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TK

TK Group (Holdings) Limited
東江集團(控股)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2283)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

RESULTS

The board of directors (the "**Board**") of TK Group (Holdings) Limited (the "**Company**") is pleased to present the consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
Results and financial performances		
Results		
Revenue (HK$'000)	**1,156,433**	1,050,255
Profit for the period (HK$'000)	**21,910**	86,774
Basic earnings per share (HK cents)	**2.6**	10.5
Proposed interim dividend per share (HK cents)	**1.1**	4.3
Gross profit margin	**17.4%**	25.3%
Net profit margin	**1.9%**	8.3%
Return on equity *(Note 1)*	**1.3%**	5.2%
Return on assets *(Note 2)*	**0.8%**	3.4%
Inventory turnover days *(Note 3)*	**115**	106
Trade receivable turnover days *(Note 4)*	**83**	72
Trade payable turnover days *(Note 5)*	**86**	72

	30 June 2026	31 December 2025
Financial position		
Net current assets (HK$'000)	**1,165,780**	1,305,517
Current ratio *(Note 6)*	**213.0%**	246.2%
Quick ratio *(Note 7)*	**147.0%**	192.0%
Gearing ratio *(Note 8)*	**2.3%**	N/A

Notes:

(1) Return on equity ratio is calculated by dividing profit after tax by total equity as at period end and multiplying the resulting value by 100%.

(2) Return on assets ratio is calculated by dividing profit after tax by total assets as at period end and multiplying the resulting value by 100%.

(3) Inventory turnover days are calculated based on the average balance of inventories divided by the cost of sales for the relevant period and multiplied by 180 days.

(4) Trade receivable turnover days are calculated based on the average trade receivables divided by the revenue for the relevant period and multiplied by 180 days.

(5) Trade payable turnover days are calculated based on the average trade payables divided by the cost of sales for the relevant period and multiplied by 180 days.

(6) Current ratio is calculated by dividing current assets by current liabilities and multiplying the resulting value by 100%.

(7) Quick ratio is calculated by dividing current assets less inventories by current liabilities and multiplying the resulting value by 100%.

(8) Gearing ratio is calculated by dividing total borrowings by total equity and multiplying the resulting value by 100%.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June **2026** **(Unaudited)** ***HK$'000***	2025 (Unaudited) *HK$'000*
Revenue	*5*	**1,156,433**	1,050,255
Cost of sales		**(955,605)**	(784,872)
Gross profit		**200,828**	265,383
Other income		**21,774**	12,803
Other losses – net		**(1,671)**	(242)
Selling expenses		**(31,193)**	(24,613)
Administrative expenses		**(173,941)**	(160,954)
Net impairment losses on financial assets		**(1,433)**	(1,408)
Operating profit		**14,364**	90,969
Interest income		**6,627**	11,590
Interest expenses		**(1,760)**	(2,109)
Finance income – net		**4,867**	9,481
Share of results of an associate		**1,305**	910
Profit before income tax		**20,536**	101,360
Income tax credit/(expense)	*6*	**1,374**	(14,586)
Profit for the period		**21,910**	86,774
Other comprehensive income			
Item that may be reclassified to profit and loss:			
Currency translation differences		**56,804**	40,015
Total comprehensive income for the period		**78,714**	126,789
Earnings per share attributable to owners of the Company			
(expressed in HK cents per share)			
– Basic and diluted	*7*	**2.6**	10.5

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
		30 June	31 December
	Note	**2026**	2025
		(Unaudited)	(Audited)
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**466,576**	365,156
Right-of-use assets		**67,055**	104,105
Intangible assets		**7,659**	8,755
Financial assets at fair value through profit or loss		**43,500**	43,500
Investment in an associate		**19,849**	18,941
Loan to an associate		**447**	1,826
Deferred tax assets		**3,973**	3,546
Prepayments for property, plant and equipment		**51,633**	34,784
		660,692	580,613
Current assets			
Inventories		**681,000**	483,553
Trade and other receivables	*8*	**643,279**	540,775
Restricted cash		**–**	48
Deposits for bank borrowings		**48,499**	–
Cash and cash equivalents		**824,897**	1,174,377
		2,197,675	2,198,753
Total assets		**2,858,367**	2,779,366

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
		30 June	31 December
	Note	**2026**	2025
		(Unaudited)	(Audited)
		HK$'000	*HK$'000*
EQUITY			
Share capital	*11*	**83,326**	83,326
Share premium	*11*	**251,293**	251,293
Shares held for employee share scheme		**(7,193)**	(7,755)
Other reserves		**118,162**	61,215
Retained earnings		**1,303,855**	1,416,933
Total equity		**1,749,443**	1,805,012
LIABILITIES			
Non-current liabilities			
Lease liabilities		**19,283**	21,573
Deferred income		**34,917**	32,375
Deferred tax liabilities		**22,829**	27,170
		77,029	81,118
Current liabilities			
Trade and other payables	*9*	**637,361**	567,810
Contract liabilities		**295,518**	226,203
Income tax liabilities		**2,614**	11,200
Bank borrowings	*10*	**40,000**	–
Lease liabilities		**56,402**	88,023
		1,031,895	893,236
Total liabilities		**1,108,924**	974,354
Total equity and liabilities		**2,858,367**	2,779,366

