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Kafelaku Coffee Holding Limited
猫屎咖啡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1869)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Kafelaku Coffee Holding Limited (the "**Company**", together with its subsidiaries, collectively known as the "**Group**") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2026 (the "**Period**") together with the comparative figures for the corresponding period in 2025 (the "**Previous Period**") as set out below.

FINANCIAL HIGHLIGHTS

For the Period, the Group's operating results were as follows:

– revenue of the Group amounted to approximately HK$41.0 million, representing a decrease of approximately 36.3% as compared with approximately HK$64.3 million for the Previous Period.

– loss attributable to owners of the Company amounted to approximately HK$10.2 million, representing a decrease in loss by approximately HK$1.4 million as compared with approximately HK$11.6 million for the Previous Period.

– loss per share was approximately HK0.72 cents (Previous Period: HK0.82 cents).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	4	**40,970**	64,285
Other income	5	**478**	530
Cost of materials consumed		**(15,500)**	(25,979)
Employee benefits expense		**(16,232)**	(25,445)
Depreciation	6	**(8,248)**	(9,803)
Gain on early termination of leases, net		**4,794**	–
(Impairment loss) reversal of impairment loss on trade receivables under expected credit loss model, net		**(7,703)**	16
Other operating expenses	6	**(7,843)**	(12,955)
Finance costs	7	**(935)**	(2,024)
Loss before taxation		**(10,219)**	(11,375)
Income tax expense	8	**–**	(249)
Loss for the period		**(10,219)**	(11,624)
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**(321)**	203
Total comprehensive expense for the period		**(10,540)**	(11,421)
Loss attributable to:			
Owners of the Company		**(10,219)**	(11,624)
Non-controlling interests		**–**	–
		(10,219)	(11,624)
Total comprehensive expense attributable to:			
Owners of the Company		**(10,341)**	(11,287)
Non-controlling interests		**(199)**	(134)
		(10,540)	(11,421)
		HK cents	*HK cents*
Basic and diluted loss per share	10	**(0.72)**	(0.82)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 *HK$'000* (unaudited)**	31 December 2025 *HK$'000* (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	**24,897**	24,807
Right-of-use assets	12	**2,091**	9,746
Goodwill		**1,374**	–
Deposits, prepayments and other receivables		**3,107**	3,685
		31,469	38,238
Current assets			
Inventories		**2,186**	3,472
Trade receivables	13	**22,999**	542
Deposits, prepayments and other receivables		**17,371**	16,068
Cash and cash equivalents		**3,510**	3,945
		46,066	24,027
Total assets		**77,535**	62,265
EQUITY			
Share capital		**14,103**	14,103
Reserves		**(85,393)**	(75,052)
Equity attributable to owners of the Company		**(71,290)**	(60,949)
Non-controlling interests		**(5,179)**	(4,980)
Total deficits		**(76,469)**	(65,929)

	Note	**30 June 2026** *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
LIABILITIES			
Current liabilities			
Trade payables	14	**40,386**	9,509
Other payables and accruals		**80,855**	72,187
Amount due to a non-controlling shareholder		**1,286**	1,237
Contract liabilities		**14,724**	16,690
Lease liabilities		**2,419**	10,232
Tax payable		**293**	283
Provision for reinstatement costs		**3,254**	1,350
		143,217	111,488
Non-current liabilities			
Lease liabilities		**7,830**	11,910
Provision for reinstatement costs		**750**	2,550
Contract liabilities		**207**	246
Debenture		**2,000**	2,000
		10,787	16,706
Total liabilities		**154,004**	128,194
Total deficits and liabilities		**77,535**	62,265
Net current liabilities		**(97,151)**	(87,461)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1 GENERAL INFORMATION

Kafelaku Coffee Holding Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (2013 Revision) of the Cayman Islands. The address of the Company's registered office in Cayman Islands and principal place of business in Hong Kong are Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and Room 305, 3/F., Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, respectively. The shares of the Company are listed on the Main Board of the Stock Exchange.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of food and beverage services in Hong Kong and the People's Republic of China (the "**PRC**" or "**China**").

On 24 July 2026, Mr. Cui Zhiqiang ("**Mr. Cui**"), the chairman, an executive director and a substantial shareholder of the Company, and his spouse, had disposed in total of 409,860,000 shares in, representing approximately 24.2% of the issued share capital of the Company and ceased to be a substantial shareholder of the Company.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards ("**HKASs**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group incurred a net loss of HK$10,219,000 during the six months ended 30 June 2026, and, as of that date, the Group had a net current liabilities and net liabilities of HK$97,151,000 and HK$76,469,000, respectively.

