GRACE VINEYARD
怡園酒莊

Grace Wine Holdings Limited
怡園酒業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8146)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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*This announcement, for which the directors (the "**Directors**") of Grace Wine Holdings Limited ("**Grace Wine**" or the "**Company**", and together with its subsidiaries, the "**Group**", "**we**" or "**our**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

UNAUDITED INTERIM RESULTS

The board of Directors (the "**Board**") presents the unaudited condensed consolidated results of the Group for the six months ended 30 June 2026, together with the comparative unaudited figures of the corresponding period in 2025. Where appropriate, numerical figures or percentages presented herein are approximate figures and percentages (as the case may be).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**2026** **(Unaudited)** ***RMB'000***	2025 (Unaudited) *RMB'000*
CONTINUING OPERATIONS			
REVENUE	5	**15,855**	18,775
Cost of sales		**(3,906)**	(6,152)
Gross profit		**11,949**	12,623
Other income and gains, net	6	**964**	113
Selling and distribution expenses		**(4,863)**	(5,184)
Administrative expenses		**(10,094)**	(10,092)
Other expenses, net		**(8)**	(15)
Finance costs		**(63)**	(16)
Loss before tax from continuing operations	7	**(2,115)**	(2,571)
Income tax expense	8	**(780)**	(899)
Loss for the period from continuing operations		**(2,895)**	(3,470)
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	9	**–**	569
LOSS FOR THE PERIOD		**(2,895)**	(2,901)
Loss for the period attributable to:			
Owners of the Company		**(2,732)**	(2,745)
Non-controlling interests		**(163)**	(156)
		(2,895)	(2,901)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	11		
Basic and diluted *(RMB cent)*			
– For loss for the period		**(0.34)**	(0.34)
– For loss for continuing operations		**(0.34)**	(0.41)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
LOSS FOR THE PERIOD	**(2,895)**	(2,901)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**202**	2,737
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	**(548)**	(1,671)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(346)**	1,066
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(3,241)**	(1,835)
Total comprehensive loss for the period attributable to:		
Owners of the Company	**(3,138)**	(2,500)
Non-controlling interests	**(103)**	665
	(3,241)	(1,835)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	**30 June 2026 (Unaudited)** *RMB'000*	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	12	**41,134**	44,109
Right-of-use assets		**15,970**	13,088
Goodwill		**1,361**	1,361
Prepayments		**19**	–
Equity investment designated at fair value through other comprehensive income		**687**	687
Deferred tax assets		**2,543**	3,323
Total non-current assets		**61,714**	62,568
CURRENT ASSETS			
Inventories		**101,774**	99,681
Biological assets	13	**1,206**	–
Trade receivables	14	**1,088**	795
Prepayments, deposits and other receivables		**5,586**	4,318
Amounts due from related parties		**1,942**	–
Cash and cash equivalents		**21,326**	21,747
Total current assets		**132,922**	126,541
CURRENT LIABILITIES			
Trade payables	15	**311**	933
Other payables and accruals		**11,690**	6,762
Lease liabilities		**145**	297
Tax payables		**5,080**	5,120
Total current liabilities		**17,226**	13,112
NET CURRENT ASSETS		**115,696**	113,429
TOTAL ASSETS LESS CURRENT LIABILITIES		**177,410**	175,997

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**5,346**	2,580
Deferred tax liabilities	**4,548**	4,616
Other payables	**5**	–
Total non-current liabilities	**9,899**	7,196
Net assets	**167,511**	168,801
EQUITY		
Issued capital	**686**	675
Reserves	**86,639**	87,837
Non-controlling interest	**80,186**	80,289
Total equity	**167,511**	168,801