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 28 March 2013 as an exempted company with limited liability. The Company, an investment holding company, and its subsidiaries (collectively the “**Group**”) are principally engaged in the manufacturing, sales, subcontracting, fabrication and modification of molds and plastic components in the People’s Republic of China (the “**PRC**”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

As at 30 June 2026, the ultimate controlling shareholders of the Company are Mr. Li Pui Leung, Mr. Yung Kin Cheung Michael and Mr. Lee Leung Yiu (collectively the “**Ultimate Controlling Shareholders**”), each holding an effective equity interest of 30.61%, 19.04% and 18.36% in the Company, respectively.

On 20 December 2013, shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

This interim financial information (“**Interim Financial Information**”) is presented in Hong Kong dollars (“**HK$**”), unless otherwise stated.

Interim Financial Information has been approved for issue by the Board of Directors of the Company on 24 August 2026.

Interim Financial Information has not been audited, but reviewed by the audit committee of the Company (the “**Audit Committee**”).

2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2026 (the “**Period**”) has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants.

This Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2025 (“**2025 Financial Statements**”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”).

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of new and amended standards as set out below.

3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards. The Directors consider that application of these new standards, amendments and interpretation to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in this Interim Financial Information.

3.2 Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for the Period and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions, except for below:

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statement of comprehensive income and providing management - defined performance measures within the financial statements.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

4. JUDGMENTS AND ESTIMATES

The preparation of the Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2025 Financial Statements.

5. SEGMENT INFORMATION

Information of the reportable segments for the Period is set out as below:

	Six months ended 30 June					
	Mold fabrication		**Plastic components manufacturing**		**Total**	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue						
Segment revenue	**393,225**	385,087	**828,388**	699,707	**1,221,613**	1,084,794
Inter-segment revenue elimination	**(65,180)**	(34,539)	**–**	–	**(65,180)**	(34,539)
Revenue from external customers	**328,045**	350,548	**828,388**	699,707	**1,156,433**	1,050,255
Segment results and gross profit	**73,878**	115,385	**126,950**	149,998	**200,828**	265,383

6. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**1,293**	3,927
– PRC corporate income tax	**2,747**	7,242
	4,040	11,169
Deferred income tax		
– Hong Kong profits tax	**(227)**	248
– PRC corporate income tax	**(6,988)**	(94)
– Withholding income tax	**1,801**	3,263
	(5,414)	3,417
Income tax (credit)/expense	**(1,374)**	14,586

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and is exempted from Cayman Islands income tax.

No provision for income tax in the British Virgin Islands (the "**BVI**") has been made as the Group has no income assessable for income tax in BVI for the Period.

Under the current Hong Kong Inland Revenue Ordinance, the subsidiaries in Hong Kong are subject to profits tax at the rate of 8.25% on assessable profits up to HK$2,000,000, and 16.5% on any part of assessable profits over HK$2,000,000.

PRC corporate income tax ("**CIT**") is provided on the assessable income of entities within the Group incorporated in the PRC, calculated in accordance with the relevant regulations of the PRC. The applicable CIT rate is 25%. Certain subsidiaries of the Group were recognised as "New and High Technology Enterprises" and enjoy a preferential CIT rate of 15%.

According to the CIT Law, a withholding income tax of 10% is levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. The immediate holding companies of certain PRC subsidiaries have obtained Hong Kong tax resident status, and a lower preferential 5% withholding income tax rate is applied.

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the Period by the weighted average number of ordinary shares in issue for the Period, excluding shares held for employee share scheme.

	Six months ended 30 June	
	2026	2025
Profit for the period (HK$'000)	**21,910**	86,774
Weighted average number of ordinary shares in issue for the Period (thousands)	**829,868**	829,149
Basic earnings per share (HK cents)	**2.6**	10.5

(b) Diluted

Diluted earnings per share approximates basic earnings per share for the period ended 30 June 2026 and 2025 as the impact of dilutive potential shares is immaterial.

8. TRADE AND OTHER RECEIVABLES

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Trade receivables (a)	**578,852**	490,611
Less: allowance for impairment	**(12,594)**	(11,000)
Trade receivables, net	**566,258**	479,611
Prepayments and deposits	**50,718**	35,266
Value-added tax recoverable	**10,149**	11,029
Advances to employees	**6,009**	4,602
Refund receivables for export value-added tax	**5,769**	889
Loan to an associate	**1,136**	913
Others	**3,240**	8,465
	643,279	540,775

(a) Trade receivables

The credit period granted to customers is generally between 30 and 90 days. The ageing analysis of the trade receivables from the date of sales is as follows:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Less than 3 months	**509,643**	428,121
More than 3 months but not exceeding 1 year	**65,049**	60,807
More than 1 year	**4,160**	1,683
	578,852	490,611