As at 30 June 2026, the Group had total liabilities of HK$154,004,000, in which, trade payables of HK$40,386,000, amount due to a non-controlling shareholder of HK$1,286,000, lease liabilities of HK$10,249,000 and other payables of HK$80,855,000 (including amounts due to directors, amount due to related companies and provision for litigation of HK$3,631,000, HK$11,120,000 and HK$15,818,000, respectively) are repayable within one year, while the Group had cash and cash equivalents of approximately HK$3,510,000. These conditions indicate that a material uncertainly exists that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the above, the Directors had carefully considered the liquidity of the Group, taking into consideration of the following plans and measures:

(i) the management has agreed with an entity which is controlled by Mr. Cui for loan facility amounting to HK$91,000,000 to finance the Group's working capital and commitments in the foreseeable future;

(ii) the Group will identify and negotiate with various financial institutions and identify various options for financing the Group's working capital and commitments in the foreseeable future;

(iii) the Group has developed a plan to raise new capital by carrying out fund-raising activities including but not limited to rights issue and placing of new shares;

(iv) the Group is finalising an exclusive agreement with Coffeenergy Co., Limited following the signing of a memorandum of understanding on 12 February 2026 to cooperate in the expansion of the "Coffeenergy" brand; and

(v) the management has been endeavoring to improve the Group's operating results and cash flows through various cost control measures including streamlining of operations to minimise unnecessary expenses, evaluating the possibility of workforce reductions or reduction of payroll costs and human resources optimisation.

The Directors believe that, after taking into account the above plans and measures, the Group will have sufficient working capital to satisfy its present requirements for not less than twelve months from date of this announcement.

Notwithstanding the above, significant uncertainties exist as to whether the Group will be able to continue as a going concern which would depend upon, (i) the successful implementation of cost control measures and business plans to improve the Group's operating results and cash flows; (ii) the receipt of additional sources of financing from an entity controlled by Mr. Cui as and when needed; and (iii) the successful of carrying out fund raising activities to obtain financial resources as and when needed.

Should the Group fail to achieve the abovementioned measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these unaudited condensed consolidated financial statements.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

3 SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Directors have chosen to organise the Group around differences in products and services. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The CODM reviews the financial performance of its food catering and beverage separately for the purpose of resource allocation and performance assessment.

Accordingly, the Group's operating and reportable segments are as follows:

– Food catering – Restaurant operations – delivering Cantonese cuisine, Chinese banquet and dining services

– Beverage – Coffee operations

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the six months ended 30 June 2026

	Food Catering	Beverage	Total
	HK$'000	***HK$'000***	***HK$'000***
	(unaudited)	**(unaudited)**	**(unaudited)**
Revenue			
External sales	40,170	800	40,970
Segment result	(6,119)	(131)	(6,250)
Unallocated income			14
Unallocated expenses			(3,983)
Loss before taxation			(10,219)

For the six months ended 30 June 2025

	Food Catering	Beverage	Total
	HK$'000	***HK$'000***	***HK$'000***
	(unaudited)	**(unaudited)**	**(unaudited)**
Revenue			
External sales	61,890	2,395	64,285
Segment result	(3,091)	(2,872)	(5,963)
Unallocated expenses			(5,412)
Loss before taxation			(11,375)

(b) Geographical information

The following table presents revenue from external customers for the six months ended 30 June 2026 and 2025 by geographical area.

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from external customers		
Hong Kong	**621**	8,948
The PRC	**40,349**	55,337
	40,970	64,285

4 REVENUE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from restaurant operations	**40,170**	61,890
Revenue from sales of goods and equipment	**621**	2,293
Revenue from coffee shop	**130**	–
Revenue from royalty and franchising income	**49**	102
	40,970	64,285

Timing of revenue recognition

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Timing:		
– A point in time	**40,921**	64,183
– Over time	**49**	102
	40,970	64,285

5 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income on short-term bank deposits	**1**	3
Interest income from amount due from a related company	**–**	211
Rent concessions	**298**	–
Miscellaneous income	**179**	316
	478	530

6 DEPRECIATION AND OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation on:		
– property, plant and equipment	**2,003**	2,904
– right-of-use assets	**6,245**	6,899
	8,248	9,803
Other operating expenses include the following items:		
Auditor's remuneration	**500**	500
Operating lease payments of premises		
– Contingent rent for premises *(note)*	**488**	119
Expenses relating to short-term leases	**394**	–
Advertising and promotion expenses	**284**	574
Building management fee and air conditioning charges	**1,530**	3,129
Laundry and sanitary expenses	**593**	1,176
Legal and professional fee	**414**	364
Repair and maintenance	**136**	388
Utility expenses	**1,163**	1,724

Note: The contingent rent refers to the operating rentals based on pre determined percentage to the restaurant revenue less minimum rentals of the respective leases.

7 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expense on debenture	**30**	30
Interest expense on lease liabilities	**886**	1,994
Interest expense on other borrowing	**19**	–
	935	2,024

8 TAXATION

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax – The PRC	**–**	249
Income tax expense	**–**	249

No provision for Hong Kong Profits Tax is made in the unaudited condensed consolidated financial statements as the Group has no assessable profits derived in Hong Kong for both periods.

According to the law of the PRC on Enterprise Income Tax ("**EIT**") and Implementation Regulation of the EIT Law, the PRC's statutory income tax rate is 25% from 1 January 2008. Except for certain preferential tax treatment available to one of its subsidiaries of the Group, the other PRC subsidiaries are subject to income tax at the rate of 25% for both periods.

9 DIVIDEND

The Board has resolved not to recommend the payment of any dividend for the Period (Previous Period: nil).

