透雲生物
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TOUYUN BIOTECH GROUP LIMITED
透雲生物科技集團有限公司

(Incorporated in Bermuda with limited liability)
Stock Code: 1332

2026
INTERIM REPORT

Contents

Corporate Information

DIRECTORS

Executive directors

Mr. Wang Liang *(Chairman)*
Ms. Zhou Ruijuan *(Vice chairlady)*
(appointed on 3 August 2026)
Mr. Du Dong

Non-executive directors

Mr. Chen Hui
Ms. Tian Yuze
Mr. Zhang Lele

Independent non-executive directors

Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen

AUDIT COMMITTEE

Mr. Ha Kee Choy Eugene *(Chairman)*
Mr. Cheung Wing Ping
Mr. To Shing Chuen

NOMINATION COMMITTEE

Mr. Cheung Wing Ping *(Chairman)*
Mr. Ha Kee Choy Eugene
Ms. Tian Yuze

REMUNERATION COMMITTEE

Mr. To Shing Chuen *(Chairman)*
Mr. Wang Liang
Mr. Du Dong
Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene

AUTHORISED REPRESENTATIVES

Mr. Du Dong
Mr. Wang Liang

COMPANY SECRETARY

Ms. Li On Lok

REGISTERED OFFICE

Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

12/F, Kwan Chart Tower
6 Tonnochy Road
Wanchai, Hong Kong

INDEPENDENT AUDITORS

Moore CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

The Hongkong and Shanghai
Banking Corporation Limited

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court
22 Victoria Street
PO Box HM1179
Hamilton HMEX
Bermuda

Hong Kong branch share registrar and transfer office

Tricor Secretaries Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.touyunbiotech.com.hk

STOCK CODE

1332

On behalf of the Board of Directors (the "Directors" or the "Board") of Touyun Biotech Group Limited (the "Company"), I am pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026.

BUSINESS REVIEW

The Group recorded a profit for the period from continuing operations of HK$310.8 million for the six months ended 30 June 2026, representing a significant improvement of HK$274.6 million as compared to the profit for the period from continuing operations of HK$36.2 million for the six months ended 30 June 2025. The improvement was mainly resulted from increase in fair value gain of financial assets at fair value through profit or loss.

During the six months ended 30 June 2026, the Group recorded a revenue for continuing operations of approximately HK$35.4 million (six months ended 30 June 2025: HK$36.6 million, representing a slightly decrease of approximately 3.3% as compared to the corresponding period of last year. The Group's overall gross profit margin was 25.8% (six months ended 30 June 2025: 37.0%). The decrease in gross profit margin was primarily attributable to the strategic implementation of a high-volume, low-margin pricing policy aimed at stimulating sales volume and driving overall revenue growth, and appreciation of the Renminbi has also led to higher raw material and labour costs during the period.

FINANCIAL REVIEW AND PROSPECT

Continuing Operations

Packaging products business

The packaging products business reported a revenue of HK$30.6 million for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$32.7 million), representing a decrease of 6.4% as compared with the corresponding period of last year. A segment loss of HK$3.9 million was recorded during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$5.0 million). The decrease in segment loss was mainly due to the cost control measures being effective.

Treasury investment business

During the period, the Group recorded fair value gain of HK$194.2 million on listed investments classified as financial assets at fair value through profit or loss. Fair value gain on unlisted investments classified as financial assets at fair value through profit or loss amounting to HK$154.5 million was recognised during the period (six months ended 30 June 2025: fair value gain of HK$35.7 million). It was mainly due to the fair value of the assets of the Group's unlisted investments increased during the period.

Chlamydomonas reinhardtii products business

During the period, the Chlamydomonas reinhardtii products business recorded a revenue of HK$4.8 million (six months ended 30 June 2025: HK$3.9 million) and a segment loss of HK$11.6 million (six months ended 30 June 2025: HK$15.2 million), such decrease in segment loss was mainly due to the decrease in idle capacity costs recognised during the production suspension. The Company is currently developing a series of new products as such vegan fish, shrimp, and plant-based milk and continuously expanding the market and customers base. The Board considers that there is growth potential for the Chlamydomonas reinhardtii, micro-algae products market as the population becomes more health conscious.

Discontinued Operation

QR code business

Revenue from QR code business was HK$16.0 million and its segment loss was HK$8.1 million during the six months ended 30 June 2025. The QR code business has been discontinued in 2025 after the disposal of Fortune Road. Details of which were disclosed in the circular of special general meeting of the Company dated 28 May 2025.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position was actively and regularly reviewed throughout the year. As at 30 June 2026, the Group had outstanding (i) approximately HK$368.4 million unsecured other borrowings, approximately HK$53.0 million secured other borrowings and approximately HK$53.0 million secured bank borrowings, bearing interest ranging from 0.36%-1% per month, repayable within one year and denominated in Renminbi ("RMB") and Hong Kong dollars ("HK$"); (ii) amount due to a Director of approximately HK$83.2 million which was unsecured, interest-free and repayable on demand; and (iii) amount due to a Shareholder of the Company of HK$21.2 million which was unsecured, interest-free and repayable on demand. As at 30 June 2026, the Group had cash balances amounting to approximately HK$4.4 million. The gearing ratio (net borrowings to total capital) was approximately 63% (31 December 2025: 94%). The decrease of gearing ratio was primarily due to the improvement of profit made by the Group.

SHARE CAPITAL

There was no movement of share capital during the six months ended 30 June 2026.

PLEDGE OF ASSETS

The Group's buildings, leasehold lands and machinery which had an aggregate carrying value of HK$18.2 million, HK$62.9 million and HK$52.1 million respectively were pledged to secure bank borrowings of approximately HK$53.0 million as at 30 June 2026. In addition, the Group's equity interests and assets in certain subsidiaries were pledged to secure other borrowings of HK$53.0 million as at 30 June 2026. Please refer to note 17 for further details.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any contingent liabilities.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group did not have any capital commitment.

FINANCE LEASE OBLIGATIONS

As at 30 June 2026, the Group did not have any outstanding obligations under finance lease.

FOREIGN EXCHANGE RISK

Most of the Group's revenues are transacted in US dollars and Hong Kong dollars while expenses are mainly in US dollars, Hong Kong dollars and Renminbi. In view of the prevailing financial market situation, the Group did not engage in any foreign exchange hedging products for the exposure of currency risk of Renminbi during the period. The Group still monitors fluctuations in exchange rates closely and manages the currency risk involved actively.

BREACH OF LOAN AGREEMENTS AND CROSS-DEFAULTS UNDER CERTAIN LOAN FACILITIES

As at 30 June 2026, the Group's other borrowings of approximately HK$173,745,000 and accrued interest of HK$20,733,000 had been past due. In addition, as set out in note 17, the Group's bank and other borrowings with carrying amounts of HK$37,768,000 as at 30 June 2026 contained cross-default clause that the Group might be required for immediate repayment of the outstanding balances.

As at the date of this report, one of the other borrowings with carrying amounts of HK$10,200,000 has been fully settled, while the relevant lenders of the remaining borrowings have not issued any demand for immediate repayment or taken any enforcement action in respect of these amounts.

EVENTS AFTER THE REPORTING PERIOD

On 12 July 2026, the Group entered into a sale and purchase agreement with an independent third party to acquire 100% equity interest in an investment holding company incorporated in Hong Kong, which holds a 59.80% equity interest in an entity principally engaged in the manufacturing and trading of new materials in the PRC, for a total consideration of HK$8,000,000. Upon completion, both entities became subsidiaries of the Company. As at the date of this report, the initial accounting for this business combination is currently in progress.

Subsequent to the reporting period, a loan principal of HK$26.0 million under the Group's loan facility became overdue and remained unpaid. This default triggered cross-default provisions under the loan agreement, rendering the remaining loan balance (comprising principal of HK$46.1 million and accrued interest of HK$1.8 million, bringing the total outstanding amount to HK$73.9 million) immediately due and payable. The Group is actively in discussions with the lender for a loan extension. The lender has confirmed in writing that it remains open to discussing a repayment proposal and agreed to grant an interim stay of enforcement action while discussions are ongoing.

