and bills receivables, net *(Note 15)*	**14,087**	13,595
Contract liabilities	**(17,672)**	(8,899)

Contract liabilities mainly relate to advances received from its customers. HKD8,899,000 (30 June 2025: HKD11,109,000) of the contract liabilities as of 1 January 2026 has been recognised as revenue for the six months ended 30 June 2026 when performance obligations have been satisfied in current period.

In addition, the Group has applied the practical expedient under HKFRS 15 to account for its sales agreements in terms of sales of cement, motor machines and parts and rare earth materials, and provisions of solid waste and metal processing services, therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales agreements that had an original expected duration of one year or less for both current and prior periods.

8 OTHER INCOME AND OTHER GAIN, NET

	Six months ended 30 June	
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Continuing operations:		
Other income/(losses)		
Rental income	**961**	741
Bad debt recovered	**707**	–
Change in fair value of financial assets at FVTPL	**(571)**	1,755
Gain on transfer of cement clinker production quota *(Note (b))*	**–**	22,052
Foreign exchange gain/(loss), net	**1,074**	(204)
Gain on modification of contracts of other borrowings *(Note 17(b))*	**13,233**	–
Others	**629**	377
	16,033	24,721
Discontinued operations:		
Other income		
Government grants *(Note (a))*	**–**	951
Others	**–**	729
	–	1,680

Notes:

(a) The amount refers to the government's subsidy for encouraging biotechnology development, saving energy and reducing pollution emissions and development in magnetic application products research.

(b) Given that the cost of self-produced clinker is higher than purchased clinker and taking into account of factors such as the macroeconomic environment and market fluctuations, the Group permanently sold cement clinker production quota in the first quarter of 2025. The Group will continue to ensure enough supply through using purchased clinker as an alternative for the production.

9 INCOME TAX EXPENSE/(CREDIT)

	Six months ended 30 June	
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Continuing operations:		
Current tax		
– PRC withholding tax	**–**	4,111
Deferred tax *(Note 18)*	**6,090**	(8,160)
	6,090	(4,049)
Discontinued operations:		
Current tax		
– Enterprise Income Tax ("**EIT**")	**–**	14
Deferred tax *(Note 18)*	**–**	(215)
	–	(201)
	6,090	(4,250)

The provision for Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) of the estimated taxable profits arising in Hong Kong for both current and prior periods. No provision for Hong Kong Profits Tax was recognised as the Group had no estimated taxable profits arising in Hong Kong for both current and prior periods.

Pursuant to the relevant laws and regulations in the PRC, the PRC enterprise income tax rate of the PRC subsidiaries was 25% on their taxable profits for the six months ended 30 June 2025 and 2026, except for certain subsidiaries in relation to the discontinued operations incorporated in the PRC that have been certified as a High and New Technology Enterprise ("**HNTE**") by the Ministry of Science and Technology provided their Enterprise Income Tax at a reduced tax rate of 15% for the six months ended 2025.

The provision for other foreign taxation is calculated at the respective statutory tax rates of the estimated taxable profits arising in those tax jurisdictions, including the Cayman Islands and the BVI for both current and prior periods. No provision for those foreign taxation was recognised as the Group had no estimated taxable profits arising in those tax jurisdictions for both current and prior periods.

10 LOSS BEFORE INCOME TAX

(a) Loss before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Continuing operations:		
Cost of inventories recognised as expenses:	**56,685**	121,194
Provision for impairment on inventory	**256**	1,104
Depreciation of property, plant and equipment and right-of-use assets	**4,647**	8,565
Reversal of provision for impairment on trade receivables, net	**(73)**	(68)
Provision for impairment on other receivables, net	**297**	85
Provision for impairment on property, plant and equipment	**6,861**	–
Employee costs (including directors' remuneration)		
– Salaries, wages and other benefits	**5,468**	6,148
– Contributions to defined contribution retirement plans	**2,038**	2,083
Auditor's remuneration	**160**	150

(b) Discontinued operation/Disposal of subsidiaries:

(i) Research and development in biotechnology

On 22 May 2024, the Board resolved to dispose the business operation of Orient Everhealth Biomedical Company Limited and its 65% equity owned subsidiary, Suzhou Everhealth Biomedical Company Limited (together the "**Everhealth Group**"), which was principally engaged in the research and development in biotechnology in the PRC. As of 31 December 2024, the Group had actively located potential buyer and the related assets and liabilities of the Everhealth Group were expected to be disposed within twelve months and therefore classified as held for sale presented separately in the consolidated statement of financial position.