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Investment revaluation reserve *RMB'000*	Share option reserve *RMB'000*	Statutory reserve funds *RMB'000*	Exchange fluctuation reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interest *RMB'000*	Total equity *RMB'000*
At 1 January 2026	**675**	**48,427***	**(42,393)***	**(235)***	**945***	**17,131***	**(6,414)***	**70,376***	**88,512**	**80,289**	**168,801**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,732)**	**(2,732)**	**(163)**	**(2,895)**
Other comprehensive income/ (loss) for the period:											
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**142**	**–**	**142**	**60**	**202**
Exchange differences on translation of the Company's financial statements	**–**	**–**	**–**	**–**	**–**	**–**	**(548)**	**–**	**(548)**	**–**	**(548)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(406)**	**(2,732)**	**(3,138)**	**(103)**	**(3,241)**
Issue of shares upon exercise share options *(note 16)*	**11**	**2,885**	**–**	**–**	**(945)**	**–**	**–**	**–**	**1,951**	**–**	**1,951**
At 30 June 2026 (unaudited)	**686**	**51,312***	**(42,393)***	**(235)***	**–***	**17,131***	**(6,820)***	**67,644***	**87,325**	**80,186**	**167,511**
At 1 January 2025	675	137,720	2,765	46	934	17,131	(5,678)	72,539	226,132	–	226,132
Loss for the period	–	–	–	–	–	–	–	(2,745)	(2,745)	(156)	(2,901)
Other comprehensive income/ (loss) for the period:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	1,916	–	1,916	821	2,737
Exchange differences on translation of the Company's financial statements	–	–	–	–	–	–	(1,671)	–	(1,671)	–	(1,671)
Total comprehensive income/ (loss) for the period	–	–	–	–	–	–	245	(2,745)	(2,500)	665	(1,835)
Equity-settled share option arrangements	–	–	–	–	12	–	–	–	12	–	12
Disposal of subsidiaries *(note 17)*	–	–	–	–	–	–	528	–	528	–	528
Disposal of partial interest of subsidiaries *(note 18)*	–	–	(45,158)	–	–	–	–	–	(45,158)	80,481	35,323
2025 special dividends *(note 10)*	–	(89,293)	–	–	–	–	–	–	(89,293)	–	(89,293)
At 30 June 2025 (unaudited)	675	48,427	(42,393)	46	946	17,131	(4,905)	69,794	89,721	81,146	170,867

* These reserve accounts comprise the consolidated reserves of RMB86,639,000 (31 December 2025: RMB87,837,000) in the unaudited condensed consolidated statement of financial position as at 30 June 2026.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2026

	Notes	**2026 (Unaudited) *RMB'000***	2025 (Unaudited) *RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows used in operating activities		**(2,310)**	(4,453)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(130)**	(766)
Increase in right-of-use assets		**(608)**	–
Increase in construction in progress		**–**	(3,259)
Proceeds from disposal of items of property, plant and equipment		**185**	75
Net cash inflow from disposal of subsidiaries	17	**–**	62,219
Net cash inflow from disposal of partial interests of subsidiaries	18	**–**	35,323
Net cash flows (used in)/from investing activities		**(553)**	93,592
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares upon exercise share options		**2,896**	–
Principal portion of lease payments		**(107)**	(184)
Dividends paid		**–**	(89,293)
Net cash flows from/(used in) financing activities		**2,789**	(89,477)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(74)**	(338)
Cash and cash equivalents at beginning of period		**21,747**	34,488
Effect of foreign exchange rate changes, net		**(347)**	310
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**21,326**	34,460
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**21,326**	34,460

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. GENERAL

Grace Wine Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company's principal subsidiaries are engaged in the production and distribution of wine, spirits and other alcoholic products.

The immediate and ultimate holding company of the Company is Hill Valley Investment Co Ltd, a company incorporated in the British Virgin Islands (the "**BVI**"). The entire issued capital of Hill Valley Investment Co Ltd is held by Mr. Yang Lingjiang.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of Group has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial information does 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.

The unaudited interim condensed consolidated financial information of the Group has been prepared in accordance with the same accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the amended HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) as disclosed in note 3 below.

This unaudited interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information 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*

The application of the above amended HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial position and operating performance.

4. SEGMENT INFORMATION

Operating segments

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. For management purposes, the resources are allocated to two reportable operating segments, namely (i) production of wines; and (ii) production of spirits (disposed of during the prior period and classified as a discontinued operation, notes 9 and 17).

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

Segment assets exclude deferred tax assets, cash and cash equivalents, equity investment designated at fair value through other comprehensive income and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, amounts due to related parties, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

	Continuing operations Production of wines 30 June		**Discontinued operations Production of spirits 30 June**		**Total 30 June**	
	2026	2025	**2026**	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment revenue:						
Sales to external customers	**15,855**	18,775	**–**	159	**15,855**	18,934
Other revenue	**939**	2,613	**–**	25	**939**	2,638
	16,794	21,388	**–**	184	**16,794**	21,572
Segment results	**1,448**	2,351	**–**	(1,912)	**1,448**	439
Reconciliation:						
Other unallocated income					**1**	–
Interest income					**24**	39
Corporate and other unallocated expenses					**(3,588)**	(2,386)
Finance costs (other than interest on lease liabilities)					**–**	(94)
Loss before tax					**(2,115)**	(2,002)

	Continuing operations Production of wines		Discontinued operations Production of spirits		Total	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment assets	**162,039**	159,606	**–**	–	**162,039**	159,606
Reconciliation:						
Corporate and other unallocated assets					**32,597**	29,503
Total assets					**194,636**	189,109
Segment liabilities	**(9,775)**	(6,475)	**–**	–	**(9,775)**	(6,475)
Reconciliation:						
Corporate and other unallocated liabilities					**(17,350)**	(13,833)
Total liabilities					**(27,125)**	(20,308)

Over 90% of the Group's non-current assets are based in Chinese mainland.