On 25 August 2026, the Company entered into a subscription agreement to conditionally issue and allot an aggregate of 123,000,000 new ordinary shares at a subscription price of HK$0.122 per share. The net proceeds of approximately HK$14,990,000 are intended to be fully used for general working capital of the Group. For further details, please refer to the Company's announcement dated 25 August 2026. Up to the date when the Group's condensed consolidated financial statements are authorised for issue, the subscription has not been completed.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

For the six months ended 30 June 2026, the Group did not have any significant investments, acquisitions and disposals, or any material acquisitions and disposals of any subsidiaries, associated companies and joint ventures.

EMPLOYEES

As at 30 June 2026, the Group had a total workforce of approximately 302 full time employees in Hong Kong and Mainland China. The Group remunerates its staff based on their merit, qualification, competence and prevailing market salaries trend. In addition to salary and year-end bonus, the remuneration packages also comprised of share option scheme, provident fund contributions, medical and life insurances.

INTERIM DIVIDEND

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

APPRECIATION

On behalf of the Board, I would like to express our utmost gratitude to our customers, bankers, suppliers, strategic partners and most valued shareholders for their continued support. We also wish to thank the Group's management and staff for their professionalism, loyalty and contribution to the Group.

By order of the Board
Wang Liang
Chairman

Hong Kong, 28 August 2026

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 30 June 2026, details of the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) (the "SFO")) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in shares of the Company (long positions)

Name of directors	Capacity in which interests are held	Number of shares held	Approximate percentage
Mr. Wang Liang (Note 1)	Beneficial owner	620,300,000	22.11
Mr. Du Dong (Note 2)	Beneficial owner	3,500,000	0.12
Mr. Cheung Wing Ping (Note 2)	Beneficial owner	500,000	0.02
Mr. Ha Kee Choy Eugene (Note 2)	Beneficial owner	500,000	0.02
Mr. To Shing Chuen (Note 2)	Beneficial owner	500,000	0.02
Mr. Zhang Lele (Note 2)	Beneficial owner	3,500,000	0.12
Ms. Tian Yuze	Beneficial owner	145,805,135	5.20

Notes:

1. The 620,300,000 shares included 2,800,000 share options granted to Mr. Wang Liang under the share option scheme of the Company on 30 September 2024, which were vested on 1 January 2026. Ms. Qiao Yanfeng ("Ms. Qiao", a substantial shareholder of the Company and Mr. Wang Liang's mother) is deemed to be interested in 150,000,000 shares through TY Technology Group Limited which is in turn owned as to 90% by Wise Tech Enterprises Incorporated (wholly-owned by Ms. Qiao) and 10% by Truthful Bright International Holding Limited (wholly-owned by Ms. Qiao). Mr. Wang Liang together with Ms. Qiao were interested in the aggregate of 767,500,000 shares, representing approximately 27.35% of the issued shares of the Company.

2. The interest held by these directors represents the share options granted to the Directors under the share option scheme of the Company on 30 September 2024, which were vested on 1 January 2026.

Save as disclosed above, as at 30 June 2026, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

SHARE OPTIONS

As at 1 January 2026 and 30 June 2026, the number of options available for grant under the Scheme Mandate and the Service Provider Sublimit were as follows:

	As at 1 January 2026	As at 30 June 2026
Scheme Mandate Limit		
– Number of options available for grant	280,595,214	280,595,214
Service Provider Sublimit		
– Number of options available for grant	28,059,521	28,059,521

As at the date of this report, an aggregate of 138,500,000 shares, representing approximately 4.94% of the total number of issued shares as at the date of this report, may be issued upon full exercise of all vested and unvested share options granted and outstanding under the share option schemes, out of which 86,674,100 shares are immediately exercisable and issuable, representing approximately 3.09% of the total number of issued shares as at the date of this report, and 51,825,900 shares will be exercisable and issuable upon fully vested of share options, representing approximately 1.85% of the total number of issued shares as at the date of this report.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 30 June 2026, details of the interests and short positions of every person, other than directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity in which interests are held	Number of shares held (long position)	Approximate percentage
Mr. Wang Liang (Note 1)	Beneficial owner	620,300,000	22.11
Ms. Qiao Yanfeng (Note 2)	Interest in controlled corporations	150,000,000	5.35
Mr. Qin Fen	Beneficial owner	197,470,000	7.04
Ms. Tian Yuze	Beneficial owner	145,805,135	5.20

Notes:

1. The 620,300,000 shares included 2,800,000 share options granted to Mr. Wang Liang under the share option scheme of the Company on 30 September 2024, which were vested on 1 January 2026.

2. Ms. Qiao Yanfeng ("Ms. Qiao") is deemed to be interested in 150,000,000 shares through TY Technology Group Limited which is in turn owned as to 90% by Wise Tech Enterprises Incorporated (wholly-owned by Ms. Qiao) and 10% by Truthful Bright International Holding Limited (wholly-owned by Ms. Qiao).

Save as disclosed above, as at 30 June 2026, the Company had not been notified of any interests or short positions of any person, other than directors or the chief executive of the Company, in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

UPDATE ON USE OF PROCEEDS IN RELATION TO FUND RAISING ACTIVITIES

The Company would like to provide the update in respect of the use of the net proceeds in relation to the past fund raising activities as at 30 June 2026:

Reference is made to the announcements of the Company dated 10 August 2016, 9 November 2016, 18 November 2016, 24 January 2017, 21 February 2017, 3 October 2017, 10 November 2017, 31 August 2018, 13 March 2020, 14 April 2020, 17 July 2020 and 12 April 2021 in relation to the placing/subscription of shares and issue of convertible bond (collectively refer as to "Announcements"). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

	Intended use of proceeds	Actual use of proceeds
(1)	The Company raised HK$406.1 million net proceeds from the placing of shares in November 2016 and the net proceeds were intended to use as follow:	
	(a) An amount of HK$263.4 million was used for the redemption of the Promissory Note.	An amount of HK$263.4 million was utilised for the full redemption of the Promissory Note in the principal amount of HK$258 million and payment of accrued interest.
	(b) An amount of HK$142.7 million is for the expansion and development of its QR code business as to:	
	(i) an amount of RMB55 million (equivalent to approximately HK$63 million) towards an acquisition (the "Acquisition") of 透雲物聯網科技(北京)有限公司 (TY Technology (Beijing) Co., Ltd*) in the People's Republic of China (the "PRC") by 上海透雲物聯網科技有限公司 (Shanghai TY Technology Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, under the relevant acquisition agreement dated 24 January 2017 which was completed in March 2017;	(i) The Acquisition was completed in March 2017 and an amount of HK$63 million were fully used towards the Acquisition.

Intended use of proceeds		Actual use of proceeds	
(ii)	approximately HK$14.4 million for the acquisition of plant and equipment (the "Plant and Equipment Acquisition");	(ii)	An amount of HK$14.4 million was fully used towards the Plant and Equipment Acquisition.
(iii)	approximately HK$58.7 million for research and development, recruitment of technical staff and other personnel and other working capital needs for QR codes packaging business (the "Research & Development"); and	(iii)	An amount of HK$58.7 million were fully utilised in the Research & Development.
(iv)	approximately HK$3.2 million for the purchase of transportation and office supplies to support the "Finding the origins of the edible goods program" in different provinces in the PRC (the "Purchase of Transportation and Supplies").	(iv)	An amount of HK$3.2 million was utilised in the Purchase of Transportation and Supplies
(v)	approximately HK$3.4 million for repayment of loans and other payables.	(v)	An amount of HK$3.4 million was fully utilised in the repayment of loans and other payables.