During the year ended 31 December 2025, the Group has entered into agreement with an independent third party to dispose of its entire interest in the Everhealth Group at a cash consideration of RMB2,000,000 (equivalent to HKD2,150,000). The disposal was completed on 26 June 2025.

10 LOSS BEFORE INCOME TAX *(CONTINUED)*

(b) Discontinued operation/Disposal of subsidiaries: *(Continued)*

(i) ***Research and development in biotechnology*** *(Continued)*

The results, cash flows and net assets of the Everhealth Group were as follow:

	Six months ended 30 June 2025 HKD'000 (Unaudited)
Administrative expenses	(13)
Loss for the period from a discontinued operation	(13)
Loss for the period from a discontinued operation attributable to:	
Owner of the Company	(115)
Non-controlling interests	102
	(13)
Total comprehensive income for the period from a discontinued operation attributable to:	
Owner of the Company	186
Non-controlling interests	(209)
	(23)

	Six months ended 30 June 2025 HKD'000 (Unaudited)
Net cash used in operating activities and total cash outflows	(17)

10 LOSS BEFORE INCOME TAX *(CONTINUED)*

(b) Discontinued operation/Disposal of subsidiaries: *(Continued)*

(i) Research and development in biotechnology *(Continued)*

Net assets of the Everhealth Group at the completion date of disposal are as follows:

	2025 HKD'000 (Audited)
Property, plant and equipment	15
Intangible assets	2,081
Other receivables	6
Cash and cash equivalents	13
Other payables	(1,542)
Net assets disposed of	573

	2025 HKD'000 (Audited)
Total cash consideration (Note)	2,150
Less: Net assets disposed	(573)
Less: Non-controlling interest of the Everhealth Group	(9,766)
Add: Release of exchange reserve upon disposal	1,116
Loss on disposal of subsidiaries	(7,073)
Net cash flow arising on disposal of subsidiaries	
Bank balances and cash disposed	(13)

Note:

The consideration remains unpaid and included in other receivables of the Group as at 31 December 2025, which was fully received in 2026.

10 LOSS BEFORE INCOME TAX *(CONTINUED)*

(b) Discontinued operation/Disposal of subsidiaries: *(Continued)*

(ii) Production and sales of magnetic materials and other application products

The Group have entered into a sale and purchase agreement on 12 September 2025 regarding the disposal of equity interest in Orient Chengzheng Rare Earth Co., Limited, and its subsidiaries which was principally engaged in the production and sales of magnetic materials and other application products in the PRC (together, the "**Chengzheng Group**"), at a cash consideration of HKD10,000,000. Details of the disposal please refer to the announcement and circular dated 12 September 2025 and 17 October 2025 respectively. The disposal was duly completed on 24 December 2025.

For the purpose of presenting this discontinued operation, the comparative information of the condensed consolidated interim statement of profit or loss and other comprehensive income and the related notes have been represented as if the operations deemed as discontinued during the year had been discontinued at the beginning of the comparative period of 2025.

10 LOSS BEFORE INCOME TAX *(CONTINUED)*

(b) Discontinued operation/Disposal of subsidiaries: *(Continued)*

(ii) ***Production and sales of magnetic materials and other application products*** *(Continued)*

The results and cashflows of the production and sales of magnetic materials and other application products segment are disclosed as follows:

	Six months ended 30 June 2025 HKD'000 (Unaudited)
Revenue	7,170
Cost of sales	(9,053)
Distribution expenses	(287)
Administrative expenses	(7,695)
Finance expenses, net	(3,781)
Other income and other gain, net	1,680
Provision for impairment losses on goodwill	(8,554)
Income tax credit	201
Loss for the period from a discontinued operation	(20,319)
Loss for the period attributable to:	
– Owners of the Company	(16,567)
– Non-controlling interests	(3,752)
	(20,319)
Total comprehensive income attributable to:	
– Owners of the Company	(15,034)
– Non-controlling interests	(572)
	(15,606)