9. TRADE AND OTHER PAYABLES

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Trade payables (a)	**504,966**	413,052
Wages and staff welfare benefits payable	**94,024**	124,139
Accrual for expenses and other payables	**22,405**	17,618
Other taxes payable	**15,966**	13,001
	637,361	567,810

(a) The ageing analysis of the trade payables based on the goods/services receipt date is as follows:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Within 90 days	**394,477**	317,075
91 – 120 days	**78,110**	67,366
121 – 365 days	**26,009**	22,595
Over 365 days	**6,370**	6,016
	504,966	413,052

10. BORROWINGS

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Current		
Bank borrowings - secured (a)	**40,000**	–

(a) As at 30 June 2026, bank borrowings of HK$40,000,000 were secured by bank deposits of HK$48,499,000 (31 December 2025: Nil).

11. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares *thousands*	**Nominal value** *HK$'000*	**Share premium** *HK$'000*	**Total** *HK$'000*
Authorised				
As at 1 January 2026, 30 June 2026, 1 January 2025 and 30 June 2025	2,000,000	200,000		
Issued and fully paid				
As at 1 January 2026, 30 June 2026, 1 January 2025 and 30 June 2025	833,260	83,326	251,293	334,619

12. DIVIDENDS

On 24 August 2026, the board of directors resolved to declare an interim dividend of HK1.1 cents per share (2025 interim: HK4.3 cents per share). This interim dividend, amounting to approximately HK$9,166,000 (2025 interim: HK$35,830,000), has not been recognised as a liability in this Interim Financial Information.

A final dividend and a special dividend in respect of the year ended 31 December 2025 of HK6.2 cents and HK10.0 cents per ordinary share, respectively, amounting to a total of approximately HK$51,662,000 and HK$83,326,000, respectively, were paid on 15 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2026, the global economy experienced significant market volatility due to multiple factors, including the U.S.-Iran conflict, instability in energy supply chains, and ongoing adjustments to U.S. tariff policies, resulting in considerable uncertainty surrounding global trade and corporate investment activities. The U.S. economy remained resilient as a whole, though momentum in consumption, employment and industrial production slowed somewhat; the Eurozone economy maintained moderate growth, but manufacturing and external demand remained weak. In China, 2026 marked the first year of the 15th Five-Year Plan. Supported by a series of policies aiming at stabilising economic growth, sustaining strong momentum in foreign trade, and accelerating development of new quality productive forces, the economy operated steadily as a whole, continuing to demonstrate resilience. China's gross domestic product (GDP) growth rate reached 4.7% in the first half of 2026. Affected by inflation expectations, instability in the semiconductor supply chain, and weak end-consumer demand, the procurement strategies of some consumer electronics brand customers remained relatively cautious; on the other hand, the poor performance of conventional fuel vehicle production and sales also put pressure on demand for related mold products. Despite the challenging external business environment, the Group's revenue for the first half of 2026 reached HK$1,156.4 million (first half of 2025: HK$1,050.3 million), representing a 10.1% increase as compared to the same period last year.

Revenue Analyzed by Sector

	Six months ended 30 June					
Sector	**2026**		2025		**Change**	
	HK$ million	***%***	*HK$ million*	*%*	*HK$ million*	*%*
Overseas consumer electronics	**307.8**	**26.6**	244.4	23.3	63.4	25.9
Domestic consumer electronics	**413.5**	**35.8**	343.1	32.7	70.4	20.5
Personal health care	**131.6**	**11.4**	100.9	9.6	30.7	30.4
Medical	**30.2**	**2.6**	36.0	3.4	-5.8	-16.1
Automobiles	**158.5**	**13.7**	212.9	20.3	-54.4	-25.6
Packaging and multi-cavity	**114.8**	**9.9**	113.0	10.7	1.8	1.6
	1,156.4	**100.0**	1,050.3	100.0	106.1	10.1

Since mid-2025, the Group has launched a series of strategic initiatives to drive transformation and upgrading, focusing on enhancing its market positioning and synergies across upstream and downstream industries, while deeply exploring business opportunities with key customers. The business reforms yielded excellent results in the first half of the year, with the output value of consumer electronics molds in the first half of the year having already matched last year's annual total. As of 30 June 2026, the Group's sales orders on hand reached a record high of HK$1,363.5 million, representing a 34.7% increase from HK$1,012.1 million as of 31 December 2025. These achievements reflected the gradual emergence of benefits from new business and project expansions. Management expects new projects to complete development and enter mass production progressively in the second half of the year.