10 LOSS PER SHARE

The calculation of basic loss per share of the Company (the "**Share**") attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to the owners of the Company	**(10,219)**	(11,624)

	2026	2025
	'000	*'000*
Number of Shares		
Weighted average number of Shares for the purpose of calculating basic loss per Share	**1,410,250**	1,410,250

The diluted loss per Share was the same as basic loss per Share as there were no potential dilutive ordinary Shares outstanding during both periods.

11 PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of HK$917,000 through the acquisition of a subsidiary (note 15) (Previous Period: nil).

12 RIGHT-OF-USE ASSETS

	Premises
	HK$'000
Cost	
As at 1 January 2026 (audited)	**101,138**
Acquisition of a subsidiary *(note 15)*	**1,026**
Early termination of leases	**(28,798)**
Exchange realignment	**3,873**
As at 30 June 2026 (unaudited)	**77,239**
Accumulated depreciation and impairment	
As at 1 January 2026 (audited)	**91,392**
Charge for the period	**6,245**
Early termination of leases	**(25,960)**
Exchange realignment	**3,471**
As at 30 June 2026 (unaudited)	**75,148**
Carrying amount	
As at 30 June 2026 (unaudited)	**2,091**
As at 31 December 2025 (audited)	**9,746**

13 TRADE RECEIVABLES

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Trade receivables	**30,746**	586
Less: allowance for expected credit loss ("**ECL**")	**(7,747)**	(44)
	22,999	542

Trade receivables are mainly receivables from financial institutions in relation to the payment by credit cards and mobile payment by customers. The credit period granted by the Group to its customers is within 30 days. The ageing analysis of trade receivables based on invoice date (net of allowance for ECL) is as follows:

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
1 to 30 days	**320**	503
31 to 60 days	**3,477**	11
61 to 90 days	**5**	2
Over 90 days	**19,197**	26
	22,999	542

14 TRADE PAYABLES

The ageing analysis of trade payables based on invoice date is as follows:

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
1 to 30 days	**2,326**	2,318
31 to 60 days	**6,991**	1,330
61 to 90 days	**495**	396
Over 90 days	**30,574**	5,465
	40,386	9,509

15 ACQUISITION OF A SUBSIDIARY

On 20 March 2026, the Group acquired 100% of the equity interest in Maylon Bay (Guangzhou) Operations Management Company Limited (formerly known as "廣州美浪灣大洲島銷售有限公司") ("**Maylon Bay Guangzhou**") from related companies of the Group for a consideration of RMB2,100,000 (equivalent to approximately HK$2,320,000). This acquisition has been accounted for using the acquisition method. Maylon Bay Guangzhou is engaged in coffee business.

Consideration transferred:

	HK$'000
Cash	2,320

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK$'000
Property, plant and equipment	917
Right of use assets	1,026
Inventories	6
Deposits and other receivables	102
Cash and cash equivalents	22
Other payables	(9)
Lease liabilities	(1,118)
	946

Goodwill arising on acquisition:

	HK$'000
Consideration transferred	2,320
Less: net assets acquired	(946)
Goodwill arising on acquisition	1,374

Goodwill arose in the acquisition of Maylon Bay Guangzhou because the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of coffee shop. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition:

	HK$'000
Cash consideration paid	2,320
Less: cash and cash equivalent balances acquired	(22)
Net cash outflow arising on acquisition	2,298

Included in the loss for the Period was a loss of approximately HK$732,000, attributable to the additional business generated by Maylon Bay Guangzhou. Revenue for the six months ended 30 June 2026 includes approximately HK$130,000 generated from Maylon Bay Guangzhou.

Had the acquisition been completed on 1 January 2026, total revenue of the Group for the six months ended 30 June 2026 would have been approximately HK$232,000 and loss for the period would have been approximately HK$1,020,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2026, nor is it intended to be a projection of future results.

BUSINESS AND OPERATIONAL REVIEW

The Group is primarily engaged in providing food and beverage services in Hong Kong and the PRC. We are currently in the midst of a rebranding initiative and expanding our coffee business.

As at the date of this announcement, the Group operates (i) one full-service restaurant in Shenzhen under the brand name "Star of Canton (利寶閣)" (the "**Shenzhen Futian Restaurant**"); and (ii) one coffee shop in Guangzhou branded as "Kafelaku Coffee (貓屎咖啡)".

The Chinese restaurant sector in Chinese Mainland has faced increasing challenges due to economic slowdowns. With competition remaining intense, it is essential for the Group to adapt to changing consumer preferences and evolving economic conditions to sustain growth.

During the Period, the Group closed the restaurant at Uniwalk in Baoan District, Shenzhen (the "**Uniwalk Restaurant**") due to declining customer footfall which resulted in continuous loss making. The Group has arranged for an early termination of the tenancy agreement with the landlord for the Uniwalk Restaurant.

Both the Group's restaurant and coffee shop are strategically located in prominent shopping arcade or commercial complex.

The Group adheres to a business philosophy of offering quality food, beverages, and services at reasonable prices in an elegant and comfortable dining environment, targeting mid-to-high-end customers.

