DACHAN FOOD (ASIA) LIMITED
大 成 食 品（亞 洲）有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3999)

Announcement of Interim Results for the Six Months ended 30 June 2026

The board of directors (the "Board") of DaChan Food (Asia) Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the six months ended 30 June 2026:

Financial Highlights

	Six months ended 30 June		
	2026	**2025**	**% change**
	(unaudited)	(unaudited)	
Turnover (RMB'000)	2,896,049	2,909,838	-0.5
Gross profit (RMB'000)	332,622	305,500	8.9
Gross profit margin (%)	11.5	10.5	
Profit/(loss) attributable to shareholders of the Company (RMB'000)	85	(35,070)	100.2
Basic earnings/(loss) per share (RMB)	0.0001	(0.035)	

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2026
(Expressed in RMB'000 unless stated otherwise)

	Note	Six months ended 30 June	
		2026	**2025**
		(unaudited)	(unaudited)
Turnover	3	2,896,049	2,909,838
Cost of sales		2,563,427	(2,604,338)
Gross profit		332,622	305,500
Other operating income	4	15,647	10,360
Other net (losses)/gains	4	(2,920)	(6,667)
Distribution costs		(169,349)	(182,367)
Administrative expenses		(150,009)	(139,143)
Profit/(loss) from operations		25,991	(12,317)
Finance costs	5(a)	(9,220)	(7,416)
Share of profits of equity-accounted investees		1,568	1,521
Profit/(loss) before taxation	5	18,339	(18,212)
Income tax	6	(10,158)	(8,203)
Profit/(loss) for the period		8,181	(26,415)
Attributable to:			
Shareholders of the Company		85	(35,070)
Non-controlling interests		8,096	8,655
Profit/(loss) for the period		8,181	(26,415)
Earnings/(loss) per share			
– Basic and diluted (RMB)	7	0.0001	(0.035)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026
(Expressed in RMB'000 unless stated otherwise)

	Six months ended 30 June	
	2026	**2025**
	(unaudited)	(unaudited)
Profit/(loss) for the period	8,181	(26,415)
Exchange differences on translation of financial statements of overseas subsidiaries	4,865	1,623
Total comprehensive income for the period	13,046	(24,792)
Attributable to:		
Shareholders of the Company	5,666	(33,330)
Non-controlling interests	7,380	8,538
Total comprehensive income for the period	13,046	(24,792)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2026
(Expressed in RMB'000 unless stated otherwise)

	Note	At 30 June 2026 (unaudited)	At 31 December 2025 (audited)
Non-current assets			
Property, plant and equipment	8	1,632,400	1,698,672
Land use rights		132,665	134,911
Investment property		23,906	24,997
Intangible assets		7,417	7,917
Interests in equity-accounted investees		80,791	79,223
Other financial assets		1,948	1,948
Deferred tax assets		4,500	5,453
Long-term tax recoverable	10	85,805	85,805
Other non-current assets		21,165	18,606
		1,990,597	2,057,532
Current assets			
Inventories		447,983	508,060
Biological assets		93,625	95,490
Trade receivables	9	264,613	234,127
Other receivables and prepayments	10	196,932	210,585
Cash and cash equivalents		564,449	532,358
		1,567,602	1,580,620
Current liabilities			
Trade payables	11	406,417	401,803
Other payables	12	273,623	303,030
Contract liabilities		13,269	10,795
Interest-bearing borrowings		350,733	210,724
Lease liabilities		1,581	1,581
Income tax payable		11,118	14,042
		1,056,741	941,975
Net current assets		510,861	638,645

	Note	At 30 June 2026 (unaudited)	At 31 December 2025 (audited)
Total assets less current liabilities		2,501,458	2,696,177
Non-current liabilities			
Interest-bearing borrowings		25,677	228,568
Lease liabilities		26,152	27,274
Deferred tax liabilities		10,499	10,935
		62,328	266,777
Net assets		2,439,130	2,429,400
Capital and reserves			
Share capital		97,920	97,920
Reserves		969,470	963,889
Retained profits		1,111,285	1,111,200
Total equity attributable to shareholders of the Company		2,178,675	2,173,009
Non-controlling interests		260,455	256,391
Total equity		2,439,130	2,429,400

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and has complied with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("IASB"). It has been authorised for issue on 4 August 2026.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of these changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses based on the current situation. Actual results may differ from these estimates.