In the first half of 2026, most of the Group's new projects remained in the development and trial production stages. There is a certain lead time required from R&D to mass production for new projects, and upfront costs (including mold development support, procurement of high-end equipment, staffing, and validation and construction of new production lines) were rather concentrated, which weighed on profitability for the Period. Compounded by semiconductor shortages which led to frequent adjustments in customers' production plans, short-term pressure was placed on production efficiency and gross profit margin. During the Period, gross profit decreased by 24.3% year-on-year to HK$200.8 million (first half of 2025: HK$265.4 million), and gross profit margin decreased by 7.9 percentage points year-on-year to 17.4% (first half of 2025: 25.3%). As the initial stage of implementing transformation initiatives represented a period of business investment and development, the Group incurred various one-off expenses such as upfront investments related to business transformation and new project development, which impacted its earnings performance. Profit attributable to owners of the Company was HK$21.9 million (first half of 2025: HK$86.8 million), representing a year-on-year decrease of 74.8%. Net profit margin decreased by 6.4 percentage points to 1.9% (first half of 2025: 8.3%), and basic earnings per share was HK2.6 cents (first half of 2025: HK10.5 cents), representing a year-on-year decrease of 75.2%.

In the first half of 2026, with the launch of numerous new projects, inventory turnover days increased by 9 days to 115 days, and trade receivable turnover days increased by 11 days to 83 days, though both remained within an acceptable range. Adhering to a prudent working capital management strategy, the Group maintained a strong net cash position of HK$833.4 million as at 30 June 2026 (31 December 2025: HK$1,174.4 million). Such solid financial position helps support the ongoing transformation and upgrading of its business.

Business Segment Analysis

Mold Fabrication Business

In the first half of 2026, the revenue from external customers of the mold fabrication business amounted to approximately HK$328.0 million, representing a decrease of approximately 6.4% as compared to approximately HK$350.6 million for the same period last year, and accounting for approximately 28.4% of the Group's total revenue. The slight decrease was mainly due to some customers' delays in launching their projects during the first half of 2026.

The Group has production lines for ultra-large standard molds and high-precision molds. The major products of the Group's ultra-large standard molds are automobiles components. The customers mainly include first-tier component suppliers who manufacture automobiles components for automobile brands in Europe, such as Mercedes-Benz, BMW and Volkswagen. High-precision molds production lines mainly produce high-precision molds with multi-cavity and efficiency, with the markets covering high-end consumer electronics (such as mobile phones and wearable devices and smart home), medical and personal health care industries. The Group continues to focus on expert-level molding technology research and is committed to providing customers with high-quality and cost-effective design solutions. In addition to developing external customers, the Group also cooperates with its downstream plastic components manufacturing business partners to provide premium one-stop services for its customers.

According to data from the European Automobile Manufacturers' Association (ACEA), new car registrations in Europe reached 7.23 million units in the first half of 2026, up 6.1% from the same period last year. The electrification transition in the European automotive market continued to accelerate, with pure electric vehicles accounting for 20.7% of new vehicle registrations in the European Union – up from 15.6% in the same period last year – while registrations of gasoline and diesel vehicles declined by 12.2% and 16.9% year-on-year, respectively. Affected by structural adjustments in the conventional fuel vehicle market, automakers correspondingly reduced production plans for relevant models, putting pressure on the demand for the Group's standard molds and resulting in a shift in product mix. Furthermore, increased upfront investment in mold costs during the expansion of new business lines led to a year-on-year decline of 10.4 percentage points in the gross profit margin for the mold fabrication segment to 22.5% (first half of 2025: 32.9%). Faced with the transition pressure in the European automotive industry, the Group is actively expanding into the Middle East and Mexico markets to mitigate the impact of slowing demand in the European automotive market and support the steady development of its automotive segment.

The Group continues to increase its investment in enhancing its precision mold fabrication capabilities, product precision and technical expertise, while focusing on expanding into growth-potential application areas such as consumer electronics, medical, personal health care and packaging. Furthermore, the Group is committed to maximising the synergy of its integrated tooling and injection molding capabilities to provide customers with swift and flexible one-stop services, thereby enhancing customer stickiness, order value and overall operational efficiency.

Plastic Components Manufacturing Business

In the first half of 2026, the revenue from the plastic components manufacturing business segment amounted to approximately HK$828.4 million (first half of 2025: HK$699.7 million), representing a 18.4% increase as compared to the same period last year, and accounting for approximately 71.6% of the Group's total revenue.

The Group's plastic injection molding business has long served many leading international consumer electronics brands, enjoying an excellent reputation in the industry and building a strong track record. During the Period, the consumer electronics market was affected by the global economic environment and inflation. Moreover, the supply of consumer-grade semiconductors contracted due to the artificial intelligence (AI) boom, driving up prices and somewhat dampening overall consumer demand. Despite the challenging market environment, with advantage of a diverse base of high-quality customers and the implementation of a strategy to deepen customer value, revenues from the overseas and domestic consumer electronics segments increased by 25.9% and 20.5% year-on-year, respectively. Overseas, the Group has maintained deep-rooted relationships with leading international brand customers alongside a solid business foundation. During the Period, the Group successfully secured additional new project orders. Furthermore, with major customers continuously launching an array of smart wearable products in the health and wellness category (such as health monitoring wristbands), demand for relevant projects has increased significantly. Domestically, Chinese consumer electronics brand customers have continued to enhance their product strength, quality standards and globalisation capabilities, while placing increasing emphasis on suppliers' quality and technical competence. China's consumer electronics sector is one of the business segments the Group has prioritised for expansion in recent years and holds immense future potential.

