稻香集團

Tao Heung Holdings Limited
稻香控股有限公司*

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code : 573

* For identification purposes only

2026
INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Wai Ping *(Chairman and Chief Executive Officer)*
Mr. Wong Ka Wing
Mr. Ho Yuen Wah
Mr. Chung Chun Fung

Non-executive Directors

Mr. Fong Siu Kwong
Mr. Chan Yue Kwong, Michael

Independent non-executive Directors

Professor Chan Chi Fai, Andrew
Mr. Mak Hing Keung, Thomas
Mr. Ng Yat Cheung
Ms. Wong Fun Ching

COMPANY SECRETARY

Mr. Lai Chi Kin

AUTHORISED REPRESENTATIVES

Mr. Chung Chun Fung
Mr. Lai Chi Kin

MEMBERS OF AUDIT COMMITTEE

Mr. Mak Hing Keung, Thomas *(Chairman)*
Professor Chan Chi Fai, Andrew
Mr. Chan Yue Kwong, Michael
Ms. Wong Fun Ching

MEMBERS OF NOMINATION COMMITTEE

Professor Chan Chi Fai, Andrew *(Chairman)*
Mr. Ng Yat Cheung
Mr. Chan Yue Kwong, Michael
Ms. Wong Fun Ching

MEMBERS OF REMUNERATION COMMITTEE

Mr. Ng Yat Cheung *(Chairman)*
Mr. Fong Siu Kwong
Mr. Mak Hing Keung, Thomas

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

No. 18 Dai Fat Street, Tai Po Industrial Estate
Tai Po, New Territories, Hong Kong

PRINCIPAL SHARE REGISTRAR

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586, Gardenia Court, Camana Bay
Grand Cayman KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–16, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China CITIC Bank Corporation Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

STOCK CODE

573

WEBSITE

www.taoheung.com.hk

FINANCIAL HIGHLIGHTS

	Notes	Six months ended 30 June 2026 (Unaudited) HK$'000	 2025 (Unaudited) HK$'000	% Change Increase/ (decrease)
Performance				
Revenue		**1,175,297**	1,139,706	3.1%
Loss attributable to equity holders of the Company		**(25,567)**	(36,957)	(30.8%)
Gross profit margin		**6.5%**	6.1%	6.6%
Net loss margin	1	**(2.2%)**	(3.2%)	(31.3%)
Per Share Data		**HK cents**	HK cents	
Loss per share				
— Basic		**(2.52)**	(3.64)	(30.8%)
— Diluted		**(2.52)**	(3.64)	(30.8%)

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000	% Change Increase/ (decrease)
Total assets		**1,810,428**	1,880,454	(3.7%)
Net assets		**1,102,410**	1,103,893	(0.1%)
Cash and cash equivalents		**196,879**	201,961	(2.5%)
Net cash	2	**170,650**	168,376	1.4%
Liquidity and Gearing				
Current ratio	3	**1.02**	0.99	3.0%
Quick ratio	4	**0.84**	0.80	5.0%
Gearing ratio	5	**2.4%**	3.1%	(22.6%)
Per Share Data		**HK cents**	HK cents	
Net assets per share	6	**108.68**	108.83	(0.1%)
Net cash per share	7	**16.82**	16.60	1.3%

FINANCIAL HIGHLIGHTS

Notes:

1. Net loss margin is calculated as net loss attributable to equity holders of the Company divided by revenue.

2. Net cash is cash and cash equivalents less interest-bearing bank borrowings.

3. Current ratio is calculated as current assets divided by current liabilities.

4. Quick ratio is calculated as current assets less inventories divided by current liabilities.

5. Gearing ratio is calculated as interest-bearing bank borrowings divided by total equity attributable to equity holders of the Company.

6. Net assets per share is calculated based on the number of 1,014,348,000 issued shares (31 December 2025: 1,014,348,000 issued shares).

7. Net cash per share is calculated based on the number of 1,014,348,000 issued shares (31 December 2025: 1,014,348,000 issued shares).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

INTERIM RESULTS (UNAUDITED)

The board of directors (the "Board") of Tao Heung Holdings Limited (the "Company"), together with its subsidiaries (collectively the "Group"), hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026 together with comparative figures for the corresponding period in 2025. These interim condensed consolidated financial statements for the six months ended 30 June 2026 have not been audited, but have been reviewed by the Audit Committee of the Company.