	Intended use of proceeds	Actual use of proceeds
(2)	An amount of net proceeds of US$39.6 million (equivalent to HK$309.4 million) was raised from issue of US$40 million 7% interest convertible bond in November 2017. The Company early redeemed US$13 million (equivalents to HK$101.4 million) in principal amount of the CB in August 2018. Therefore, the net proceeds of HK$203.3 million were intended to use as follows:	
	(a) An amount of HK$172.5 million were used for expansion and development of QR codes business;	An amount of HK$172.5 million was fully utilised for the expansion and development of QR codes business.
	(b) An amount of HK$30.8 million were used for general working capital of corporate office.	An amount of HK$30.8 million was fully utilised for general working capital of corporate office.
(3)	An amount of net proceeds of HK$49.88 million was raised from subscription of new shares in March 2020 and applied as general working capital of the Group.	An amount of HK$49.88 million was fully utilised as general working capital of the Group.
(4)	An amount of net proceeds of HK$49.98 million was raised from subscription of new shares in April 2020 and applied as general working capital of the Group.	An amount of HK$49.98 million was fully utilised as general working capital of the Group.
(5)	An amount of net proceeds of HK$19.98 million was raised from subscription of new shares in July 2020 and the Group intends to apply 70% of the net proceeds as repayment of interest of the convertible bond and the remaining 30% of the net proceeds are applied as general working capital of the Group.	70% of the net proceeds was fully utilised as repayment of interest of the convertible bond and 30% of the net proceeds was fully utilised as general working capital of the Group.
(6)	An amount of net proceeds of HK$28.18 million was raised from subscription of new shares in April 2021 and is applied as general working capital of the Group.	An amount of HK$28.18 million was fully utilised as general working capital of the Group.

SIGNIFICANT INVESTMENT HELD

As at 30 June 2026, the Group held listed investments and unlisted investments of approximately HK$291.9 million and HK$335.7 million respectively. An investment with a fair value of 5% or more of the Group's total assets is considered as a significant investment. A breakdown of the significant investments as at 30 June 2026 is set out below:

Fair value

Nature of investments	Number of shares held as at 30 June 2026	Percentage of shareholding as at 30 June 2026 %	Fair value change for period ended 30 June 2026 HK$'000	Fair value as at 30 June 2026 HK$'000	Fair value as at 31 December 2025 HK$'000	Percentage to the Group's total assets as at 30 June 2026 %	Investment cost HK$'000	Net profit/(loss) of the investee HK$'000	Notes
Financial assets at fair value through profit or loss									
Listed Investment									
Oshidori International Holdings Limited ("Oshidori")	**130,326,000**	**1.88**	**194,186**	**291,930**	97,744	**29.87**	**22,235**	**82,793**	(a)
Unlisted Investments									
FreeOpt Holdings Limited ("FreeOpt")	**1,500,000**	**17.61**	**73,035**	**137,545**	64,510	**14.07**	**150,000**	**443,211**	(b)
Tre 29 Investment (Holdings) Limited ("Tre 29")	**2,625**	**11.32**	**16,490**	**65,100**	48,610	**6.66**	**40,000**	**308,427**	(b)

Notes:

The net profit/(loss) of the above investees is based on the investee's financial information, which was:

(a) Based on its annual report for year ended 31 December 2025.

(b) Based on its management accounts for six months ended 30 June 2026.

Oshidori is an investment holding company principally engaged in the trading and investment of securities. Oshidori operates its business through three segments. The Financial Services segment engages in the provision of securities brokerage services as well as financial, consultancy and corporate financial advisory services. The Securities Trading and Investments segment includes providing the trading of securities and other investments services. The Money Lending segment provides consumer lending services. Oshidori also engages in the placing and underwriting services, investment advisory and asset management services and margin financing services.

FreeOpt is principally engaged in the provision of finance and money lending businesses.

Tre 29 is principally engaged in securities investment.

Going forward, the overall economic outlook and global markets still remains uncertain, the management will continue to take a prudent capital management and liquidity risk management approach to manage the Group's investment portfolio.

SUMMARY OF INVESTMENT POLICY

The Board has established a formal investment policy and strategy (the "Investment Policy") to govern all financial investment activities undertaken by the Group. The overarching objective is the prudent, disciplined, and value-accretive deployment of capital to generate sustainable long-term returns and enhance shareholder value, while maintaining a robust risk management framework and ensuring alignment with the Group's core business direction and financial obligations.

The Investment Policy provides a clear set of principles and guidelines governing the selection, approval, monitoring, and realisation of financial investments. The Board retains ultimate authority for approving major investments and reviews the overall strategy and compliance with policy limits. Management is responsible for continuous monitoring, due diligence, and execution. The Investment Policy is dynamic and subject to regular review by the Board and senior management to reflect evolving market conditions, the Group's financial position, and regulatory requirements.

Key quantitative limits and risk management parameters embedded in the Investment Policy include a portfolio concentration limit whereby the aggregate carrying value of the Group's financial investments shall not exceed 60% of the Group's total assets. This ensures a substantial portion of assets is reserved for core operational requirements, working capital, debt servicing, and contingency needs. Furthermore, exposure to any single investment is capped at 25% of the Group's total assets as a core diversification principle to mitigate concentration risk. To maintain financial flexibility, at least 30% of the investment portfolio by value must be allocated to highly liquid assets, primarily listed equities. The Investment Policy expressly prohibits investments in high-risk or speculative products, such as leveraged derivatives, illiquid structured products, or companies with unsatisfactory governance, poor financial transparency, or material compliance issues.

The Investment Policy also requires that every investment has a clearly defined holding rationale and exit strategy, established at inception and reviewed periodically. As an overall objective, the Company aims to achieve an average annualized return of approximately 15% for each of its investments. Other exit considerations include, among others, achievement of target returns, changes in market conditions, deterioration in investee fundamentals, or the need for portfolio rebalancing. The management conducts regular reviews of the investment portfolio, including semi-annual assessments of fair value, liquidity and risk concentrations, and adjusts the investment strategy to reflect changes in the Company's financial position, market developments and regulatory landscape. In the event of a loss, an investment is subject to a mandatory and rigorous re-evaluation upon a decline in the fair value of an investment by 50% from its initial consideration. This trigger compels a rigorous re-evaluation of the original investment thesis, the investee's long-term prospects, its potential for recovery and the opportunity cost of retaining the capital. This re-evaluation process will be conducted on a semi-annual basis for all investments as part of the Group's standard portfolio monitoring. is a detailed exercise that assesses, inter alia, the followings: (i) an assessment of relative performance against relevant market benchmarks. A key review metric is whether the investment has underperformed the Hang Seng Index (HSI) by more than 60% over the comparable holding period; (ii) a review of the investee's financial performance and stability, including whether the investee demonstrates improvement in key financial metrics (such as revenue or profitability) compared to the corresponding period in the prior year, and whether the investee maintains total assets of not less than HK$200 million and whether its net assets have decreased by more than HK$500 million as compared to the last reporting period; (iii) an evaluation of the investee's scale. For listed securities, this includes monitoring whether the market capitalisation is sustained above HK$200 million. For all investments, the total asset base is expected to be maintained above the HK$200 million; or (iv) an assessment of the investee's recovery prospects and turnaround viability. The management is of the view that the limits set out in the re-evaluation process are reasonable and appropriate, having regard to the Group's investment objectives and portfolio size. Based on the further assessment, the management will decide whether to (i) hold the position and monitor for a turnaround, (ii) pursue an orderly divestment to maximise realised value, or (iii) exit the investment immediately to cut losses and prevent further capital erosion.

Oversight and governance are central to the Investment Policy. The Board retains ultimate authority for approving major investments and reviews the overall strategy and compliance with policy limits. Management is responsible for continuous monitoring, due diligence, and execution. The Investment Policy is dynamic and subject to regular review by the Board and senior management to reflect evolving market conditions, the Group's financial position, and regulatory requirements.

INVESTMENT PORTFOLIO INDUSTRY FOCUS AND RECOVERY RATIONALE

As at 30 June 2026, the Group's investment portfolio was concentrated in the financial services sector (including securities trading, brokerage, money lending and asset management). The management's rationale for this strategic focus and its outlook on a recovery in this industry is based on several interconnected factors.

The management believes the financial services sector offer attractive risk-adjusted return potential and serve to diversify the Group's asset base and risk profile, with the primary investment driver being financial return through capital appreciation and income generation. The foreseen recovery is underpinned by anticipated improvements in macroeconomic conditions, where the stabilisation and strengthening of global and regional economies are expected to increase capital market activity, trading volumes, and demand for financing and asset management services. This is coupled with observed signs of stabilising investor sentiment following a period of market volatility, which is a fundamental driver for the securities brokerage, trading, and investment businesses.