10 LOSS BEFORE INCOME TAX *(CONTINUED)*

(b) Discontinued operation/Disposal of subsidiaries: *(Continued)*

(ii) ***Production and sales of magnetic materials and other application products*** *(Continued)*

	Six months ended 30 June 2025 HKD'000 (Unaudited)
Net cash generated from operating activities	1,133
Net cash used in investing activities	(363)
Net cash generated from financing activities	503
Effect of foreign exchange rate changes on cash and cash equivalents	992
Total cash inflows	2,265

10 LOSS BEFORE INCOME TAX *(CONTINUED)*

(b) Discontinued operation/Disposal of subsidiaries: *(Continued)*

(ii) ***Production and sales of magnetic materials and other application products*** *(Continued)*

Net assets of the Chengzheng Group at the completion date of disposal are as follows:

	2025 HKD'000 (Audited)
Property, plant and equipment	56,123
Intangible assets	10,453
Goodwill	40,796
Inventories	165,743
Trade and other receivables	29,706
Cash and cash equivalents	103,615
Trade and other payables	(66,829)
Contract liabilities	(2,975)
Borrowings	(172,935)
Deferred income	(19,404)
Deferred tax liabilities	(2,626)
Net assets disposed of	141,667
Cash consideration	10,000
Amount due from Chengzheng Group (Note)	44,678
Total consideration (Note)	54,678
Less: Net assets disposed	(141,667)
Add: Non-controlling interest of the Chengzheng Group	97,119
Add: Release of exchange reserve upon disposal	862
Gain on disposal of subsidiaries	10,992
Net cash flow arising on disposal of subsidiaries	
Bank balances and cash disposed	(103,615)

Note:

As at the completion date of disposal, the outstanding amounts owed by the Chengzheng Group to the Group amounted to approximately RMB38,950,000 (equivalent to HKD44,678,000).The consideration remains unpaid and included in other receivables of the Group as at 31 December 2025, which was fully received in 2026.

11 PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment HKD'000
Six months ended 30 June 2026	
Carrying amount as at 1 January 2026 (Audited)	**112,096**
Depreciation	**(4,647)**
Provision of impairment losses (note (b))	**(6,861)**
Exchange differences	**3,629**
Carrying amount as at 30 June 2026 (Unaudited)	**104,217**
Six months ended 30 June 2025	
Carrying amount as at 1 January 2025 (Audited)	222,022
Additions	4,375
Depreciation	(10,030)
Exchange differences	7,136
Carrying amount as at 30 June 2025 (Unaudited)	223,503

Note (a): The following table summarised the right-of-use assets capitalised by nature of underlying assets:

Right-of-use assets	**Land use right** HKD'000	**Leasehold land and buildings** HKD'000	**Total** HKD'000
At 1 January 2026	**13,920**	**449**	**14,369**
Depreciation	**(231)**	**(193)**	**(424)**
Exchange differences	**465**	**–**	**465**
At 30 June 2026	**14,154**	**256**	**14,410**
At 1 January 2025	18,006	833	18,839
Depreciation	(281)	(192)	(473)
Exchange differences	585	–	585
At 30 June 2025	18,310	641	18,951

11 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Note (b): For the purpose of impairment testing, the carrying amounts of property, plant and equipment have been allocated to the CGU, namely Cement CGU, in the production and sales of cement products segment.

The Group performed its impairment test with a valuation performed by an independent qualified professional valuer as at 30 June 2026. The Group considers the relationship between its market capitalisation and its book value and assumptions are reflective of the prevailing market condition. The Group's management has performed impairment assessment on the relevant property, plant and equipment by assessing their recoverable amounts based on the higher of value-in-use calculations or fair value less costs of disposal calculations. The recoverable amount of the CGU is determined based on value-in-use calculation, which are higher than the fair value less costs of disposal calculation.

The recoverable amount of the CGU, in which the property, plant and equipment including right-of-use assets have been included that generate cash flows together in the respective CGU for the purpose of impairment assessment as at 30 June 2026 has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 1.99% (31 December 2025: 2.02%), which does not exceed the long-term growth rate in the PRC. Discount rate used of 12.66% (31 December 2025: 13.27%) is pre-tax and reflect specific risks relating to the relevant CGU. Operating margin and growth rate within the five-year period was based on past experience.