		Six months ended 30 June	
	Notes	**2026 (Unaudited) HK$'000**	2025 (Unaudited) HK$'000
REVENUE	5	**1,175,297**	1,139,706
Cost of sales		**(1,098,837)**	(1,070,051)
Gross profit		**76,460**	69,655
Other income and gains, net	5	**9,429**	10,760
Selling and distribution expenses		**(31,688)**	(27,627)
Administrative expenses		**(64,408)**	(67,189)
Other expenses, net		**(6,822)**	(10,354)
Finance costs	6	**(6,807)**	(8,501)
Share of profits of associates		**429**	1,115
LOSS BEFORE TAX	7	**(23,407)**	(32,141)
Income tax expense	8	**(1,739)**	(3,634)
LOSS FOR THE PERIOD		**(25,146)**	(35,775)
Attributable to:			
Equity holders of the Company		**(25,567)**	(36,957)
Non-controlling interests		**421**	1,182
		(25,146)	(35,775)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
— Basic (HK cents)	10	**(2.52)**	(3.64)
— Diluted (HK cents)	10	**(2.52)**	(3.64)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
LOSS FOR THE PERIOD	**(25,146)**	(35,775)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**24,818**	3,035
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(328)**	(32,740)
Attributable to:		
Equity holders of the Company	**(1,373)**	(33,647)
Non-controlling interests	**1,045**	907
	(328)	(32,740)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**632,882**	649,191
Right-of-use assets	11	**463,713**	512,928
Investment properties	11	**23,100**	23,100
Goodwill		**37,325**	36,761
Other intangible asset		**–**	–
Investments in associates		**10,509**	13,077
Deferred tax assets		**118,079**	117,527
Deposits and other receivables		**52,181**	53,424
Deposits for purchases of items of property, plant and equipment		**1,584**	727
Total non-current assets		**1,339,373**	1,406,735
CURRENT ASSETS			
Inventories		**83,919**	90,565
Trade receivables	12	**57,332**	53,428
Prepayments, deposits and other receivables		**118,581**	113,472
Tax recoverable		**2,805**	3,179
Pledged deposits		**11,539**	11,114
Cash and cash equivalents		**196,879**	201,961
Total current assets		**471,055**	473,719
CURRENT LIABILITIES			
Trade payables	13	**119,970**	120,450
Other payables and accruals		**167,964**	176,858
Interest-bearing bank borrowings		**15,019**	14,812
Lease liabilities		**150,744**	156,887
Tax payable		**9,879**	7,892
Total current liabilities		**463,576**	476,899
NET CURRENT ASSETS/(LIABILITIES)		**7,479**	(3,180)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,346,852**	1,403,555

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
NON-CURRENT LIABILITIES			
Other payables and accruals		**9,250**	7,909
Interest-bearing bank borrowings		**11,210**	18,773
Lease liabilities		**200,561**	249,622
Deferred tax liabilities		**23,421**	23,358
Total non-current liabilities		**244,442**	299,662
Net assets		**1,102,410**	1,103,893
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		**101,435**	101,435
Reserves		**983,607**	984,980
		1,085,042	1,086,415
Non-controlling interests		**17,368**	17,478
Total equity		**1,102,410**	1,103,893

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity holders of the Company										
	Issued capital (Unaudited) HK$'000	**Share premium** (Unaudited) HK$'000	**Capital reserve** (Unaudited) HK$'000	**Other reserve** (Unaudited) HK$'000	**Share option reserve** (Unaudited) HK$'000	**Capital redemption reserve** (Unaudited) HK$'000	**Exchange fluctuation reserve** (Unaudited) HK$'000	**Retained profits** (Unaudited) HK$'000	**Total** (Unaudited) HK$'000	**Non-controlling interests** (Unaudited) HK$'000	**Total equity** (Unaudited) HK$'000
At 1 January 2025	101,435	324,851	110,748	(21,455)	2,860	509	(73,621)	691,575	1,136,902	17,261	1,154,163
(Loss)/profit for the period	–	–	–	–	–	–	–	(36,957)	(36,957)	1,182	(35,775)
Other comprehensive income/(loss) for the period:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	3,310	–	3,310	(275)	3,035
Total comprehensive income/(loss) for the period	–	–	–	–	–	–	3,310	(36,957)	(33,647)	907	(32,740)
Dividends paid to a non-controlling shareholder	–	–	–	–	–	–	–	–	–	(1,228)	(1,228)
Transfer of share option reserve upon the forfeiture of share options	–	–	–	–	(105)	–	–	105	–	–	–
At 30 June 2025	101,435	324,851	110,748	(21,455)	2,755	509	(70,311)	654,723	1,103,255	16,940	1,120,195
At 1 January 2026	**101,435**	**324,851**	**110,748**	**(21,455)**	**2,657**	**509**	**(64,176)**	**631,846**	**1,086,415**	**17,478**	**1,103,893**
(Loss)/profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(25,567)**	**(25,567)**	**421**	**(25,146)**
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**24,194**	**–**	**24,194**	**624**	**24,818**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**24,194**	**(25,567)**	**(1,373)**	**1,045**	**(328)**
Dividends paid to a non-controlling shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,155)**	**(1,155)**
Transfer of share option reserve upon the forfeiture of share options	**–**	**–**	**–**	**–**	**(57)**	**–**	**–**	**57**	**–**	**–**	**–**
At 30 June 2026	**101,435**	**324,851***	**110,748***	**(21,455)***	**2,600***	**509***	**(39,982)***	**606,336***	**1,085,042**	**17,368**	**1,102,410**