Recognising the inherently cyclical nature of financial markets, the management's investment strategy is positioned to capture the upside as the cycle turns from the challenging environment experienced in prior periods towards recovery. This expectation is supported by the early signs of improving financial performance in certain portfolio companies.

The investments are under continuous review and may be partially or fully realised to crystallise gains upon reaching performance targets, to manage portfolio risk, or to reallocate capital in line with the Company's evolving strategic priorities, thereby ensuring the Group actively leverages the investment's liquidity to maximise shareholder value.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2026 and most of the recommended best practices contained therein except for the deviation below. Code provision F.2.2 of the Corporate Governance Code stipulates that the chairman of the board should attend the annual general meeting. Mr. Wang Liang, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 5 June 2026 (the "Meeting") due to other business arrangements. In his absence, Mr. Du Dong, took th chair of the Meeting. Other members of the Board, chairman of each of the Audit Committee and Remuneration Committee, as well as the external auditor, who also attended the Meeting, were of sufficient calibre for answering questions at the Meeting.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made on all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

REVIEW OF INTERIM RESULTS

The Audit Committee has discussed with the management and independent auditors the accounting policies and practices adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026.

CHANGE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in Directors' information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) during the period between 27th March 2026 (i.e. the date of approval of the Company's FY2025 Annual Report) and the date of this Interim Report are as follows:

- With effective from 3 August 2026, Ms. Zhou Ruijuan has been appointed as an executive Director and the Vice chairlady of the Board.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
CONTINUING OPERATIONS			
Revenue from treasury investment			
Fair value losses on financial assets at fair value through profit or loss held for trading, net	4	**–**	(5,235)
Interest income from money lending business		**80**	175
Revenue from sales of goods and services rendered	4	**35,389**	36,581
Cost of sales		**(26,273)**	(23,033)
Gross profit		**9,116**	13,548
Reversal of/(provision for) impairment loss of trade receivables, net		**1,104**	(332)
(Provision for)/reversal of impairment loss of loan and interest receivables		**(276)**	963
Other income, gains and losses, net	5	**349,815**	74,814
Selling and distribution expenses		**(3,514)**	(4,098)
Administrative expenses		**(30,230)**	(39,276)
Finance costs	6	**(15,280)**	(4,362)
Profit before tax	7	**310,815**	36,197
Income tax expense	8	**(18)**	(11)
Profit for the period from continuing operations		**310,797**	36,186
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	25	**–**	(8,132)
Profit for the period		**310,797**	28,054
Profit/(loss) for the period attributable to owners of the Company:			
– From continuing operations		**197,848**	16,935
– From discontinued operations		**–**	(5,692)
		197,848	11,243
Profit/(loss) for the period attributable to non-controlling interests:			
– From continuing operations		**112,949**	19,251
– From discontinued operations		**–**	(2,440)
		112,949	16,811
		310,797	28,054
Earnings/(loss) per share attributable to owners of the Company	10		
From continuing and discontinued operations			
– Basic and diluted		**HK7.05 cents**	HK0.40 cents
From continuing operations			
– Basic and diluted		**HK7.05 cents**	HK0.60 cents

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit for the period	**310,797**	28,054
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(6,393)**	(1,117)
Other comprehensive loss for the period, net of tax	**(6,393)**	(1,117)
Total comprehensive income for the period	**304,404**	26,937
Total comprehensive income/(loss) for the period attributable to owners of the Company		
– From continuing operations	**191,455**	15,755
– From discontinued operations	**–**	(5,629)
	191,455	10,126
Total comprehensive income/(loss) for the period attributable to non-controlling interests:		
– From continuing operations	**112,949**	19,251
– From discontinued operations	**–**	(2,440)
	112,949	16,811
	304,404	26,937

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	**182,121**	178,806
Right-of-use assets		**69,092**	63,386
Loan receivables	14	**199**	199
Financial assets at fair value through profit or loss	12	**627,635**	278,968
		879,047	521,359
Current assets			
Inventories		**18,019**	18,241
Trade receivables	13	**8,976**	9,461
Prepayments, deposits and other receivables		**50,421**	48,981
Tax recoverable		**967**	967
Loan and interest receivables	14	**15,436**	15,632
Cash and cash equivalents		**4,394**	5,063
		98,213	98,345
Current liabilities			
Trade payables	15	**8,842**	7,806
Contract liabilities		**6,466**	5,555
Other payables and accruals	16	**42,055**	40,045
Lease liabilities		**4,043**	3,531
Bank and other borrowings	17	**474,373**	409,740
Amount due to a director	18	**83,244**	99,052
Amount due to a shareholder of the Company	18	**21,189**	25,553
Tax payable		**167**	167
		640,379	591,449
Net current liabilities		**(542,166)**	(493,104)
Total assets less current liabilities		**336,881**	28,255

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current liabilities			
Long service payment payable	20	**552**	511
Lease liabilities		**3,704**	353
		4,256	864
Net assets		**332,625**	27,391
Equity			
Equity attributable to owners of the Company			
Share capital	19	**112,238**	112,238
Reserves/(deficits)		**28,949**	(163,336)
		141,187	(51,098)
Non-controlling interests		**191,438**	78,489
Total equity		**332,625**	27,391

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

		Attributable to owners of the Company									
	Note	Issued capital HK$'000	Share premium account HK$'000	Capital reserve HK$'000	Contributed surplus HK$'000	Share option reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 31 December 2024 (audited)		112,238	1,907,658	29,194	(34,425)	30,865	8,434	(2,137,164)	(83,200)	42,558	(40,642)
Profit for the period		-	-	-	-	-	-	11,243	11,243	16,811	28,054
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations		-	-	-	-	-	(1,117)	-	(1,117)	-	(1,117)
Total comprehensive income/(loss) for the period		-	-	-	-	-	(1,117)	11,243	10,126	16,811	26,937
Recognition of equity settled share-based payments	21	-	-	-	-	2,204	-	-	2,204	-	2,204
Share option lapsed		-	-	-	-	(2,009)	-	2,009	-	-	-
Partial disposal of a subsidiary (note)		-	-	-	-	-	-	7,033	7,033	(1,699)	5,334
Transactions with equity shareholders and non-controlling interests		-	-	-	-	195	-	9,042	9,237	(1,699)	7,538
At 30 June 2025 (unaudited)		112,238	1,907,658	29,194	(34,425)	31,060	7,317	(2,116,879)	(63,837)	57,670	(6,167)

		Attributable to owners of the Company									
	Note	**Issued capital HK$'000**	**Share premium account HK$'000**	**Capital reserve HK$'000**	**Contributed surplus HK$'000**	**Share option reserve HK$'000**	**Translation reserve HK$'000**	**Accumulated losses HK$'000**	**Total HK$'000**	**Non-controlling interests HK$'000**	**Total equity HK$'000**
At 31 December 2025 (audited)		**112,238**	**1,907,658**	**29,194**	**(34,425)**	**26,678**	**5,418**	**(2,097,859)**	**(51,098)**	**78,489**	**27,391**
Profit for the period		**-**	**-**	**-**	**-**	**-**	**-**	**197,848**	**197,848**	**112,949**	**310,797**
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations		**-**	**-**	**-**	**-**	**-**	**(6,393)**	**-**	**(6,393)**	**-**	**(6,393)**
Total comprehensive income/(loss) for the period		**-**	**-**	**-**	**-**	**-**	**(6,393)**	**197,848**	**191,455**	**112,949**	**304,404**
Recognition of equity settled share-based payments	21	**-**	**-**	**-**	**-**	**830**	**-**	**-**	**830**	**-**	**830**
Share option lapsed		**-**	**-**	**-**	**-**	**(137)**	**-**	**137**	**-**	**-**	**-**
Transactions with equity shareholders and non-controlling interests		**-**	**-**	**-**	**-**	**693**	**-**	**137**	**830**	**-**	**830**
At 30 June 2026 (unaudited)		**112,238**	**1,907,658**	**29,194**	**(34,425)**	**27,371**	**(975)**	**(1,899,874)**	**141,187**	**191,438**	**332,625**

