Honworld Group Limited
老恒和釀造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2226)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue decreased by 4.4% to RMB138.1 million as compared with the corresponding period of 2025.
- Gross profit increased by 1.3% to RMB42.6 million as compared with the corresponding period of 2025.
- Loss attributable to ordinary equity holders of the Company decreased by 4.6% to RMB240.1 million as compared with the corresponding period of 2025.
- The Board does not recommend the payment of interim dividends for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

* *For identification purposes only*

In this announcement, "we", "us" and "our" refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the "**Board**") of directors (the "**Directors**") of Honworld Group Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period of 2025 as follows:

CONDENSED CONSOLIDATED INTERIM 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	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**138,097**	144,422
Cost of sales		**(95,495)**	(102,367)
Gross profit		**42,602**	42,055
Other income and gains	*4*	**690**	275
Selling and distribution expenses		**(32,765)**	(44,762)
Administrative expenses		**(12,613)**	(12,586)
Impairment losses, net		**(2,487)**	(1,750)
Other expenses	*6*	**(136,103)**	(135,915)
Finance costs	*7*	**(99,440)**	(98,994)
Loss before income tax	*5*	**(240,116)**	(251,677)
Income tax expense	*8*	**–**	–
Loss for the period		**(240,116)**	(251,677)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB)	*9*	**(0.41)**	(0.43)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OF LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(240,116)**	(251,677)
Item that will be reclassified to profit or loss in subsequent periods:		
— Exchange gain on translation of financial statements of foreign operations	**1,892**	777
Total comprehensive expense for the period	**(238,224)**	(250,900)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026**	As at 31 December 2025
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*11*	**222,956**	234,822
Right-of-use assets		**43,711**	44,361
Other intangible assets		**91**	180
Prepayments, other receivables and other assets	*14*	**749**	2,040
		267,507	281,403
Current assets			
Inventories	*12*	**550,509**	568,643
Trade receivables	*13*	**26,201**	28,670
Prepayments, other receivables and other assets	*14*	**120,565**	120,759
Amounts due from related companies		**490**	1,696
Pledged deposits	*15*	**31**	31
Cash and cash equivalents	*15*	**13,724**	22,864
		711,520	742,663
Current liabilities			
Trade payables	*16*	**53,045**	62,414
Other payables and accruals	*17*	**421,146**	436,978
Amounts due to related companies		**308**	691
Amount due to immediate holding company		**434**	452
Interest-bearing bank and other borrowings	*18*	**4,011,560**	3,792,160
Tax payable		**72,408**	72,408
		4,558,901	4,365,103

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2026

	Notes	**As at 30 June 2026** ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Net current liabilities		**(3,847,381)**	(3,622,440)
Total assets less current liabilities		**(3,579,874)**	(3,341,037)
Non-current liabilities			
Interest-bearing bank and other borrowings	*18*	**717**	980
Deferred government grants	*19*	**15,633**	15,940
Provision for long service payment		**6,292**	6,335
		22,642	23,255
Net liabilities		**(3,602,516)**	(3,364,292)
EQUITY			
Share capital	*20*	**1,767**	1,767
Reserves		**(3,604,283)**	(3,366,059)
Total deficit		**(3,602,516)**	(3,364,292)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

Honworld Group Limited (the "**Company**") was incorporated in the Cayman Islands on 4 December 2012 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2026, the Company and its subsidiaries (collectively known as the "**Group**") were principally engaged in the manufacture and sale of condiment products under the brand name of "Lao Heng He" in the Peoples Republic of China (the "**PRC**").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 28 January 2014.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Basis of Preparation

The unaudited condensed consolidated interim financial statements (the "**Interim Financial Information**") of the Group for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standards ("**IAS**") 34 "*Interim Financial Reporting*" as issued by International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

Going concern assumption

In preparing the Interim Financial Information, the directors of the Company have given consideration to the future liquidity of the Group in light of its net cash used in operating activities of approximately RMB7,929,000 (six months ended 30 June 2025: RMB45,970,000) and net loss of approximately RMB240,116,000 (six months ended 30 June 2025: RMB251,667,000) incurred for the six months ended 30 June 2026 and, as of that date, the Group had net current liabilities of approximately RMB3,847,381,000 (31 December 2025: RMB3,622,440,000), capital deficiency of approximately RMB3,602,516,000 (31 December 2025: RMB3,364,292,000) and accumulated losses of approximately RMB4,472,475,000 (31 December 2025: RMB4,232,359,000), respectively.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Going concern assumption (Continued)

As at 30 June 2026, the Group's total borrowings comprising interest-bearing bank and other borrowings amounting to approximately RMB4,012,277,000 (31 December 2025: RMB3,793,140,000), of which current borrowings amounted to approximately RMB4,011,560,000 (31 December 2025: RMB3,792,160,000) and approximately RMB1,951,775,000 (31 December 2025: RMB1,919,775,000) were overdue as disclosed in note 18 to the Interim Financial Information, while its cash and cash equivalents amounted to approximately RMB13,724,000 (31 December 2025: RMB22,864,000).