* These reserve accounts comprise the consolidated reserves of HK$983,607,000 in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(23,407)**	(32,141)
Adjustments for:			
Interest income	5	**(2,328)**	(1,733)
Gain on termination of leases	5	**(543)**	(1,779)
Finance costs	6	**6,807**	8,501
Write-off of items of property, plant and equipment	7	**1,062**	3,315
Impairment of items of property, plant and equipment, net	7	**2,302**	4,223
Impairment of right-of-use assets, net	7	**3,598**	3,265
Depreciation of items of property, plant and equipment	7	**60,296**	62,721
Depreciation of right-of-use assets	7	**85,140**	95,657
Reversal of impairment of trade receivables, net	7	**(140)**	(449)
Share of profits of associates		**(429)**	(1,115)
		132,358	140,465
Decrease in inventories		**8,159**	18,813
(Increase)/decrease in trade receivables		**(30,666)**	7,839
(Increase)/decrease in prepayments, deposits and other receivables		**(1,448)**	15,946
Increase/(decrease) in trade payables		**25,456**	(18,579)
Decrease in other payables and accruals		**(10,419)**	(19,363)
Cash generated from operations		**123,440**	145,121
Interest paid		**(667)**	(1,425)
Hong Kong profits tax paid		**(662)**	(2,206)
Overseas tax paid		**–**	(749)
Net cash flows from operating activities		**122,111**	140,741

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(32,327)**	(35,473)
Deposits paid for purchases of items of property, plant and equipment		**(857)**	(579)
Interest received		**2,328**	1,733
(Increase)/decrease in pledged deposits		**(425)**	4,127
Dividend from an associate		**2,997**	–
Net cash flows used in investing activities		**(28,284)**	(30,192)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**16,000**	4,500
Repayment of bank loans		**(23,356)**	(14,117)
Principal portion of lease payments		**(91,942)**	(93,621)
Interest element of lease payments		**(6,140)**	(7,076)
Dividends paid to a non-controlling shareholder of subsidiaries		**(1,155)**	(1,228)
Net cash flows used in financing activities		**(106,593)**	(111,542)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(12,766)**	(993)
Cash and cash equivalents at beginning of period		**201,961**	213,316
Effect of foreign exchange rate changes, net		**7,684**	(5,435)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**196,879**	206,888

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 29 December 2005 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at No. 18 Dai Fat Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong.

During the period, the Group was involved in the following principal activities:

— restaurant operations and provision of food catering services

— bakery operations

— production, sale and distribution of food products and other items related to restaurant operations

— poultry farm operations

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 (the "Unaudited Interim Financial Statements") have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting*. These Unaudited Interim Financial Statements do not include all the 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the Unaudited Interim Financial Statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

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

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the Unaudited Interim Financial Statements.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the Unaudited Interim Financial Statements.

(c) *Annual Improvements to HKFRS Accounting Standards* – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the Unaudited Interim Financial Statements.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through a chain of restaurants and bakery shops. Information reported to the Group's chief operating decision maker (i.e., the chief executive officer) for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

The following tables present revenue from external customers for the six months ended 30 June 2026 and 2025, and certain non-current asset information as at 30 June 2026 and 31 December 2025, by geographic area.

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Hong Kong	**824,705**	787,036
Chinese mainland	**350,592**	352,670
	1,175,297	1,139,706

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Hong Kong	**549,818**	609,559
Chinese mainland	**619,295**	626,225
	1,169,113	1,235,784

The non-current asset information above is based on the locations of assets and excludes financial assets and deferred tax assets.

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Restaurant and bakery operations	**1,001,016**	1,001,375
Sale of food and other items	**104,242**	83,601
Poultry farm operations	**70,039**	54,730
	1,175,297	1,139,706

Disaggregated revenue information

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Geographical markets		
Hong Kong	**824,705**	787,036
Chinese mainland	**350,592**	352,670
Total revenue from contracts with customers	**1,175,297**	1,139,706
Timing of revenue recognition		
At a point in time and total revenue from contracts with customers	**1,175,297**	1,139,706

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

An analysis of other income and gains, net is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Bank interest income	**2,328**	1,733
Compensation received	**–**	966
Foreign exchange differences, net	**(400)**	(343)
Gain on disposal of items of property, plant and equipment, net	**1,209**	911
Government grants*	**362**	346
Gross rental income	**1,750**	686
Sponsorship income	**1,320**	350
Gain on termination of leases	**543**	1,779
Others	**2,317**	4,332
	9,429	10,760

* Government grants mainly included various government grants received by certain subsidiaries in connection with setting up or the closure of certain facilities at a poultry farm and a logistics centre. Certain grants are credited to a deferred income account and are released to the statement of profit or loss over the useful lives of the relevant facilities. There are no unfulfilled conditions or other contingencies attaching to the government grants recognised.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank loans	**667**	1,425
Interest on lease liabilities	**6,140**	7,076
	6,807	8,501

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost of inventories sold	**448,499**	389,616
Depreciation of items of property, plant and equipment*	**60,296**	62,721
Depreciation of right-of-use assets*	**85,140**	95,657
Employee benefit expense (including directors' remuneration)*:		
Salaries and bonuses	**326,688**	328,963
Retirement benefit scheme contributions (defined contribution schemes)	**23,122**	22,828
	349,810	351,791
Foreign exchange differences, net	**400**	343
Reversal of impairment of trade receivables, net#	**(140)**	(449)
Write-off of items of property, plant and equipment#	**1,062**	3,315
Impairment of items of property, plant and equipment, net#	**2,302**	4,223
Impairment of right-of-use assets, net#	**3,598**	3,265

* The cost of sales for the six months ended 30 June 2026 amounting to HK$1,098,837,000 (six months ended 30 June 2025: HK$1,070,051,000) included depreciation of items of property, plant and equipment of HK$55,006,000 (six months ended 30 June 2025: HK$54,482,000), depreciation of right-of-use assets of HK$85,140,000 (six months ended 30 June 2025: HK$95,657,000) and employee benefit expense of HK$332,151,000 (six months ended 30 June 2025: HK$341,769,000).