5. REVENUE

An analysis of revenue from continuing operations is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sales of goods	**15,855**	18,775

All of the Group's revenue was recognised at a point in time during the period.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Geographical markets		
Chinese mainland	**15,545**	18,085
Other jurisdictions	**310**	690
Total	**15,855**	18,775

6. OTHER INCOME AND GAINS, NET

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income		
Bank interest income	**24**	27
Government grants*	**38**	10
Servicing income	**387**	–
Total other income	**449**	37
Gains		
Gain on disposal of items of property, plant and equipment, net	**96**	75
Foreign exchange differences, net	**274**	–
Rental income	**114**	–
Others	**31**	1
Total gains	**515**	76
Total	**964**	113

* The Group received various government grants for promoting the wine industry and supporting agricultural development. There are no unfulfilled conditions or contingencies relating to these grants.

7. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of inventories sold	**1,075**	1,877
Depreciation of property, plant and equipment	**3,016**	3,261
Depreciation of right-of-use assets	**594**	466
Less: amount capitalised into biological assets	**(147)**	(50)
Total	**447**	416
Impairment of trade receivables, net	**7**	2

8. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the reporting period. The provision for the People's Republic of China ("**PRC**") income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Chinese mainland as determined in accordance with the relevant income tax rules and regulations of the PRC.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current – Chinese mainland		
Charge for the period	**20**	22
Under/(over) provision in prior periods	**46**	(30)
Deferred	**714**	907
Total tax expense for the period from continuing operations	**780**	899
Total tax expense for the period from a discontinued operation *(note 9)*	**–**	–
Total tax expense for the period	**780**	899

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

For the six months ended 30 June 2026

	Chinese mainland		Hong Kong		Total	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Profit/(loss) before tax from continuing operations	**1,429**		**(3,544)**		**(2,115)**	
Profit/(loss) before tax from discontinuing operations	**–**		**–**		**–**	
Total	**1,429**		**(3,544)**		**(2,115)**	
Tax at the weighted average applicable tax rate	**357**	**25.0**	**(585)**	**16.5**	**(228)**	**10.8**
Lower tax rate for specific provinces or enacted by local authorities	**(222)**		**–**		**(222)**	
Adjustments in respect of current tax of previous periods	**46**		**–**		**46**	
Income not subject to tax	**(6)**		**–**		**(6)**	
Temporary difference not recognised	**(192)**		**–**		**(192)**	
Expenses not deductible for tax	**223**		**16**		**239**	
Tax losses not recognised	**574**		**569**		**1,143**	
Tax charge for the period	**780**	**54.6**	**–**	**–**	**780**	**(36.9)**
Tax charge from continuing operations	**780**		**–**		**780**	
Tax charge from discontinuing operations	**–**		**–**		**–**	

For the six months ended 30 June 2025

	Chinese mainland		Hong Kong		Total	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Profit/(loss) before tax from continuing operations	1,415		(3,986)		(2,571)	
Profit/(loss) before tax from discontinuing operations	(1,839)		2,408		569	
Total	(424)		(1,578)		(2,002)	
Tax at the weighted average applicable tax rate	(106)	25.0	(260)	16.5	(366)	18.3
Lower tax rate for specific provinces or enacted by local authorities	262		–		262	
Adjustments in respect of current tax of previous periods	(30)		–		(30)	
Income not subject to tax	(92)		(416)		(508)	
Expenses not deductible for tax	26		1		27	
Tax losses not recognised	839		675		1,514	
Tax charge for the period	899	(212.1)	–	–	899	(44.8)
Tax charge from continuing operations	899		–		899	
Tax charge from discontinuing operations	–		–		–	

9. DISCONTINUED OPERATION

On 5 December 2024 and 21 January 2025, the Company (as seller) entered into a sale and purchase agreement and its supplemental agreement, respectively, with Ms. Judy Chan ("**Ms. Chan**"), the former chairlady, an executive director and the former controlling shareholder of the Company (as purchaser), pursuant to which the Company has conditionally agreed to sell, and Ms. Chan has conditionally agreed to acquire, the entire issued share capital of Pacific Surplus Limited and its subsidiaries together with a shareholder's loan (the "**Pacific Surplus Disposal**"), being proposed disposal of the distillery business, for a total consideration of HK$71.28 million (equivalent to RMB66.6 million).

The transaction was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 19 February 2025 and was completed on 28 March 2025 (the "**Completion Date**"). Therefore, the Company ceased its control over Pacific Surplus Limited and its subsidiaries (the "**Pacific Surplus Group**") on the Completion Date, and the production of the spirits segment operated by Pacific Surplus Group was classified as a discontinued operation during the prior period.

