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PAK TAK INTERNATIONAL LIMITED

(百德國際有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2668)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

UNAUDITED INTERIM RESULTS

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

* *for identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Note	Unaudited Six months ended 30 June **2026** ***HKD'000***	 2025 *HKD'000* (restated)
Continuing operations			
Revenue	*3*	**172,152**	400,984
Other revenue	*4*	**4**	429
Other net loss	*4*	**(1,290)**	(595)
Provision for impairment losses under expected credit loss model, net	*17*	**(38,863)**	(17,372)
Direct costs and operating expenses		**(143,897)**	(383,362)
Administrative expenses		**(49,605)**	(54,819)
Loss from operations	*5*	**(61,499)**	(54,735)
Finance costs	*6*	**(27,217)**	(31,966)
Loss before taxation		**(88,716)**	(86,701)
Income tax credit	*7*	**—**	871
Loss for the period from continuing operations		**(88,716)**	(85,830)
Discontinued operations:			
Loss for the period from discontinued operations	*16*	**(5,386)**	(29,679)
Loss for the period		**(94,102)**	(115,509)
Loss for the period attributable to equity shareholders of the Company			
— from continuing operations		**(87,212)**	(84,111)
— from discontinued operations		**(5,386)**	(29,679)
Loss for the period attributable to equity shareholders of the Company		**(92,598)**	(113,790)
Loss for the period attributable to non-controlling interests			
— from continuing operations		**(1,504)**	(1,719)
— from discontinued operations		**—**	—
Loss for the period attributable to non-controlling interests		**(1,504)**	(1,719)
		(94,102)	(115,509)
Basic and diluted loss per share (in HK cents)	*8*		
— continuing operations		**(1.55)**	(1.49)
— discontinued operations		**(0.10)**	(0.53)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Unaudited Six months ended 30 June **2026** ***HKD'000***	 2025 *HKD'000* (restated)
Loss for the period	**(94,102)**	(115,509)
Other comprehensive income/(loss) for the period:		
Item that may be reclassified subsequently to profit or loss:		
— Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**19,938**	29,381
Item that will not be reclassified subsequently to profit or loss:		
— Fair value loss of financial assets at fair value through other comprehensive income, net of nil tax	**(4,398)**	(2,313)
Total comprehensive loss for the period	**(78,562)**	(88,441)
Attributable to:		
— Equity shareholders of the Company	**(76,756)**	(87,371)
— Non-controlling interests	**(1,806)**	(1,070)
Total comprehensive loss for the period	**(78,562)**	(88,441)
Total comprehensive loss attributable to equity shareholders of the Company		
— continuing operations	**(71,856)**	(72,978)
— discontinued operations	**(4,900)**	(14,393)
	(76,756)	(87,371)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**At 30 June 2026** *HKD'000* **(unaudited)**	At 31 December 2025 *HKD'000* (audited)
Non-current assets			
Property, plant and equipment	*10*	**668,364**	657,156
Right-of-use assets	*11*	**103,425**	114,522
Investment properties	*12*	**—**	227,281
Intangible assets	*13*	**202,703**	204,806
Deferred tax assets		**—**	7,749
Financial assets at fair value through other comprehensive income		**—**	29,791
		974,492	1,241,305
Current assets			
Inventories		**16,064**	38,085
Trade and other receivables	*14*	**330,526**	442,535
Finance lease receivables	*15*	**—**	—
Financial assets at fair value through profit or loss		**—**	2
Restricted cash		**12,220**	8,003
Cash and cash equivalents		**20,806**	10,584
		379,616	499,209
Assets associated with disposal group classified as held for sale	*16*	**386,018**	—
		765,634	499,209

	Note	**At 30 June 2026** *HKD'000* **(unaudited)**	At 31 December 2025 *HKD'000* (audited)
Current liabilities			
Trade payables	*18*	**257,369**	288,451
Other payables and accrued charges		**38,773**	167,411
Contract liabilities		**47,867**	39,414
Borrowings	*19*	**432,717**	746,166
Lease liabilities		**851**	3,119
Tax payable		**—**	159
		777,577	1,244,720
Liabilities relating to assets classified as held for sale	*16*	**591,824**	—
		1,369,401	1,244,720
Net current liabilities		**(603,767)**	(745,511)
Total assets less current liabilities		**370,725**	495,794
Non-current liabilities			
Borrowings	*19*	**—**	15,138
Lease liabilities		**—**	7,319
Deferred tax liabilities		**50,196**	74,864
Provision for rehabilitation		**12,089**	11,471
		62,285	108,792
NET ASSETS		**308,440**	387,002
CAPITAL AND RESERVES			
Share capital		**112,600**	112,600
Reserves		**189,221**	265,977
Total equity attributable to equity shareholders of the Company		**301,821**	378,577
Non-controlling interest		**6,619**	8,425
TOTAL EQUITY		**308,440**	387,002

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. BASIS OF PRESENTATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange, including compliance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This interim financial information should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2025 which has been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements. Details of changes in accounting policies and new accounting policies are set out in Note 2.

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial information is unaudited but has been reviewed by the Audit Committee of the Company.

Going concern assumption

During the interim period, the Group recorded a net loss of approximately HKD94,102,000 and as at 30 June 2026, the Group's current liabilities exceeds current assets by approximately HKD603,767,000. As at 30 June 2026, the total principal of the Group's borrowings, amounting approximately HKD782,058,000, along with aggregate compound and default interest payables of HKD94,457,000, are due within one year or are repayable on demand. These borrowings exceed the Group's cash and cash equivalents of approximately HKD20,806,000 as at 30 June 2026.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of these, the directors of the Company have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

(i) The Group entered into a sale and purchase agreement to dispose of its entire interest in Marvel Innovator Limited, one of the subsidiaries within the Group, and its subsidiaries (the "**Disposal Group**") which is collectively defined as disposal group as disclosed in Note 16. The completion of this disposal is expected to procure the release and discharge of corporate guarantees in relation to the defaulted loan and the resolution of related litigation;

(ii) The substantial shareholder of the Company has agreed in writing to provide sufficient funding to the Group by way of a shareholder's loan with the payment schedule or to be mutually agreed based on the Company's actual repayment obligations, to finance the repayment of the borrowings;

(iii) The Group continues to evaluate other financing options and fund-raising activities, including negotiations with potential investors, with a view to obtaining the additional facilities to support the Group's working capital;

(iv) The Group has been actively formulating and implementing measures with a view to accelerating the collection of trade receivables from customers; and

(v) For the iron ore mining and milling business, subject to the gradual resumption of full production capacity, the Group aims to dilute the fixed costs by increasing the production volume, thereby enhance overall profitability and cash inflows to support the Group's overall liquidity position.