Despite of these circumstances, the Interim Financial Information have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within the next year from the end of the reporting period, after taking into consideration of the measures and arrangements that the Group has implemented or is in the process of implementing as detailed below:

- The immediate holding company, Wuxing City Investment HK Company Limited, 吳興城投(香港)有限公司, has undertaken to provide continuing financial support to the Group for a period of twelve months from the date of approval (i.e. 30 March 2026) of the annual consolidated financial statements for the year ended 31 December 2025 by the directors in order to maintain the Group as a going concern;

- The Group is in negotiation with financial institutions for the renewals of the Group's short term borrowings upon expiry, new borrowings and applying for future credit facilities. Up to the date of issuance of the condensed consolidated interim financial statements, the Group's major lenders, Huzhou Wuxing City Investment Development Group Co., Ltd. (湖州吳興城市投資發展集團有限公司) ("**湖州吳興城市投資**"), Huzhou Wuxing Nantaihu Construction Investment Group Co., Ltd. (湖州吳興南太湖建設投資集團有限公司) ("**南太湖**") and Huzhou Husheng Financial Leasing Co., Ltd. (湖州湖盛融資租賃有限公司) ("**湖盛融資**") have shown the positive support on the Group by not requiring the Group to repay the loan of RMB482,354,000, RMB2,787,587,000 and RMB418,679,000 (31 December 2025: RMB457,770,000, RMB2,630,678,000 and RMB392,478,000) respectively and has undertaken to provide new financing facilities of approximately RMB700,000,000 for a period of 12 months from the date of approval (i.e. 30 March 2026) of the annual consolidated financial statements for the year ended 31 December 2025. Therefore, the directors of the Group are confident that the entire borrowings can be renewed upon expiration and future credit facilities can be applied based on the Group's past experience and credit history; and

- The directors have evaluated all the relevant facts available to them and made a business plan to improve its liquidity by (i) monitoring the production activities in order to fulfill the forecast production volume and meet sales forecast, (ii) taking measures to tighten cost controls over various production costs and expenses, and (iii) any feasible financial arrangement.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Going concern assumption (Continued)

The directors of the Company have reviewed the Group's cash flow forecast prepared by management which covers a period of twelve months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient cash resources to satisfy its working capital and other financial obligations for the next twelve months from the end of the reporting period after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the production facilities and development of its business. Accordingly, the directors are of the opinion that it is appropriate to prepare the Interim Financial Information of the Group for the six months ended 30 June 2026 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future and obtain the continuous financial support from its immediate holding company and major lenders.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Interim Financial Information.

Changes in accounting policies and disclosures

The Interim Financial Information for the six months ended 30 June 2026 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for following amended IFRS Accounting Standards which are effective as of 1 January 2026.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

The adoption of these amended IFRS Accounting Standards had no material impact on how the result and financial position of the Group for the current and prior periods have been prepared and presented.

The Group has not applied any new standard, amendment to standard or interpretation to IFRS Accounting Standards that are not yet effective for the current accounting period.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of condiment products. For management purposes, the Group operates in one business unit and has one reportable operating segment as follows:

- The food segment that manufactures and sells condiment products.

As all of the Group's revenue is derived from sales of its products to the customers in the PRC and all of the Group's identifiable non-current assets are located in the PRC, no geographical information as required by IFRS 8 "*Operating Segments*" is presented.

Information about major customers

Revenue derived from sales to individual customers amounting to 10 percent or more of the Group's revenue for the reporting period is set out in the following table:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A *(note)*	**–**	13,356

Note: There was no individual customer amounting to 10 percent or more of the Group's revenue for the six months ended 30 June 2026.

4. REVENUE, OTHER INCOME AND GAINS

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of goods	**138,097**	144,422

4. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Type of goods		
Condiment products	**138,097**	144,422
Timing of revenue recognition		
Goods transferred at a point in time	**138,097**	144,422

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Other income and gains

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Subsidy received	**98**	214
Amortisation of deferred income on government grants	**307**	–
Bank interest income	**6**	3
Gain on disposal of property, plant and equipment	**240**	–
Others	**39**	58
	690	275

5. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses (excluding directors' remuneration):		
— Wages and salaries	**15,654**	17,207
— Pension scheme contributions	**3,734**	3,938
	19,388	21,145
Depreciation:		
— Owned assets	**13,090**	13,886
— Right-of-use assets	**650**	562
	13,740	14,448
Impairment loss, net on:		
— Trade receivables	**2,394**	–
— Inventories	**93**	1,750
	2,487	1,750
Amortisation of other intangible assets	**89**	79
Cost of inventories recognised as expenses	**95,495**	102,367
Research and development costs	**6,566**	6,493
Donations	**22**	13

6. OTHER EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Donations	**22**	13
Surcharge for overdue tax payment	**14,686**	14,672
Overdue interest expenses	**121,347**	121,069
Others	**48**	161
	136,103	135,915

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	**1,595**	1,716
Interest on other borrowings	**97,820**	97,218
Interest on lease liabilities	**25**	60
	99,440	98,994

8. INCOME TAX EXPENSE

No provision for PRC Income Tax has been provided as the Group incurred taxation losses for the six months ended 30 June 2026 and 2025.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC income tax		
— Current period	**–**	–