Note: On 6 March 2025, the Group entered into an agreement to dispose of 30% equity interest in Fortune Road International Limited ("Fortune Road"), a wholly-owned subsidiary of the Group, at a cash consideration of HK$5,334,000 (equivalent to RMB5,000,000) to an independent third party. The disposal was completed on 21 March 2025 and had been accounted for as equity transaction. After the disposal, the Group retained its control in Fortune Road until 29 August 2025, on which date the Group disposed remaining 70% equity interest to the above-mentioned independent third party.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash used in operations	**(7,889)**	(28,927)
Interest received	**1**	921
Interest paid	**(4,430)**	(4,513)
Income tax paid	**(18)**	(11)
Net cash flows used in operating activities	**(12,336)**	(32,530)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(482)**	(54)
Proceeds from disposal of property, plant and equipment	**–**	7
Decrease in restricted deposits	**–**	1,023
Net cash flows (used in)/from investing activities	**(482)**	976
Cash flows from financing activities		
New bank and other borrowings raised, net	**35,055**	30,738
Repayment of lease liabilities	**(2,774)**	(6,059)
Repayment of margin loans	**–**	(2,164)
(Repayment to)/advance from a director	**(15,808)**	2,300
Repayment to a shareholder of the Company	**(4,364)**	(1,669)
Proceeds from partial disposal of a subsidiary	**–**	5,334
Net cash flows from financing activities	**12,109**	28,480
Net decrease in cash and cash equivalents	**(709)**	(3,074)
Cash and cash equivalents at beginning of period	**5,063**	16,317
Effect of foreign exchange rate changes, net	**40**	(19)
Transferred to disposal group classified as held for sale	**–**	(1,698)
Cash and cash equivalents at end of period	**4,394**	11,526

1. GENERAL AND BASIS INFORMATION

Corporate information

Touyun Biotech Group Limited (the "Company") was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company with limited liability on 24 October 2011. The principal place of business of the Company is located at 12th Floor, Kwan Chart Tower, 6 Tonnochy Road, Wan Chai, Hong Kong.

During the period, the principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are (i) the manufacture and sale of packaging products; (ii) investments and trading in securities and money lending; and (iii) production and sale of Chlamydomonas reinhardtii, micro-algae and related products.

2. PRINCIPAL ACCOUNTING POLICIES

At 30 June 2026, the Group had net current liabilities of approximately HK$542,166,000. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Group has developed and implemented the following liquidity plan to address the going concern issue:

(i) The Group is negotiating with financial institutions with a view to obtaining new financing at reasonable cost for repayment to the existing lenders and/or additional working capital;

(ii) The Group obtained letter of undertaking from Mr. Wang Liang, a director of the Company and Ms. Qiao Yanfeng, a shareholder of the Company that they would not demand repayment of the amounts due to them with aggregate amounts of HK$104,433,000 or extend the advances until the Group has excess cash to repay from the end of the reporting period;

(iii) The Group will actively obtain additional new sources of financing (such as introducing new investors) as and when needed, and maintain relationship with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings, including those in default and with cross-default terms. The Group has been negotiating with its lenders (the "Lenders") for the extension of loans with principal amounts of RMB60,000,000 (equivalent to HK$69,498,000) and RMB90,000,000 (equivalent to HK$104,247,000) which were overdue since maturity dates of 7 June 2025 and 11 December 2025 respectively. Furthermore, subsequent to the reporting period, a loan principal of HK$26,000,000 under the Group's loan facility became overdue and remained unpaid. The Group is actively in discussions with the lender for a loan extension. The lender has confirmed in writing that it remains open to discussing a repayment proposal and agreed to grant an interim stay of enforcement action while discussions are ongoing.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Up to the date when the condensed consolidated financial statements are authorized for issue, no formal extension agreement has been reached;

(iv) The Group is further exploring the market in Mainland China for sales of the Group's Chlamydomonas reinhardtii and related products to improve the liquidity, profitability and revenue of the Group, together with applying cost control measures in cost of sales, administrative expenses and capital expenditures, to increase the Group's internally generated funds and operating cash inflows in coming years continuously; and

(v) The Group will also continue to seek for other alternatives to increase its working capital such as disposing of the Group's unlisted investments included in financial assets at fair value through profit or loss, if needed.

The directors of the Company are confident that, after the abovementioned measures progressively take effect, the financial condition of the Group will be restored and the uncertainties relating to going concern will be properly addressed. The directors of the Company therefore hold the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 30 June 2026. Accordingly, the unaudited interim condensed consolidated financial statements have been prepared on a going concern basis.

However, should the Group fail to implement the abovementioned mitigation measures, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise.

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The unaudited interim condensed consolidated 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.

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost conversion, except for equity investments classified as financial assets at fair value through profit or loss, which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is the Company's functional currency, and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards (which also include HKASs and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong, except for the application of the amendments to HKFRS Accounting Standards which are mandatory effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's unaudited condensed consolidated financial statements:

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
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

Significant changes in significant judgements and key sources of estimation uncertainty

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last financial statements.

3. OPERATING SEGMENT INFORMATION

The Group has three reportable continuing operating segments. The segments are managed separately as each business offers different products or provides different services and requires different business strategies. No operating segments have been aggregated in arriving of the reportable segments of the Group.

The following summary describes the operations in each of the Group's reportable segments:

Packaging products business segment	–	Manufacture and sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units
Treasury investment business segment	–	Investments and trading in securities and money lending
Chlamydomonas reinhardtii products business segment	–	Production and sale of Chlamydomonas reinhardtii, micro-algae and related products

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that finance costs, and head office and corporate income and expenses are excluded from such measurement.

There was no inter-segment sale or transfer during the period (six months ended 30 June 2025: Nil). Corporate and unallocated income, gains and losses and expenses, and finance costs are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision makers for assessment of segment performance.

3. OPERATING SEGMENT INFORMATION (Continued)

An operating segment regarding QR code business was classified as discontinued operations in the current and prior periods. The segment information reported does not include any amounts for the discontinued operations, which are described in more detail in note 25.

	Packaging products business		Treasury investment business		Chlamydomonas reinhardtii products business		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Group's revenue	**30,624**	32,708	**-**	-	**4,765**	3,873	**35,389**	36,581
Fair value losses on financial assets at fair value through profit or loss ("FVTPL") held for trading, net	**-**	-	**-**	(5,235)	**-**	-	**-**	(5,235)
Interest income from money lending business	**-**	-	**80**	175	**-**	-	**80**	175
Segment revenue	**30,624**	32,708	**80**	(5,060)	**4,765**	3,873	**35,469**	31,521
Segment results	**(3,901)**	(4,993)	**348,431**	68,076	**(11,631)**	(15,150)	**332,899**	47,933
Corporate and unallocated income, gains and losses							**1,151**	1,514
Corporate and unallocated expenses							**(7,955)**	(8,888)
Finance costs							**(15,280)**	(4,362)
Profit before tax from continuing operations							**310,815**	36,197

4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, value of services rendered, net fair value losses on financial assets at fair value through profit or loss and interest income from money lending business.

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Manufacturing and sales of packaging products	**30,624**	32,708
Manufacturing and sale of Chlamydomonas reinhardtii products	**4,765**	3,873
	35,389	36,581
Fair value losses on financial assets at fair value through profit or loss held for trading, net (note a)	**–**	(5,235)
Interest income from money lending business	**80**	175
	35,469	31,521

Notes:

(a) During the six months ended 30 June 2025, the gross proceeds from disposal of listed equity investments classified as financial assets at fair value through profit or loss held for trading were approximately HK$24,128,000.

(b) The revenue within the scope of HKFRS 15 for the six months ended 30 June 2026 were categorised by timing of revenue recognition at a point in time of HK$35,389,000 (six months ended 30 June 2025: HK$36,581,000).