The directors of the Company have prepared the Group's cash flow projections which cover a period of not less than twelve months from 30 June 2026 and are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements and meet its financial obligations as they fall due within the next twelve months from the date of approval of these condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether the Group is able to achieve the plans and measures as described above which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to mitigate its liquidity pressure and improve the financial position of the Group through the following:

(i) Successful completion of the Disposal Group to procure the release of the corporate guarantees and the resolution of related litigation;

(ii) Successfully obtaining funding from the substantial shareholder of the Company by way of shareholders' loan to finance the repayment of the existing loans;

(iii) Successfully obtaining additional facilities to support the Group's working capital;

(iv) Successfully collecting payments from customers; and

(v) Successfully generating profits and cash inflows from the iron ore mining and milling business.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might 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 the condensed consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, that are relevant to the Group, to this interim financial report for the current accounting period:

• Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
• Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
• Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new or amended standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT REPORTING

Information reported to the executive directors 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.

Prior period segment disclosures have been represented to conform with current period's presentation due to discontinued operations occurred during the current period.

Specifically, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

(i) Supply chain business;

(ii) Property investment *(Note)*;

(iii) Hotel management and catering services *(Note)*; and

(iv) Iron ore mining and milling.

Note: Certain of these segments were discontinued during the current period.

(a) **Disaggregation of revenue**

	Unaudited Six months ended 30 June **2026** *HKD'000*	2025 *HKD'000* (restated)
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products of service lines		
— Sales of goods from supply chain business	**89,211**	289,842
— Sales of goods from iron ore mining and milling	**82,941**	110,580
	172,152	400,422
Revenue from other sources		
Interest income from supply chain financing arrangements	**—**	562
	172,152	400,984

All the Group's revenue is derived from its operations in the People's Republic of China (the "**PRC**") for both interim periods. Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 3(b).

(b) Information about profit or loss

Six months ended 30 June 2026 (unaudited)	Supply chain business *HKD'000*	Iron ore mining and milling *HKD'000*	Total *HKD'000*
Continuing operations			
Disaggregated by timing of revenue recognition			
Point in time	**89,211**	**82,941**	**172,152**
Revenue from external customers	**89,211**	**82,941**	**172,152**
Segment result	**(38,758)**	**(16,322)**	**(55,080)**
Reconciliation:			
Interest income			**4**
Corporate and other unallocated expenses			**(6,423)**
Finance costs			**(27,217)**
Loss before taxation from continuing operations			**(88,716)**
Income tax			**—**
Loss for the period from continuing operations			**(88,716)**

Six months ended 30 June 2025 (unaudited and restated)	Supply chain business *HKD'000*	Iron ore mining and milling *HKD'000*	Total *HKD'000*
Continuing operations			
Disaggregated by timing of revenue recognition			
Point in time	289,842	110,580	400,422
Over time	562	—	562
Revenue from external customers	290,404	110,580	400,984
Segment result	(13,995)	(37,660)	(51,655)
Reconciliation:			
Interest income			2
Corporate and other unallocated income			427
Corporate and other unallocated expenses			(3,509)
Finance costs			(31,966)
Loss before taxation from continuing operations			(86,701)
Income tax credit			871
Loss for the period from continuing operations			(85,830)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss from each segment without allocation of central administration costs, directors' emoluments, interest income, finance costs and other revenue. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(c) Information about assets and liabilities

At 30 June 2026 (unaudited)	Supply chain business *HKD'000*	Property investment *HKD'000*	Hotel management and catering services *HKD'000*	Iron ore mining and milling *HKD'000*	Total *HKD'000*
Segment assets	**310,091**	**—**	**—**	**1,043,042**	**1,353,133**
Reconciliation:					
Corporate and other unallocated assets					**975**
Assets associated with disposal group classified as held for sale					**386,018**
Total assets					**1,740,126**
Segment liabilities	**45,558**	**—**	**—**	**740,387**	**785,945**
Reconciliation:					
Deferred tax liabilities					**50,196**
Corporate and other unallocated liabilities					**3,721**
Liabilities relating to assets classified as held for sale					**591,824**
Total liabilities					**1,431,686**

At 31 December 2025 (audited)	Supply chain business *HKD'000*	Property investment *HKD'000*	Hotel management and catering services *HKD'000*	Iron ore mining and milling *HKD'000*	Total *HKD'000*
Segment assets	384,106	147,716	126,437	1,039,911	1,698,170
Reconciliation:					
Deferred tax assets					7,749
Corporate and other unallocated assets					34,595
Total assets					1,740,514
Segment liabilities	472,438	18,294	39,226	719,240	1,249,198
Reconciliation:					
Deferred tax liabilities					74,864
Corporate and other unallocated liabilities					29,450
Total liabilities					1,353,512

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets and corporate and other unallocated assets; and

- all liabilities are allocated to operating segments other than deferred tax liabilities and corporate and other unallocated liabilities.

4. OTHER REVENUE AND OTHER NET LOSS

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HKD'000	*HKD'000*
		(restated)
Other revenue		
Interest income	**4**	2
Gain on early termination of leases	**—**	180
Sundry income	**—**	247
	4	429
Other net loss		
Loss on write-off/disposal of property, plant and equipment	**(1)**	(595)
Other losses	**(1,289)**	—
	(1,290)	(595)

5. LOSS FROM OPERATIONS

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HKD'000	*HKD'000*
		(restated)
Loss from operations has been arrived at after charging:		
Depreciation on property, plant and equipment	**19,264**	33,621
Depreciation on right-of-use assets	**2,031**	1,626
Amortisation of intangible assets	**1,678**	4,253

6. FINANCE COSTS

The finance costs represent interests on bank loans, other loans and lease liabilities for the respective periods.