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 578,750,000 (six months ended 30 June 2025: 578,750,000) in issue during the six months ended 30 June 2026.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss attributable to ordinary equity holders of the Company (RMB'000)	**(240,116)**	(251,677)
Weighted average number of ordinary shares in issue (in thousands)	**578,750**	578,750
Loss per share attributable to ordinary equity holders of the Company — Basic and diluted (RMB)	**(0.41)**	(0.43)

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

10. DIVIDEND

No interim dividend was proposed for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group purchased property, plant and equipment with an aggregate cost of approximately RMB1,480,000 (six months ended 30 June 2025: RMB7,133,000) and disposed of certain plant and equipment with an aggregate cost of approximately RMB255,000 (six months ended 30 June 2025: RMB268,000), resulting in a gain on disposal of approximately RMB240,000 (six months ended 30 June 2025: loss on disposal of approximately RMB33,000).

12. INVENTORIES

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Raw materials	**8,703**	11,445
Work in progress	**535,270**	549,048
Finished goods	**6,536**	8,150
	550,509	568,643

13. TRADE RECEIVABLES

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables, gross	**31,795**	31,870
Less: Allowance for credit losses	**(5,594)**	(3,200)
Trade receivables, net	**26,201**	28,670

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to three months.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

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

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Within 3 months	**21,313**	21,853
3 to 6 months	**3,518**	4,055
6 months to 1 year	**1,370**	2,762
	26,201	28,670

14. PREPAYMENT, OTHER RECEIVABLES AND OTHER ASSETS

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Prepayments	**2,296**	2,261
Value-added tax recoverable	**98,395**	100,183
Deposits and other receivables	**20,623**	20,355
	121,314	122,799
Less: Portion classified as non-current assets	**(749)**	(2,040)
Current portion included in prepayments, other receivables and other assets	**120,565**	120,759

15. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Cash and bank balances	**13,724**	22,864
Pledged deposits	**31**	31
	13,755	22,895

Cash and cash equivalents are denominated in:

RMB	**11,214**	20,519
Hong Kong Dollar	**508**	1,233
United States Dollar (USD)	**2,002**	1,112
Cash and cash equivalents	**13,724**	22,864

16. TRADE PAYABLES

An ageing analysis of the trade payables of the Group based on invoice date, is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 3 months	**25,122**	29,068
3 to 6 months	**18,111**	17,943
Over 6 months	**9,812**	15,403
	53,045	62,414

Trade payables of the Group are non-interest-bearing and are normally settled on terms of one to six months, extending to longer period for those long standing suppliers. The carrying amounts of the trade payables approximate to their fair values.

17. OTHER PAYABLES AND ACCRUALS

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Contract liabilities		**4,987**	23,178
Other tax payables	*(a)*	**36,775**	38,988
Other payables and accruals	*(b)*	**374,132**	366,630
Amount due to a director		**6**	6
Salary payables		**5,246**	8,176
		421,146	436,978

Notes:

(a) Included in the balances was mainly the value added tax payable of approximately RMB26,032,000 (31 December 2025: RMB26,260,000).

(b) Included in the balances was mainly the provision of surcharge for overdue tax payment and equipment and construction costs payables of approximately RMB291,766,000 and RMB5,038,000 (31 December 2025: RMB277,080,000 and RMB8,317,000).

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current		
Lease liabilities	**1,591**	1,359
Bank loans — unsecured	**31,000**	49,000
Bank loans — secured	**38,000**	20,000
Other borrowings — unsecured	**252,349**	240,875
Other borrowings — secured	**3,688,620**	3,480,926
	4,011,560	3,792,160
Non-current		
Lease liabilities	**717**	980
Total	**4,012,277**	3,793,140

Notes:

(a) As at 30 June 2026, the Group's total facilities of bank loans amounting to RMB69,000,000 (31 December 2025: RMB69,000,000), of which RMB69,000,000 (31 December 2025: RMB69,000,000) had been utilised.

(b) As at 30 June 2026, included in the balances was bank loans amounting to RMB31,000,000 (31 December 2025: RMB49,000,000), which was unsecured, guaranteed by the intermediate holding company of the Group, 湖州吳興城市投資, bearing interest at 4.70% (31 December 2025: 5.80%) per annum and repayable within one year (2025: repayable within one year).

(c) As at 30 June 2026, included in the balances were bank loans amounting to RMB38,000,000 (31 December 2025: RMB20,000,000), which were secured, bearing interest at 3.00%–3.20% (31 December 2025: 3.80%–3.90%) per annum and repayable within one year (31 December 2025: within one year).

(d) As at 30 June 2026, included in the balances was other borrowings amounting to approximately RMB252,349,000 (31 December 2025: RMB240,875,000) which were unsecured, bearing interest at 7.00% (31 December 2025: 7.00%) per annum and repayable within one year (31 December 2025: repayable within one year).