2 Changes in accounting policies

(i) Overview

The Group has applied the following amendments to IFRSs for the current accounting period:

- Amendments to IFRS 9 and IFRS 7, *Amendments to the classification and measurement of financial instruments*
- Amendments to IFRS 9 and IFRS 7, *Contracts referencing nature-dependent electricity*
- Annual improvements to IFRS, *Volume 11*

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Turnover and segment reporting

The Group manages its businesses by divisions, sorted by different business lines. The Group has presented the following three reportable segments, and no operating segments have been aggregated to form each of the reportable segments.

Processed food:	The processed food segment processes meat (mainly chicken meat) into further processed or instant food (half-cooked/fully cooked) products for production and distribution.
Livestock feeds:	The livestock feeds segment manufactures and distributes complete feed, base mix feed and premix feed for swine, layer, broiler, duck, and breeder poultry under the brands of "Dr. Nupak", "DaChan" and "Green Knight".
Meat:	The meat segment carries on business of broiler farming, hatching of broiler breeder eggs, contract farming, processing and trading of chilled and frozen chicken meat sold under the brands of "DaChan" and "Sisters' Kitchen".

Information about reportable segments

Information regarding the Group's reportable segments as provided for the chief executive officer for the purposes of resource allocation and segment performance assessment for the six-month periods ended 30 June 2026 and 2025 is set out below.

For the six months ended 30 June

	Processed food		**Livestock feeds**		**Meat**		**Total**	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Turnover from external customers	1,369,227	1,302,264	737,440	826,528	789,382	781,046	2,896,049	2,909,838
Inter-segment turnover (eliminated at consolidation)	–	–	333,519	401,673	148,490	86,564	482,009	488,237
Total	1,369,227	1,302,264	1,070,959	1,228,201	937,872	867,610	3,378,058	3,398,075
Segment gross profit	235,346	227,719	52,571	55,150	44,705	22,631	332,622	305,500

4 Other operating income and other net losses

	Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
Other operating income		
Interest income	4,030	2,688
Government grants	7,709	4,028
Rental income	3,908	3,644
	15,647	10,360

	Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
Other net (losses)/gains		
(Losses)/gains of foreign exchange	(1,353)	(711)
Net (losses)/gains on disposal of fixed assets	(264)	(2,554)
Others	(1,303)	(3,402)
	(2,920)	(6,667)

5 Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
(a) Finance costs		
Interest on bank borrowings wholly repayable within five years	(9,220)	(7,416)

(b) Other items

	Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
Amortisation of lease prepayments	(2,315)	(2,175)
Depreciation of property, plant and equipment	(91,318)	(90,721)
Net reversal/(provision) of impairment on trade receivables	618	813
Net (recognition)/reversal of write-off of inventory	5,014	(4,154)

6 Income tax

	Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
Current tax	(9,641)	(7,354)
Deferred taxation	(517)	(849)
	(10,158)	(8,203)

(i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) The provision for Hong Kong Profits Tax for the relevant period in the six months ended 30 June 2026 is calculated at 16.5% (six months ended 30 June 2025: 16.5%) of the estimated assessable profits for the period, except for one subsidiary of the Group which is the qualifying corporation under the two-tiered profits tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for such subsidiary was calculated at the same basis in 2025.

(iii) Pursuant to the enterprise income tax laws and regulations of the PRC, the companies established under the Group in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% for the six months ended 30 June 2026 (six months ended 30 June 2025: 25%).