The personal health care segment continued its strong growth momentum in the first half of 2026, with revenue up 30.4% year-on-year. The Group successfully secured new product projects from brand customers, which are expected to gradually inject new momentum into the segment's growth as mass production proceeds. In the packaging and multi-cavity molds segment, major customers were in the inventory digestion phase during the first half of the year, resulting in a 1.6% year-on-year increase in revenue; subsequent orders maintained a strong growth trend, and customer relationships are gradually entering a stable development phase. During the Period, the Group achieved a breakthrough in food-grade injection-molded products by successfully establishing a dedicated workshop that complies with strict food safety and production standards. This workshop is capable of meeting the extremely high quality and compliance requirements of the European market and is expected to support the global supply chains of multinational food and beverage customers in the long term.

The Group serves numerous well-known brand customers in the medical sector both domestically and internationally, with business covering medical consumables such as urinary catheters, in-vitro diagnostics, blood glucose monitoring, and hemodialysis. During the Period, a core brand customer adopted a competitive bidding procurement model, which exerted downward pressure on product prices. Based on considerations to strengthen long-term cooperative relationships and expand market share, the Group strategically adjusted its pricing, resulting in a 16.1% year-on-year decline in revenue from the medical segment. Despite short-term revenue pressure, the Group has secured additional orders for high-value-added new projects from this customer. Coupled with the continued expansion of its medical business footprint, management expects the medical segment to gradually stabilise in the second half of the year and lay a more solid foundation for medium- to long-term growth.

In the first half of 2026, as a large number of the Group's new projects had not yet fully entered mass production, the Group's capacity utilisation was not yet fully ramped up. Furthermore, ongoing shortages in the supply of chips required for consumer electronics prompted certain customers to postpone their production and shipment schedules, which in turn affected the Group's production arrangements and capacity utilisation, resulting in a 6.1 percentage points decline in the gross profit margin for the plastic injection molding business to 15.3% (first half of 2025: 21.4%). The Group expects the semiconductor shortage to ease in the second half of the year, which, coupled with the progressive mass production of new projects, is expected to further improve the gross profit margin.

FINANCIAL REVIEW

Revenue

Revenue for the first half of 2026 was approximately HK$1,156.4 million, representing an increase of approximately HK$106.1 million, or 10.1%, as compared to approximately HK$1,050.3 million for the same period in 2025. Specifically, the plastic components manufacturing business recorded strong growth, rising 18.4% year-on-year, while the mold fabrication business declined by 6.4% due to some customers' delays in launching their projects during the first half of 2026.

Gross Profit

Gross profit for the first half of 2026 was approximately HK$200.8 million, representing a decrease of approximately HK$64.6 million, or 24.3%, as compared to approximately HK$265.4 million for the same period in 2025. Gross profit margin was 17.4%, representing a decrease of 7.9 percentage points from 25.3% for the same period last year. This was primarily attributable to the fact that most of the Group's new projects were still in the development and trial production stages. There is a certain lead time required from R&D to mass production for new projects, and upfront costs were rather concentrated, which weighed on profitability for the Period. Compounded by semiconductor shortages which led to frequent adjustments in customers' production plans, short-term pressure was placed on production efficiency and gross profit margin.

Gross profit margin for the mold fabrication segment for the first half of 2026 was 22.5%, representing a decrease of 10.4 percentage points from 32.9% for the same period in 2025. Affected by structural adjustments in the conventional fuel vehicle market, automakers correspondingly reduced production plans for relevant models, putting pressure on the demand for the Group's standard molds and resulting in a shift in product mix. Furthermore, increased upfront investment in mold costs during the expansion of new business lines led to a year-on-year decline in the gross profit margin for the mold fabrication segment.

Gross profit margin for the plastic components manufacturing segment for the first half of 2026 was 15.3%, representing a decrease of 6.1 percentage points from 21.4% for the same period in 2025. This was primarily attributable to the fact that a large number of the Group's new projects had not yet fully entered mass production during the Period, and the Group's capacity utilisation was not yet fully ramped up. Furthermore, ongoing shortages in the supply of chips required for consumer electronics prompted certain customers to postpone their production and shipment schedules, which in turn affected the Group's production arrangements and capacity utilisation, resulting in a decline in the gross profit margin for the plastic injection molding business.

Other Income

Other income for the first half of 2026 was approximately HK$21.8 million, representing an increase of approximately HK$9.0 million, or 70.1%, as compared to approximately HK$12.8 million for the same period in 2025, primarily attributable to the increase in the Group's government grants income during the Period.

Other Losses – Net

Other losses (net) for the first half of 2026 were approximately HK$1.7 million, representing an increase in losses of approximately HK$1.5 million as compared to other losses (net) of approximately HK$0.2 million for the same period in 2025, primarily attributable to the increase in foreign exchange losses as compared to the same period last year.