(e) As at 30 June 2026, included in the balances was other borrowings amounting to approximately RMB3,688,620,000 (31 December 2025: approximately RMB3,480,926,000) which were secured, bearing interest at 7.00%–15.32% (31 December 2025: 7.00%–15.32%) per annum and repayable within one year (31 December 2025: repayable within one year). Of this balance approximately RMB482,354,000, RMB2,787,587,000 and RMB418,679,000 (31 December 2025: approximately RMB457,770,000, RMB2,630,678,000 and RMB392,478,000) were from the intermediate holding company, 湖州吳興城市投資 and fellow subsidiaries of the Group, 南太湖, and 湖盛融資.

18. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

(f) As at 30 June 2026, the Group's other borrowings amounting to approximately RMB1,951,775,000 (31 December 2025: RMB1,919,775,000) in principal amount were overdue and the related overdue interest expense of approximately RMB121,347,000 (30 June 2025: RMB121,069,000) was recognised for the six months ended 30 June 2026.

(g) At the end of the reporting period, certain of the Group's assets were pledged to the lenders for securing the bank and other borrowings granted to the Group.

The carrying values of these assets are:

	Carrying values	
	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**142,616**	151,214
Right-of-use assets	**43,711**	44,361
Inventories	**361,712**	409,873
	548,039	605,448

(h) As at 30 June 2026, the Group's other borrowings amounting to approximately RMB209,250,000 (31 December 2025: RMB209,250,000) in principal amount included certain sale and leaseback arrangements of machinery and equipment that were overdue as at 30 June 2026 and 31 December 2025. According to the sale and leaseback agreements, if no default occurs during the lease term, the ownership of the plant and machinery shall be automatically transferred to the lessee at a nominal consideration.

The management assessed the accounting treatment and was of the view that the Group have control over the machinery and equipment as the Group had the option to acquire the assets at nominal consideration at the end of the lease period. Thus the transfer of the machinery and equipment to the lender did not satisfy the requirement of IFRS 15 to be accounted for as a sales of assets and the Group shall continue to recognise the transferred assets as property, plant and equipment and shall recognised transfer proceeds from the lender as other borrowings.

All the Group's bank and other borrowings are denominated in RMB. The carrying amounts of the Group's bank and other borrowings approximate to their fair values.

19. DEFERRED GOVERNMENT GRANTS

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Deferred government grants	**15,633**	15,940

Note:

The Group was entitled to receive grants from a Zhejiang Provincial People's Government in the PRC for further promoting enterprise technological transformation. The grant was to subsidise the Group for the upgrading its existing factory premises. The grants involved the acquisition of domestic automated filling lines and automated blending production lines. Upon the completion, the Group is expected to achieve a higher annual production capacity of various seasoning products. As at 31 December 2025, RMB16,570,000 was recognised as deferred government grants. The amortisation of deferred income from government grants amounting to approximately RMB307,000 (31 December 2025: RMB630,000) was recognised as other income for the six months ended 30 June 2026 and was amortised to profit or loss over 10 years, which is the estimated useful life of the related machinery and equipment.

20. SHARE CAPITAL

Details of movement of the share capital of the Company are as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Authorised:		
1,000,000,000 ordinary shares of USD0.0005 (RMB0.00305) each	**3,050**	3,050
Issued and fully paid:		
578,750,000 ordinary shares of USD0.0005 (RMB0.00305) each	**1,767**	1,767

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2026, the overall global consumer market exhibited a diverging recovery trend. Geopolitical conflicts, trade tensions and fluctuations in energy prices continued to disrupt global supply chains and commodity prices, while different domestic consumer sectors recovered at structurally different paces. The food industry has entered a new stage of high-quality development characterised by the optimisation of existing markets and structural upgrading, while the condiments sub-sector has been particularly affected by a combination of factors including the recovery pace, channel transformation and the competitive landscape. In this context, the catering and e-commerce channels presented growth opportunities, whereas supermarkets and traditional channels remained under pressure. As industry competition continued to intensify, leading enterprises entered a critical period of competition for market share. In response to such market conditions, the Group continued to deepen its initiatives in cost reduction and efficiency enhancement, performance upgrade, product innovation and channel expansion, with an aim to consolidating and enhancing its market competitiveness.

In the first half of 2026, the Group continued to strengthen its marketing initiatives and channel deployment, focusing on mid-to-high-end packaging, promotional campaigns and key online and offline promotion channels, thereby reinforcing the market positioning of "Lao Heng He" as the "time-honored brand, big single product, high-end and cost-effective time-honored product (老品牌、大單品、高端化及高性價比)". At the same time, the Group strengthened its product research and development and quality management systems by cooperating with tertiary institutions to standardise production processes, upgrading production lines for cooking wine, soy sauce and soybean paste and building a whole-process digital food safety traceability system. In response to the growing consumer preference for healthier products, the Group continued to expand its healthy products offerings including organic, low-fat, low-sugar, low-salt and additive-free options to cover a wider range of cooking and consumption scenarios. In respect of digital transformation, by integrating traditional e-commerce with emerging retail platforms through live streaming, short videos and community e-commerce, the Group increased its brand influence to younger audiences. In terms of production plant management, the Group continued to upgrade equipment and optimise its production techniques and operational processes, thereby enhancing labour efficiency, reducing production costs and comprehensively enhancing its market competitiveness.