7 Earnings per share

The calculation of basic earnings per share as at 30 June 2026 is based on the profit attributable to ordinary equity holders of the Company of RMB85 thousand (six months ended 30 June 2025: loss attributable of RMB35,070 thousand) and the weighted average of 1,016,189,000 ordinary shares (six months ended 30 June 2025: 1,016,189,000 shares) in issue during the reporting period.

The Group had no potentially dilutive ordinary shares which were outstanding during the six months ended 30 June 2026 and 2025. Therefore, there is no difference between the diluted earnings per share and the basic earnings per share.

8 Fixed assets

During the six months ended 30 June 2026, the Group acquired fixed assets at a cost of RMB30,620 thousand (six months ended 30 June 2025: RMB68,668 thousand). Items of fixed assets with net book value of RMB100 thousand (six months ended 30 June 2025: RMB843 thousand) were disposed of during the six months ended 30 June 2026, resulting in a loss on disposal of RMB264 thousand (six months ended 30 June 2025: a loss of RMB2,554 thousand).

9 Trade receivables

The ageing analysis as of the end of the reporting period is as follows:

	30 June 2026	**31 December 2025**
	RMB'000	RMB'000
Current	251,842	221,314
1-180 days past due	12,945	13,195
181-365 days past due	577	524
More than 365 days past due	5,306	5,697
Amounts past due	18,828	19,416
Less: allowance for doubtful debts	(6,057)	(6,603)
	264,613	234,127

The Group generally grants a credit period of 30 days to 60 days to its customers.

10 Other receivables and prepayments

	30 June 2026 RMB'000	31 December 2025 RMB'000
VAT recoverable	212,778	233,689
Deposits and prepayments	63,042	55,340
Advances to staff	2,653	3,782
Others	4,264	3,579
	282,737	296,390
Less: non-current VAT recoverable	(85,805)	(85,805)
	196,932	210,585

11 Trade payables

An ageing analysis of trade payables is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Current	226,199	304,213
Less than 30 days past due	143,000	55,769
31-60 days past due	22,127	23,605
61-90 day past due	6,787	7,182
More than 90 days past due	8,304	11,034
Amounts past due	180,218	97,590
	406,417	401,803

12 Other payables

	30 June 2026 RMB'000	31 December 2025 RMB'000
Sales rebate	12,507	19,840
Salaries, wages, bonuses and other benefits payable	56,795	63,362
Accrued expenses	93,475	109,532
Contract performance deposits	47,172	38,632
Payables for purchase of fixed assets	16,781	22,348
Amounts due to related parties	42,600	42,600
Others	4,293	6,716
	273,623	303,030

13 Dividends

No interim dividend for the six months ended 30 June 2026 is paid (2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

I. PERFORMANCE OVERVIEW: STEADY ENHANCEMENT OF PROFITABILITY MOMENTUM AND STRENGTHENED ACHIEVEMENTS FROM STRATEGIC TRANSFORMATION

	Six months ended 30 June		
	2026	**2025**	**% change**
Turnover (RMB'000)	2,896,049	2,909,838	-0.5
Gross profit (RMB'000)	332,622	305,500	8.9
Gross profit margin (%)	11.5	10.5	
(Loss)/profit attributable to shareholders of the Company (RMB'000)	85	(35,070)	100.2

In the first half of 2026, the Group steadfastly pursued its strategic transformation and lean operations in the face of a complex external market environment, resulting in a steady improvement in core profitability. During the reporting period, the Group recorded a profit attributable to shareholders of RMB85 thousand, compared with a loss attributable to shareholders of RMB35,070 thousand over the corresponding period of last year, representing a successful turnaround from loss to profit.