As at the date of this announcement, the Group has,

In Shenzhen, the PRC:

(i) one Chinese restaurant, which is located in Futian District, Shenzhen, the PRC (i.e. the Shenzhen Futian Restaurant); and

In Guangzhou, the PRC:

(ii) one coffee shop which is located in Panyu District, Guangzhou, Guangdong Province, the PRC.

Due to continued weakness in the restaurant operating environment, business strategies restructuring and the re-branding process, the expansion plan of the Group has been delayed. However, the Group will explore the opportunity to develop its restaurant and coffee shop operations in both Hong Kong and the PRC.

FINANCIAL REVIEW

Revenue

For the Period, the Group recorded a total revenue of approximately HK$41.0 million, representing a decrease of approximately 36.3% as compared to approximately HK$64.3 million for the Previous Period.

The Group's total revenue for the Period mainly comprised of (a) food catering which was restaurant operations delivering Cantonese cuisine, Chinese banquets and dining services; and (b) beverage services which included coffee shop and coffee trading operations.

Food Catering

For the Period, no revenue was recorded from the restaurant's operation in Hong Kong (Previous Period: approximately HK$8.9 million), representing a decrease of 100%, which was mainly due to the cessation of operations of the restaurant in Hong Kong upon the expiry of its lease in 2025.

For the Period, the aggregate revenue of the two Chinese restaurants in Shenzhen, the PRC, of approximately HK$40.2 million (Previous Period: approximately HK$52.9 million), decreased by approximately 24.1%, which was mainly due to: (i) the closure of the restaurant at One Avenue in Futian District, Shenzhen, in the third quarter of 2025 and Uniwalk Restaurant at the end of May 2026 due to declining customer traffic; (ii) weak consumption resulting from the economic slowdown in the PRC during the Period; and (iii) intense competition in the market.

Beverage Services

For the Period, the revenue of the coffee business of approximately HK$0.8 million (Previous Period: HK$2.4 million), which included sale of goods and equipment to franchisees, provision of pre-opening training services, non-refundable upfront initial fee and coffee trading business. The Company commenced coffee bean trading at the beginning of 2026, enhancing the Group's supply chain operations. The business continues to improve the Group's revenue for the first half of 2026.

The Group is finalising an exclusive agreement with Coffeenergy Co., Limited (加油咖啡有限公司) ("**Coffeenergy**") following the signing of a memorandum of understanding on 12 February 2026 with Coffeenergy. Under the proposed exclusive distributor agreement, the Group will be able to distribute Coffeenergy products to multiple countries. The Group believes this will complement and support the further development of the Group's coffee business. The Company will issue further announcement(s) to update shareholders on these initiatives as and when appropriate in accordance with the Listing Rules.

Gross profit and gross profit margin

The Group's gross profit (i.e. revenue minus cost of materials consumed) amounted to approximately HK$25.5 million for the Period, representing a decrease of approximately 33.5% from approximately HK$38.3 million for the Previous Period. Furthermore, the Group's overall gross profit margin slightly increased to approximately 62.2% for the Period (Previous Period: approximately 59.6%).

Employee benefits expense

Employee benefits expense was approximately HK$16.2 million for the Period (Previous Period: approximately HK$25.4 million), representing a decrease of approximately 36.2% as compared to the Previous Period which was due to the closure of certain restaurants by the end of 2025 and during the Period.

Depreciation

Depreciation in respect of the right-of-use assets in relation to the Group's leased properties for the Period was approximately HK$6.2 million (Previous Period: approximately HK$6.9 million). Such depreciation decreased by approximately 9.5% for the Period due to the closure of restaurants.

Other operating expenses

Other operating expenses mainly include, but not limited to, expenses incurred for the Group's restaurant operation, consisting of building management fee and air conditioning charges, cleaning and laundry expenses, utility expenses, service fees paid to temporary workers, and advertising and promotion. For the Period, other operating expenses amounted to approximately HK$7.8 million (Previous Period: approximately HK$13.0 million), representing a decrease of approximately HK$5.1 million or 39.5%. Such decrease was mainly due to decrease in (i) building management fee and air conditioning charges of approximately HK$1.6 million; (ii) laundry and sanitary expenses of approximately HK$0.6 million; and (iii) utility expenses of approximately HK$0.6 million, due to closure of certain restaurants.

Impairment loss on right-of-use assets

Based on the impairment assessment performed by comparing the recoverable amount and the carrying amount of the right-of-use assets, no impairment loss for the Group was recognised during the Period (Previous Period: approximately HK$287,000).

Finance costs

Finance costs for the Period amounted to included approximately HK$0.9 million (Previous Period: approximately HK$2.0 million) which primarily included interest expense on lease liabilities in relation to the Group's leased properties.

Loss attributable to owners of the Company

For the Period, the Group recorded a loss attributable to owners of the Company of approximately HK$10.2 million (Previous Period: approximately HK$11.6 million), representing a decrease in net loss attributable to owners of the Company by approximately HK$1.4 million as compared to the Previous Period. The decline of the Group's revenue for the Period was mainly attributable to the weak economies of the PRC and closure of restaurant during the Period.