7. INCOME TAX CREDIT

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HKD'000	*HKD'000*
		(restated)
Current tax — the PRC Enterprise Income Tax ("EIT")		
— Current income Tax	**—**	—
Deferred tax — the PRC	**—**	(871)
Income tax credit	**—**	(871)

Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries incorporated or domiciled in Hong Kong have no assessable profits or sustained tax losses for taxation purpose for both interim periods.

Under the Law of the People's Republic of China (the "**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. No provision for the PRC Enterprise Income Tax has been made as the PRC subsidiaries sustained tax losses for taxation purpose or have sufficient tax losses to set off estimated assessable income for both interim periods.

8. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity shareholders of the Company by weighted average number of ordinary shares in issue during the interim period.

	Unaudited Six months ended 30 June	
	2026	2025
	HKD'000	*HKD'000*
		(restated)
Loss attributable to equity shareholders of the Company		
— continuing operations	**(87,212)**	(84,111)
— discontinued operations	**(5,386)**	(29,679)

	Unaudited Six months ended 30 June	
	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue	**5,630,000**	5,630,000

Basic loss per share are the same as the diluted loss per share as the Company has no dilutive potential shares.

9. DIVIDEND

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

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at a cost of approximately HKD5,184,000 (six months ended 30 June 2025: HKD28,256,000) and property, plant and equipment at a net book value of approximately HKD1,000 (six months ended 30 June 2025: HKD2,756,000) was written-off/disposed, resulting in a loss on write-off/disposal of approximately HKD1,000 (six months ended 30 June 2025: HKD595,000 (restated)).

Certain property, plant and equipment are included in assets classified as held for sale as at 30 June 2026 (see Note 16).

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, there was no addition of right-of-use assets (six months ended 30 June 2025: approximately HKD2,672,000 regarding a lease of office in Hong Kong). The leases in respect of respective underlying right-of-use assets contain leases of leasehold land, offices and restaurants.

The leasehold lands are situated in the PRC and are held under medium-term leases. The Group owns several industrial buildings where its staff quarters and manufacturing facilities are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The leases of office and restaurants in the PRC contain minimum annual lease payment terms that are fixed. These payment terms are common in the PRC where the Group operates.

Certain right-of-use assets are included in assets classified as held for sale as at 30 June 2026 (see Note 16).

12. INVESTMENT PROPERTIES

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. The investment properties are situated in the PRC and are held under medium-term leases.

The valuations of investment properties carried at fair value were updated as at 30 June 2026 by the Group's independent valuers using the same valuation techniques as were used by these valuers when carrying out the December 2025 valuations.

As at 30 June 2026 and 31 December 2025, certain investment properties were pledged to bank for loans granted to the Group (Note 19).

The entire investment properties are included in assets classified as held for sale as at 30 June 2026 (see Note 16).

13. INTANGIBLE ASSETS

During the six months ended 30 June 2026, there was no addition of intangible assets. The amortisation charge for the period is included in "direct costs and operating expenses" and "administrative expenses" in the condensed consolidated statement of profit or loss.

As at 30 June 2026 and 31 December 2025, entire mining rights were pledged to bank for loans granted to the Group (Note 19).

Certain intangble assets are included in assets classified as held for sale as at 30 June 2026 (see Note 16).

14. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 *HKD'000* **(unaudited)**	At 31 December 2025 *HKD'000* (audited)
Trade receivables, net of expected credit loss allowance	**231,358**	341,127
Other receivables, net of expected credit loss allowance	**84,706**	79,101
	316,064	420,228
Deposits and prepayments	**14,462**	22,307
	330,526	442,535

The ageing analysis of trade receivables (net of expected credit loss allowances) as at the end of the reporting period, based on invoice date, is as follows:

	At 30 June 2026 HKD'000 (unaudited)	At 31 December 2025 HKD'000 (audited)
Within 1 month	**714**	8,261
1 to 3 months	**—**	1,919
3 to 12 months	**—**	4,267
Over 12 months	**230,644**	326,680
	231,358	341,127

Trade receivables are generally due within 0 to 365 days (31 December 2025: 0 to 365 days) from the date of billing.

The ageing analysis of trade receivables (net of expected credit loss allowances) as at the end of the reporting period, based on due date, is as follows:

	At 30 June 2026 HKD'000 (unaudited)	At 31 December 2025 HKD'000 (audited)
Current (not past due)	**48**	11,266
Less than 1 month past due	**666**	6,158
1 to 3 months past due	**—**	845
3 to 12 months past due	**—**	145,559
Over 12 months past due	**230,644**	177,299
	231,358	341,127

15. FINANCE LEASE RECEIVABLES

	At 30 June 2026 HKD'000 (unaudited)	At 31 December 2025 HKD'000 (audited)
Finance lease receivables	**—**	29,468
Less: Expected credit loss allowance	**—**	(29,468)
	—	—

As at 30 June 2026 and 31 December 2025, the finance lease receivables are receivable within one year or on demand.

Certain machineries are leased out to one lessee under finance initial leases with lease terms of 24 to 48 months. Prior to the revision of lease contract, the interest rate inherent in the leases was fixed for the entire lease term and was ranging from 6.2% to 12% per annum. Finance lease receivables are secured over the machineries leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

In the prior years, the Group entered into a finance lease receivable transfer arrangement (the "**Arrangement**") with the lessee. Under the Arrangement, the amount due from the lessee (representing all past due and future lease payments) of RMB25,122,000 (equivalent to HKD28,341,000) was transferred to an independent third party which the new repayment terms were revised as repayable on demand on a full recourse basis and the balance bears interest at the PRC Loan Prime Rate plus certain agreed premium rates until settlement. As the lessee has not transferred the significant obligations relating to these finance lease receivables, the full carrying amount of the receivables continues to be recognised as "finance lease receivables" in the Group's condensed consolidated statement of financial position.

Based on the management's best estimate, the entire balance of finance lease receivables is fully impaired due to the occurrence of unfavourable event.

The entire finance lease receivables are included in assets classified as held for sale as at 30 June 2026 (see Note 16).

16. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE

On 30 June 2026, the Group entered into a sale and purchase agreement to dispose of its entire interest in the Disposal Group (the "**Disposal**"). Completion of the Disposal is subject to the fulfilment of certain conditions precedent, including the release and discharge of corporate guarantees provided by the Company.

The Target Group is principally engaged in hotel management and catering services, property investment and leasing business, supply chain business and related investment holding activities. Upon completion of the Disposal, the Group will cease to engage in hotel management and catering services and property investment and leasing business. Accordingly, the Target Group has been presented as a disposal group classified as held for sale and discontinued operations in accordance with HKFRS 5.

The loss for the period from the discontinued hotel management and catering services, property investment and leasing business are set out below. The comparative figures in the condensed consolidated statement of profit or loss have been restated to re-present the above operations as discontinued operations.

	Six months ended 30 June	
	2026	2025
	HKD'000	*HKD'000*
	(unaudited)	(unaudited)
Revenue	**34,609**	43,557
Other revenue	**6**	786
Other net losses	**(7)**	(24)
Fair value loss on investment properties	**(4,333)**	(30,612)
Reversal of impairment losses under expected credit loss model, net	**—**	12,599
Direct costs and operating expenses	**(31,736)**	(38,266)
Administrative expenses	**(3,038)**	(16,160)
Loss from discontinued operations	**(4,499)**	(28,120)
Finance costs	**(887)**	(1,080)
Loss before taxation from discontinued operations	**(5,386)**	(29,200)
Income tax	**—**	(479)
Loss for the period from discontinued operations	**(5,386)**	(29,679)

Cash flows from discontinued operations:

	Six months ended 30 June	
	2026	2025
	HKD'000	*HKD'000*
	(unaudited)	(unaudited)
Net cash (outflow)/inflow from operating activities	**(5,523)**	35,726
Net cash inflow/(outflow) from investing activities	**2**	(32,467)
Net cash outflow from financing activities	**(1,237)**	(4,442)

The major classes of assets and liabilities of the disposal group as at 30 June 2026, which have been presented separately in the condensed consolidated statement of financial position, are as follows:

	At 30 June 2026
	HKD'000
Property, plant and equipment	**8,326**
Right-of-use assets	**12,766**
Investment properties	**231,152**
Other intangible assets	**208**
Deferred tax assets	**7,942**
Financial assets at fair value through other comprehensive income	**26,585**
Inventories	**807**
Trade and other receivables	**95,527**
Finance lease receivables	**—**
Cash and cash equivalents	**2,705**
Total assets classified as held for sale	**386,018**
Trade payables	**(50,498)**
Other payables and accrued charges	**(147,013)**
Contract liabilities	**(11,061)**
Borrowings	**(349,341)**
Lease liabilities	**(8,349)**
Tax payable	**(3)**
Deferred tax liabilities	**(25,559)**
Total liabilities directly associated with assets classified as held for sale	**(591,824)**

17. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS MODEL

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HKD'000	*HKD'000*
		(restated)
Impairment loss recognised in respect of		
— trade receivables	**37,153**	16,440
— other receivables	**1,710**	932
	38,863	17,372

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

18. TRADE PAYABLES

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

	At 30 June 2026	At 31 December 2025
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Within 1 month	**37,975**	52,574
1 to 3 months	**49,970**	50,001
3 to 12 months	**84,400**	93,955
Over 12 months	**85,024**	91,921
	257,369	288,451

19. BORROWINGS

	At 30 June 2026	At 31 December 2025
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Bank loans, secured *(note a)*	**411,514**	748,304
Other loan, secured *(note b)*	**21,203**	13,000
	432,717	761,304

The maturity profile of borrowings, based on the scheduled repayment dates set out in relevant loan agreements, is as follows:

	At 30 June 2026 *HKD'000* **(unaudited)**	At 31 December 2025 *HKD'000* (audited)
Within 1 year	**432,717**	746,166
After 1 year but within 2 years	**—**	6,780
After 2 years but within 5 years	**—**	8,358
	432,717	761,304
Less: Amount due within one year or repayable on demand classified as current liabilities	**(432,717)**	(746,166)
Amount due for settlement after one year	**—**	15,138

Note:

(a) Bank loans comprise Bank Loan 1, Bank Loan 2, Bank Loan 3, Bank Loan 4 and Bank Loan 5.

Bank Loan 1 with principal amount of approximately RMB14,986,000 (equivalent to approximately HKD17,307,000) (31 December 2025: approximately RMB14,986,000 (equivalent to approximately HKD16,700,000)) is secured by certain investment properties of the Group and is repayable by instalments up to 2027. Interest is charged at Prime rate of The People's Bank of China ("**PBOC**") plus 30% of PBOC Prime rate per annum.

Bank Loan 2 with principal amount of RMB279,000,000 (equivalent to approximately HKD322,217,000) (31 December 2025: RMB279,000,000 (equivalent to approximately HKD310,918,000)) is secured by corporate guarantee executed by the Company and its certain subsidiaries and certain properties owned by an independent third party. Interest is charged at a fixed rate of 5.4% per annum.

The Group defaulted on the repayment of Bank Loan 2 during the year ended 31 December 2023.

As at 30 June 2026, the aggregated default principal and related amount of compound interests and default interests amounted to approximately RMB360,788,000 (equivalent to approximately HKD416,674,000) (31 December 2025: approximately RMB341,502,000 (equivalent to approximately HKD380,570,000)) (together referred as the "**Outstanding Amounts**").

During the prior periods, the bank had initiated litigation against the Group to recover Outstanding Amounts. Afterwards, the Group received a written civil ruling ("**Civil Ruling**") issued by the Intermediate People's Court of Shenzhen, Guangdong in connection with the legal proceedings instituted by the bank to recover the Outstanding Amounts. Pursuant to the Civil Ruling, the Group shall repay the Outstanding Amounts immediately. In addition, the Group has been ordered to pay the court handling fee, preservation order application fee and other legal-related costs.