Selling Expenses

Selling expenses for the first half of 2026 were approximately HK$31.2 million (first half of 2025: HK$24.6 million), representing 2.7% of total revenue (first half of 2025: 2.3%). Selling expenses increased by approximately HK$6.6 million, or 26.7%, as compared to the same period in 2025, primarily attributable to the expansion of the sales team, which led to higher employee expenses.

Administrative Expenses

Administrative expenses for the first half of 2026 were approximately HK$173.9 million (first half of 2025: HK$160.9 million), representing 15.0% of total revenue (first half of 2025: 15.3%). Administrative expenses increased by approximately HK$13.0 million, or 8.1%, as compared to the same period in 2025, primarily attributable to increased R&D investment for new projects.

Finance Income – Net

Finance income (net) for the first half of 2026 was approximately HK$4.9 million, representing a decrease of approximately HK$4.6 million, or 48.7%, as compared to approximately HK$9.5 million for the same period in 2025, primarily attributable to the decline in interest income.

Share of Results of an Associate

Share of profit of an associate for the first half of 2026 was approximately HK$1.3 million, representing an increase of approximately HK$0.4 million, or 43.4%, as compared to approximately HK$0.9 million for the same period in 2025.

Income Tax Credit/(Expense)

Income tax credit for the first half of 2026 was approximately HK$1.4 million, as compared to an income tax expense of approximately HK$14.6 million for the first half of 2025. The decrease in income tax expense of approximately HK$16.0 million was primarily attributable to lower profits and the recognition of deferred income tax assets related to tax losses.

Profit for the Period

Profit for the Period for the first half of 2026 was approximately HK$21.9 million, representing a decrease of approximately HK$64.9 million, or 74.8%, as compared to approximately HK$86.8 million for the same period in 2025. This was primarily attributable to the Group's launch of a series of transformation initiatives in mid-2025. As the initial stage of implementing transformation initiatives represented a period of business investment and development, the Group incurred various one-off expenses such as upfront investments related to business transformation and new project development, which impacted its earnings performance.

SEASONALITY

The Group's sales volume has historically been affected by seasonality. As the Group's products are used by the Group's customers in their respective manufacturing processes, the demand for the Group's products fluctuates as the demand for their products varies. A significant portion of the Group's products under its downstream business segments has generally been in higher demand in the second half of each calendar year, which is primarily due to the seasonal purchase patterns of consumers during festivals such as Thanksgiving Day and Christmas holidays, and is also in line with the timing of new product launches by some downstream customers. As a result, it is expected that the revenue of the Group will be higher in the second half of the year than in the first half of the year. During the year ended 31 December 2025, 44% of revenue was accumulated in the first half of the year, with 56% of revenue accumulated in the second half of the year.

LIQUIDITY, FINANCIAL RESOURCES AND RATIOS

As at 30 June 2026, the Group had net current assets of approximately HK$1,165.8 million (31 December 2025: HK$1,305.5 million). The Group had cash and bank balances of approximately HK$873.4 million (31 December 2025: HK$1,174.4 million), including cash and cash equivalents of approximately HK$824.9 million (31 December 2025: HK$1,174.4 million), and restricted cash and deposits of approximately HK$48.5 million (31 December 2025: HK$48,000). The current ratio of the Group was approximately 213.0% (31 December 2025: 246.2%).

Total equity of the Group as at 30 June 2026 was approximately HK$1,749.4 million (31 December 2025: HK$1,805.0 million). Gearing ratio as at 30 June 2026 was approximately 2.3% (31 December 2025: not applicable). The increase in gearing ratio during the Period was primarily attributable to the Group's new borrowings of approximately HK$40.0 million.

DEBT MATURITY PROFILE

The Group's debt maturity profile is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Within 1 year	**40,000**	–

LIQUIDITY RATIOS

An analysis of the Group's key liquidity ratios is as follows:

	Six months ended 30 June	
	2026	2025
Inventory turnover days	**115**	106
Trade receivable turnover days	**83**	72
Trade payable turnover days	**86**	72

	30 June 2026	31 December 2025
Current ratio	**213.0%**	246.2%

Inventory Turnover Days

During the six months ended 30 June 2026, the Group's inventory turnover days were 115 days, representing an increase of 9 days as compared to the same period last year, primarily attributable to the increase in sales orders on hand for molds with longer production cycles.

Trade Receivable Turnover Days

During the six months ended 30 June 2026, the Group's trade receivable turnover days were 83 days, representing an increase of 11 days as compared to the same period last year, primarily attributable to the growth in the plastic injection molding business, which in turn offered longer credit terms.

Trade Payable Turnover Days

During the six months ended 30 June 2026, the Group's trade payable turnover days were 86 days, representing an increase of 14 days as compared to the same period last year, primarily attributable to rising procurement demand driven by growth in the Group's sales orders on hand, as well as certain suppliers extending the credit terms offered to the Group in recognition of the Group's strong creditworthiness.

Current Ratio

As at 30 June 2026, the Group's current ratio was 213.0%, representing a decrease of 33.2 percentage points as compared to 246.2% as at 31 December 2025.