Based on the result of the impairment assessment, the recoverable amount of approximately HKD82,670,000 is lower than the carrying amount of certain property, plant and equipment of approximately HKD89,531,000, impairment loss of HKD6,861,000 (31 December 2025: HKD4,563,000) was recognised for the six months ended 30 June 2026 which was allocated to property, plant and equipment, mainly due to the underperformance of the CGU and competitive environment.

11 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Note (c): Assets classified as held for sale

	As at	
	30 June 2026 HKD'000 (Unaudited)	31 December 2025 HKD'000 (Audited)
Property, plant and equipment	**19,396**	18,768

Non-current assets held for sale represent a 2500t/d clinker production line and ancillary equipment previously included in property, plant and equipment which were agreed to be dismantled and disposed of by independent third parties.

The Group have entered into a disposal agreement on 12 September 2025 regarding the disposal of clinker production lines at the consideration of RMB16,800,000, which was determined with reference to the valuation conducted by an independent third-party auction house.

In respect of the disposal, demand for cement has experienced a significant decline in recent years. In order to optimise the Group's asset structure, enhance overall operational efficiency and resource allocation, and taking into account that the service life of the relevant assets comprising the production line has nearly come to an end, the Company resolved to dismantle the production line into metal components and parts for disposal. Given the nature and condition of the assets, the valuation was conducted on the basis of their scrap metal weight and the prevailing market prices of scrap metal.

In view of the management of the Company, the transaction is highly probable to be completed in second half of 2026 and therefore the relevant property, plant and equipment are classified as assets held for sales as at 31 December 2025 and 30 June 2026.

12 INVESTMENTS IN ASSOCIATES

	As at	
	30 June 2026 HKD'000 (Unaudited)	31 December 2025 HKD'000 (Audited)
Unlisted equity investment:		
At the beginning of period ended and year ended	**24,161**	32,417
Share of results of associates	**(1,971)**	(9,698)
Exchange differences	**790**	1,442
As at the end of period ended and year ended	**22,980**	24,161

The Group has a 43.2% (31 December 2025: 43.2%) interest in its associate, Suzhou Dongtong Environment and Technology Company Limited (蘇州東通環保科技有限公司, "**Dongtong Environment and Technology**"), which was incorporated and operates in the PRC. The principal activity of Dongtong Environment and Technology is research and development on environmental technology and provision of related services. The cost of the investment was HKD27,637,000 (equivalent to RMB24,000,000).

The Group has a 30% (31 December 2025: 30%) interest in an associate, Zhuhai Huiyinhuiheng Investment Fund Management Company Limited* (珠海匯垠匯恒股權投資資金管理有限公司), which was incorporated in the PRC. The principal activity of the company is financial investment management. The cost of the investment was HKD3,327,000 (equivalent to RMB2,757,000).

* The English translation of the entity name is for reference only. Its official name is in Chinese.

All of these associates are accounted for using the equity method in these condensed consolidated interim financial statements.

12 INVESTMENTS IN ASSOCIATES *(CONTINUED)*

Summarised financial information of material associate

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's interim financial statements prepared in accordance with HKFRS Accounting Standards.

	As at	
	30 June 2026	31 December 2025
	HKD'000	HKD'000
Dongtong Environment and Technology	**(Unaudited)**	(Audited)
Non-current assets	**49**	4,545
Current assets	**47,499**	45,103
Current liabilities	**(1,426)**	(1,499)

	Six months ended 30 June	
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Revenue	**–**	529
Loss for the period	**(3,604)**	(746)
Other comprehensive income for the period	**1,577**	2,197
Total comprehensive income for the period	**(2,027)**	1,451
Dividends received from the associate during the period	**–**	–

12 INVESTMENTS IN ASSOCIATES *(CONTINUED)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the condensed consolidated interim financial statements:

	As at	
	30 June 2026 HKD'000 (Unaudited)	31 December 2025 HKD'000 (Audited)
Net assets of Dongtong Environment and Technology	**46,122**	48,149
Proportion of the Group's ownership interest in Dongtong Environment and Technology	**43.2%**	43.2%
Carrying amount of the Group's interest in Dongtong Environment and Technology	**19,927**	20,802