During the year ended 31 December 2025, the Group lodged an appeal disputing the quantum of loan interest payable under the relevant loan agreements. The Guangdong Higher People's Court of ("**High Court**") accepted the appeal case. Subsequently, the Group received the civil judgment ("**Civil Judgment**") issued by the High Court, which dismissed the appeal and upheld the Civil Ruling. Under the Civil Judgment, the Group was ordered to repay to the bank the above-mentioned loan principal, together with loan interests and corresponding default and compound interests as calculated in accordance with the loan agreements and the Civil Ruling. The Company and certain of its subsidiaries, as guarantors, are held jointly and severally liable for these debts, and the Group together with its guarantors are further ordered to pay court cost. The Civil Judgment is final, conclusive, and not subject to further appeal.

During the interim period ended 30 June 2026, the Outstanding Amounts have been transferred to China Cinda Asset Management Co., Ltd., Shenzhen Branch ("**Cinda SZ Branch**") pursuant to a debt disposal notice issued by Cinda SZ Branch ("**Disposal Notice**"). Under the Disposal Notice, the Group was notified to demand the repayment of the Outstanding Amounts, along with the legal costs.

Bank Loan 3 with principal amount of RMB8,500,000 (equivalent to approximately HKD9,817,000) (31 December 2025: RMB8,500,000 (equivalent to approximately HKD9,472,000)) is secured by certain investment properties of the Group and is repayable by instalments up to 2028. Interest is charged at a fixed rate of 4.8% per annum.

Bank Loan 1, Bank Loan 2 and Bank Loan 3, with an aggregate carrying amount of approximately HKD349,341,000, are included in liabilities directly associated with assets classified as held for sale as at 30 June 2026 (see Note 16).

Bank Loan 4 with principal amount of RMB231,320,000 (equivalent to approximately HKD267,151,000) (31 December 2025: RMB244,000,000 (equivalent to approximately HKD271,914,000)) is secured by corporate guarantee executed by a related company of the Group and pledged with certain property, plant and equipment and mining rights of the Group. Bank Loan 4 is repayable by instalments up to 2026. Interest is charged at 5% per annum. The related company is controlled by the director of certain subsidiaries of the Company.

Bank Loan 5 with principal amount of RMB125,000,000 (equivalent to approximately HKD144,363,000) (31 December 2025: RMB125,000,000 (equivalent to approximately HKD139,300,000)) is secured by corporate guarantee executed by a related company of the Group and pledged with the shares of a subsidiary of Zongchuan Investment Group Co., Limited. Bank Loan 5 is repayable in December 2026 and interest is charged at 5% per annum. The related company is controlled by the director of certain subsidiaries of the Company.

(b) Other loan with principal amount of HKD21,203,000 (31 December 2025: HKD13,000,000), which was obtained from an independent third party, is secured by an independent third party and repayable within one year. Interest is charged at a fixed rate of 18% per annum.

20. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 June	
	2026	2025
	HKD'000	*HKD'000*
	(unaudited)	(unaudited)
Salaries, allowances and other benefits	**1,362**	2,208
Contributions to defined contribution retirement plan	**18**	78
	1,380	2,286

(b) Other related party transactions

Apart from the financial arrangements dealt with certain related parties as disclosed in Notes 19 and 21, the Group did not enter into other significant related party transactions during both interim periods.

(c) Related party balances

As at 30 June 2026 and 31 December 2025, the Group had no significant balances dealt with its related parties.

21. FINANCIAL GUARANTEES PROVIDED

Provision of Corporate Guarantees to the Disposal Group

As at 30 June 2026, the Company had provided corporate guarantees amounting to HKD322 million (31 December 2025: HKD311 million) to in favour of certain banks in connection with facilities granted to certain subsidiaries of the Disposal Group. During the six months ended 30 June 2026, a claim was made against the Company and its certain subsidiaries due to the breach of loan agreements which were secured by corporate guarantee executed by the Company. The maximum liability of the Company at the end of the reporting period under the guarantees issued was the facilities drawn down by subsidiaries of HKD322 million (31 December 2025: HKD311 million).

Provision of Corporate Guarantees to the Related Parties outside the Group

During the six months ended 30 June 2026, one of the subsidiaries of the Group, Fushun Xingzhou Mining Co., Ltd., has provided several corporate guarantees in respect of banking facilities to the extent of, in aggregate, RMB135 million (equivalent to HKD156 million) granted to two related companies. Mr. Wu Zongchuan (an executive director of the Company) has controlling interest in these companies. The Directors do not consider it is probable that a claim will be made against the Group under these guarantees. As at 30 June 2026, the maximum exposure to the Group under the guarantees issued is the facilities drawdown by these related companies being RMB135 million (equivalent to HKD156 million).

22. LITIGATION AND CLAIM

During the year ended 31 December 2023, one of the subsidiaries of the Group, Shenzhen Jinsheng Supply Chain Company Limited ("**Shenzhen Jinsheng**") defaulted on repayment of interest-bearing bank borrowing Shenzhen Branch of Hua Xia Bank Co., Ltd ("**Hua Xia Bank**"). As at 30 June 2026, the aggregate principal and related interest amounted to approximately RMB360,788,000 (equivalent to approximately HKD416,674,000) (31 December 2025: RMB341,502,000 (equivalent to approximately HKD380,570,000)).

During the year ended 31 December 2024, the Company and its certain subsidiaries (the "**Defendants**") received a legal claim filed by Hua Xia Bank in respect of breach of loan agreements. The Defendants subsequently received a court notice from the Shenzhen Intermediate People's Court, pursuant to which Hua Xia Bank requested Shenzhen Jinsheng to repay immediately the total amount of principal, interests and compound interests; bear Hua Xia Bank's legal costs and other litigation-related costs.

In October 2024, the Group received a written Civil Ruling from the Intermediate People's Court of Shenzhen, Guangdong ordering the repayment of the principal, corresponding default interests and compound interests in accordance with the loan agreements.

During the year ended 31 December 2025, the Group subsequently received the Civil Judgment from the High Court in relation to the appeal lodged by Shenzhen Jinsheng. The High Court dismissed the appeal and upheld the civil ruling previously issued by the Shenzhen Intermediate People's Court.

Pursuant to the Civil Judgment, Shenzhen Jinsheng is ordered to repay to Hua Xia Bank the principal, loan interests and default and compound interests calculated in accordance with the loan agreements and the Civil Ruling. The Company and certain subsidiaries, as guarantors, are held jointly and severally liable for the above debts. Shenzhen Jinsheng and the guarantors are further ordered to bear total court costs, including the case acceptance fee and preservation application fee. The Civil Judgment is final, conclusive and not subject to further appeal.