ASSETS PLEDGED

As at 30 June 2026, bank borrowings of HK$40,000,000 were secured by bank deposits of HK$48,499,000 (31 December 2025: Nil).

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's principal operations are in the PRC, with Renminbi ("**RMB**") and HK$ as the functional currencies of its principal subsidiaries. The Group is exposed to foreign exchange risks arising from various currencies, primarily United States dollars ("**USD**"), Euros ("**EUR**"), and RMB. The Group has always paid close attention to exchange rate fluctuations and market trends. The Group's foreign exchange risk management policies are approved by the Chief Executive Officer of the Company, while the Group Financial Controller is responsible for day-to-day management in accordance with such policies, mainly adopting prudent measures such as natural hedging. The Group Financial Controller regularly assesses the Group's foreign exchange positions and exposure, and strictly adheres to the approved foreign exchange risk management policies as well as the foreign exchange control regulations promulgated by the PRC government to determine an appropriate hedging ratio, thereby effectively managing foreign exchange risks.

The Group's cash and bank balances were primarily denominated in RMB, USD, EUR and HK$. Its operating cash inflows and outflows were primarily denominated in RMB, USD, EUR and HK$. The Group is closely monitoring the exchange rate movements and regularly reviewing its foreign exchange risk management policies, so as to mitigate the expected exchange rate risk.

RMB EXCHANGE RATE RISK

The Group's major revenue is principally denominated in USD, EUR, RMB and HK$, and the Group's major expenses are principally denominated in RMB. The Group has not entered into any agreement for RMB hedging purpose.

CAPITAL STRUCTURE

There was no change in the capital structure of the Company during the Period, and the Company's capital included ordinary shares and other reserves.

PLANS FOR MATERIAL CAPITAL INVESTMENTS

The Group will invest in capacity expansion and investment projects to capitalize the potential growth of the Group's business in the coming years in the manner set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company. Future funding source is mainly from internal resources.

STAFF POLICY

As at 30 June 2026, the Group had 4,639 full-time employees (31 December 2025: 4,122) and 336 workers dispatched to us from third-party staffing companies (31 December 2025: 50).

The Group's remuneration policy aims to offer competitive remuneration packages to recruit, retain and motivate competent directors and employees. The Group believes that the remuneration packages are reasonable and competitive and in line with market trends. The Group has put in place a share award scheme for its directors and employees in a bid to provide competitive remuneration packages for the Group's long-term growth and development. The Group also provides appropriate training and development programmes to its employees to enhance the staff's work ability and individual performance.

The Group has implemented training programmes for the employees to meet different job requirements. The Group believes that these initiatives have contributed to increasing employee productivity.

As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefits of its PRC employees which provide pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing funds.

MATERIAL ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2026, the Group made no material acquisitions or disposals of subsidiaries (first half of 2025: Nil).

CONTINGENT LIABILITIES

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

PROSPECTS

Looking ahead to the second half of 2026, the global economy is expected to remain in a phase characterised by a complex, volatile landscape intertwined with structural recovery. Influenced by ongoing geopolitical tensions, international trade policy uncertainties and macroeconomic fluctuations, global consumer demand and corporate investment decisions remain generally cautious as a whole. Despite the numerous challenges facing macroeconomic recovery, technological innovation and industrial upgrading continue to serve as core drivers for medium- to long-term economic growth from an industrial trend perspective. In particular, the gradual penetration of AI technologies into edge-device applications is accelerating product iteration for certain smart hardware, next-generation wearable devices and high-end consumer electronics. Global leading brands are also actively pursuing new product development, driving a continuous surge in market demand for high-precision, high-performance molded components with innovative structures. This creates potential growth opportunities and market prospects for precision manufacturing enterprises with deep technical expertise and global delivery capabilities, such as the Group.

Against this backdrop, as premium Chinese enterprises and brands actively expand overseas, global recognition of China's manufacturing capabilities continues to rise, driving steady growth in demand for high-precision components across sectors such as consumer electronics and medical devices. Committed to sound operations, the Group has prudently yet proactively seized relevant growth opportunities. By diversifying its business portfolio, the Group has further enhanced its resilience against single-industry cyclical fluctuations, and pragmatically advanced specialised development across its six core sectors – consumer electronics, personal health care, medical, packaging and multi-cavity molds, and automobiles – both domestically and internationally. Building on solid relationships with existing core customers, the Group has continued to unlock the potential demand of existing customers within these six core sectors, and precisely identified new customers across various application scenarios. New projects signed in the first half of 2026 are expected to align with customers' actual mass production schedules, progressively contributing to revenue and profit in the second half of the year and into 2027.