The results of the Pacific Surplus Group dealt with in the unaudited interim condensed consolidated financial information for the period ended 30 June 2025 are summarised as follows:

	2025 *RMB'000*
Revenue	159
Cost of sales	(61)
Other income and gains, net	37
Selling and distribution expenses	(22)
Administrative expenses	(1,924)
Finance cost	(78)
Loss before tax	(1,889)
Income tax	–
Loss for the period	(1,889)
Gain on disposal of a discontinued operation	2,458
Profit/(loss) for the period from a discontinued operation	569
Attributable to:	
Owners of the Company	569
Non-controlling interests	–
	569

Earnings per share from a discontinued operation

	2026 ***RMB cents***	2025 *RMB cents*
Basic and diluted	**–**	0.07

The calculation of the basic earnings per share amount from a discontinued operation is based on the profit for the period from a discontinued operation attributable to owners of the Company of nil (2025: loss for the period of RMB569,000), and the weighted average number of ordinary shares in issue during the period (note 11).

No adjustment has been made to the basic earnings per share amount from a discontinued operation presented for each of the periods ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share options outstanding during the periods ended 30 June 2026 and 2025 had no diluting effect on the basic earnings per share amount presented.

10. DIVIDENDS

Save as disclosed in notes 9, 17 and 18, in addition to the Pacific Surplus Disposal, on 5 December 2024 and 21 January 2025, the Company (as seller) entered into a sale and purchase agreement and its supplemental agreement, respectively, with Ms. Chan, the former chairlady, an executive director and the former controlling shareholder of the Company (as purchaser), pursuant to which the Company has conditionally agreed to sell, and Ms. Chan has conditionally agreed to acquire, the 30% of the entire issued share capital of Epic Wealth Holdings Limited and its subsidiaries (the "**Epic Wealth Group**") for a total consideration HK$38.88 million (equivalent to RMB35.3 million) (the "**Epic Wealth Disposal**").

Upon completion of each of the Pacific Surplus Disposal and the Epic Wealth Disposal, special dividends of HK7.802 cents per share ("**Pacific Surplus Special Dividend**") and HK4.256 cents per share ("**Epic Wealth Special Dividend**") shall be declared, distributed and paid to the shareholders, respectively.

The transactions were approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 19 February 2025 and was completed on 28 March 2025. As a result, a total of RMB89,293,000 special dividends was then declared, distributed and paid to the shareholders accordingly during the prior period.

The board of directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share for the six months ended 30 June 2026 is based on the loss for the period attributable to owners of the Company and loss for the period from continuing operations attributable to owners of the Company of RMB2,732,000 and RMB2,732,000, respectively (for the six months ended 30 June 2025: RMB2,745,000 and RMB3,314,000), and the weighted average number of ordinary shares of 809,848,000 (for the six months ended 30 June 2025: 800,600,000) in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during these periods.

12. PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group acquired items of plant and machinery with a cost of approximately RMB130,000 (for the six months ended 30 June 2025: RMB250,000) and additions of construction in progress of nil (for the six months ended 30 June 2025: RMB3,200,000). Items of plant and machinery with net book value of RMB89,000 (for the six months ended 30 June 2025: RMB102,000) were disposed of during the six months ended 30 June 2026, resulting in a gain on disposal of approximately RMB96,000 (for the six months ended 30 June 2025: RMB75,000).

13. BIOLOGICAL ASSETS

All grapes are harvested annually from late August to October each year. After the harvest, plantation works commence again on the farmland. The directors consider that there was no active market for the grapes before harvest at the end of the reporting periods and therefore the replacement cost approach is adopted to value the immature grapes during the growing period as at the end of the reporting periods.

Cultivation costs incurred are accounted for as additions to the biological assets and have been considered in the determination of the fair values during the growing period and these costs approximate to their fair values. During the six months ended 30 June 2026, the Group incurred RMB1,206,000 (for the six months ended 30 June 2025: RMB1,272,000) on the plantation of biological assets.

The fair value measurement of the grapes is categorised as Level 3 fair value measurement within the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. Significant unobservable inputs are mainly the replacement cost for immature grapes and the market price for harvested grapes.

During each of the reporting periods, no transfers occurred between levels in the fair value hierarchy.

The fair values of agricultural produce are calculated based on the inputs to the valuation techniques used. The following table gives information about how the fair values of these biological assets are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy in which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Biological assets	**Fair value hierarchy**	**Valuation technique**	**Significant unobservable input**	**Relationship of unobservable input to fair value**
Immature grapes	Level 3	Replacement cost approach	Various costs for replacing	The higher the costs incurred, the higher the fair value

14. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Trade receivables	**1,095**	801
Impairment	**(7)**	(6)
Net carrying amount	**1,088**	795

Included in the Group's trade receivables as at 30 June 2026 was amount of RMB128,000 (2025: nil) due from a related party, arising from transactions carried out in the ordinary course of business of the Group. The balance is unsecured, interest-free and is repayable within credit periods similar to those offered by the Group to its major customers.