In the first half of 2026, the Group recorded sales revenue of approximately RMB138.1 million, representing a decrease of approximately 4.4% as compared to approximately RMB144.4 million for the corresponding period of 2025, which was primarily attributable to intensified market competition, which placed pressure on the selling prices of certain products, weakened demand and led to divergent performance across various sales channels, among which the decline in sales through the supermarket channel exceeded the growth in other channels such as catering and e-commerce, as well as changes in the cooperation arrangements between certain key customers and the Group arising from adjustments to such customers' own business plans, which resulted in a corresponding decline in the Group's revenue.

In the first half of 2026, our cooking wine products remained as our major source of revenue, accounting for approximately 68.4% of our total revenue. On the other hand, with the rebuilding of channel confidence in our soy sauce products and the pursuit of product innovation, we gradually achieved growth in our soy sauce business. Sales revenue of our soy sauce products in the first half of 2026 amounted to approximately RMB14.4 million, accounting for approximately 10.4% of our total revenue. In terms of market strategy, our existing distributors are located in fourth- to sixth-tier cities across 30 provinces, autonomous regions and municipalities in China and we have continued to promote channel penetration, while focusing on expanding our distribution, catering and e-commerce channels in the Yangtze River Delta, Pearl River Delta and the Circum-Bohai Sea regions, actively expanding into overseas markets and increasing the reach of our products at sales terminals through a number of preferential measures. In order to match with the aforementioned market penetration strategy and address the adverse impact including the pace of consumption recovery, channel changes, market competition and intensifying price involution, we increased the customised products from well-established brands accordingly and optimised the Group's product structure to increase the proportion of sales of mid-to high-end products with higher gross margins. As a result, the gross profit margin of the Group's products increased from 29.1% for the first half of 2025 to 30.8% for the corresponding period of 2026.

The loss attributable to ordinary equity holders of the Company was approximately RMB240.1 million (the corresponding period of 2025: RMB251.7 million), representing a decrease of approximately 4.6% as compared to the corresponding period of 2025, due to the combined effect of the aforementioned lower revenue and increase in gross profit. Based on the expected growth in sales of cooking wine, soy sauce, rice vinegar, fermented bean curd and other products as a result of the diversified demand from existing customers and further development of sales channels, we believe that a rich and diversified condiment product portfolio will be more beneficial to the business development of the Group in the coming years. We uphold a natural, healthy and nutrition-oriented approach (such as low fat, low sugar, low salt, organic, additive-free and other healthy products). Meanwhile, we are planning to further develop the horizontal, customised and vertical condiment industry chain, and make Lao Heng He a diversified condiment manufacturer with cooking wine as the leading product.

Our profitability mainly depends on factors including product pricing, cost of sales, marketing strategies and product structure and composition. The Group continues to monitor any potential risk factors that may affect our financial results and strive to mitigate the increase in costs and expenses with more efficient operations, better product portfolio and sales channels. However, the Group still faces certain risks in its business development process, including: (1) risks of increase in production costs; (2) changes in consumer habits as well as the correlation between multiple sales channels; (3) increase in market expansion costs and sales expenses; (4) risks that our new products may not be recognised by the market in the short term; (5) the more complicated sales policies and credit terms management due to unfavourable business environment faced by the distributors; and (6) the impact of uncertainty in the macroeconomic environment.

Goals and Strategies

The year 2026 marks the start of the 15th Five-Year Plan. By closely adhering to the work plan of "Gathering Momentum for a Brighter Future and Winning New Battles" and adopting a determined mindset of "sprinting from the outset, striving for the lead from the start, and exerting efforts across the board throughout the year", the Group aims to put our best efforts to successfully navigate the first stage of the 15th Five-Year Plan. Faced with a new economic landscape and market environment, the Group remains committed to putting consumer needs at its centre by optimising its product portfolio, developing high-quality, affordable products that offer excellent value for money and are suitable in different consumption scenarios. Furthermore, the Group will allocate resources in a diversified manner to product research and development and market expansion adapted to different sales channels, striving to enhance customer loyalty and brand competitiveness. Our ongoing commitment is to provide consumers with better quality, safer, faster, healthier, and more nutritious naturally brewed condiments.

1. Consolidation of our leading position in cooking wine. By leveraging our leading position in the cooking wine industry and our time-honored brand influence, the Group will continue to expand diversified sales channels and drive sales of our portfolio products. At the same time, the Group will take the TGA cereal-brewed cooking wine "Yunwei Award (醞味獎)" as an opportunity to further strengthen the marketing of mid-to-high-end products, such as organic cooking wine (aged for three years) for greater product recognition and brand value.

2. Product innovation and quality enhancement. With the popularisation of healthy eating concepts, the Group will develop distinctive new condiments, such as low sodium, low fat, low sugar, low salt and organic healthy products, as well as natural or functional condiments by thoroughly understanding consumers' needs and market trends, driving product innovation. Meanwhile, the Group will strengthen quality control and food safety and management, to ensure product safety, stable quality and flavor consistency, thereby further improving brand image.