Liquidity, financial resources and capital structure

Capital Structure

The Group's objectives in managing capital are to safeguard its ability to continue as a going concern in order to provide returns for the shareholders of the Company (the "**Shareholders**") and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the Shareholders, return capital to the Shareholders, issue new shares or sell assets to reduce debt.

As at 30 June 2026, the Group's gearing ratio, which is calculated based on the interest-bearing debts (excluding lease liabilities) divided by total equity attributable to owners of the Company (the "**Shareholder's Equity**"), was irrelevant as the Company has recorded a deficit in its Shareholders' Equity as at 30 June 2026. The Directors, taking into account the nature and scale of operations and capital structure of the Group, will closely monitor the gearing ratio and will adjust its business strategies to improve it to a reasonable level.

As at 30 June 2026, the Group's cash and bank balances were approximately HK$3.5 million, representing a decrease of approximately HK$0.4 million as compared with approximately HK$3.9 million as at 31 December 2025. The decrease was mainly due to the increase in cash used in operating food catering business in the PRC during the Period. Of the cash and bank balances, HK$0.6 million, HK$1 million and HK$1.9 million which were denominated in HK$, US dollar ("**USD**") and Renminbi ("**RMB**"), respectively.

Debenture

On 12 November 2024, the Company issued a debenture which was secured by 49% of equity interest of a subsidiary of the Company with principal amount of HK$2,000,000, borne interest rate at 3% per annum payable annually in arrear and maturity period of 7 years from the date of issuance (i.e. 12 November 2031), unless early redeemed.

Indebtedness and Banking Facilities

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

Foreign Exchange Exposure

Most of the income and expenditures of the Group are denominated in HK$ and RMB, which are the functional currencies of the respective group entities. Although HK$ is not pegged to RMB, the historical exchange rate fluctuation on RMB was not significant during the Period. Thus there is no significant exposure expected on RMB transactions and balances. Hence, the Group does not have any material foreign exchange exposure. During the Period, the Group had not used any financial instruments for hedging purposes.

Securities in Issue

As at 30 June 2026, there were 1,410,250,000 ordinary Shares in issue. There was no movement in the issued share capital of the Company during the Period.

Commitments

Save as disclosed in this announcement, the Group had no significant outstanding contracted capital commitments as at 30 June 2026.

Charge on Assets

As at 30 June 2026, the Group did not have any charge over its assets.

Litigation and Contingent Liabilities

(i) On 31 December 2019, Excel Linker (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company received a Writ of Summons together with an indorsement of claim dated 31 December 2019 issued in the High Court of Hong Kong (the "**Court Action**") by Foxhill Investments Limited as plaintiff against Excel Linker (Hong Kong) Limited as defendant. For details, please refer to the announcement titled "Inside Information – Litigation" dated 6 January 2020. A provision of HK$15.8 million has been made in the consolidated financial statements as at 30 June 2026 (2025: HK$15.8 million). The Company is of the view that the Court Action did not and will not have any material adverse impact on the ordinary operation and financial positions of the Group. To the best knowledge of the Directors, no trial in relation to the Court Action has been scheduled up to the date of this announcement.

(ii) On 3 January 2025, Jiangsu Kafelaku Holding Co., Ltd. ("**Jiangsu Kafelaku**"), a wholly-owned subsidiary of the Company entered into a construction contract with an independent third party contractor (the "**Contractor**") in respect of a production base to be constructed on a parcel of land located at the east side of Yingbin Avenue, Coastal Economic Zone and south side of Haiwang Road of Dongtai City, Jiangsu Province, the PRC, including workshop, integrated building, solid waste storage warehouse and other ancillary facilities for the processing of coffee beans for the supply of the Group's own coffee shops and coffee trading business. The contractual sum under the construction contract is RMB66,088,580. The Contractor shall be responsible for the construction works in accordance with the construction drawings, including but not limited to the (i) civil engineering works, (ii) electrical and plumbing installation works; (iii) fire protection system works, (iv) ventilation works, and (v) outdoor piping works.

The total contract price shall be settled by progress billing: (i) 20% of the total contract price shall be paid by Jiangsu Kafelaku to the Contractor upon the completion of the ceiling of the production base; (ii) 30% of the total contract price shall be paid by Jiangsu Kafelaku to the Contractor within 15 days upon the issuance of the final acceptance certificate from Jiangsu Kafelaku to the Contractors; (iii) 30% of the total contract price shall be paid by Jiangsu Kafelaku to the Contractor within 15 days upon the first anniversary date of the construction contract; and (iv) 20% of the total contract price shall be paid by Jiangsu Kafelaku to the Contractor within 15 days upon the second anniversary date of the construction contract.

The construction work has been suspended during the year ended 31 December 2025. The Contractor initiated a claim to Jiangsu Kafelaku with an amount of approximately RMB33,476,000 (equivalent to approximately HK$38,620,000) including a late penalty at interest rate of 12%. Subsequently, Jiangsu Kafelaku and the Contractor entered into a settlement agreement and the Contractor submitted a notice of dismissal with the court. As at 30 June 2026 and 31 December 2025, the construction in progress and construction payables amounted to approximately HK$24,668,000 and HK$13,073,000, respectively.