Aggregate information of an associate that is not material

	As at	
	30 June 2026 HKD'000 (Unaudited)	31 December 2025 HKD'000 (Audited)
Aggregate carrying amount	**3,053**	3,359

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Aggregate amounts of the Group's share of the associate's:	**HKD'000**	HKD'000
– (Loss)/profit for the period	**(414)**	111
– Other comprehensive income for the period	**108**	108
– Total comprehensive income for the period	**(306)**	219

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	30 June 2026 HKD'000 (unaudited)	31 December 2025 HKD'000 (Audited)
Trust agreement investment	**115,481**	112,299

The trusted fund under the trust agreement entered between the Group and the National Trust Ltd. ("**National Trust**") in 2022. The trusted fund is administered by National Trust who is responsible for managing the trusted assets to generate investment return contributed to the Group. The Group has classified the trust agreement investment as a non-current asset since it is held for long-term investment purpose. For further information regarding the above, please refer to the announcements dated 27 December 2022 and 30 December 2022.

14 INVENTORIES

	As at	
	30 June 2026 HKD'000 (unaudited)	31 December 2025 HKD'000 (Audited)
Raw materials	**7,424**	7,069
Work-in-progress	**7,510**	7,831
Finished goods	**6,201**	4,869
	21,135	19,769

15 TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2026	31 December 2025
	HKD'000	HKD'000
	(Unaudited)	(Audited)
Trade and bills receivables from third parties	**14,124**	13,702
Less: provision for impairment *(Note (iv))*	**(37)**	(107)
Trade and bills receivables, net *(Note (i))*	**14,087**	13,595
Prepayments and deposits *(Note (ii))*	**2,629**	3,494
Other receivables *(Note (iii))*	**6,910**	59,735
Less: provision for impairment on other receivables *(Note (iv))*	**(1,260)**	(934)
Other receivables, net	**5,650**	58,801
Prepayments, deposits and other receivables	**8,279**	62,295
Total trade and other receivables	**22,366**	75,890
Less: non-current portion		
Deposits paid for purchase of machineries *(Note (ii))*	**(335)**	–
Trade and other receivables – current portion	**22,031**	75,890

As at 30 June 2026 and 31 December 2025, no trade and bills receivables were pledged for the borrowings.

15 TRADE AND OTHER RECEIVABLES *(CONTINUED)*

(i) Trade and bills receivables

Credit terms given to its customers generally range from 30 to 90 days (31 December 2025: 30 to 90 days). For major customers, depending on their business relationships with the Group and their creditworthiness, the Group may grant them the following credit terms: (i) a revolving credit limit of between RMB1,000,000 and RMB50,000,000 with a credit period of up to 365 days, and (ii) any outstanding receivables in excess of the said revolving credit limit with a credit period of between 0 to 30 days.

Bills receivable represent bills received from customers for settlement of trade receivables. Bills receivables are normally due within 180 days.

The trade and bills receivable are inclusive of value-added tax. Ageing analysis of trade and bills receivables (net of provision) by invoice date and issuance date of bills are as follows:

	As at	
	30 June 2026 HKD'000 (Unaudited)	31 December 2025 HKD'000 (Audited)
Within 90 days	**9,840**	8,967
From 91 days to 180 days	**3,621**	2,816
From 181 days to 1 year	**626**	1,812
	14,087	13,595

The above balances include past due but not impaired and related to a number of independent customers that have a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

(ii) Prepayments and deposits

As at 30 June 2026, included in the Group's prepayments and deposits were mainly represented by the prepayments and deposits amounted to HKD2,034,000 and HKD335,000 (31 December 2025: HKD2,873,000 and nil) paid to the suppliers for raw material purchases and utilities, and for purchase of machineries.

15 TRADE AND OTHER RECEIVABLES *(CONTINUED)*

(iii) Other receivables

As at 31 December 2025, included in the Group's other receivables of approximately HKD12,234,000 consideration receivables from disposal of subsidiaries and approximately HKD43,125,000 amount due from Chengzheng Group which being disposed during the year ended 31 December 2025, was received during the six months ended 30 June 2026.