In terms of production capacity layout and manufacturing capabilities, the Group continues to advance its comprehensive manufacturing capabilities and automation upgrades across its production bases in East China, Shenzhen and Vietnam – covering high-precision mold processing, injection molding and secondary processing – to fully support the delivery needs of global customers. To prepare for the mass production of new projects signed in the first half of the year, the advanced, high-precision equipment and upgraded production capacity introduced over the past six months have progressively commenced operations since the beginning of the third quarter. Meanwhile, the Group remains cautious in navigating challenges posed by the external environment and supply chain fluctuations. Driven by geopolitical tensions and energy price volatility, there remains a potential risk of fluctuation in raw material and related production costs. Furthermore, in light of the tight supply of consumer semiconductor chips fuelled by the AI boom, certain component resources may be prioritised for these high-demand sectors, and this could in turn impact the production schedules for other consumer electronics. Consequently, new product launches and production plans may be dynamically adjusted based on supply chain conditions, and the mass production and delivery timelines for certain new projects may be subject to corresponding delays or adjustments.

In light of the aforementioned challenges and operational uncertainties, the Group will adopt a more prudent approach for resource allocation and cost management. As major capacity and equipment investments from earlier stages have been gradually completed, the Group will be able to precisely plan subsequent capital expenditures based on actual order demand, continuously review the necessity and return on various investments and operating expenses, and actively drive internal cost-reduction and efficiency-enhancement measures, including appropriately optimising related labour costs and strictly controlling overall operating expenses. Meanwhile, the Group will continue to strengthen cash flow management to cushion against potential fluctuations in market demand and customers' production plans, thereby reinforcing its solid operational and financial position. Furthermore, the Group has noted that some key customers are adjusting their global supply chain layout and gradually reducing their reliance on a single production region. Amid this trend of global supply chain restructuring, the Group will closely monitor changes in key customers' production capacity layout and procurement strategies. Based on customer demand and order dynamics, the Group will prudently evaluate production capacity allocation and synergistic arrangements across its production bases in East China, Shenzhen and Vietnam, thereby enhancing supply chain flexibility and global delivery capabilities.

Always being guided by a commitment to long-term value, the Group continues to deepen reforms within its internal management framework. Management remains firmly confident in the soundness and foresight of its established strategy. The Group will fully harness the synergies of its integrated tooling and injection molding capabilities, further strengthen its one-stop service advantages spanning product design, precision mold development and high-volume injection molding, and continue to steadily expand into major specialised markets anchored by its six core business sectors. Leveraging on its stable product quality, excellent technical capabilities and efficient global delivery capacity, the Group will continue to deepen strategic partnerships with high-quality customers and flexibly allocate resources in response to market conditions and supply chain dynamics, ensuring that all reform initiatives are effectively aligned with actual business development.

Looking ahead, in the face of numerous external uncertainties, the Group has substantially completed its reforms and is well-positioned for the next phase. The Group will remain firmly focused on high-quality development—anchored in technological innovation, customer demand and delivery capabilities—while continuously optimising product mix and driving business synergies. Driven by the gradual large-scale mass production of newly signed projects, the progressive release of value from existing orders, and the deepening of internal cost-reduction and efficiency-enhancement measures, the Group will make every effort to pick up business momentum and operational efficiency. This will lay a solid foundation for future revenue growth and profitability recovery, delivering long-term, sustainable value returns for shareholders, customers and all employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

EVENTS AFTER THE PERIOD

No major subsequent events affecting the Group have occurred since 30 June 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

The Company believes that good corporate governance is very important for maintaining and promoting investor confidence and for the sustainable growth of the Group. The Board sets and implements appropriate corporate governance policies for the business operation and growth of the Group. The Board is committed to strengthening the Group's corporate governance measures to ensure transparency and accountability of the Company's operations.

The Company has applied the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

In the opinion of the directors, the Company had complied with all the code provisions as set out in the CG Code during the six months ended 30 June 2026.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. Tsang Wah Kwong (Chairman), Dr. Chung Chi Ping Roy and Ms. Christine Wan Chong Leung.

The Audit Committee has reviewed with management the accounting policies and practices adopted by the Group and discussed, among other things, risk management, internal controls and financial reporting matters including a review of the unaudited interim financial information for the six months ended 30 June 2026.

DIVIDEND

On Monday, 24 August 2026, the Board resolved to declare an interim dividend of HK1.1 cents per share for the six months ended 30 June 2026, amounting to a total of HK$9,165,860. The interim dividend is expected to be paid on Monday, 28 September 2026 to all shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 9 September 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the aforesaid interim dividend, the register of members of the Company will be closed from Tuesday, 8 September 2026 to Wednesday, 9 September 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to be qualified for the interim dividend, unregistered holders of shares of the Company should ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 7 September 2026.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.tkmold.com.

The interim report will be dispatched to the shareholders of the Company and published on the above websites in due course.

On behalf of the Board
TK Group (Holdings) Limited
Li Pui Leung
Chairman

Hong Kong, 24 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Li Pui Leung, Mr. Lu Gong Shan, Mr. Yung Kin Cheung Michael, Mr. Lee Leung Yiu and Mr. Cheung Fong Wa; and the independent non-executive directors of the Company are Dr. Chung Chi Ping Roy, Ms. Christine Wan Chong Leung and Mr. Tsang Wah Kwong.