The Group's trading terms with its customers are normally payment in advance, except for the online sales customers and customers with long trading history, which are on credit. The credit period is generally for a period from one to three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. 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, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 60 days	**1,074**	795
61 to 90 days	**14**	–
Total	**1,088**	795

15. 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) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 30 days	**4**	185
31 to 90 days	**307**	748
	311	933

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

16. SHARE OPTION SCHEME

In order to attract and retain the eligible participants, to provide incentives or rewards for their contribution to the Group and to promote the success of the business of the Group, the Company conditionally adopted a share option scheme (the "**Scheme**") on 1 June 2018 whereby the board of directors (the "**Board**") is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company (the "**Shares**") to, inter alia, any employees (full-time or part-time), potential employees, executives or officers (including executive, non-executive and independent non-executive Directors) of the Group and any suppliers, customers, agents and advisers who have contributed to the Group. The Scheme shall be valid and effective for a period of ten years commencing on 1 June 2018, subject to the early termination provisions contained in the Scheme.

The Company shall be entitled to issue options, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the Shares in issue as at 27 June 2018 (the "**Listing Date**"). The Company may at any time refresh this limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules.

The total number of shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Scheme, in any 12-month period up to the date of grant, shall not exceed 1% of the Shares in issue.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within seven days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days (as defined in the GEM Listing Rules) immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option provided always that for the purpose of calculating the subscription price, where the Company has been listed on the Stock Exchange for less than five business days, the issue price shall be used as the closing price for any trading day falling within the period before the date of listing of the shares.

In May 2021, 10,000,000 share options were granted under the Scheme, at an exercise price of HK$0.186 per share. 30%, 30% and 40% of the share options vested on 17 May 2022, 17 May 2023, and 17 May 2024, respectively, on the condition that the director and employee of the Company remain in service as of the vesting dates. The maximum aggregate number of ordinary shares that may be issued pursuant to all grantees under the Scheme was 10,000,000. The options will lapse on the tenth anniversary of the grant date.

In May 2022, 3,000,000 share options were granted under the Scheme, at an exercise price of HK$0.170 per share. 30% and 30% of the share options vested on 17 May 2023 and 17 May 2024, respectively. The remaining 40% of the share options vested on 17 May 2025 on the condition that the employee of the Company remains in service as of the vesting dates. The maximum aggregate number of ordinary shares that may be issued pursuant to all grantees under the Scheme was 3,000,000. The options will lapse on the tenth anniversary of the grant date.

(a) The following share options were outstanding under the Scheme during the period:

	2026		2025	
	Weighted average exercise price per share	**Number of options**	Weighted average exercise price per share	Number of options
	HK$	***'000***	*HK$*	*'000*
At 1 January	**0.182**	**12,400**	0.182	12,400
Granted during the period		**–**		–
Exercised during the period		**12,400**		–
At 30 June	**–**	**–**	0.182	12,400

(b) The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

30 June 2026

During the period, 12,400,000 share options were exercised at the subscription price of HK$0.186 and HK$0.175 per share, resulting in the issue of 12,400,000 shares for a total cash consideration of HK$2,896,000. An amount of HK$945,000 was transferred from the share option reserve to share premium upon the exercise of the share options. The Company had no share options outstanding as at the period ended 30 June 2026.

30 June 2025

Number of options *'000*	Exercise price* *HK$ per share*	Exercise period
2,400	0.186	17 May 2022–16 May 2031
3,000	0.186	17 May 2023–16 May 2031
4,000	0.186	17 May 2024–16 May 2031
900	0.170	17 May 2023–16 May 2032
900	0.170	17 May 2024–16 May 2032
1,200	0.170	17 May 2025–16 May 2032
12,400		

* The exercise price of the share options was subject to adjustment in the case of right or bonus issues, or other similar changes in the Company's share capital.

The Group recognised nil share option expense for the six months ended 30 June 2026 (RMB12,000 (equivalent to HK$13,000) for the six months ended 30 June 2025).

17. DISPOSAL OF SUBSIDIARIES

As detailed in note 9 to the financial information, the Group disposed the Pacific Surplus Group during the period ended 30 June 2025. The assets and liabilities of Pacific Surplus Group as at the Completion date were as follows:

	Completion Date *RMB'000*
Net assets disposed of:	
Property, plant and equipment	98,297
Right-of-use assets	5,775
Prepayments, deposits and other receivables	994
Inventories	9,445
Trade receivables	11
Other tax recoverable	11,248
Cash and bank balances	2,751
Other payables and accruals	(3,067)
Interest-bearing bank borrowings	(62,386)
Deferred tax liabilities	(28)
	63,040
Exchange fluctuation reserve realised	(528)
Expenses incurred for the disposal	1,671
Gain on disposal of subsidiaries, included in a discontinued operation	2,458
Total consideration	66,641
Satisfied by cash	66,641