(iv) Movements of the provision for impairment of trade and other receivables are as follows:

	As at	
	30 June 2026	31 December 2025
	HKD'000	HKD'000
	(Unaudited)	(Audited)
Trade receivables:		
Beginning of period/year	**107**	356
Balance recovered for the period/year	**(73)**	(6)
Disposal of subsidiaries	**–**	(261)
Exchange differences	**3**	18
End of period/year	**37**	107
Other receivables:		
Beginning of period/year	**934**	153
Provision for the period/year	**297**	879
Disposal of subsidiaries	**–**	(126)
Exchange differences	**29**	28
End of period/year	**1,260**	934

The origination and release of provision for impairment of trade receivables and other receivables have been included in administrative expenses in the profit or loss. Amounts charged to impairment account are generally written off, when there is no realistic prospect of recovering additional cash. The Group recognised impairment loss on collective and individual assessment in accordance with the accounting policy.

16 TRADE AND OTHER PAYABLES

	As at	
	30 June 2026 HKD'000 (Unaudited)	31 December 2025 HKD'000 (Audited)
Trade payables	**17,376**	29,112
Bills payables	**2,352**	5,274
Salary and bonus payables	**911**	3,519
VAT payables	**2,351**	150
Amounts due to related parties *(note 23(b))*	**6,795**	7,700
Other payables	**9,807**	15,394
	39,592	61,149

The credit period granted by the Group's principal suppliers is 30 to 90 days. Most of the Group's trade and other payables are denominated in RMB.

The carrying value of the Group's trade and other payables approximated to their fair values.

Aging analysis of trade payables based on invoice dates are as follows:

	As at	
	30 June 2026 HKD'000 (Unaudited)	31 December 2025 HKD'000 (Audited)
Within 30 days	**3,728**	9,938
From 31 days to 90 days	**6,344**	7,293
From 91 days to 180 days	**3,791**	4,761
From 181 days to 1 year	**2,279**	3,964
From 1 year to 2 years	**306**	721
Over 2 years	**928**	2,435
	17,376	29,112

17 BORROWINGS

	As at	
	30 June 2026	31 December 2025
	HKD'000	HKD'000
	(Unaudited)	(Audited)
Bank borrowings, unsecured *(note (a))*	**93,042**	93,841
Other loans, unsecured *(note (b))*	**–**	10,700
Total bank and other loans	**93,042**	104,541
Carrying amount of bank borrowings repayable:		
On demand or within one year	**93,042**	93,841
Carrying amount of other loans repayable:		
On demand or within one year	**–**	10,700
Total bank and other loans	**93,042**	104,541

Notes:

(a) As at 30 June 2026, bank borrowings of approximately HKD93,042,000 (31 December 2025: HKD93,841,000) with fixed interest rates ranged from 2.80% to 4.00% (31 December 2025: 2.80% to 4.00%) per annum was guaranteed by the Company.

(b) As of 31 December 2025, approximately HKD10,700,000 of the other borrowings carried at a fixed interest rate of 9% per annum without any security collateral pledged. During the period, the Group and the lender entered into an agreement to revise the repayment terms of the borrowings, pursuant to which the Group's obligations in respect of the principal and accrued interest under the borrowing agreements were fully settled for a consideration of HKD6,000,000. As a result of the modification of the borrowings, the Group recognised a gain of HKD13,233,000 in profit or loss, which is included in "Other income and other gains, net" for the period. The Group fully settled the agreed consideration during the period and discharged all the aforementioned obligations.

18 DEFERRED TAXATION

	As at 30 June 2026 HKD'000 (unaudited)	As at 31 December 2025 HKD'000 (audited)
Deferred tax assets	**–**	6,641
Deferred tax liabilities	**(16,104)**	(16,273)
	(16,104)	(9,632)