During the interim period ended 30 June 2026, the above-mentioned debts along with compound and default interests have been transferred to Cinda SZ Branch pursuant to the Disposal Notice. Under the Disposal Notice, the Group was notified to demand the outstanding debt comprising principal, accrued interest, penalty interest, default damages and reimbursable expenses.

In view of the litigation, the Civil Judgement and assignment of debt arrangement, the corresponding borrowings have been classified as current liabilities as at 30 June 2026 and 31 December 2025. The Group would negotiate with the relevant new creditor regarding a possible extension of repayment terms.

Apart from the above written civil ruling and final Civil Judgement, no further legal actions have been taken by the relevant new creditor or the relevant courts up to the date of approval of this interim financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2026, the principal activities of the Group consisted of the supply chain business (including the iron ore mining and milling). Following the disposal of the Disposal Group, the hotel management and catering services, and the property investment have been classified as discontinued operations.

BUSINESS REVIEW

Continuing Operations

Supply Chain Business (the "Supply Chain Business")

For the six months ended 30 June 2026, the macroeconomic environment remained complex and challenging. The Group's Supply Chain Business recorded a revenue of HKD89.2 million, representing a decrease from HKD290.4 million for the corresponding period 2025.

The decline in revenue was primarily due to sluggish domestic market demand and a subsequent decrease in transaction volume. Throughout this challenging period, the Group maintained its established credit control measures and a prudent procurement approach in response to economic uncertainty. Concurrently, to adapt to the evolving market landscape, the Group explored new supply arrangements to broaden its product portfolio and diversify its revenue streams. These ongoing strategic adjustments are designed to optimally position the Group to capture new opportunities as market conditions gradually stabilize.

*Iron Ore Mining and Milling Business (the "**Mining Business**")*

For the Mining Business, revenue decreased by approximately 25% compared with the corresponding period in 2025 last year. The segment's financial performance was primarily affected by the continuing impact of unfavourable fluctuations in iron ore prices, coupled with relatively high fixed costs.

During the six months ended 30 June 2026, the Mining Business recorded an extraction of approximately 260,000 tonnes of iron ore and a production of approximately 95,000 tonnes of iron concentrate powder. Meanwhile, following an underground safety incident during the period, the Group implemented a temporary suspension of mining for safety inspections and facility rectifications in response to the subsequent regulatory compliance requirements. This measure is in alignment with the broader industry trend towards enhanced safety and environmental standards to ensure long-term sustainability. Concurrently, the Group is advancing its underground development works. These ongoing infrastructural developments, together with the facility upgrades, are essential strategic steps to unlock future production capacity and ensure a sustainable operation.

Discontinued Operations

Hotel Management and Catering and Property Investment

On 30 June 2026, the Group entered into a sale and purchase agreement (the "**SPA**") with an independent third party (the "**Purchaser**") in relation to a discloseable transaction for the disposal of Marvel Innovator Limited (the "**Marvel Innovator**"). The consideration for the disposal shall be settled by (i) a deposit of HKD2 million payable by the Purchaser; and (ii) the issuance of a promissory note in the principal amount of HKD100 million for a term of three years by the Company, in exchange for the Purchaser procuring the release and discharge of the corporate guarantees amounting to RMB279 million.

Under the SPA, the Purchaser shall procure the unconditional release and discharge of the corporate guarantees (and the corresponding litigation liabilities) executed by the Company. By issuing the promissory note, the Company would effectively settle the overdue borrowings without immediate cash outflows. The completion of the disposal is conditional upon the fulfillment (or waiver, if applicable) of certain conditions precedent on or before the date falling 90 days after 30 June 2026, in accordance with the terms and conditions of the SPA.

As at 30 June 2026, the disposal had not yet been completed. Accordingly, the assets and liabilities of the Marvel Innovator were classified as held for sale, and its financial results were presented as discontinued operations in this interim financial information. Details of the transaction were disclosed in the Company's announcement dated 30 June 2026.

FINANCIAL REVIEW

Below is an analysis of the Group's key financial information including, but not limited to revenue, expenses and loss for the six months ended 30 June 2026, which reflected the financial position of the Group's business.

Revenue

For the six months ended 30 June 2026, the Group recorded a total revenue of HKD172.2 million from continuing operations, representing a significant decrease of 57.1% as compared with that of the six months ended 30 June 2025 of HKD401.0 million. Such decrease was mainly due to the revenue declined in Supply Chain Business of HKD201.2 million for the six months ended 30 June 2026.

The Supply Chain Business recorded a significant decrease in revenue of HKD89.2 million as compared with HKD290.4 million in the corresponding period in 2025.

The Mining Business also recorded a significant decrease in revenue of HKD82.9 million as compared with HKD110.6 million in the corresponding period in 2025.

Expenses

The Group's direct costs and operating expenses from continuing operations significant decreased by HKD239.5 million from HKD383.4 million for the six months ended 30 June 2025 to HKD143.9 million for the six months ended 30 June 2026. The administrative expenses decreased by HKD5.2 million from HKD54.8 million for the six months ended 30 June 2025 to HKD49.6 million for the six months ended 30 June 2026. The decrease in direct costs and operating expenses were aligned with the overall reduction in group revenue.

The Group's impairment losses under expected credit loss model from continuing operations increased by HKD21.5 million from provision for HKD17.4 million for the six months ended 30 June 2025 to provision for HKD38.9 million for the six months ended 30 June 2026. Such increase was mainly caused by the continued delay in settlement of outstanding balances by certain customers in the Supply Chain Business.

The Group's finance cost from continuing operations decreased by HKD4.7 million from HKD32.0 million for the six months ended 30 June 2025 to HKD27.2 million for the six months ended 30 June 2026 as interest rate reduced during the period.

Loss for the period

For the six months ended 30 June 2026, the Group recorded a net loss of HKD88.7 million from continuing operations as compared to a net loss of HKD85.8 million for the six months ended 30 June 2025.