(iii) In May 2026, the Company received a notice from The People's Court of Yaodu District of Linfen City, Shanxi Province, for a writ of summons of a case which Jiangsu Kafelaku and other co-defendants, against a claim from a shareholder of the Company amounted to RMB21,502,500 regarding the outstanding loan with principal amount of RMB15,000,000 (equivalent to approximately HK$17,305,000) owed by Guangzhou Kafelaku Coffee Chain Co., Ltd. ("**Guangzhou Kafelaku**" and the "**Loan**"), respectively plus late charge on interest. Guangzhou Kafelaku is controlled by Mr. Liang Niaming, a former executive Director and a former controlling shareholder of the Company. The plaintiff has claimed that Jiangsu Kafelaku is jointly and severally liable as a guarantor for the Loan. In the opinion of the Directors, Jiangsu Kafelaku did not provide such guarantee to Guangzhou Kafelaku. The Company is currently seeking legal advice and will take appropriate actions in respect of the above proceedings. As at 30 June 2026, the Directors have concluded that no provision in respect of the final outcome of such litigation was necessary.

Saved as disclosed above, as at 30 June 2026, the Group did not have any material contingent liabilities.

Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

Save as disclosed herein, during the Reporting Period, we did not have any significant investment, material acquisition nor disposal of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Capital Assets

Save as disclosed herein, there were no plans for material investments and capital assets during the Reporting Period and up to the date of this announcement.

Employees and Remuneration Policies

The Group had approximately 190 employees as at 30 June 2026 (as at 30 June 2025: approximately 334 employees). The staff head count decreased by approximately 43.1% as compared to 2025 which was mainly due to closure of restaurants during the Period. The employee benefits expense, including Directors' emoluments, of the Group was approximately HK$16.2 million for the Period (Previous Period: approximately HK$25.4 million). The remuneration policy of the Group is based on merit, performance and individual competence.

The Directors and the senior management of the Company (the "**Senior Management**") receive compensation in the form of salaries and discretionary bonuses with reference to salaries paid by comparable companies, time commitment and the performance of the Group. The Group regularly reviews and determines the remuneration and compensation package of the Directors and the Senior Management by reference to, among other things, the market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the Senior Management and the performance of the Group.

The remuneration committee of the Company (the "**Remuneration Committee**") reviews and determines the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, the time devoted to the Group and the performance of the Group. The Directors and Employees may also receive share awards or options to be granted under the Share Scheme (as defined in the section headed "Share Scheme" of this announcement) adopted by the Company on 24 May 2024.

Dividend

The Directors have resolved not to declare any payment of dividend for the Period (Previous Period: nil).

This decision reflects the Board's commitment to preserving funds for future strategic initiatives and operational needs, ensuring the Company remains well-positioned for long-term growth and resilience.

Prospects

Building upon the strategies set out for the culture, sports, health and tourism industries under China's 15th Five-Year Plan, together with policy initiatives of the Chinese government, including "Healthy China 2030" and "Exercise is Medicine", the Board continues to identify structural opportunities for the Group. By drawing on its well-established expertise in high-quality catering and hospitality services, aligning with national industrial policy directions, and pressing ahead with the transformation of traditional restaurant operations towards premium food as well as culture-sports-health-related segments, the Group seeks to unlock new growth drivers for its business.

The coffee segment remains a core growth pillar for the Group. Execution of the dual-brand strategy of "Youthful Energy + Premium Enjoyment" has progressed during the Period. Kafelaku Coffee, the Group's premium civet coffee brand, continues to target high-end consumer groups and advance development of premium coffee gift offerings. The concept of the proposed Coffeenergy concept, positioned for young and fitness-oriented consumers and to differentiate the Group's mainstream coffee chains by integrating product propositions with younger generations' health and fitness requirements, is expected to form a meaningful complement to the Group's overall coffee chain portfolio. The coffee trading business, which commenced in the first quarter of 2026, has continued to scale its cross-border sourcing and supply-chain capabilities during the Period, laying a firmer operational foundation for the Group's coffee-related initiatives.

Capitalising on the Group's deep-rooted Chinese culinary capabilities, management continues to evaluate opportunities in the healthy food sector. This development direction responds to the growing global market demand for authentic, traceable Chinese food products and is consistent with the 15th Five-Year Plan's emphasis on high-quality development and technology-enabled supply-chain construction.

The catering industry still faces headwinds. While there have been mixed signals across consumption segments, the overall operating environment remains challenging compared with the Previous Period. The Board notes that the Group's existing businesses as well as its new strategic initiatives launched or planned for 2026 will continue to face operational uncertainties in the near term. The principal risks and uncertainties affecting the Group are summarised below:

(i) Macroeconomic conditions in Hong Kong and Chinese Mainland may be adversely affected by evolving geopolitical tensions, trade frictions and tariff measures. Such factors could dampen consumer confidence and spending sentiment, and in turn exert pressure on retail and catering activities. This may impact multiple segments of the Group, including its cross-border coffee trading business (which relies on overseas procurement and market access facilitated by the Regional Comprehensive Economic Partnership (RCEP)), the Coffeenergy proposition (which depends on discretionary spending among young consumers and online traffic flows), and the global-facing healthy Chinese-food supply-chain initiative.