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2025 *RMB'000*
Cash consideration	66,641
Cash and bank balances disposed of	(2,751)
Expenses incurred for the disposal	(1,671)
Net inflow of cash and cash equivalents in respects of the disposal of subsidiaries	62,219

18. DISPOSAL OF PARTIAL INTERESTS OF SUBSIDIARIES

On 5 December 2024 and 21 January 2025, the Company (as seller) entered into a sale and purchase agreement and its supplemental agreement with Ms. Chan, the former chairlady, an executive director and the former controlling shareholder of the Company (as purchaser), pursuant to which the Company has conditionally agreed to sell, and Ms. Chan has conditionally agreed to acquire, 30% of the issued share capital of Epic Wealth Group for a total consideration of HK$38.88 million (equivalent to RMB35.3 million).

The transaction was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 19 February 2025 and was completed on 28 March 2025.

Upon completion of the transaction, a loss of RMB45,158,000 was recognised in capital reserve, which represented the difference between the consideration received and 30% of the net assets value of Epic Wealth Group that attributable to the Group as at disposal date.

19. COMMITMENTS

The Group had no capital commitments at the end of the reporting periods.

20. RELATED PARTY TRANSACTIONS

(a) In addition to those transactions and balances disclosed elsewhere in the unaudited interim condensed consolidated financial information, the Group had the following material transactions with related parties during the period:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Sales of products		
– Chan Kwan *(note (i))*	**59**	58
– Judy Chan *(note (ii))*	**–**	3
– Wong Shu Ying *(note (iii))*	**–**	7
– 1919 Wine & Spirits Platform Technology Co., Ltd *(note (iv))*	**19**	–
– Fujian Dexi Wine Holdings Co., Ltd *(note (v))*	**3**	–

Notes:

(i) Chan Kwan is a brother of Judy Chan.

(ii) Judy Chan is an executive director.

(iii) Wong Shu Ying is the mother of Judy Chan.

(iv) 1919 Wine & Spirits Platform Technology Co., Ltd. is ultimately controlled by Mr. Yang Lingjiang.

(v) Fujian Dexi Wine Holdings Co., Ltd. is ultimately controlled by Judy Chan.

All of the above transactions were conducted at prices mutually agreed between the parties.

(b) The Group has paid Dragonfield Management Limited amounting to RMB92,000 (for the six months ended 30 June 2025: RMB82,000) for the leasing of commercial premises for use as offices during the six months ended 30 June 2026. Dragonfield Management Limited is held by Chan Chun Keung, Judy Chan, Wong Shu Yin and Chan Kwan (brother of Judy Chan) with effective equity interests of 60%, 10%, 10% and 10%, respectively. The payment in respect of other administrative services provided by Dragonfield Management Limited during the six months ended 30 June 2026 on behalf of the Group was RMB715,000 (for the six months ended 30 June 2025: RMB917,000).

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Fees	**378**	256
Salaries, allowances and benefits in kind	**600**	615
Pension scheme contributions	**53**	46
	1,031	917

21. FAIR VALUE HIERARCHY

Other than biological assets, as disclosed in note 13, and equity investment designated at fair value through other comprehensive income, the Group did not have any financial assets or financial liabilities measured at fair value at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group's financial performance for the six months ended 30 June 2026 ("**1H2026**") remained challenging amid lower sales volumes of high-end wines. Revenue from continuing operations decreased by 15.4% to RMB15.9 million, compared with RMB18.8 million for the corresponding period in 2025. Total sales volume decreased to approximately 194,000 bottles from 208,000 bottles, with the product mix shifting towards entry-level wines. Nevertheless, the average selling price of high-end wines increased to RMB198.5 per bottle from RMB189.6 per bottle.

Despite the decline in revenue, the Group achieved an improvement in profitability at the gross profit margin level. Cost of sales decreased by 37.1% to RMB3.9 million, supported by lower unit costs arising from increased production levels and economies of scale. Accordingly, gross profit margin improved substantially from 67.2% to 75.4%, while gross profit decreased moderately by 4.8% to RMB12.0 million. Other income and gains also increased to RMB1.0 million, mainly attributable to rental income and foreign exchange gains. Selling and distribution expenses and administrative expenses remained broadly stable, reflecting continued cost discipline. As a result, the loss from continuing operations narrowed to RMB2.9 million from RMB3.5 million.

The Group maintained a sound financial position during the period. Cash and cash equivalents stood at RMB21.3 million as at 30 June 2026, broadly unchanged from RMB21.7 million as at 31 December 2025. The Group had no external borrowings and its gearing ratio remained at nil.