3. Diversified expansion of channels. The Group will rapidly accelerate the development of new retail models and discount retail channels while continuously strengthening R&D of our online product offerings and establishing various online channels that integrate traditional e-commerce with emerging retail platforms. Meanwhile, the Group will make good use of digital marketing tools such as live streaming e-commerce and short video content to improve the efficiency of brand communication. The Group will also strive to strengthen the connection between social e-commerce and communities, exploring a community distribution and guiding model, increasing engagement with young consumer groups to expand the brand growth potential.

4. Cost reduction and efficiency enhancement. The Group will continue to advance cost reduction and efficiency enhancement initiatives by proactively developing high-quality clients, refining customised product and service models, improving the quality control system, and increasing investment in research and development while introducing new technologies and processes with an aim to increase its product quality and service capabilities. Meanwhile, the Group will strengthen long-term cooperation with suppliers and optimise the procurement processes. The objectives are to enhance supply chain management efficiency, reduce procurement costs, and strictly control various expenses, thereby achieving revenue generation and cost savings as well as enhancing operational efficiency.

The Group firmly believes that “Lao Heng He” products will maintain growth momentum in China’s market. Despite market challenges, the Group remains optimistic about the future. Additionally, the Group will focus on developing other condiment areas to further promote business growth.

“Lao Heng He” is committed to becoming the brand of choice for consumers.

Financial Review

Overview

The key financial indicators of the Group are as follows:

	Six months ended 30 June		Period-to-period change
	2026	2025	
	RMB'000	*RMB'000*	*%*
Income statement items			
Revenue	**138,097**	144,422	(4.4)
Gross profit	**42,602**	42,055	1.3
Loss attributable to ordinary equity holders of the Company	**(240,116)**	(251,677)	(4.6)
Loss before interest, taxes, depreciation and amortisation ("**LBITDA**")	**(126,847)**	(138,156)	(8.2)
Loss per share (RMB) *(note a)* — basic and diluted	**(0.41)**	(0.43)	(4.7)
Selected financial ratios			
Gross profit margin (%)	**30.8**	29.1	5.8
Net loss margin attributable to ordinary equity holders of the Company (%)	**(173.9)**	(174.3)	(0.2)
LBITDA margin (%)	**(91.9)**	(95.7)	(4.0)

	30 June 2026	31 December 2025	**Period-to-period change**
	RMB'000	*RMB'000*	*%*
Gearing ratio *(note b)* (%)	**510.7**	468.5	9.0

Notes:

(a) Please refer to note 9 to the Interim Financial Information for the calculation of loss per share.

(b) The gearing ratio is based on net debt divided by total deficit plus net debt as at 30 June 2026. Net debt includes total debt net of cash and cash equivalents. Total debt includes trade payables, other payables and accruals, amounts due to related companies, amount due to immediate holding company, interest-bearing bank and other borrowings and provision for long service payment.

Revenue

The revenue of the Group decreased by 4.4% from RMB144.4 million for the six months ended 30 June 2025 to RMB138.1 million for the corresponding period of 2026, primarily due to intensified market competition, which placed pressure on the selling prices of certain products, weakened demand and led to divergent performance across various sales channels, among which the decline in sales through the supermarket channel exceeded the growth in other channels such as catering and e-commerce, as well as changes in the cooperation arrangements between certain key customers and the Group arising from adjustments to such customers' own business plans, which resulted in a corresponding decline in the Group's revenue.

Revenue from the Group's cooking wine products decreased by 1.5% from RMB95.9 million for the six months ended 30 June 2025 to RMB94.5 million for the corresponding period of 2026, primarily due to increasing market competition, which put pressure on the selling prices of products and a shrink in demand.

During the period, we continued to adjust the product mix for soy sauce, rice vinegar and other products, reducing the production of underperforming products in the market. As a result, the revenue from soy sauce, rice vinegar and other products decreased by 10.1% from RMB48.5 million for the six months ended 30 June 2025 to RMB43.6 million for the corresponding period of 2026.

Cost of Sales

The Group's cost of sales, including raw materials, manufacturing overhead and salaries and benefits, decreased by 6.7% from RMB102.4 million for the six months ended 30 June 2025 to RMB95.5 million for the corresponding period of 2026, primarily attributable to the price fluctuation of raw materials and decrease in revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 1.3% from approximately RMB42.1 million for the six months ended 30 June 2025 to approximately RMB42.6 million for the corresponding period of 2026, and the gross profit margin increased from 29.1% for the six months ended 30 June 2025 to 30.8% for the corresponding period of 2026. The increase in gross profit margin was primarily due to cost control and an increase in the proportion of sales of mid- to high-end cooking wine products with higher gross profit margins.

Other Income and Gains

Other income and gains increased by 133.3% from approximately RMB0.3 million for the six months ended 30 June 2025 to approximately RMB0.7 million for the corresponding period of 2026. Other income and gains primarily include government subsidies received and interest income. The increase in other income and gains for the period was primarily due to deferred income from government grants recognised during the period.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising expenses, marketing expenses, travelling expenses, and remuneration for our sales employees. The Group's selling and distribution expenses decreased by 26.8% from approximately RMB44.8 million for the six months ended 30 June 2025 to approximately RMB32.8 million for the corresponding period of 2026. The Group's selling and distribution expenses as a percentage of the Group's revenue decreased from 31.0% for the six months ended 30 June 2025 to 23.7% for the corresponding period of 2026, primarily due to the combination of factors, including the Group's implementation of cost reduction and efficiency enhancement strategies and the reduction of unnecessary expenses.