4. REVENUE (Continued)

Revenue analysed by geographical locations of customers is presented as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Packaging products business		
– Hong Kong and the PRC	**9,264**	9,154
– Europe	**15,698**	18,436
– North and South America	**3,679**	2,363
– Others	**1,983**	2,755
	30,624	32,708
Chlamydomonas reinhardtii products business		
– Hong Kong and the PRC	**4,765**	3,873
Treasury investment business		
– Hong Kong and the PRC	**80**	(5,060)
	35,469	31,521

5. OTHER INCOME, GAINS AND LOSSES, NET

An analysis of the Group's other income, gains and losses, net is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Bank interest income	**1**	9
Rental income	**360**	1,635
Foreign exchange differences, net	**(542)**	(301)
Fair value change on financial assets at fair value through profit or loss (not held for trading), net		
– Unlisted equity investments	**154,510**	35,650
– Listed equity investments	**194,157**	36,869
Government grant	**50**	165
Others	**1,279**	787
	349,815	74,814

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Interest on lease liabilities	**84**	280
Interest on bank and other borrowings	**15,196**	4,082
	15,280	4,362

7. PROFIT BEFORE TAX

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Depreciation of property, plant and equipment	**6,363**	5,680
Depreciation of right-of-use assets	**4,030**	5,067
Employee benefits expenses (including directors' remuneration):		
Salaries, wages and other benefits	**18,710**	22,545
Pension scheme contributions	**688**	1,729
Equity-settled share option expenses	**830**	2,204
	20,228	26,478

8. INCOME TAX

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2,000,000 of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2,000,000 are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

Qualipak Manufacturing Limited, a subsidiary of the Group, is qualified for the two-tiered profits tax rates regime and accordingly its profits tax is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000, and profits of other group entities in Hong Kong are taxed at 16.5%.

In accordance with the PRC Corporate Income Tax Law, the PRC Corporate Income Tax is calculated at a statutory rate of 25% (six months ended 30 June 2025: 25%) of the assessable profits.

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Current tax – Hong Kong Profits Tax		
Provision for the period	**–**	–
Current tax – PRC Corporate Income Tax		
Under-provision in respect of prior period	**18**	11
Income tax expense	**18**	11

9. DIVIDEND

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of basic and diluted earnings/(loss) per share attributable to owners of the Company for the six months ended 30 June 2026 and 2025 are based on the following data:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company		
– From continuing operations	**197,848**	16,935
– From discontinued operation	**–**	(5,692)
	197,848	11,243

	Six months ended 30 June	
	2026	2025
	Number of shares	Number of shares
	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	**2,805,952**	2,805,952
Effect of dilutive potential ordinary shares arising from:		
Share options issued by the Company	**17**	–
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	**2,805,969**	2,805,952

The computation of diluted profit/(loss) per share for the six months ended 30 June 2025 do not assume the exercise of share options since the exercise price of the share options exceeds the average market price of ordinary shares during the period.

The denominators used for the purpose of calculating basic and diluted earnings per share from both continuing and discontinued operations are the same figures and are disclosed in the table above.

Basic and diluted loss per share for the discontinued operations for the six months ended 30 June 2025 is HK$0.20 cents.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group incurred HK$482,000 (six months ended 30 June 2025 (unaudited): HK$54,000) for acquisition of property, plant and equipment. No property, plant and equipment were disposed of/written off during the six months ended 30 June 2026 (six months ended 30 June 2025 (unaudited): HK$2,316,000).

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Unlisted equity investments, at fair value (Note (a))		
Company A	**26,042**	10,382
Company B	**–**	–
Company C	**620**	653
Company D	**9,955**	6,579
Company E	**137,545**	64,510
Company F	**–**	–
Company G	**20,226**	14,485
Company H	**36,566**	18,290
Company I	**65,100**	48,610
Company J	**39,634**	17,669
Listed equity investments, at fair value	**291,947**	97,790
	627,635	278,968

Notes:

(a) As at 30 June 2026, the unlisted equity investments relate to investments in ten (31 December 2025: ten) private entities, which were intended to hold for long-term strategic purpose at the time of acquisition. The investees are engaged in the provision of advisory and financial services, property holding, research and development and marketing of micro-algae products, securities brokerage and assets management, investment in securities trading and money lending.

13. TRADE RECEIVABLES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade receivables	**10,141**	11,730
Less: Impairment loss allowance	**(1,165)**	(2,269)
	8,976	9,461

The Group's trading terms with other customers are mainly on credit, except for new customers where payment in advance is normally required. The credit period generally ranges from 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department 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 aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 1 month	**4,141**	3,226
1 to 2 months	**2,312**	2,182
2 to 3 months	**2,400**	2,034
Over 3 months	**123**	2,019
	8,976	9,461

14. LOAN AND INTEREST RECEIVABLES

The exposure of the Group's fixed rate loan to interest rate risks and their contractual maturity dates are as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Unsecured loan and interest receivables	**17,831**	17,751
Less: Impairment loss allowance	**(2,196)**	(1,920)
	15,635	15,831
Analysed for reporting purpose as:		
Current portion	**15,436**	15,632
Non-current portion	**199**	199
	15,635	15,831

As at 30 June 2026, unsecured loan and interest receivables of HK$2,662,000 (31 December 2025: HK$2,586,000) are unsecured and will be matured within one to three years (31 December 2025: mature within one to four years), and the remaining unsecured loan receivable with carrying amount of approximately HK$12,973,000 (31 December 2025: HK$13,245,000) was due from one borrower and represents the right of loan receivable with outstanding principal amount of HK$35,123,000, which was acquired by the Group from an independent third party at consideration of HK$15,000,000 in July 2025, and the loan receivable was matured in October 2025. The directors of the Company considered that the loan receivable was credit-impaired at the date of purchase and as at 30 June 2026 and 31 December 2025.

The range of effective interest rates which are equal to contractual interest rates on the Group's loan and interest receivables are as follows:

	Effective interest rate per annum	
	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Unsecured loan and interest receivables	**0-6%**	0-6%

15. TRADE PAYABLES

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

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 1 month	**5,616**	5,017
1 to 2 months	**2,524**	1,365
2 to 3 months	**389**	740
Over 3 months	**313**	684
	8,842	7,806

The trade payables are non-interest bearing and are normally settled on terms of 30 to 60 days.

16. OTHER PAYABLES AND ACCRUALS

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Other payables	**20,084**	19,844
Accruals	**21,971**	20,201
	42,055	40,045

Other payables and accruals are non-interest bearing and are normally settled with three months. Included in other payables are construction payables of HK$11,955,000 (31 December 2025: HK$11,391,000), for the construction of the Chlamydomonas reinhardtii and related products facilities in Lucheng District, Changzhi City, Shanxi Province, PRC.

17. BANK AND OTHER BORROWINGS

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Secured bank borrowings	**53,050**	53,738
Secured other borrowings	**52,968**	22,365
Unsecured other borrowings	**368,355**	333,637
	474,373	409,740

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Current portion	**474,373**	409,740
Non-current portion	**–**	–
	474,373	409,740

The Group's secured bank and other borrowings as at 30 June 2026 are secured by way of the following:

a. mortgages over the Group's buildings which had an aggregate carrying value at the end of the reporting period of HK$18,235,000 (equivalent to RMB15,743,000) (31 December 2025: HK$20,270,000 (equivalent to RMB18,414,000)).

b. mortgages over the Group's leasehold lands which had an aggregate carrying value at the end of the reporting period of HK$62,889,000 (equivalent to RMB54,295,000) (31 December 2025: HK$60,501,000 (equivalent to RMB54,961,000)).

c. mortgages over the Group's machinery which had an aggregate carrying value at the end of the reporting period of HK$52,148,000 (equivalent to RMB45,021,000) (31 December 2025: HK$53,675,000 (equivalent to RMB48,670,000)).

The secured other borrowings which had an aggregate carrying value at the end of the reporting period of HK$52,968,000 were secured by way of the following:

(i) shares of the directly-owned subsidiary and several indirectly-owned subsidiaries of the Company.

(ii) assets of a directly-owned subsidiary and several indirectly-owned subsidiaries of the Company, including investment in subsidiaries of HK$263,100,000, financial assets at fair value through profit or loss of HK$378,470,000, loan and interest receivables of HK$15,635,000, amounts due from the Company of HK$21,513,000 and other assets of HK$976,000, which had an aggregate carrying value of HK$679,694,000 at the end of the reporting period.