In the first half of the year, the Group recorded a total operating income of RMB2,896,049 thousand, representing a slight year-on-year decrease of 0.5%, with the decline rate being narrowed as compared with the first quarter. Although the revenue continued to be affected by the Group's prudent business strategies which were proactively adopted to address cyclical fluctuations in the white feather broiler industry, the diversified and balanced business portfolio remained stable, with the businesses of processed food, meat and feeds accounting for 47.3%, 27.2%, and 25.5% of total operating income, respectively.

The overall gross profit margin of the Group for the first half of the year stood at 11.5%, representing an increase of 1.0 percentage point as compared to 10.5% over the corresponding period of last year, primarily attributable to: (1) an increased share of the high-margin processed food business (increased share of operating income from 44.8% to 47.3%); (2) a significant increase in the gross profit margin of the meat segment from 2.9% to 5.7%. In terms of the composition of gross profit, the processed food business, characterised by its high added value, contributed 70.8% of the Group's gross profit and was a core pillar of the Group's sustainable development in the long term.

II. SEGMENT PERFORMANCE: STRUCTURAL OPTIMISATION DRIVING VALUE GROWTH

1. Processed Food: A Robust Engine for Core Growth Backed by Momentum for Long-Term Development

	Six months ended 30 June		
	2026	**2025**	**% change**
Turnover (RMB'000)			
– Mainland China	1,194,312	1,159,307	3.0
– Export	174,915	142,957	22.4
Total	1,369,227	1,302,264	5.1
Gross profit (RMB'000)			
– Mainland China	213,141	200,286	6.4
– Export	22,205	27,433	-19.1
Total	235,346	227,719	3.3
Gross profit margin (%)			
– Mainland China	17.8	17.3	
– Export	12.7	19.2	
Total	17.2	17.5	

In the first half of the year, the operating income from the processed food segment amounted to RMB1,369,227 thousand, representing a year-on-year increase of 5.1%, while the gross profit stood at RMB235,346 thousand, representing a year-on-year increase of 3.3%, making it the Group's primary source of profit.

As the upstream of the white feather broiler industrial chain is more susceptible to periodic market fluctuations, leading enterprises in the industry have been extending to the downstream food end in recent years, resulting in increasingly fierce competition in the field of processed food of chicken meat. In the face of intensifying market competition, the Group continued to increase its investment in areas such as research and development, supply chain, quality control and digitalization for its processed food business and introduce professionals, advanced equipment and software, thereby continuously improving the product development and service capabilities for major chain catering customers and key retail customers. Leveraging digital tools to enhance the synergistic operation among the research and development, quality control, procurement, production and other departments, the Group continued to promote cost reduction and efficiency improvement of its flagship products. These strategic plans focus on medium to long-term development, including investments in production capacity building, talent reserves and digital systems, which have placed certain pressure on the profitability of the processed food business in the short term, but will lay a stronger foundation for the scaled development of the Company's food business.

For the export market, the food export sales team continued to further cultivate the Japanese market, actively expanded into new product categories, new channels and new customers. In the first half of the year, the operating income for exports recorded a year-on-year growth of 22.4%. Going forward, the food export sales team will further increase its efforts in developing export markets apart from Japan to mitigate market concentration risks.

2. ***Meat: Remarkable Effectiveness from Business Model Transformation and Substantial Improvement in Profitability***

	Six months ended 30 June		
	2026	**2025**	**% change**
Turnover (RMB'000)	789,382	781,046	1.1
Gross profit (RMB'000)	44,705	22,631	97.5
Gross profit margin (%)	5.7	2.9	

In the first half of the year, the operating income from the meat segment amounted to RMB789,382 thousand, representing a slight year-on-year increase of 1.1%, the gross profit reached RMB44,705 thousand, representing a significant year-on-year increase of 97.5%, and the gross profit margin rose to 5.7% from 2.9% over the corresponding period of last year. This represents a remarkable improvement in profitability, reflecting that the transformation of the business model of the meat segment demonstrates an early sign of success.