(ii) Uncertain movements in interest rates of Hong Kong and overseas may weigh on consumer spending appetite. This could create adverse effects for the Group's restaurant operations, online-focused Coffeenergy product sales, and the coffee trading business which requires working capital for inventory holding and cross-border logistics arrangements.

(iii) Fluctuations in foreign-exchange rates, global commodity prices and trade-related barriers may drive volatility in raw-material costs for food ingredients and coffee beans. For the price-sensitive youth-targeted Coffeenergy offering, such cost pressures could challenge relative price competitiveness in the marketplace.

(iv) Competition for talent persists across the food-and-beverage, coffee trading, supply-chain and digital-marketing sectors. Shortages of skilled personnel – notably specialists in youth-consumer insight, online campaign execution, functional-beverage product development and e-commerce operations which are central to Coffeenergy's online-led model – represent ongoing operational risks.

Supportive consumer-stimulus policies may continue to be rolled out by the Chinese and Hong Kong governments, including further expansion of the Individual Visit Scheme and policy measures under the 15th Five-Year Plan encouraging cross-border commerce and digital supply-chain advancement. The Group stands to benefit from such policy tailwinds, particularly for scaling its coffee trading, Coffeenergy-related and healthy-food businesses across Chinese Mainland and international markets.

Outbound weekend travel by Hong Kong residents to the Chinese Mainland may constrain domestic Hong Kong revenue growth for the Group, including local roll-out plans for Coffeenergy. This risk is expected to be partially offset by the emphasis on proposed Coffeenergy's online distribution model, which will enable cross-border reach to young consumers in both Hong Kong and Chinese Mainland.

Looking ahead, the Group will continue to deploy its resources to deliver its stated strategic priorities. In Hong Kong, it will pursue measured growth and prudent expansion underpinned by its multi-brand framework. In the Chinese Mainland market, a key focus will be scaling the coffee trading business and advancing Coffeenergy's online reach via e-commerce platforms, instant retail channels and social commerce. The Group will keep investing in brand building through targeted marketing activities. Initiatives including enhancement of existing restaurant premises, deepening of coffee-trading sourcing networks, launching of youth-oriented product for Coffeenergy, and capability-building training for baristas, supply-chain professionals and digital-marketing teams will be pursued to drive customer acquisition, whilst the Group maintains uncompromising quality standards across its operations.

Digital-first marketing will remain central to promoting existing businesses and the Coffeenergy offering, leveraging youth-focused online channels to foster consumer engagement and emotional connection, as well as to expand market coverage for coffee-trading services. Following brand repositioning, the Group will further build out its Chinese Mainland coffee footprint covering both retail coffee services and wholesale coffee trading to diversify its catering revenue base, and will continue to formulate an integrated online-offline operating ecosystem for Coffeenergy.

Furthermore, the Group will press forward with feasibility assessment and development work for its Chinese-cuisine-led food supply-chain project. Drawing on its culinary know-how, it aims to develop traceable, high-quality ingredient solutions such as signature sauces, pre-processed vegetables and frozen dim-sum products for both commercial and household end-users globally. Management will monitor the actual operational performance of the Group's 2026 new-business ventures – in particular market traction and online sales performance of Coffeenergy among youth demographics. Subject to resource constraints and commercial outcomes, the Group will proactively pursue value-accretive opportunities aligned with the "Healthy China 2030" vision, including potential expansion into innovative health-food offerings and culture-sports-health-related service businesses, with the ultimate objective of enhancing long-term returns for Shareholders.

Events after the Period

1st Placing

Reference is made to the Company's announcements dated 16 June 2026 and 14 July 2026 (collectively, the "**1st Placing Announcements**"). On 14 July 2026, the Company has successfully placed a total of 282,050,000 new Shares at the placing price of HK$0.076 per placing Share (the "**1st Placing**") under the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company (the "**AGM**") held on 11 June 2025. The closing price of the Shares on 16 June 2026, being the date of the placing agreement of the 1st Placing, was HK$0.091 per Share. The net proceeds (after deducting the placing commission, professional fees and all related expenses) were approximately HK$20.9 million. For details, please refer to the 1st Placing Announcements.

2nd Placing

Reference is made to the Company's announcement dated 12 August 2026 (the "**2nd Placing Announcement**"), the Company will place a total of 282,050,000 new Shares at the placing price of HK$0.039 per placing Share (the "**2nd Placing**" and the "**2nd Placing Shares**", respectively) under the general mandate granted to the Directors by the Shareholders at the AGM of the Company held on 24 June 2026. The closing price of the Shares on 12 August 2026, being the date of the placing agreement of the 2nd Placing, was HK$0.047 per Share. Assuming that all the 2nd Placing Shares are fully placed, the estimated net proceeds (after deducting the placing commission, professional fees and all related expenses) will be approximately HK$10.77 million. For details, please refer to the 2nd Placing Announcement.

Save for the above, the Board is not aware of any other important event requiring disclosure that has taken place subsequent to 30 June 2026 and up to the date of this announcement.