Included in "Other expenses, net" in the condensed consolidated statement of profit or loss.

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (six months ended 30 June 2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2025: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Current — Hong Kong		
Charge for the period	**1,700**	2,960
Current — Chinese mainland		
Charge for the period	**39**	674
Total tax expense for the period	**1,739**	3,634

9. DIVIDENDS

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

10. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the unaudited loss for the six months ended 30 June 2026 and 2025, and the number of ordinary shares of 1,014,348,000 (six months ended 30 June 2025: 1,014,348,000) outstanding during the period.

No adjustment was made to the basic loss per share amount for the six months ended 30 June 2026 and 2025 respectively in respect of a dilution as the share options had no dilutive effect on the basic loss per share.

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	**(25,567)**	(36,957)

	Number of shares	
	2026	2025
Shares		
Number of ordinary shares outstanding during the period used in the basic and diluted loss per share calculation	**1,014,348,000**	1,014,348,000

11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the six months ended 30 June 2026, additions of items of property, plant and equipment amounted to HK$32,327,000 (six months ended 30 June 2025: HK$39,052,000).

As at 30 June 2026, buildings and leasehold land included in right-of-use assets with a net carrying amount of HK$25,244,000 (31 December 2025: HK$25,802,000) and HK$44,120,000 (31 December 2025: HK$44,515,000), respectively, were pledged to secure banking facilities granted to the Group.

As at 30 June 2026, the Group's investment properties with a total carrying amount of HK$18,900,000 (31 December 2025: HK$18,900,000) were pledged to secure banking facilities granted to the Group.

12. TRADE RECEIVABLES

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Trade receivables	**58,511**	54,747
Impairment	**(1,179)**	(1,319)
Net carrying amount	**57,332**	53,428

The Group's trading terms with its customers are mainly on cash and credit card settlement. The Group also grants a credit period between 30 to 90 days to certain customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Within 1 month	**32,010**	32,638
1 to 3 months	**18,015**	16,466
Over 3 months	**7,307**	4,324
	57,332	53,428

12. TRADE RECEIVABLES (CONTINUED)

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
At beginning of period/year	**1,319**	1,542
Reversal of impairment losses, net (note 7)	**(140)**	(223)
At end of period/year	**1,179**	1,319

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Within 1 month	**80,289**	83,046
1 to 2 months	**35,643**	32,530
2 to 3 months	**1,680**	773
Over 3 months	**2,358**	4,101
	119,970	120,450

The trade payables are non-interest-bearing and generally have payment terms within 60 days.

14. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Bank guarantees given in lieu of utility and property rental deposits	**27,212**	25,560

15. COMMITMENTS

The Group had the following contractual commitments as at the end of the reporting period:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Leasehold improvements, furniture, fixtures and equipment	**1,531**	2,043

16. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Short term employee benefits	**3,993**	3,894
Post-employment benefits	**54**	48
	4,047	3,942

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of trade receivables, the current portion of financial assets included in prepayments, deposits and other receivables, pledged deposits, cash and cash equivalents, trade payables, current portion of financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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

18. APPROVAL OF THE UNAUDITED INTERIM FINANCIAL STATEMENTS

These Unaudited Interim Financial Statements were approved and authorised for issue by the Board on 27 August 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Board hereby announces the interim results of the Group for the six months ended 30 June 2026 (the "Period"). During the Period, Hong Kong's economy maintained steady growth, with GDP increasing by 5.1% year-on-year in H1 2026[1]. Nevertheless, consumer sentiment remained cautious and the recovery in discretionary consumption was slower than expected. Performance of the local dining sector was mixed: total receipts of Chinese restaurants increased by 1.2% in value and 0.3% in volume year-on-year in H1 2026[2]. Households were prudent in making non-essential outings, with diners cutting back on dine-in meals, and even key festive dates saw a curb in restaurant visits. At the same time, consumer dining preferences have diversified, eroding the market position of Chinese full-service outlets as young Hong Kong consumers increasingly allocate dining budgets toward casual fare, international cuisines and experiential outlets. In contrast, receipts of non-Chinese restaurants recorded +2.2% value and +1.5% volume growth year-on-year in H1 2026. In response, existing Chinese restaurant chains have launched aggressive set menus, buffet promotions and discounted packages to stimulate traffic and defend their market share amid intensifying competition and shifting demand patterns.

In the Chinese mainland, GDP growth of 4.7% was recorded for the first half of 2026[3], which is in line with the government's growth target for the year[4]. Regarding the catering sector, it achieved year-on-year revenue growth of 2.8% in the first half, thus outpacing overall retail growth of 1.3%[5]. However, this growth was primarily holiday-driven, with strong spikes during Spring Festival in February and Labour Day in May, while weekday traffic remained sluggish. During the day, consumers prioritised value-for-money options, while corporate banquets and large family feasts remained restrained. In response, upscale venues pivoted toward smaller set menus, weekend dim sum, and private room packages to boost occupancy and attract more price-sensitive patrons.