According to the monitoring data from the China Animal Agriculture Association, the annual update quantity of grandfather generation breeder chickens for white feather broiler in China reached 1.57 million in 2025, representing a new record high. Coupled with the continuous year-on-year increase in the inventory of parent breeders, the national slaughter volume of white feather broiler was driven to exceed 9 billion in 2025, with industry production capacity continuing to be released. In the first half of this year, as affected by factors such as the substitution effect of low-priced pork products and limited growth in market consumption, the growth rate of end-consumer demand for chicken significantly lagged behind the expansion of supply. In the face of the unfavourable supply-demand landscape, the meat product team proactively established a production-marketing coordination mechanism to enhance the resilience of its supply chain and completed the transformation from production-oriented to demand-driven, thereby continuously improving its relative competitiveness. In the upstream, the meat product team optimized the cooperation model with contract farmers to enable benefits and risk sharing. In the midstream, the meat product team advanced automated production and lean management to reduce processing costs. In the downstream, the meat product team focused on the development of fine processing and differentiated products, and worked alongside the food business to expand into quality channels such as membership stores and chain supermarkets while gradually phasing out low-end customers to strengthen brand premium, thereby ultimately achieving a sustained improvement in operational quality.

3. Feeds: Diversified Layouts for Channels and Products to Proactively Address Market Changes

	Six months ended 30 June		
	2026	**2025**	**% change**
Turnover (RMB'000)	737,440	826,528	–10.8
Gross profit (RMB'000)	52,571	55,150	–4.7
Gross profit margin (%)	7.1	6.7	

In the first half of the year, the feeds business recorded an operating income of RMB737,440 thousand, representing a year-on-year decrease of 10.8%, and the gross profit amounted to RMB52,571 thousand, representing a year-on-year decrease of 4.7%; the gross profit margin increased to 7.1% from 6.7% over the corresponding period of last year, thus reflecting the positive results from cost control and optimised product mix. The decline in operating income was primarily attributable to the ongoing consolidation of the domestic pig breeding industry, and the shrinking target customer base of the Company.

In response to industry challenges, the feeds business team actively adjusted its operation strategies; on one hand, it deepened the cooperation with medium and large-scale breeding farms to stabilize its market share through contract manufacturing; on the other hand, it increased its efforts in the research and development and channel expansion for niche feed categories such as ruminant feed to cultivate new growth markets and mitigate operational risks through a diversified business layout. At the same time, the Company accelerated the integration of the middle office functions, strengthened cross-department collaborations, achieved cost reduction and efficiency improvement through measures such as continuously developing new suppliers and promoting the use of alternative raw materials, in order to steadily enhance the market competitiveness of its products and services.

III. Outlook and Strategic Focus

Looking ahead to the second half of 2026, the global economy will continue to face various uncertainties, but the domestic economy is expected to rebound steadily. With the gradual implementation of policies to boost domestic demand and promote private economy, the consumer demand recovery momentum will be further strengthened. As for the white feather broiler industry, despite the persistent pressure from oversupply in the short term, the supply-demand balance is expected to gradually improve within the industry with the recovery of demands. At the same time, the demand for high-quality, high-value-added chicken meat products continues to rise, thereby leaving ample room for structural upgrade within the industry.

The Group will adhere to the following strategic directions:

1. Taking the food product business as the engine for performance growth, thereby exploring opportunities for cost reduction and efficiency enhancement in core flagship products and cultivating new areas of growth in products and channels to increase profit resilience and continue to advance the conversion of benefits from investments in production capacity building and digitalization.

2. Consolidating the competitive advantage of export sales in Japan while actively expanding into international markets outside Japan to reduce the reliance on a single market and diversify geopolitical risks.

3. Continuously optimizing resources allocation and planned synergy across the processes of broiler breeding, slaughtering, and feed processing of the meat product business, thereby promoting the development of high-value-added products and optimizing its channel structure, in order to further mitigate the impact of market fluctuations.