Disposal of Shares by Substantial Shareholder

Reference is made to the Company's announcements dated 24 July 2026 and 4 August 2026. On 24 July 2026, the Board was informed by Mr. Cui Zhiqiang ("**Mr. Cui ZQ**"), the former chairman of the Board (the "**Chairman**"), a former executive Director and the former substantial Shareholder (as defined in the Listing Rules), that he and his spouse had disposed of a total of 409,860,000 Shares, representing approximately 24.2% of the issued share capital of the Company as of that date, being all of their shareholdings in the Company. As a result, Mr. Cui ZQ has ceased to be a Shareholder. On 4 August 2026, Mr. Cui ZQ has resigned as, among others, the Chairman and an executive Director with effect from the same date.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to ensure a high standard of corporate governance in the interests of the Shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices. The Company's corporate governance practices are based on the principles and code provisions as set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code for the Period, except for the deviation explained below.

Under code provision B.3.5 of the CG Code (the "**B.3.5 Provision**"), the Company should appoint at least one Director of a different gender to its nomination committee (the "**Nomination Committee**").

During the period from 1 January 2026 to 30 January 2026, all the members of the Nomination Committee were of single gender. On 30 January 2026, upon the appointments of Ms. Zhao Yuanyuan as, among others, an independent non-executive Director and a member of the Nomination Committee (the "**NC Appointment**"), the Company has re-complied with the B.3.5 Provision. For details, please refer to the Company's announcement dated 30 January 2026.

As a result of the NC Appointment, the Company has fully complied with the CG Code with effect from 30 January 2026.

The Board will periodically review the Company's corporate governance functions and will continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the Shares (the "**Code of Conduct**"). The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Period.

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

Neither the Company nor any of its subsidiaries purchased or sold (including sale of treasury shares, if any) any of the Company's listed securities during the Period.

The Company did not redeem any of its listed securities during the Period.

As at 30 June 2026, the Company did not hold any treasury Shares.

SHARE SCHEME

The share scheme of the Company (the "**Share Scheme**") was adopted pursuant to a resolution passed by the Shareholders on 24 May 2024 (the "**Adoption Date**") for the purposes of (a) binding the interests of the Shareholders, the Company and its employees to focus on the realisation of the Company's strategic development objectives and to drive the performance growth; (b) improving the Group's longterm incentive mechanism to attract and retain outstanding talents and to fully mobilise the senior management team and core employees; and (c) retaining or otherwise maintaining on-going relationships with eligible participants. Eligible participants of the Share Scheme include any employees (the "**Employee Participants**"), related entities and service providers of the Company or any of its subsidiaries. The total number of new Shares which might be issued in respect of the award Share to be granted under the Share Scheme was 110,510,000 Shares, representing 10% of the issued share capital of the Company (excluding treasury shares, if any) on the Adoption Date.

The Share Scheme became effective on the Adoption Date and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Adoption Date, the principal terms of which were summarised in Appendix III of the circular of the Company dated 29 April 2024.

On 29 August 2024 (the "**Date of Grant**"), an aggregate of 110,500,000 Shares (the "**Awarded Shares**"), representing approximately 8.5% of the issued share capital of the Company as at the Date of Grant, were awarded to 55 Employee Participants who were full-time employees of the Group. The previous closing price and the closing price of the Shares on the Date of Grant were HK$0.175 per Share and HK$0.17 per Share, respectively. For details, please refer to the Company's announcement dated 29 August 2024. As at 31 December 2025, all the Awarded Shares have been successfully vested.

At the beginning and the end of the Period, there were 10,000 Shares available to be granted under the Share Scheme. As at the date of this announcement, the total number of Shares available for issue under the Share Scheme was 10,000 Shares, representing less than 0.01% of the Shares in issue as of the same date. The maximum number of Shares which may be awarded to a selected participant under the Share Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules and the CG Code. The Audit Committee reviews, amongst others, the financial information of the Group, the relationship with and terms of appointment of the external auditors, and the Company's financial reporting system, internal control system and risk management system.

The Audit Committee consists of three independent non-executive Directors, chaired by Mr. Yang Chao and the other two members are Mr. Huang Shan and Ms. Zhao Yuanyuan.

The unaudited interim financial results of the Group for the Period have not been audited by the independent auditor of the Company but have been considered and reviewed by the Audit Committee. The Audit Committee considers that the unaudited interim financial results of the Group for the Period are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Publication of Interim Results Announcement and Interim Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kafelaku.com). The interim report for the Reporting Period containing all the information required by Appendix D2 to the Listing Rules will be disseminated and despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contributions to the Group.

By order of the Board
Kafelaku Coffee Holding Limited
Szeto Huen Sum Hannah
Chairman and Executive Director

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises Ms. Szeto Huen Sum Hannah (chairman), Mr. Cui Zifeng (chief executive officer), Mr. Ma Xiaoping and Ms. Ou Shu as executive Directors; Ms. Fung Wai Sim as non-executive Director; and Mr. Yang Chao, Mr. Huang Shan and Ms. Zhao Yuanyuan as independent non-executive Directors.