With respect to the Group, it closely monitored the structural changes underway in Hong Kong and the Chinese mainland during the Period. In the case of the former, it elected to regularly introduce attractive limited-time, value-set menus and tailored promotional packages to increase the frequency of customer visits. Consequently, the Hong Kong operations improved modestly despite the challenging operating environment. In the Chinese mainland, where market conditions remained more demanding, the Group continued to optimise its store portfolio by phasing out underperforming outlets with weak profitability and traffic prospects, reallocating resources to higher-potential locations. The Group also stepped up its digital marketing efforts and traffic acquisition strategies to raise brand visibility and drive sales.

Financial Results

As at the six months ended 30 June 2026, the Group reported total revenue of approximately HK$1,175.3 million (2025: HK$1,139.7 million), which represented a year-on-year increase of approximately 3.1%. Gross profit margin (defined as total revenue less cost of inventories sold divided by total revenue) slipped to 61.8% (2025: 65.8%). Also, loss attributable to equity holders of the Company narrowed to HK$25.6 million (2025: HK$37.0 million).

1 https://www.info.gov.hk/gia/general/202608/14/P2026081400301.htm
2 https://www.censtatd.gov.hk/en/wbr.html?ecode=B10800022026QQ02&scode=540
3 https://www.stats.gov.cn/sj/zxfbhjd/202607/t20260716_1964142.html
4 http://english.scio.gov.cn/pressroom/2026-03/06/content_118366169.html
5 https://www.stats.gov.cn/sj/zxfb/202607/t20260715_1964127.html

Hong Kong Operations

The Hong Kong operations generated HK$824.7 million (2025: HK$787.0 million) in revenue for the Period, which was up by approximately 4.8%. Earnings before interest, tax, depreciation and amortisation (EBITDA) totalled HK$105.4 million (2025: HK$112.1 million), dipping by 6.0%. Notably, the loss attributable to equity holders of the Company narrowed to HK$5.4 million (2025: HK$6.4 million), primarily due to lower operating expenses arising from the Group's store rationalisation exercise.

During the Period, the Group pressed ahead with its store network rationalisation efforts, closing two underperforming outlets with weak traffic and unsatisfactory profitability, and strategically opening one new restaurant at a high-potential location to rebalance its footprint and allocate resources more efficiently. Additionally, to increase the frequency of customer visits, the Group launched attractive limited-time value set menus and tailored promotional packages. These included various promotional items, such as special dim sum offers at HK$7, HK$8 and HK$9 ($7/8/9 點心) to attract value-conscious consumers and increase footfall throughout the day. An off-peak evening campaign was also launched, featuring the signature HK$9.9 roasted baby pigeon for tables of two or above, alongside an add-on offer of assorted side dishes at HK$19.8 for diners purchasing selected seafood mains. Moreover, a supper hot pot and dim sum all-you-can-eat promotion was launched at HK$98 per head, with a HK$30 upgrade option for free-flow drinks. The promotion received positive market response, effectively driving customer traffic and revenue during late-night hours, and contributing to greater exposure for the "Tao Heung" brand.

On the expenditure front, operating costs remained relatively stable during the Period. Food costs were managed through global sourcing, disciplined menu planning, and ongoing efforts to minimise wastage. Labour costs were contained through refined workforce management practices and enhanced productivity measures. And rental costs were relatively well-managed through ongoing negotiations with landlords and generally stable market rates. While these measures helped alleviate cost pressures, margins were invariably affected by competitive pricing strategies.

With respect to the Group's restaurant network in Hong Kong, the Group operated a total of 44 restaurants in the city as at 30 June 2026 (2025: 43), with one Hakka Bistro (客館) outlet opened in Kowloon East during the Period. As for its Tai Cheong bakeries, there were a total of 5 outlets in Hong Kong (2025: 5) and 11 in Singapore (2025: 11).

The Hong Kong OEM business maintained steady progress during the Period. It continued to advance its corporate meal service, which offers customised, restaurant-quality meals that are centrally prepared and delivered directly to corporate premises. The segment secured ongoing trial orders from corporate clients, and the Group remains committed to developing this business to further diversify its revenue streams.

Chinese Mainland Operations

The Chinese mainland operations contributed HK$350.6 million (2025: HK$352.7 million) in revenue to the Group during the Period, down modestly by 0.6%. However, EBITDA reached approximately HK$23.5 million (2025: HK$22.7 million), an increase of 3.5%, and loss attributable to equity holders of the Company narrowed to HK$20.2 million (2025: HK$30.5 million).

MANAGEMENT DISCUSSION AND ANALYSIS

The operating landscape in the Chinese mainland remained under pressure amid weaker consumer sentiment and restrained discretionary spending, with demand for traditional large-scale dining occasions muted, while the scale of corporate banquets, wedding feasts and business entertainment activities was toned down. In response, management continued to consolidate the Chinese mainland restaurant business by streamlining operations and reviewing overall strategies. The rationalisation initiatives undertaken during the Period contributed to improved store-level performance and enhanced cost efficiency, thereby strengthening the operational foundation of the existing network. In order to strengthen customer appeal amid evolving consumption trends, the Group launched a variety of new offerings to expand its customer reach and revitalise brand positioning. This new lineup encompasses premium items including Roast goose leg rice noodle rolls (燒鵝腿腸粉) and Freshly roasted suckling pigs (石燙乳豬), alongside value-driven selections such as Sugar Donuts with Taro Lava (芋泥流心沙翁) and Matcha Lava Tarts (抹茶流心撻).