	Withholding tax for attributable profit relating to equity holders HKD'000 *(Note (a))*	Tax loss HKD'000 *(Note (b))*	Revaluation of property, plant and equipment HKD'000	Total HKD'000
As at 1 January 2026 (Audited)	**(16,273)**	**6,641**	**–**	**(9,632)**
Charged to profit or loss *(Note 9)*	**708**	**(6,798)**	**–**	**(6,090)**
Exchange difference	**(539)**	**157**	**–**	**(382)**
As at 30 June 2026 (Unaudited)	**(16,104)**	**–**	**–**	**(16,104)**
As at 1 January 2025 (Audited)	(30,981)	7,392	(2,210)	(25,799)
Charged to profit or loss *(Note 9)*	9,012	(852)	215	8,375
Exchange difference	(840)	226	(68)	(682)
As at 30 June 2025 (Unaudited)	(22,809)	6,766	(2,063)	(18,106)

18 DEFERRED TAXATION *(CONTINUED)*

(a) Pursuant to the PRC Corporate Income Tax Law, effective from 1 January 2008, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is liable to withholding taxes on dividends distributed by the subsidiary established in the PRC in respect of their earnings generated from 1 January 2008 at applicable tax rate.

(b) As at 30 June 2026, the Group had unused tax losses of approximately HKD92,787,000 (31 December 2025: HKD60,426,000), available to offset against future profits. As at 30 June 2026, unused tax losses of approximately HKD nil (31 December 2025: HKD26,565,000) had been recognized in deferred tax assets, while approximately HKD92,787,000 (31 December 2025: HKD33,861,000) had not been recognised, due to the unpredictability of future profit streams.

19 SHARE CAPITAL

	Number of ordinary shares (thousands)	**Nominal value of ordinary shares** HKD'000
Authorised:		
Ordinary shares of HKD0.01 each as at 1 January 2025, 30 June 2025, 31 December 2025 and 30 June 2026	10,000,000	100,000
Issued and fully paid:		
As at 1 January 2025, 30 June 2025, 31 December 2025 and 30 June 2026	552,000	5,520

20 LOSS PER SHARE

From continuing and discontinued operations

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company of HKD15,978,000 (30 June 2025: HKD9,155,000) by the weighted average number of ordinary shares in issue during the period of 552,000,000 (30 June 2025: 552,000,000).

As there were no dilutive options and other dilutive potential ordinary shares in issue for the six months ended 30 June 2026 and 2025, diluted loss per share is the same as basic loss per share.

From a discontinued operation

Basic and diluted loss per share for the period from a discontinued operation is HKD nil per share (30 June 2025: HKD0.030 per share), based on the loss for the period from a discontinued operation attributable to owners of the Company of HKD nil (30 June 2025: HKD16,682,000) divided by the weighted average number of ordinary shares in issue during the period of 552,000,000 (30 June 2025: 552,000,000).

From continuing operations

Basic and diluted loss per share for the period from continuing operations is HKD0.029 per share (30 June 2025: HKD0.014 earnings per share), based on the loss for the period from continuing operations attributable to owners of the Company of HKD15,978,000 (30 June 2025: profit of HKD7,527,000) divided by the weighted average number of ordinary shares in issue during the period of 552,000,000 (30 June 2025: 552,000,000).

21 DIVIDENDS

No dividend was proposed, declared or paid during the six months ended 30 June 2026 (2025: Special dividend of HKD0.136 per share declared in the Board meeting held on 5 December 2024 was paid during the six months ended 30 June 2025).

Subsequent to the end of the current interim period, the directors of the Company have determined that no dividend will be declared or paid in respect of the interim period (2025: Nil).

22 LEASE LIABILITIES

	Leasehold land and buildings	
	2026	2025
	HKD'000	HKD'000
At 1 January (Audited)	**463**	845
Interest expenses	**6**	13
Lease payments	**(202)**	(202)
At 30 June (Unaudited)	**267**	656

	As at	
	30 June	31 December
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Audited)
Current portion	**267**	396
Non-current portion	**–**	67
	267	463

Future lease payments are due as follows:

	Minimum lease payments 30 June 2026 HKD'000 (Unaudited)	**Interest 30 June 2026 HKD'000 (Unaudited)**	**Present value 30 June 2026 HKD'000 (Unaudited)**
Not later than one year	**270**	**(3)**	**267**

22 LEASE LIABILITIES *(CONTINUED)*

	Minimum lease payments 31 December 2025 HKD'000 (Audited)	Interest 31 December 2025 HKD'000 (Audited)	Present value 31 December 2025 HKD'000 (Audited)
Not later than one year	405	(9)	396
Later than one year and not later than two years	67	–	67
	472	(9)	463