4. Developing new customers by expanding diversified products and channels for the feeds business, thereby leading to the increase in the sales volume and diversification of market risks and accelerating market penetration of new product categories such as ruminant feeds.

With the synergy of "scale-up of food production, internationalization of export sales, value-adding of meat products and diversification of feeds" developing in tandem, the Company will optimize its supply chain management system by digitalization and intelligent transformation to enhance its operational efficiency and industrial competitiveness.

Financial Review:

1) Other Operating Income and Other Net Gains

In the first six months of 2026, other operating income of the Group amounted to RMB15,647 thousand (2025: RMB10,360 thousand). Other operating income mainly comprised interest income and government grants.

In the first six months of 2026, other net losses of the Group amounted to RMB2,920 thousand (other net losses in 2025: RMB6,667 thousand). Other net losses mainly comprised other net balances derived from activities other than the Group's business operation such as net foreign exchange losses and net losses on disposal of fixed assets.

2) **Liquidity, Financial Resources and Capital Structure**

As at 30 June 2026, the Group's cash and bank deposit balances amounted to RMB564,449 thousand, representing an increase of RMB32,091 thousand as compared with 31 December 2025. Interest-bearing borrowings of the Group decreased by RMB62,882 thousand to RMB376,410 thousand (31 December 2025: RMB439,292 thousand). The interest-bearing borrowings to equity ratio was 15.4% (31 December 2025: 18.1%). The current ratio was maintained at a healthy level of 1.48 times (31 December 2025: 1.68 times).

3) **Capital Expenditure**

In the first six months of 2026, the Group's capital expenditure on the acquisition of properties, machinery and equipment amounted to RMB30,620 thousand. The primary source of fund of the Group's capital expenditure is long-term bank loans.

4) **Exchange Rate**

The Group's business transactions were mainly denominated in RMB and USD. During the review period, RMB appreciated by 3.20% against USD. Such change of exchange rate had no material impact on the Group's operation.

5) **Interest**

During the first six months in 2026, the Group's interest expense amounted to RMB9,220 thousand (2025: RMB7,416 thousand), representing an increase of 24.3% as compared with the same period of 2025. The increase in interest expense was primarily due to the receipt of interest subsidies on the borrowings for the project of the new plant in Bengbu during the same period of 2025.

6) **Pledge of Assets**

As at 30 June 2026, the Group pledged assets worth RMB17,202 thousand in land and plant as security against bank facilities of RMB10,000 thousand. As at 30 June 2026, the credit facility remained unutilized.

7) **Capital Commitment**

As at 30 June 2026, the capital expenditure of the Group contracted for but not yet provided in the financial statements was RMB94,014 thousand and the capital expenditure authorised but not contracted for was RMB69,087 thousand.

Staff Compensation and Training

As at 30 June 2026, the Group had a total of 8,396 staff (31 December 2025: 8,356). In order to build up a team who will be comprised of professional staff and management to meet the development needs of the Group, the Group offers competitive remuneration packages to its staff by taking into consideration industry practice, the financial performance of the Group and the staff's own performance. The Group places great emphasis on staff training and development and regards its staff as its core. With a view to continuously enhancing the job skills and industry knowledge of its management and other staff, the Group has offered them various training programs. The Group aims at promoting the quality of its staff through implementing the above programs and at the same time offering them the best opportunity for personal career development. The Group believes such programs benefit both itself and its staff.

The Group regularly reviews its remuneration and benefit policies according to industry standards, the Group's financial results, as well as the individual performance of its staff so as to offer fair and competitive compensation packages to its staff. Other fringe benefits, such as insurance, medical benefits and provident fund, are also provided for its dedicated staff who remain on the job.