With regard to promotional activities, the Group complemented its ongoing competitive in-store promotions by intensifying digital marketing efforts to increase brand visibility and drive customer traffic. It also made additional investment in paid traffic campaigns on major online platforms such as Douyin (抖音) and Xiaohongshu (小紅書), while maintaining its engagement on Dianping.com (大眾點評) for voucher-based promotions.

As at 30 June 2026, the Group operated a total of 19 restaurants in the Chinese mainland (2025: 24), having phased out underperforming locations to optimise capital deployment and enhance the overall profitability of its store portfolio.

The chilled and packaged food segment, which supplies both the Group's own restaurants and end customers via packaged products, maintained stable operations during the Period. The Group continued to develop new products and collaborated with established brands to introduce innovative offerings for stimulating demand and driving sales growth.

As for e-commerce, it remained an integral sales channel for packaged and frozen food products, with the Group maintaining its presence across major online marketplaces, including Douyin (抖音), Tmall (天貓), JD.com (京東) and Pinduoduo (拼多多).

Regarding its international expansion strategy, the Group continued to develop its Australian operations during the Period. In view of its early stage of development, contributions from the overseas operation will remain modest for the time being.

Financial resources and liquidity

As at 30 June 2026, the total assets decreased by 3.7% to approximately HK$1,810.4 million (31 December 2025: approximately HK$1,880.5 million) while the total equity decreased by 0.1% to approximately HK$1,102.4 million (31 December 2025: approximately HK$1,103.9 million).

As at 30 June 2026, the Group's total current assets and current liabilities were approximately HK$471.1 million (31 December 2025: approximately HK$473.7 million) and approximately HK$463.6 million (31 December 2025: approximately HK$476.9 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 1.02 (31 December 2025: approximately 0.99).

Funding for the Group's operation was sourced mainly from internally generated cash flows, with flexibility through the use of bank loans.

As at 30 June 2026, the Group had cash and cash equivalents amounted to approximately HK$196.9 million (31 December 2025: approximately HK$202.0 million). After deducting the total interest-bearing bank borrowings of approximately HK$26.2 million (31 December 2025: approximately HK$33.6 million), the Group had a net cash surplus position of approximately HK$170.7 million (31 December 2025: approximately HK$168.4 million).

As at 30 June 2026, the Group's total interest-bearing bank borrowings were decreased to approximately HK$26.2 million (31 December 2025: approximately HK$33.6 million) during the period under review. The gearing ratio (defined as the total of interest-bearing bank borrowings divided by the total equity attributable to the equity holders of the Company) was 2.4% (31 December 2025: 3.0%).

The Group maintains prudent funding and treasury policies towards its overall business operations and continues to apply measure to control costs, enhance cash flow and operational efficiency.

Capital expenditure

Capital expenditure for the six months ended 30 June 2026 amounted to approximately HK$32.3 million (six months ended 30 June 2025: approximately HK$36.1 million) and the capital commitments as at 30 June 2026 amounted to approximately HK$1.5 million (31 December 2025: approximately HK$2.0 million). The capital expenditure and the capital commitments were mainly for the renovation of the Group's new and existing restaurants and logistics centres.

Pledge of assets

As at 30 June 2026, the Group pledged its bank deposits of approximately HK$11.5 million (31 December 2025: approximately HK$11.1 million), right-of-use assets of approximately HK$44.1 million (31 December 2025: approximately HK$44.5 million), buildings of approximately HK$25.2 million (31 December 2025: approximately HK$25.8 million) and investment properties of approximately HK$18.9 million (31 December 2025: approximately HK$18.9 million) to secure the banking facilities granted to the Group.

Contingent liabilities

As at 30 June 2026, the Group had contingent liabilities in respect of bank guarantees given in lieu of rental and utility deposits amounting to approximately HK$27.2 million (31 December 2025: approximately HK$25.6 million).

Foreign exchange risk management

The Group's sales and purchases for the six months ended 30 June 2026 were mostly denominated in Hong Kong Dollars ("HK$") and Renminbi ("RMB").

The RMB is not a freely convertible currency. Future exchange rates of the RMB could vary significantly from the current or historical exchange rates as a result of the controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and the demand and supply of the RMB. The appreciation or devaluation of the RMB against HK$ may have impact on the Group results.

The Group currently does not maintain a foreign currency hedging policy. However, the management monitors the foreign exchange exposure and arranges foreign exchange forward contracts to minimise foreign currency exposure when appropriate.

Human resources

As at 30 June 2026, the Group had 3,611 employees. In order to attract and retain the high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

In addition, the Group also adopted share option schemes, where eligible employees are entitled to various share options to subscribe for the ordinary shares in the Company for their past and potential contribution to the growth of the Group. As at 30 June 2026, there are 5,480,000 outstanding options granted under the Share Option Scheme which have not been exercised yet.

Prospects

Looking ahead, the market environment in Hong Kong and the Chinese mainland is expected to remain challenging, with consumers becoming increasingly value-conscious. In response, the Group will further enhance operational efficiency and execution capabilities, while prudently pursuing growth opportunities to reinforce its market position and deliver sustainable long-term value.