During 1H2026, the Group received several industry accolades. The Bruichladdich Grace Vineyard Cask Series was ranked No. 29 in The Spirits Business's "Top 50 Most Innovative Spirits in the World 2025". Grace Vineyard was also named one of the "Top 10 Boutique Wineries in China" at the WBO 2025 China Wine Market Annual Awards, while its Tasya's Reserve Cabernet Franc 2020 and Tasya's Reserve Merlot 2020 were awarded the "Bettane+Desseauve Gold Award" at the 2026 Bettane+Desseauve China Wine Selection. Tasya's Reserve Chardonnay 2021 was awarded a Gold Medal at the 2026 Wynn Signature Chinese Wine Competition.

Looking ahead, the Group will continue to focus on strengthening its sales performance and optimising its product mix, with particular emphasis on improving the contribution from higher-margin products. At the same time, as the new businesses commence operations, the Group will progressively develop and integrate its capabilities across the consumer (C), business (B) and production (F) ends of the value chain, laying the groundwork for the establishment of the "CBF Business Operating System". This system is expected to support the Group's operational efficiency and sustainable growth. Management will also continue to exercise prudent cost control, improve production efficiency and enhance operational effectiveness. Given the prevailing market conditions, the Group will remain cautious in deploying capital while maintaining sufficient liquidity to support its ongoing operations and future business opportunities.

FINANCIAL REVIEW

Revenue

Our revenue from continuing operations decreased by RMB2.9 million or 15.4% from RMB18.8 million for the six months ended 30 June 2025 ("**1H2025**") to RMB15.9 million for 1H2026 as a result of the decrease in total sales volume of high-end wines.

We sold 194,000 bottles in 1H2026 as compared to 208,000 bottles in 1H2025, the average selling price of high-end wines increased to RMB198.5 per bottle in 1H2026 from RMB189.6 per bottle in 1H2025, while that of entry-level wines decreased from RMB44.0 per bottle in 1H2025 to RMB41.9 per bottle in 1H2026. The table below sets out the analysis of revenue and sales volume by our product mix:

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	**Sales volume**	Revenue	Sales volume
High-end	**61.1%**	**25.2%**	66.9%	31.9%
Entry-level	**38.9%**	**74.8%**	33.1%	68.1%

Cost of sales

Our cost of sales from continuing operations decreased by RMB2.3 million or 37.1% from RMB6.2 million for 1H2025 to RMB3.9 million for 1H2026. The decrease in cost of sales was partly aligned with the decline in revenue and partly due to the sale of inventories with a lower fixed unit cost, resulting from an increased production level over time while costs did not increase proportionally, thereby reducing the per-unit cost. Our average cost of sales per bottle decreased from RMB29.6 in 1H2025 to RMB20.1 in 1H2026.

Gross profit and gross profit margin

Our overall gross profit from continuing operations slightly decreased by RMB0.6 million or 4.8% from RMB12.6 million for 1H2025 to RMB12.0 million for 1H2026. The decrease was due to the decrease in sales. The gross profit margin increased from 67.2% for 1H2025 to 75.4% for 1H2026.

Other income and gains, net

Other net income and gains from continuing operations increased by RMB0.9 million from RMB0.1 million for 1H2025 to RMB1.0 million for 1H2026. The increase was primarily attributable to rental income and an exchange gain generated during 1H2026.

Selling and distribution expenses

Selling and distribution expenses from continuing operations slightly decreased by RMB0.3 million or 5.8% from RMB5.2 million for 1H2025 to RMB4.9 million for 1H2026. These expenses primarily consist of marketing and promotional fees, packaging costs and salaries. The decrease was principally attributable to a reduction in staff costs and marketing and promotion costs.

Administrative expenses

Administrative expenses from continuing operations stayed fairly constant at RMB10.1 million across both 1H2026 and 1H2025, primarily comprising staff salaries, professional fees, rent and travel expenses.

Income tax expense

Our income tax expense from continuing operations decreased by RMB0.1 million or 11.1% from RMB0.9 million for 1H2025 to RMB0.8 million for 1H2026 due to the decrease in profit before tax in our PRC subsidiaries.

Loss for the period from continuing operations

As a result of the foregoing, a loss for the period from continuing operations of RMB2.9 million was recognised for 1H2026, compared to RMB3.5 million for 1H2025.

Liquidity, financial and capital resources

Our principal liquidity and capital requirements primarily relate to the acquisition of raw materials for wine production, other costs and expenses related to our business operation, as well as capital investment in new projects. As at 30 June 2026, the carrying amount of the Group's cash and cash equivalents was RMB21.3 million, broadly unchanged from RMB21.7 million as at 31 December 2025.

As at 30 June 2026, the Group's cash and cash equivalents include RMB20.8 million, HK$0.5 million, and some insignificant amounts of USD and EUR (31 December 2025: RMB20.5 million, HK$0.8 million, and some insignificant amounts of USD and EUR).