Administrative Expenses

Administrative expenses remained relatively stable at approximately RMB12.6 million and RMB12.6 million for the six months ended 30 June 2026 and 30 June 2025, respectively.

Finance Costs

Finance costs remained relatively stable at approximately RMB99.4 million and approximately RMB99.0 million for the six months ended 30 June 2026 and 30 June 2025, respectively.

Loss before Income Tax

As a result of the foregoing, the loss before income tax decreased by 4.6% from approximately RMB251.7 million for the six months ended 30 June 2025 to approximately RMB240.1 million for the corresponding period of 2026.

Income Tax Expense

The corporate income tax of the Group in respect of its operations in Mainland China has been provided at the rate of 25% (corresponding period of 2025: 25%) on the taxable profits, in accordance with the existing legislation, interpretations and practices.

Income tax expense remained nil for the six months ended 30 June 2026 and the corresponding period of 2025, mainly due to the Group's continued losses.

Loss per Share Attributable to Ordinary Equity Holders of the Company

Basic loss per share decreased from RMB0.43 for the six months ended 30 June 2025 to RMB0.41 for the corresponding period of 2026, mainly due to the reasons stated above.

Net Loss Margin

Net loss margin decreased by 0.2% from 174.3% for the six months ended 30 June 2025 to 173.9% for the corresponding period of 2026, which was mainly attributable to the combined effect of the aforesaid items.

Financial and Liquidity Position

Prepayments, deposits and other receivables

Details of the Group's prepayments, deposits and other receivables as at 30 June 2026 and 31 December 2025 are as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Prepayments for fixed assets	**749**	2,040
Prepayments for procurement of condiment products	**310**	223
Other prepayments	**1,890**	1,875
Deposits and other receivables	**25,058**	23,566
	28,007	27,704
Less: Portion classify as non-current assets	**(749)**	(2,040)
Current portion included in prepayments, deposits and other receivables	**27,258**	25,664

Trade Receivables

Trade receivables primarily represented the receivables for goods sold to the distributors. Trade receivables turnover days remained relatively stable at 36 days and 36 days for the year ended 31 December 2025 and for the six months ended 30 June 2026, respectively.

Inventories

Inventories decreased from approximately RMB568.6 million as at 31 December 2025 to approximately RMB550.5 million as at 30 June 2026 primarily due to the use of work in progress.

We regularly monitor the inventory level maintained by our distributors. Our sales representatives maintain frequent telephone or email communications with our distributors to inquire about their monthly inventory reports, and pay regular visits to their warehouses. Our sales representatives conduct statistics on the inventory of distributors at least once a month, which is reported to the Company weekly, and pay regular visits to the warehouses of distributors to ensure that they keep optimal stock level and our products are sold to end sellers within the shelf life. We generally expect our distributors to maintain sufficient stock for 30 to 60 days of supply. In the event a distributor maintains stocks of more than 45 days of supply, the relevant sales representatives will assist such distributor in marketing and promotional activities and suggest orders with a smaller amount to be placed for the subsequent periods to minimise excess inventory.

Borrowings

As at 30 June 2026, the Group's total borrowings amounted to approximately RMB4,012.3 million (31 December 2025: RMB3,793.1 million). The Group's principal sources of liquidity include cash generated from business operations and bank and other borrowings. The cash from these sources was primarily used for the Group's working capital and the expansion of production capacity. Presently, the Group does not employ any financial instruments to hedge against the interest rate exposure.

Exchange Risk

The Group conducted its business primarily in China with the majority of its revenue and expenditures denominated in Renminbi. The Group does not have a foreign currency hedging policy. However, the management will monitor the situation and will consider hedging any significant foreign currency exposure should the need arise.

Liquidity and Financial Resources

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB13.7 million (31 December 2025: RMB22.9 million). As at 30 June 2026, we had interest-bearing bank and other borrowings of an aggregate amount of RMB4,012.3 million (31 December 2025: RMB3,793.1 million), which were denominated in RMB with interest rates from 3.00% to 15.32% per annum.

Our principal sources of liquidity include cash generated from business operation and bank and other borrowings. We used cash from such sources for working capital, production facility expansions, other capital expenditures and debt repayment. We expect these uses will continue to be our principal uses of cash in the future, and that our cash flow will be sufficient to fund our ongoing business requirements. Meanwhile, we have decided to further broaden our financing channel to improve our capital structure.

Capital Commitments

Capital commitments as at 30 June 2026 amounted to approximately RMB4.0 million (31 December 2025: RMB4.6 million), mainly due to completion of certain construction-in-progress projects during the period.

Contingent Liabilities

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

Pledge of Assets

Please refer to note 18 of Interim Financial Information for details of pledge of assets of the Group.