OTHER INFORMATION

Corporate Governance Code

Throughout the six months ended 30 June 2026, the Company has complied with the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that:

Under Code Provision C.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. James Chun-Hsien Wei has performed both of the roles as the Chairman and the Chief Executive Officer since 1 September 2022. The Board considers that this structure would not impair the balance of power and authority between the Board and the management of the Company. The Board currently comprises two executive directors (including Mr. James Chun-Hsien Wei), five non-executive directors and four independent non-executive directors and therefore has a fairly strong independence in its composition and they meet regularly to discuss issues relating to the operation of the Company in order to provide adequate safeguards and protect the interests of the Company and its shareholders. In addition, after taking into account the past experience of Mr. James Chun-Hsien Wei, the Board believes that vesting the roles of the Chairman and the Chief Executive Officer in Mr. James Chun-Hsien Wei could facilitate the execution of the Group's business strategies and enhance the efficiency of its operation. Hence, the aforesaid deviation is appropriate and is in the best interest of the Company at the present stage.

Under Code Provision C.6.1, the company secretary should be an employee of the Company and have day-to-day knowledge of the Company's affairs. Ms. Cho Yi Ping ("Ms. Cho") has been appointed as the company secretary of the Company (the "Company Secretary") with effect from 8 August 2016. She is now a partner of the Company's legal adviser, Wong & Tang Solicitors. The Company has assigned a member of the senior management, Ms. Feng Yuxia, head of the legal department of the Company, as the contact person with Ms. Cho. Ms. Cho is a practicing solicitor in Hong Kong with understanding of the Listing Rules, her qualifications meet the requirements of the Listing Rules in terms of a company secretary of a listed issuer. Further, whenever necessary, the contact person assigned will promptly deliver information regarding the performance, financial position and other major developments and affairs of the Group to Ms. Cho. Having in place a mechanism that enables Ms. Cho to get hold of the Group's development promptly without material delay and with her expertise and experience, the Board is confident that having Ms. Cho as the Company Secretary is beneficial to the Group's compliance with the relevant board procedures and applicable laws, rules and regulations.

Under Code Provision C.1.5, independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Harn Jia-Chen, a non-executive director of the Company, was unable to attend the annual general meeting held on 26 June 2026 due to personal commitments. No shareholders raised any questions at such annual general meeting. Following the meeting, Mr. Harn Jia-Chen has inquired with the Company's personnel about the meeting and maintained regular communication with other directors to exchange views on shareholders' opinions and the Company's affairs. Going forward, the Company will strive to encourage directors to attend general meetings whenever possible to gain a more comprehensive understanding of the views of shareholders.

Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules for regulating the securities transactions of directors. All directors have confirmed, following the specific enquiry by the Company, that they complied with the requirements set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the six months ended 30 June 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

SUBSEQUENT EVENT

No significant events occurred after the end of the reporting period.

AUDIT COMMITTEE

The audit committee of the Company was established with terms of reference in accordance with the Listing Rules. The audit committee is delegated by the Board to assess matters related to the financial statements and to provide recommendations and advice regarding the Company's financial reporting matters, including reviewing the interim results for the six months ended 30 June 2026, and the internal control and risk management system. The audit committee has reviewed the interim results of the Company and does not have any disagreement with the accounting treatment adopted by the Company.

The members of the audit committee comprises Mr. Ting Yu-Shan (chairman), Mr. Hsia Li-Yan, Ms. Lee Tsai, Yu-Ling and Mr. Kao Koong-Lian who are independent non-executive directors of the Company.

By Order of the Board
James Chun-Hsien Wei
Chairman

Hong Kong, 4 August 2026

As at the date of this announcement, Mr. James Chun-Hsien Wei (Chairman) and Mr. Han Chia-Yin are the executive directors of the Company, Mr. Han Chia-Yau, Mr. Harn Jia-Chen, Mr. Han Jia-Hwan, Mr. Chao Tien-Shin and Mr. Wei Anning are the non-executive directors of the Company, and Mr. Ting Yu-Shan, Mr. Hsia, Li-Yan, Ms. Lee Tsai, Yu-Ling and Mr. Kao, Koong-Lian are the independent non-executive directors of the Company.