17. BANK AND OTHER BORROWINGS (Continued)

As at 30 June 2026, unsecured other borrowings with principal amounts of RMB60,000,000 (equivalent to HK$69,498,000) and RMB90,000,000 (equivalent to HK$104,247,000) which were overdue since maturity dates of 7 June 2025 and 11 December 2025 respectively and the Group has been negotiating with the Lender for the extension of the borrowings. See note 2 (iii) for further details.

Due to breach of loan covenants and/or occurrence of default events (including the breach of cross-default clauses), certain bank and other borrowings with the aggregate carrying amount of approximately HK$232,246,000, in which the aggregate amount of HK$194,478,000 was past due, and aggregate amounts of HK$37,768,000 were repayable within one year from the end of reporting date based on the agreed scheduled repayments set out in the respective loan agreements, had been due for immediate payment.

Secured bank borrowings carry interest at rates ranging from 0.36% to 0.60% per month (31 December 2025: 0.36% to 0.60%) and are repayable within one year (31 December 2025: repayable within one year), secured other borrowings carry interest at rates ranging from 0.42% to 1% per month (31 December 2025: 0.42% to 1%) and are repayable within one year (31 December 2025: repayable within one year), remaining unsecured other borrowings carry interest ranging from 0.42% to 1% per month (31 December 2025: 0.42% to 1% per month) and are repayable within one year (31 December 2025: repayable within one year).

18. AMOUNTS DUE TO A DIRECTOR/A SHAREHOLDER OF THE COMPANY

The amounts are unsecured, non-interest bearing and repayable on demand.

19. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary share of HK$0.04 each		
Authorised:		
At 31 December 2025 and 30 June 2026	**12,500,000**	**500,000**
Issued and fully paid:		
At 31 December 2025 and 30 June 2026	**2,805,592**	**112,238**

20. RETIREMENT BENEFITS PLANS

Obligation to pay Long Service Payment Obligation under Hong Kong Employment Ordinance (Chapter 57)

For the Group's entities operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) x 2/3 x Years of service

Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement').

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e.1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

20. RETIREMENT BENEFITS PLANS (Continued)

Movements in the present value of unfunded LSP obligation in the current year were as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Opening unfunded obligation	**511**	–
Current service cost	**31**	59
Interest cost	**10**	16
Past service cost	**–**	436
Closing unfunded obligation	**552**	511

The average duration of the benefit obligation at 30 June 2026 is 18.77 years (2025: 19.27 years).

21. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "2012 Scheme") which became effective on 18 May 2012 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the 2012 Scheme include (i) any director, officer, employee, consultant, professional, customer, supplier (whether of goods or services), agent, partner or adviser of or contractor to any member of the Group or its Related Group or a company in which the Group holds an interest or a subsidiary of such company (collectively the "Eligible Group"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include the Eligible Group; or (iii) a company beneficially owned by the Eligible Group. The 2012 Scheme was already expired on 17 May 2022.

On 2 June 2022, a share option scheme (the "2022 Scheme") was passed by way of an ordinary resolution in the annual general meeting. On 13 June 2025, the 2022 Scheme was terminated and a new share option scheme (the "2025 Scheme") was passed by way of an ordinary resolution in the annual general meeting. No further options may be granted under 2022 Scheme, but the provision of the 2022 Scheme shall remain in force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination or otherwise as may be required in accordance with the provisions of the 2022 Scheme. Options granted under the 2022 Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2022 Scheme. The 2025 Scheme does not impose minimum period requirement, each grant will be considered on an individual basis to achieve the purpose of the 2025 Scheme including retaining human resources that are valuable to the growth and development of the Group if the grantees are required to hold the share options for a certain period of time prior to vesting.

21. SHARE OPTION SCHEME (Continued)

"Related Group" means (i) each of the substantial shareholders of the Company, and (ii) each associate and substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the Company or of a substantial shareholder referred to in (i) above, and (iii) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (ii) above, and (iv) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (iii) above, and (v) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (iv) above.

Pursuant to the 2012, 2022 and 2025 Schemes, details of share options granted to eligible participants were as follows:

Date of grant	Number of share options granted	Exercise price
16/11/2020	68,900,000	0.60
25/4/2022	14,314,750	1.34
30/9/2024	279,000,000	0.20

Movements of the options granted under the 2012, 2022 and 2025 Schemes during the period were as follows:

Date of grant	Exercise price HK$	Exercisable period	Number of options outstanding at 1 January 2026	Lapsed/ cancelled during the period	Number of options outstanding at 30 June 2026
Employees					
16/11/2020	0.60	16/11/2022 to 15/11/2027	3,399,993	–	3,399,993
16/11/2020	0.60	16/11/2023 to 15/11/2027	3,399,993	–	3,399,993
16/11/2020	0.60	16/11/2024 to 15/11/2027	3,400,014	–	3,400,014
			10,200,000	–	10,200,000
Other participants (Note)					
16/11/2020	0.60	16/11/2022 to 15/11/2027	16,666,666	–	16,666,666
16/11/2020	0.60	16/11/2023 to 15/11/2027	16,666,666	–	16,666,666
16/11/2020	0.60	16/11/2024 to 15/11/2027	16,666,668	–	16,666,668
			50,000,000	–	50,000,000
Total			60,200,000	–	60,200,000

21. SHARE OPTION SCHEME (Continued)

Note: The above other participants represented 3 consultants of the Group, namely technology consultant, strategic financial planning consultant and sales and marketing consultant – South Asia Region. 26,000,000, 12,000,000 and 12,000,000 share options were granted to technology consultant, strategic financial planning consultant and sales and marketing consultant – South Asia Region respectively. The Company considers that (i) technology consultant will be able to provide the latest information technology industry updates related to the Group's business and business advisory for business improvements for the Group; (ii) strategic financial planning consultant will be able to make use of his investment bank connections and network in finding potential investors and projects for the Company; and (iii) sales and marketing consultant – South Asia Region will be able to provide the sales networking related to the Group's businesses and explore the new potential customers in South Asia Region to the Group, and whose contribution are expected to be beneficial to the Group.

As at 30 June 2026, 60,200,000 share options were exercisable (31 December 2025: 60,200,000).

Date of grant	Exercise price	Exercisable period	Number of options outstanding at 1 January 2026	Lapsed/ cancelled during the period	Number of options outstanding at 30 June 2026
	HK$				
Employees					
25/4/2022	1.34	25/4/2023 to 24/4/2026	302,500	(302,500)	–
25/4/2022	1.34	25/4/2023 to 24/4/2027	150,000	–	150,000
25/4/2022	1.34	25/4/2024 to 24/4/2027	150,000	–	150,000
25/4/2022	1.34	25/4/2025 to 24/4/2027	150,000	–	150,000
25/4/2022	1.34	25/4/2026 to 24/4/2027	150,000	–	150,000
			902,500	(302,500)	600,000

As at 30 June 2026, 600,000 share options were exercisable (31 December 2025: 752,500).

21. SHARE OPTION SCHEME (Continued)

Date of grant	Exercise price HK$	Exercisable period	Number of options outstanding at 1 January 2026	Lapsed/ cancelled during the period	Number of options outstanding at 30 June 2026
Directors					
30/9/2024	0.20	1/1/2026 to 31/12/2028	3,762,900	–	3,762,900
30/9/2024	0.20	1/1/2027 to 31/12/2028	3,762,900	–	3,762,900
30/9/2024	0.20	1/1/2028 to 31/12/2028	3,774,200	–	3,774,200
			11,300,000	–	11,300,000
Employees					
30/9/2024	0.20	1/1/2026 to 31/12/2028	16,783,200	–	16,783,200
30/9/2024	0.20	1/1/2027 to 31/12/2028	16,783,200	–	16,783,200
30/9/2024	0.20	1/1/2028 to 31/12/2028	16,833,600	–	16,833,600
			50,400,000	–	50,400,000
Other Participants (Note)					
30/9/2024	0.20	1/1/2026 to 31/12/2028	5,328,000	–	5,328,000
30/9/2024	0.20	1/1/2027 to 31/12/2028	5,328,000	–	5,328,000
30/9/2024	0.20	1/1/2028 to 31/12/2028	5,344,000	–	5,344,000
			16,000,000	–	16,000,000
Total			77,700,000	–	77,700,000

Note: The above "other participants" represented 14 service providers of the Group, who work for the Group as independent contractors where the continuity and frequency of their services are akin to those of employees in providing management services, marketing and promotion services for the Group's Chlamydomonas reinhardtii, micro-algae and related products business. Around 1,000,000 to 20,000,000 share options were granted to each of them respectively. The Company considered that the benefits from the services provided by the relevant Grantees for the effectiveness of the Group's operation and the long-term business development are beneficial to the Group.

