南粵控股
NAMYUE HOLDINGS

NAMYUE HOLDINGS LIMITED
南粵控股有限公司

(Incorporated in Hong Kong with limited liability)
(於香港註冊成立之有限公司)

Stock Code 股份代號：01058

INTERIM REPORT
2026
中期報告

Contents

Corporate Information

As at 27 August 2026

BOARD OF DIRECTORS

Executive Directors

Cai Binglong *(Chairman and Managing Director)*
Liao Siyang *(Deputy Managing Director)*

Non-Executive Directors

Kuang Hu
Li Jieyu
Li Qi

Independent Non-Executive Directors

Yeung Man Lee, *BBS, JP*
Leung Luen Cheong
Yang Ge

NOMINATION COMMITTEE

Cai Binglong *(Chairman)*
Yeung Man Lee
Leung Luen Cheong
Yang Ge
Li Jieyu

AUDIT COMMITTEE

Yang Ge *(Chairman)*
Yeung Man Lee
Leung Luen Cheong
Li Qi

REMUNERATION COMMITTEE

Leung Luen Cheong *(Chairman)*
Yeung Man Lee
Yang Ge

COMPANY SECRETARY

Chan Miu Ting

AUDITOR

ZHONGHUI ANDA CPA Limited
Certified Public Accountants

REGISTERED OFFICE

29th Floor, Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

Telephone	:	(852) 2308 1013
Website	:	www.namyueholdings.com

SHARE REGISTRAR

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong
Customer Service Hotline: (852) 2980 1333

SHARE INFORMATION

Place of Listing	:	Main Board of The Stock Exchange of Hong Kong Limited
Stock Code	:	01058
Board Lot	:	2,000 shares
Financial Year End	:	31 December

Management Discussion and Analysis

RESULTS

The unaudited consolidated loss attributable to shareholders of Namyue Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2026 was HK$665,000, representing a decrease in loss of HK$5,399,000 or 89.0% from HK$6,064,000 for the corresponding period last year.

The improvement in the consolidated results was mainly attributable to the recognition of a gain on deregistration of HK$4,974,000 following the deregistration of the Group’s subsidiary, Qingdao Nanhai Tannery Co., Ltd., by the relevant PRC authority in January 2026. If excluding such gain, the unaudited consolidated loss attributable to shareholders of the Company for the six months ended 30 June 2026 was HK$5,639,000 (six months ended 30 June 2025: unaudited consolidated loss of HK$6,064,000), representing a decrease in loss of approximately HK$425,000 as compared to the corresponding period last year.

The unaudited net asset value of the Group as at 30 June 2026 was HK$9,201,000, representing an increase of HK$2,899,000 and a decrease of HK$4,863,000 respectively as compared to the net asset value as at 31 December 2025 and 30 June 2025.

The board of directors of the Company (the “Board”) resolved not to declare the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

BUSINESS REVIEW

In the first half of 2026, the domestic economy continued its recovery momentum, with consumer confidence gradually restored. The nation continued to advance policies relating to boosting consumption and industrial upgrading, driving the steady advancement of the domestic footwear, apparel and leather markets amid structural adjustment. At the same time, high value-added sectors such as automotive interiors and intelligent materials continued to gain momentum, bringing new growth drivers to the industry. Internationally, the global trade landscape remained in the process of restructuring, and the impact of the United States’ tariff policy persisted. Nevertheless, China and Southeast Asia maintained their irreplaceable core position in the global textile and footwear industry supply chain, by virtue of their comprehensive industrial chain systems, efficient production organisation capabilities and significant labour cost advantages. Against this backdrop, the Group focused on its core objective of “reducing losses and turning losses into profits”, and in light of the actual circumstances of the Company, pragmatically advanced various aspects of its production and operations, continued to implement inspection-based rectification and risk prevention and control measures, with its operating quality and efficiency continuing to improve and its overall operations maintaining a steady recovery.

During the period, the Group’s consolidated gross profit margin improved significantly year-on-year, increasing from 1.4% for the corresponding period in 2025 to 5.9% for the current period. Faced with continuously increasing operating pressure, the Group persisted in tapping internal potential and expanding external sources, with the supporting role of the production side further strengthened and production scale steadily expanded, resulting in a substantial increase of 50.3% in subcontracting output as compared to the corresponding period last year. During the period, although revenue decreased by 7.8% as compared to the corresponding period last year, the growth in the volume of subcontracting business effectively diluted production costs, and together with the further improvement in the sale of inventories, the gross profit margin was correspondingly enhanced. In addition, the Group’s administrative expenses were also effectively controlled, further reducing operating costs.