In Hong Kong, the Group will adhere to a disciplined yet opportunity-driven expansion strategy. Even though the broader retail and catering landscape remains competitive, the management trusts that carefully selected restaurant locations with resilient demand fundamentals will continue to offer attractive opportunities. Leveraging the brand strength and operational capabilities of "Tao Heung", management remains confident in the long-term development of its Hong Kong business and plans to gradually open more new outlets in the second half of the year. Going forward, the Group will continue to prioritise quality over scale, with capital allocated only to projects that offer clear paths to profitability and align with its long-term strategic objectives. This disciplined approach is designed to strengthen the resilience of the Hong Kong network while preserving the Group's financial flexibility.

Over in the Chinese mainland, the Group will pursue a consolidation-focused strategy to navigate heightened competition and structural shifts in dining behaviour. Key to this approach are strategic priorities that deepen digital marketing capabilities, expand online traffic acquisition channels, and strengthen membership engagement to foster customer loyalty. To further align with evolving consumer preferences and consumption habits, the Group will accelerate product innovation and menu refinement. Also, ongoing investment in digital infrastructure and data analytics is expected to raise brand visibility, improve customer retention, and increase sales conversion, thereby reinforcing the competitiveness and productivity of the current restaurant network.

Going forward, the Group will continue to explore adjacent product categories and strategic collaborations that complement its core offerings, with a view to diversifying revenue streams and broadening the customer base. Across both Hong Kong and the Chinese mainland, disciplined cost management will remain fundamental to the Group's operating philosophy, encompassing procurement optimisation, labour efficiency enhancement, proactive rental negotiations and prudent cash flow management to maintain a healthy balance sheet and greater financial flexibility. The management recognises that many of the pressures facing the industry are structural rather than cyclical in nature; hence, sustainable progress will depend on adaptability, continuous operational improvement and disciplined capital allocation. By adhering to these three pillars, the Group aims to strengthen its competitive positioning, enhance shareholder value and achieve resilient, long-term development. The Board remains confident that the unwavering demand for quality Chinese cuisine, underpinned by the Group's well-established brand and operational capabilities, provides a robust foundation for its ongoing resilience and measured growth.

OTHER INFORMATION

Dividend

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2026.

Directors' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2026, the interests and short positions of the Directors in the share capital and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") were as follows:

Long positions in ordinary shares of the Company:

		Number of shares held, capacity and nature of interest						
Name of Directors	Notes	**Directly beneficially owned**	**Through spouse or minor children**	**Through controlled corporation**	**Beneficiary of a trust**	**Equity derivatives**	**Total**	**Percentage of the Company's share capital**
Executive Directors								
Mr. Chung Wai Ping	(a) and (b)	22,521,000	12,174,222	–	423,434,689	–	458,129,911	45.16
Mr. Wong Ka Wing	(c)	5,522,679	–	103,283,124	–	–	108,805,803	10.73
Mr. Chung Chun Fung		3,000,000	–	–	–	–	3,000,000	0.30
Mr. Ho Yuen Wah	(d)	2,000,000	–	–	–	400,000	2,400,000	0.24
Non-executive Director								
Mr. Fong Siu Kwong		180,000	–	–	–	–	180,000	0.02
Independent Non-executive Director								
Ms. Wong Fun Ching		800,000	–	–	–	–	800,000	0.08

Notes:

(a) Billion Era International Limited is wholly-owned by Tin Tao Investments Limited ("Tin Tao") which in turn is wholly-owned by Sapphire Skye Holdings Limited ("Sapphire"). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trust Company (Singapore) Limited ("Zedra Trust") as trustees for a discretionary trust, the discretionary objects of which include Mr. Chung Wai Ping and certain members of his family. For the purposes of the SFO, Mr. Chung is the settlor of this trust.

(b) 12,174,222 shares were held by Ms. Chan Sai Ying, spouse of Mr. Chung Wai Ping.

(c) Of these shares, 5,522,679 shares were held by Mr. Wong Ka Wing personally and 103,283,124 shares were held by Joy Mount Investments Limited, which is wholly-owned by Mr. Wong Ka Wing.

(d) These represented outstanding options granted to Directors under the Share Option Scheme to subscribe for shares of the Company, further details of which are set forth under the section headed "Share Option Schemes" to this report.

Directors' Interests and Short Positions in Shares and Underlying Shares (Continued)

Long positions in ordinary shares of the Company: (Continued)

Saved as disclosed above, as at 30 June 2026, none of the directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2026, the interests and short positions of every persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register kept by the Company under Section 336 of the SFO were as follows:

		Number of ordinary shares (long position)			
Name of Shareholder	Notes	**Directly beneficially owned**	**Through controlled corporation**	**Total**	**% of total issued shares**
Billion Era International Limited	(a)	423,434,689	–	423,434,689	41.74
Tin Tao Investments Limited	(a)	–	423,434,689	423,434,689	41.74
Sapphire Skye Holdings Limited	(a)	–	423,434,689	423,434,689	41.74
Zedra Trust Company (Singapore) Limited	(a)	–	423,434,689	423,434,689	41.74
Joy Mount Investments Limited	(b)	103,283,124	–	103,283,124	10.18
Perfect Plan International Limited	(c)	102,053,976	–	102,053,976	10.06
Whole Gain Holdings Limited		56,795,068	–	56,795,068	5.60

Notes:

(a) Billion Era International Limited is wholly-owned by Tin Tao Investments Limited ("Tin Tao") which in turn is wholly-owned by Sapphire Skye Holdings Limited ("Sapphire"). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trust Company (Singapore) Limited ("Zedra Trust") as trustees for a discretionary trust, the discretionary objects of which include Mr. Chung Wai Ping and certain members of his family. For the purposes of the SFO, Mr. Chung is the settlor of this trust.