Property, plant and equipment

As of 30 June 2026, the Group's property, plant and equipment increased to HKD668.4 million from HKD657.2 million for the year ended 31 December 2025. The balance primarily consists of construction in progress, mining structures, plant and machinery, and property held for own-use utilised in the Mining Business. The slight increase during the period was mainly attributable to exchange rate realignments and additions, which were partially offset by the depreciation expenses.

Investment properties

Following the reclassification of Group's investment properties as assets held for sale, no investment properties presented under this category as of 30 June 2026. At 31 December 2025, the Group's investment properties represented leased retail shops of HKD143.7 million located in Yunfu, the PRC and leased out the commercial building of HKD83.6 million located in Beihai City, Guangxi Province, the PRC.

Intangible assets

As of 30 June 2026, the Group's intangible assets decreased to HKD202.7 million (31 December 2025: HKD204.8 million) which included mining rights of HKD202.7 million (31 December 2025: HKD204.5 million), representing a mining license for underground operations valid from year 2024 to year 2049.

Financial assets at fair value through other comprehensive income

As of 30 June 2026, the Group's carrying amount of financial assets at fair value through other comprehensive income was HKD nil after the reclassification of certain assets as held for sale. At 31 December 2025, financial assets at fair value through other comprehensive income was HKD29.8 million.

Trade and other receivables

The trade and other receivables amounted to HKD330.5 million (31 December 2025: HKD442.5 million), mainly represents the trade receivables (net of ECL allowances) of HKD231.4 million (31 December 2025: HKD341.1 million) which mainly from the Supply Chain Business and other receivables of HKD84.7 million (31 December 2025: HKD79.1 million) which mainly from Supply Chain Business and Mining Business. As at 30 June 2026, trade receivables (net of ECL allowances) past due within 12 months and over 12 months are HKD0.7 million (31 December 2025: HKD152.6 million) and HKD230.6 million (31 December 2025: HKD177.3 million) respectively.

The Group seeks to maintain a proactive and pragmatic approach over the recovery of its outstanding receivables and the management actively monitor the status of its outstanding receivables and the rapid change of the market condition in order to maximise recoverable amount and minimise credit risk. The management regularly reviews the overdue balances, and performs assessment of recoverability on a case-by-case basis to assess the adequacy of expected credit loss allowances.

Restricted cash

As at 30 June 2026, the Group held restricted cash of HKD12.2 million (31 December 2025: HKD8.0 million), primarily relating to deposits for rehabilitation obligations of the Mining Business in the PRC.

Trade payables

As at 30 June 2026, the Group's trade payables decreased by HKD31.1 million from HKD288.5 million as at 31 December 2025 to HKD257.4 million. The reduction was attributable to the reclassification of liabilities relating to assets classified as held for sale.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2026, the cash and cash equivalents of the Group were HKD20.8 million (31 December 2025: HKD10.6 million) and interest-bearing borrowings, including the borrowings and lease liabilities were HKD433.6 million (31 December 2025: HKD771.7 million). The following table details the cash and cash equivalents, the borrowings and the lease liabilities of the Group (excluding the assets and liabilities directly associated with assets classified as held for sale) as at 30 June 2026 denominated in original currencies:

	At 30 June 2026	
	HKD'000	***RMB'000***
Cash and cash equivalents	**20,243**	**487**
Borrowings	**21,203**	**356,320**
Lease liabilities	**851**	**–**

	At 31 December 2025	
	HKD'000	*RMB'000*
Cash and cash equivalents	263	9,261
Borrowings	13,000	671,486
Lease liabilities	1,565	7,962

The Group principally satisfies its demand for operating capital with cash inflow from its operations and borrowings. As at 30 June 2026, the gearing ratio, which is calculated on the basis of total debts (including interest-bearing borrowings and lease liabilities) over total shareholders' fund of the Group, was 143.7% (31 December 2025: 203.9%). The gearing ratio decreased in comparison to 31 December 2025 mainly due to certain borrowings and lease liabilities associated with the Disposal Group were reclassified to liabilities directly associated with the assets classified as held for sale. The liquidity ratio, which represents a ratio of current assets over current liabilities (excluding assets and liabilities classified as held for sale), to reflect the adequacy of the financial resources, was 0.49 (31 December 2025: 0.40). The liquidity ratio improved mainly due to the reclassification of the Disposal Group, as the amount of reclassified liabilities exceeded the reclassified assets.

FOREIGN EXCHANGE AND INTEREST RATE RISKS MANAGEMENT

The Group adopts strict and cautious policies in managing its exchange rate risk and interest rate risk. The principal foreign currency exchange risk stems from the exchange rate movements of the Hong Kong dollar, which is pegged to the United States dollars, and Renminbi. The sales of the Group and purchases of raw materials are mainly denominated in Renminbi. While the Group's operations in the PRC, the location of its production, are primarily conducted in Renminbi, its Hong Kong operations are conducted in Hong Kong dollars. The management will closely monitor such risk and will consider hedging significant foreign currency exposure should the need arise.

The interest rate risk arises from borrowings, which, being obtained at variable rates and at fixed rates, expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through a variety of means.

PLEDGES ON GROUP ASSETS

As at 30 June 2026, certain assets held for sales (previously classified as investment properties) of the Group with an aggregate carrying amount of HKD164.2 million (31 December 2025: HKD160.9 million), mining rights of the Group with a carrying amount of HKD202.7 million (31 December 2025: HKD204.5 million) and property, plant and equipment with a carrying amount of HKD154.5 million (31 December 2025: HKD nil) were pledged to banks for loans granted to the Group.

FINANCIAL GUARANTEES PROVIDED

Provision of Corporate Guarantees to the Disposal Group

As at 30 June 2026, the Company had provided corporate guarantees amounting to HKD322 million (31 December 2025: HKD311 million) in favour of certain banks in connection with facilities granted to certain subsidiaries of the Disposal Group. During the six months ended 30 June 2026, a claim was made against the Company and its certain subsidiaries due to the breach of loan agreements which were secured by corporate guarantee executed by the Company (see Note 22). The maximum liability of the Company at the end of the reporting period under the guarantees issued was the facilities drawn down by subsidiaries of HKD322 million (31 December 2025: HKD311 million).