Except as disclosed in this announcement, the Group has not entered into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third party. The Group does not have any interest in any unconsolidated entity to which the Group provides financing, liquid capital, market risk or credit support or for which the Group engages in leasing or hedging or research and development or other services.

FUTURE PROSPECTS

Looking forward to the second half of 2026, the recovery pace of the global economy is expected to remain relatively slow amid the combined effects of high interest rates, geopolitical uncertainties and disruptions of energy supply. In the first year of the 15th Five-Year Plan, China has implemented more proactive and effective macroeconomic policies to address external impact and challenges effectively. The industrial structure has continued to optimise, maintaining the development trend towards innovation and higher quality, while continued efforts to boost consumption and expand domestic demand have remained key priorities. With the gradual implementation of policies aimed at expanding domestic demand and promoting consumption, the consumer market is expected to recover progressively.

From an industry perspective, the condiment industry showed signs of recovery in the first half of 2026, as the continued recovery of the catering channel drove sustained growth in B2B condiment demand, while the improvement in the macro-consumer environment supported a rebound in mass consumer demand in the B2C sector. The third quarter of 2026 is expected to gradually enter the peak season for the catering sector, which is expected to drive demand for condiments. On the other hand, certain small and medium-sized enterprises are still under operational pressure in terms of cost, distribution channels and funding, which favours a rebound in market share for leading brands, and industry competition is expected to remain moderate. Revenue from basic condiments is anticipated to maintain steady growth.

With the State Administration for Market Regulation seeking public consultation on the "Rules for the Review of Condiment Production Licences (Draft for Comment)", the standardisation of the industry drew market attention, among which cooking wine is one of the categories proposed to be included separately in the classification of condiment licence for the first time. These relevant rules, if come into effect, are expected to further standardise the review requirements for condiment production licences, strengthen risk prevention and control on food safety throughout the whole process, and enhance the requirements for industry compliance and quality management, thereby prompting enterprises to continuously improve their production standardisation and food safety management capabilities. In the long run, such regulatory trends are expected to steer the cooking wine market away from price competition to quality competition, driving the industry towards standardisation, regularisation and brand development.

The Group adheres to a consumer-oriented approach and maintains unwavering quality, delivering the operating philosophy of "perseverance combined with good-naturedness and creditworthiness (恒以持之、和信為本)" to consumers. With the popularisation of healthy eating concepts, consumers are increasingly focused on the nutritional content and health attributes of condiments. The Group continues to uphold a natural, healthy and nutrition-oriented approach and develop low fat, low sugar, low salt, organic, additive-free and other healthy products. At the same time, the Group leverages its own strengths to continuously innovate and meet consumers' personalised, diversified, health-conscious, convenient and scenario-based needs.

In response to the increasingly stringent food safety and environmental protection requirements, the Group leverages its comprehensive strengths in technology, branding, quality and research and development as a leading base wine manufacturer. While consolidating its leading position in the mid-to-high-end cooking wine segment, the Group continuously drives industry upgrading through a diversified product portfolio and innovations such as intelligent brewing and online quality control, further solidifying and expanding the market leadership of "Lao Heng He".

MATERIAL EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or the Group after 30 June 2026.

EMPLOYEES & REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 414 full time employees (31 December 2025: 439). The employees' cost (excluding directors' and chief executive's remuneration) of the Group was RMB19.4 million during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB21.1 million). The remuneration policies, bonus and training programs for employees of our Group were implemented continuously according to the policies disclosed in the Group's annual report for the year ended 31 December 2025 and no change has been made during the six months ended 30 June 2026.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investments as at 30 June 2026 (31 December 2025: nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no material acquisition and disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management structures and internal control procedures of the Company as well as preserving the interests of the shareholders as a whole.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") since the Listing Date as its own code to govern its corporate governance practices. The Board also reviews and monitors the practices of the Company from time to time to maintain and improve the high standard of corporate governance practices.

The Company has complied with the Code for the six months ended 30 June 2026.

The Board will continue to review and monitor the practices of the Company with an aim to maintain and implement a high standard of corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuer" (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all the Directors confirm that they have complied with the Model Code during the six months ended 30 June 2026. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the six months ended 30 June 2026.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") is comprised of three Directors, namely Mr. Ng Wing Fai (chairman), Mr. Shen Zhenchang and Mr. Sun Jiong.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial information, financial reporting system, internal control and risk management system of the Group, to oversee the audit process, to develop and review the Group's policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed the accounting principles and policies adopted by the Group together with the management and discussed auditing, internal controls and financial reporting matters.

INTERIM DIVIDEND

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

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has discussed with the management of the Company and reviewed and passed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 and recommended its adoption by the Board.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.hzlaohenghe.com. The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be published on the above websites in due course.

I would again like to express my sincere appreciation to all shareholders, diligent employees and friends from all sectors for their support to the Company.

By Order of the Board
Honworld Group Limited
Huang Dachun
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the executive Directors are Huang Dachun and Li Qinghua; the non-executive Director is Wang Yanping; and the independent non-executive Directors are Shen Zhenchang, Ng Wing Fai and Sun Jiong.