23 RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management includes directors (executive and non-executive) and senior management. Remuneration paid or payables to key management for employees service is shown below:

	Six months ended 30 June	
	2026	2025
	HKD'000	HKD'000
	(Unaudited)	(Unaudited)
Basic salaries and benefits in kind	**1,386**	1,544

(b) Material related party transactions and balances

On 1 November 2018, Mr. Tseung (as the lender) entered into an interest-free loan facility agreement with the Company (as borrower) to grant a loan facility up to HKD1,500,000 to a subsidiary of the Company and subject to the lender's overriding right of repayment on demand. As at 30 June 2026 and 31 December 2025, there was no borrowing due to Mr. Tseung.

Other payables included amounts due to companies under control of Mr. Tseung, of HKD6,795,000 (31 December 2025: HKD7,700,000). The balances are unsecured, interest-free and repayable on demand.

24 CAPITAL COMMITMENT

	As at	
	30 June 2026	31 December 2025
	HKD'000	HKD'000
	(Unaudited)	(Audited)
Commitments for the acquisition of:		
Property, plant and equipment	**1,083**	–

25 FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair value of financial assets and liabilities:

	As at	
	30 June 2026	31 December 2025
	HKD'000	HKD'000
	(Unaudited)	(Audited)
Financial assets:		
Financial assets at amortised cost		
– Trade and other receivables excluding prepayments	**19,737**	72,396
– Pledged bank deposits	**2,352**	5,279
– Cash and cash equivalents	**190,755**	154,115
Financial assets at fair value through profit or loss	**115,481**	112,299
Total	**328,325**	344,089
Financial liabilities:		
Financial liabilities at amortised cost		
– Borrowings	**93,042**	104,541
– Trade and other payables excluding non-financial liabilities	**37,241**	60,999
Lease liabilities	**267**	463
Total	**130,550**	166,003

25 FINANCIAL INSTRUMENTS *(CONTINUED)*

Fair value measurement

The fair value measurement of the Group's financial and non-financial assets and liabilities utilised market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "**Fair Value Hierarchy**"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

(i) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and bank balances, trade and other receivables, short-term bank deposits, pledged bank deposits, trade and other payables and borrowings.

Due to their short term nature, the carrying value of cash and bank balances, trade and other receivables, short-term bank deposits, pledged bank deposits, trade and other payables and borrowings approximate their fair value.

(ii) Financial instruments measured at fair value

Financial assets at fair value through profit or loss included in the condensed consolidated interim financial statements require measurement at, and disclosure of, fair value.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

25 FINANCIAL INSTRUMENTS *(CONTINUED)*

Fair value measurement *(Continued)*

(ii) Financial instruments measured at fair value *(Continued)*

Information about level 3 fair value measurements

For the financial assets at fair value through profit or loss

The Group's unlisted private fund categorised in Level 3 was managed by unrelated asset managers who applied various investment strategies to accomplish their respective investment objectives. The fair value of the fund is recorded based on valuations supplied by the fund managers. These valuations are measured by the percentage of ownership of the private fund's net asset value, which is an unobservable input. The fund managers estimated the fair value of underlying investments based on direct market quote for level 1 financial instruments. For other investments, the fund managers apply appropriate valuation techniques such as latest transaction price, discounted cash flow, or a forward price/earnings multiple arrived at by comparison with publicly-traded comparable companies and after applying a liquidity discount. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instruments or based on any available observable market data.

As Level 3 investment fund is close-ended, the Group reviews the valuations of the underlying investments held by respective investment fund to assess the appropriateness of the net asset values as provided by the fund administrators, and may make adjustments for rights and obligations inherent within the ownership interest held by the Group as they consider appropriate.

There was no transfer under the fair value hierarchy classification during the six months ended 30 June 2026.

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

Financial assets at fair value through profit or loss	**2026**	2025
	HKD'000	HKD'000
At 1 January (audited)	**112,299**	108,027
Total gains or losses:		
– changes in fair value of financial assets	**(571)**	2,479
Distribution	**–**	(4,431)
Exchange differences	**3,753**	3,501
At 30 June (unaudited)	**115,481**	109,576