During 1H2026, the Group's cash and cash equivalents remained broadly unchanged compared with those as at 31 December 2025. This mainly reflected net cash used in operating activities of approximately RMB2.3 million, net cash from financing activities of approximately RMB2.8 million, and a negative effect of foreign exchange rate changes of approximately RMB0.3 million. The cash flow details of the Group are set out on page 7 of the Unaudited Condensed Consolidated Statement of Cash Flows for 1H2026 in this announcement.

Borrowings

As at 30 June 2026, the Group did not have any external borrowings (31 December 2025: Nil).

Gearing ratio

The Group's gearing ratio is measured by total external borrowings divided by total equity. Our gearing ratio is nil as at 30 June 2026 (31 December 2025: Nil).

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. The Board closely monitors the Group's liquidity positions, while surplus cash will be invested appropriately with consideration of the credit risks, liquidity risks and market risks of the financial instruments.

Foreign exchange risk

The business of the Group is primarily in Mainland China where most of the transactions are denominated in RMB. Therefore, the individual companies within the Group have minimal exposure to foreign exchange risk with respect to its functional currency. Given that the presentation currency of the Group's consolidated financial positions is also RMB, the exchange gain or loss arising from currency translation is also insignificant.

For the Group's subsidiaries outside Mainland China, transactions, including the Group's financing activities, may be denominated in Hong Kong Dollars or United States Dollars, and therefore are exposed to foreign exchange risks. The Group does not have a foreign currency hedging policy and does not use any financial instruments for hedging purposes. The Board monitors the Group's foreign currency exposures closely and may take appropriate measures to minimise the foreign currency risk exposures accordingly.

Contingent liabilities

As at 30 June 2026, the Group had no contingent liabilities (31 December 2025: Nil).

Pledge of assets

As at 30 June 2026, the Group did not have any assets pledged for credit facilities (31 December 2025: Nil).

Employee and remuneration policies

As at 30 June 2026, the Group had, including Directors, 123 employees (31 December 2025: 118 employees). Staff costs, including Directors' emoluments, amounted to RMB6.1 million for 1H2026 (1H2025: RMB5.6 million). The remuneration policies for our Directors and employees are based on their experience, level of responsibility and general market conditions, and are reviewed and adjusted on an annual basis.

The Company has adopted a share option scheme on 1 June 2018 for the purpose of providing incentives and rewards to eligible members of the scheme.

Events after the reporting period

There were no significant events after 30 June 2026 up to the date of this announcement.

Significant investments, material acquisition and disposals

The Group did not have any significant investments, material acquisitions or disposal of assets, subsidiaries, associates or joint ventures during 1H2026.

Interim dividend

The Board does not recommend the payment of any dividend for 1H2026 (1H2025: Nil).

Future plans for material investments and capital assets

Save as disclosed in this announcement, the Group does not have other plans for material investments and capital assets.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the "**Model Code**") by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors had complied with the Model Code during the six months ended 30 June 2026.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

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 has purchased, sold or redeemed any of the Company's listed securities. As at 30 June 2026, the Company had no treasury shares (as defined in the GEM Listing Rules).

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company has adopted all the applicable provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 of the GEM Listing Rules.

Except as expressly described below, the Company complied with all applicable code provisions set out in the CG Code during the six months ended 30 June 2026.

Chairman and Chief Executive

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Liu Yunqiang holds both positions in the Company. Mr. Liu Yunqiang has been primarily responsible for overseeing the Group's general management and business development and for formulating business strategies and policies for our business management and operations since he joined the Group in February 2026. Taking into account the implementation of the Group's business strategies, the Directors (including our independent non-executive Directors) consider that it is most suitable for Mr. Liu Yunqiang to hold both the positions of Chief Executive Officer and the Chairman of the Board.

Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances and the existing arrangements are beneficial and in the interests of the Company and its shareholders as a whole.

AUDIT COMMITTEE

The Audit Committee was established on 1 June 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code as set out in Part 2 of Appendix C1 to the GEM Listing Rules. As at 30 June 2026, the Audit Committee comprises two independent non-executive Directors and one non-executive Director, namely Mr. Leung Ming Shu, Dr. Wang Renrong and Mr. Zhao Guodong. Mr. Leung Ming Shu is the chairman of the Audit Committee.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information, provide advice in respect of financial reporting and oversee the risk management and internal control procedures of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2026 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Grace Wine Holdings Limited
Liu Yunqiang
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 13 August 2026

As at the date of this announcement, the executive Directors are Mr. Liu Yunqiang, Ms. Judy Chan, Ms. Xiong Xia and Mr. Zhao Mingjun, the non-executive Director is Mr. Zhao Guodong, and the independent non-executive Directors are Mr. Leung Ming Shu, Dr. Wang Renrong and Dr. Xu Yan.

This announcement will remain on the "Latest Listed Company Information" page on the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the day of publication. This announcement will also be published on the Company's website at www.gracewine.com.hk.