As at 30 June 2026, 25,874,100 share options were exercisable (31 December 2025: nil).

21. SHARE OPTION SCHEME (Continued)

The fair value of the share options granted on 16 November 2020, 25 April 2022 and 30 September 2025 are determined using the Binomial Option Pricing Model (the "Model"), was HK$25,407,000, HK$6,929,000 and HK$8,732,000 respectively. The inputs into the Model and the estimated fair value of the share options are as follows:

	16 November 2020	25 April 2022	30 September 2024
Closing price of the shares	HK$0.53	HK$0.90	HK$0.171
Exercise price	HK$0.60	HK$1.34	HK$0.20
Dividend yield	Nil	Nil	Nil
Expected volatility	94.06%	85.88% to 92.38%	91%
Risk-free interest rate	0.33%	2.52% to 2.57%	2.51%
Fair value per share option	HK$0.348 to HK$0.386	HK$0.451 to HK$0.545	HK$0.0921 to HK$0.1097

Expected volatility was estimated based on the historical volatilities of the Company's share price while dividend yield was estimated by the historical dividend payment record of the Company.

During the six months ended 30 June 2026, the Group recognised an expense of HK$830,000 (six months ended 30 June 2025: HK$2,204,000) as equity-settled share based payments in the condensed consolidated statement of profit or loss with reference to their respective vesting period.

22. PLEDGE OF ASSETS

As at 30 June 2026, except for the pledge of assets mentioned in note 17, the Group did not have other pledge of assets.

23. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT OTHER THAN FAIR VALUE

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance department headed by a director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the directors and the audit committee. At each reporting date, the finance department 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 the directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amounts 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 following table represents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation techniques as follows:

Level 1 valuations:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2 valuations:	Fair value measured using Level 2 i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
Level 3 valuations:	Fair value measured using significant unobservable inputs.

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 30 June 2026

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000 (Unaudited)	Significant observable inputs (Level 2) HK$'000 (Unaudited)	Significant unobservable inputs (Level 3) HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Financial assets at fair value through profit or loss:				
Listed equity investments	291,947	–	–	291,947
Unlisted equity investments	–	–	335,688	335,688

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

As at 31 December 2025

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000 (Audited)	Significant observable inputs (Level 2) HK$'000 (Audited)	Significant unobservable inputs (Level 3) HK$'000 (Audited)	Total HK$'000 (Audited)
Financial assets at fair value through profit or loss:				
Listed equity investments	97,790	–	–	97,790
Unlisted equity investments	–	–	181,178	181,178

During the six months ended 30 June 2026, there were no transfers of fair value measurements between Level 1, Level 2 and Level 3 for both financial assets and financial liabilities (31 December 2025: nil).

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Information of level 3 fair value measurements

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2026 and 31 December 2025:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the inputs
Unlisted equity instruments	The value is based on market value of invested capital-to-total asset and price-to-net assets	Market value of invested capital-to- total asset multiple	0.37 to 0.60 (31 December 2025: 0.37 to 0.59)	5% increase in market value of invested capital-to-total asset multiple would result in increase fair value by HK$3,884,000 (31 December 2025: 5% increase in market value of invested capital-to-total asset multiple would result in increase in fair value by HK$2,716,000)
		Price-to-net assets multiple	0.39 to 0.61 (31 December 2025: 0.39 to 0.53)	5%% increase in price-to-net assets multiple would result in increase fair value by HK$2,434,000 (31 December 2025: 5% increase in price-to-net assets multiple would result in increase in fair value by HK$1,597,000)
		Lack of marketability discount	20.4% (31 December 2025: 15.6%)	5% increase in lack of marketability discount would result in decrease fair value by HK$1,602,000 (31 December 2025: 5% increase in lack of marketability discount would result in decrease in fair value by HK$557,000)

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Information of level 3 fair value measurements (continued)

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the inputs
	Asset-based approach	Lack of control	21.42% (31 December 2025: 21.14%)	5% increase in lack of control would result in decrease in fair value by HK$230,000 (31 December 2025: 5% increase in lack of control would result in decrease in fair value by HK$210,000)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy

	Assets unlisted equity instruments HK$'000
At 1 January 2025	95,902
Acquisitions	32,033
Net gain from fair value adjustment recognised in profit or loss	
– Unlisted equity instruments	53,243
At 31 December 2025 (audited) and 1 January 2026	181,178
Net gain from fair value adjustment recognised in profit or loss	
– Unlisted equity instruments	154,510
At 30 June 2026 (unaudited)	335,688

For level 3 fair value measurement at 30 June 2026, fair values of unlisted investments were determined by the directors of the Company.

25. DISCONTINUED OPERATIONS

On 6 May 2025, the Group entered into an agreement to sell its entire 70% equity interest in Fortune Road International Limited ("Fortune Road") to a substantial shareholder of Fortune Road for a consideration of RMB13,000,000. This disposal was undertaken to enhance the Group's liquidity and strengthen its overall financial position. Details are set out in the Company's circular dated 28 May 2026. The agreement was approved by the Company's shareholders in a special general meeting held on 13 June 2025.

The disposal was completed on 29 August 2025. Upon completion of the disposal, the Group no longer held any interest in the Fortune Road and its subsidiaries (collectively referred to as the "Disposal Group"), and it ceased to be consolidated within the Group's financial statements.

As the operations of Disposal Group constituted a separate major business line of providing QR code solutions for product packaging, including manufacturing and maintenance services, its results were reclassified and presented as discontinued operations in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025.

25. DISCONTINUED OPERATIONS (Continued)

The financial performance and cashflow information of the discontinued operations presented below are for the six months ended 30 June 2025.

	2025 HK$'000 (Unaudited)
Revenue from treasury investment	
Fair value gains on financial assets at fair value through profit or loss, net	1
Revenue from sales of goods and services rendered	
Provision of QR code packaging products and solutions:	
QR code packaging products	1,516
QR code solutions	14,505
	16,021
Cost of sales	(7,968)
Gross profit	8,053
Provision for impairment loss of trade receivables, net	(144)
Other income, gains and losses, net	(1,781)
Selling and distribution expenses	(1,727)
Administrative expenses	(12,383)
Finance costs	(151)
Loss before tax	(8,132)
Income tax expense	–
Loss for the period from discontinued operations	(8,132)
Cash flow from discontinued operations	
Net cash outflow from operating activities	(2,743)
Net cash inflow from investing activities	976
Net cash inflow from financing activities	1,136
Net cash outflow	(631)

The details about the net liabilities of the Disposal Group at the date of the disposal was disclosed in the Group's consolidated financial statements for the year ended 31 December 2025.

26. EVENT AFTER THE REPORTING PERIOD

On 12 July 2026, the Group entered into a sale and purchase agreement with an independent third party to acquire 100% equity interest in an investment holding company incorporated in Hong Kong, which holds a 59.80% equity interest in an entity principally engaged in the manufacturing and trading of new materials in the PRC, for a total consideration of HK$8,000,000. The acquisition was completed on 12 July 2026. Upon completion, both entities became subsidiaries of the Company.

On 25 August 2026, the Company entered into a subscription agreement to conditionally issue and allot an aggregate of 123,000,000 new ordinary shares at a subscription price of HK$0.122 per share. The net proceeds of approximately HK$14,990,000 are intended to be fully used for general working capital of the Group. For further details, please refer to the Company's announcement dated 25 August 2026. Up to the date when the Group's condensed consolidated financial statements are authorised for issue, the subscription has not been completed.