(b) These shares were wholly-owned by Joy Mount Investments Limited, which is beneficially owned by Mr. Wong Ka Wing.

(c) These shares were wholly-owned by Perfect Plan International Limited, which is an indirect wholly-owned subsidiary of Café de Coral Holdings Limited whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Save as disclosed above, as at 30 June 2026, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Share Option Schemes

(a) Share Option Scheme

Pursuant to a share option scheme adopted by the Company on 9 June 2007 (the "Share Option Scheme"), the Company has granted 20,130,000 options to eligible directors, senior management and employees of the Group to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated under the Share Option Scheme. Share options granted under the Share Option Scheme shall vest in 2 tranches, as to 50% and 50% on 1 December 2017 and 1 December 2018, respectively, subject to the fulfilment of certain vesting conditions and are exercisable at HK$2.08 per share and the holders of the said share options may exercise the share options during the period from 2 December 2017 to 1 December 2026, both days inclusive.

Share Option Scheme expired on 8 June 2017 and no further options could be granted under the Share Option Scheme thereafter. However, the share options granted under the Share Option Scheme which have not been fully exercised remain valid until such time when such share options are fully exercised or have lapsed and will continue to be administered under the rules of the Share Option Scheme.

Details of the share options outstanding as at 30 June 2026 which have been granted under the Share Option Scheme are as follows:

		Number of share options					
Name	**Date of grant**	**Outstanding at 1 January 2026**	**Granted during the year**	**Exercised during the year**	**Lapsed on expiry**	**Forfeited upon termination of employment**	**Outstanding at 30 June 2026**
Executive Director							
Mr. Ho Yuen Wah	2 December 2016	400,000	–	–	–	–	400,000
Connected Person							
Mr. Chung Wai Leung	2 December 2016	300,000	–	–	–	–	300,000
Other employees	2 December 2016	4,900,000	–	–	–	(120,000)	4,780,000
Total		5,600,000	–	–	–	(120,000)	5,480,000

Share Option Schemes (Continued)

(b) 2017 Share Option Scheme

On 25 May 2017, the Company adopted a new share option scheme (the "2017 Share Option Scheme"). Pursuant to the 2017 Share Option Scheme, the Directors may invite participants to take up options at a price determined by the Board of Directors but in any event shall not be less than the highest of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day; (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant and; (iii) the nominal value of the shares. The option may be exercised in accordance with the terms of the 2017 Share Option Scheme at any time during the option period which may be determined and notified by the Board to the grantee at the time of making an offer which shall not expire later than 10 years from the grant date. As at the date of this report, no options have been granted or agreed to be granted pursuant to the 2017 Share Option Scheme.

Corporate Governance

The Board is committed to maintaining high standard of corporate governance practices to safeguard the interests of the Company's shareholders and to enhance corporate value and accountability. These can be achieved by an effective Board, segregation of duties with clear accountability, sound internal control, appropriate risk assessment procedures and transparency to all the shareholders.

During the six months ended 30 June 2026, the Company has adopted the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and complied with all applicable code provisions under the Code, save and except for the deviation from the code provision C.2.1 of the Code. Under the code provision C.2.1, the roles of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. Currently, the Company does not comply with code provision C.2.1, i.e., the roles of the Chairman and CEO have not been separated. Considering that Mr. Chung Wai Ping has been operating and managing the Group since its incorporation, the Board believes that it is in the best interest of the Group to have Mr. Chung Wai Ping taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 is appropriate in such circumstance.

Model Code of Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities by the Directors of the Company. Based on specific enquiry with the Directors, all the Directors have complied with the required standards as set out in the Code 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 had purchased, sold or redeemed the Company's listed securities.

OTHER INFORMATION

Audit Committee Review and Review of Interim Results

The Company established the audit committee (the “Audit Committee”) on 9 June 2007 with written terms of reference in compliance with the Code on Corporate Governance Practices as set forth in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee include the review and supervision of the financial reporting processes, the internal control systems and licensing issues of the Group. Currently, Mr. Mak Hing Keung, Thomas, Professor Chan Chi Fai, Andrew and Ms. Wong Fun Ching, all being Independent Non-executive Directors and Mr. Chan Yue Kwong, Michael, a Non-executive Director, are members of the Audit Committee with Mr. Mak Hing Keung, Thomas, being the chairman.

The unaudited condensed consolidated interim financial statements of the Group’s for the six months ended 30 June 2026 have not been audited, but have reviewed by the Audit Committee, which is of the view that the applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

Publication of interim results

The electronic version of this report will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.taoheung.com.hk).

Appreciation

The Board would like to thank the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business partners and associates, bankers and auditors for their support to the Group throughout the period.

By order of the Board
Chung Wai Ping
Chairman and Chief Executive Officer

Hong Kong, 27 August 2026