Provision of Corporate Guarantees to the Related Parties Outside the Group

During the six months ended 30 June 2026, one of the subsidiaries of the Group, Fushun Xingzhou Mining Co., Ltd., has provided several corporate guarantees in respect of banking facilities to the extent of, in aggregate, RMB135 million (equivalent to HKD156 million) granted to two related companies. Mr. Wu Zongchuan (an executive director of the Company) has controlling interest in these companies. The Directors do not consider it is probable that a claim will be made against the Group under these guarantees. As at 30 June 2026, the maximum exposure to the Group under the guarantees issued is the facilities drawdown by these related companies being RMB135 million (equivalent to HKD156 million).

CAPITAL EXPENDITURES AND COMMITMENTS

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at a cost of HKD5,184,000 (six months ended 30 June 2025: HKD28,256,000) and property, plant and equipment at a net book value of HKD1,000 (six months ended 30 June 2025: HKD2,756,000) was written-off/disposed, resulting in a loss on write-off/disposal of HKD1,000 (six months ended 30 June 2025: HKD595,000 (restated)).

As at 30 June 2026 and 31 December 2025, the Group had no capital commitments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Discloseable Transaction – Disposal of Marvel Innovator Limited

On 30 June 2026, the Company entered into the SPA with the Purchaser, whereby the Company has conditionally agreed to sell, and the Purchaser (or its designated nominee) has conditionally agreed to purchase, the entire issued share capital of Marvel Innovator, for the consideration which shall be settled by the deposit of HKD2 million payable by the Purchaser (which is non-refundable under any circumstances) and the issuance of the promissory note by the Company to the Purchaser (or its designated nominee) in the principal amount of HKD100 million in exchange for the procurement of the release and discharge of the corporate guarantees, with no cash consideration payable by the Purchaser to the Company on the completion of that disposal. As at the date of this announcement, the above transaction is not yet completed.

Details of the disposal were set out in the announcements of the Company dated 30 June 2026.

Save as disclosed above, there was no material acquisitions and disposals of subsidiaries and associated companies of the Group during the six months ended 30 June 2026.

SIGNIFICANT INVESTMENTS HELD

There were no significant investments held by the Group for the six months ended 30 June 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of approximately 450 employees (30 June 2025: approximately 520 employees). Employees' remuneration and bonuses are based on their responsibilities, performances, experience and the prevailing industry practice. The Group's remuneration policies and packages were reviewed periodically by the management of the Company.

The Group provides relevant training to its employees in accordance with the skills requirements of different positions.

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: HKD nil).

EVENTS AFTER THE REPORTING PERIOD

The Company does not have any significant events after the reporting period.

FUTURE PROSPECTS

Looking ahead to the second half of 2026, the global macroeconomic environment is expected to remain complex and uncertain due to geopolitical tensions and inflationary pressures. Despite these challenges, the Group remains cautiously optimistic about its future development.

To improve working capital and address overdue borrowings, the Group successfully entered into a sale and purchase agreement on 30 June 2026 to dispose of Marvel Innovator Limited. Upon completion of this disposal, the Group expects to significantly reduce its debt level, as well as release the relevant corporate guarantees and litigation. Such disposal will help to improve the Group's balance sheet and liquidity, and allow the Group to focus its resources on its core businesses.

In the Supply Chain Business segment, the Group expects the market conditions to remain challenging. The Group will continue to strictly implement credit control measures and adopt a prudent procurement strategy to protect working capital and reduce risks. The Group will explore new supply arrangements to broaden its product portfolio. The Group believes that diversifying into new product categories will help optimise the customer base and achieve sustainable development in the long run.

Regarding the Mining Business, the Group has been carrying out facility rectifications and underground development works to comply with the enhanced safety and environmental standards. Although the temporary suspension and rectification measures have affected the financial performance for the first half of the year, these short-term measures are important to ensure the Group's long-term safe and compliant operations. Upon the gradual resumption of full production capacity, the Group aims to dilute the fixed costs by increasing the production volume, thereby enhancing the overall profitability and cost competitiveness of this business segment.

OTHER INFORMATION

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2026, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except for the following deviations:

— Under code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wu Zongchuan ("**Mr. Wu**") served as both the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Wu has extensive experience in the mining engineering, metal mineral products and sales of parts of mining equipment industry and is responsible for the overall corporate strategies, planning and business development of the Group. Accordingly, the Board believes that this structure has the advantage of a strong and consistent leadership, which is conducive to making and implementing decision efficiently and consistently, and the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-calibre individuals, with the majority of the members of the Board being non-executive Directors (including independent non-executive Directors); and

— Under code provision F.1.3, the chairman of the board should attend the annual general meeting. Mr. Wu was unable to attend the Company's annual general meeting on 26 June 2026 (the "**AGM**") due to other business commitments. He will endeavour to attend all future general meetings of the Company unless unexpected or special circumstances prevent him from doing so. Mr. Wu had entrusted Mr. Lyu Zhengjun, being an executive Director, to respond to shareholders' concerns (if any) on his behalf at the AGM.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions (the "**Model Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made a specific enquiry of all Directors, the Company confirms that all the Directors have complied with the Model Code for the six months ended 30 June 2026.

AUDIT COMMITTEE

At the request of the Audit Committee, Baker Tilly Hong Kong Limited, the Group's external auditors have performed certain agreed-upon procedures on the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Related Services 4400 (Revised) "Agreed-Upon Procedures Engagements" issued by the HKICPA.

As the agreed-upon procedures did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, the auditors do not express any assurance on the interim results of the Company for the six months ended 30 June 2026.

The Interim results have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited financial statements of the Group for the six months ended 30 June 2026 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's interim report containing all information required by the Listing Rules will be despatched to the shareholders of the Company and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.paktakintl.com in due course.

On behalf of the Board
Pak Tak International Limited
Wu Zongchuan
Chairman & Chief Executive Officer

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Mr. Wu Zongchuan, Mr. Liu Weixiong, and Mr. Lyu Zhengjun as executive Directors; Mr. Hang Chu Kwong as non-executive Director; and Ms. Chan Ching Yi, Ms. Li Yun and Mr. Li Wubo as independent non-executive Directors.