BUSINESS REVIEW (CONTINUED)

In terms of energy conservation and emission reduction, while the Group's production volume increased significantly, unit costs achieved a notable decrease. The Company continued to save on electricity costs by leveraging electricity tariff policies and photovoltaic green power resources, through off-peak production scheduling and optimised electricity load management. At the same time, the Group advanced energy-saving renovations to its steam and water pipeline network to reduce leakage, and optimised and adjusted its compressed air piping to further reduce transmission losses, driving continuous improvement in energy consumption levels. In addition, the Group reduced its reliance on external outsourcing and the related costs by independently manufacturing frequency conversion control cabinets and repairing key components such as water pump rotors, effectively enhancing resource utilisation efficiency. In terms of solid waste disposal, the Group continued to optimise solid waste disposal costs and secured a special landfill quota for chromium-containing sludge, reducing disposal expenditure. The combined effect of energy conservation, consumption reduction and self-conducted maintenance resulted in a decrease in unit costs alongside a substantial increase in production volume.

During the period, the production volume of subcontracting business was 21,531,000 sq. ft., representing an increase of 7,206,000 sq. ft. or 50.3% as compared to 14,325,000 sq. ft. for the corresponding period last year. The total production volume of cowhides was 608,000 sq. ft., representing a decrease of 130,000 sq. ft. or 17.6% as compared to 738,000 sq. ft. for the corresponding period last year.

During the period, the sales volume of subcontracting business was 21,531,000 sq. ft., representing an increase of 7,206,000 sq. ft. or 50.3% as compared to 14,325,000 sq. ft. for the corresponding period last year. The total sales volume of cowhides was 876,000 sq. ft., representing a decrease of 661,000 sq. ft. or 43.0% as compared to 1,537,000 sq. ft. for the corresponding period last year.

During the period, the consolidated revenue of the Group was HK$31,902,000, representing a decrease of HK$2,704,000 or 7.8% from HK$34,606,000 for the corresponding period last year, of which the subcontracting business amounted to HK$23,674,000 (six months ended 30 June 2025: HK$21,171,000), representing an increase of 11.8%; the sales value of cowhides amounted to HK$8,228,000 (six months ended 30 June 2025: HK$13,435,000), representing a decrease of 38.8%.

In the first half of 2026, the Group successfully expanded its customer base for subcontracting business, further enriching its customer structure; at the same time, the overall production process ran smoothly, injecting new impetus for future business growth. In order to overcome bottlenecks in production, the Group increased its investment in technical transformation. Firstly, the Group completed the replacement of the 2,500 kW main supply transformer and power supply renovation, systematically resolving the hidden risk of equipment overload arising from capacity expansion, and pre-emptively ensuring stable electricity supply for peak summer production. Secondly, the Group advanced the renewal of large tanning drums to increase loading capacity, effectively improving production efficiency and diluting unit consumption costs. In terms of equipment maintenance, the Group orderly completed key maintenance projects, including the overhaul of the stretching machine, renovation of the drum flooring and cleaning of the mesh plates of the wet vacuum machine, resulting in a notable improvement in equipment operating conditions and a steady increase in the overall equipment intact rate.

In terms of procurement, the Group continued to advocate transparent procurement through platforms such as "gdycy.com" and "JD.com" to reduce procurement costs. During the period, the Group procured auxiliary raw materials that matched production based on actual product conditions, with a total procurement amount of HK$5,224,000, representing a decrease of 57.8% as compared to the corresponding period last year. These measures demonstrate the Group's positive results in cost control and resource optimisation.

BUSINESS REVIEW (CONTINUED)

As at 30 June 2026, the Group's consolidated inventory amounted to HK$5,126,000 (31 December 2025: HK$8,713,000), representing a decrease of HK$3,587,000 or 41.2% as compared to that as at 31 December 2025. During the period, the Group intensified its efforts to reduce inventory by actively disposing of semi-finished and finished goods inventories, while continuing to implement effective measures to lower inventory levels. As the total inventory volume decreased, the net inventory value declined year-on-year, and the inventory structure continued to be optimised. The Group has reassessed the value of inventories based on its ageing and net realizable value and made a net reversal of provision for inventories of HK$6,135,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$5,101,000).

As at 30 June 2026, the Group's property, plant and equipment amounted to HK$37,409,000 (31 December 2025: HK$36,662,000), representing an increase of HK$747,000 or 2.0% as compared to that as at 31 December 2025. In view of the loss on the Group's operating results during the period, the recoverable amount of plant and equipment was calculated by using value in use based on the discounted cash flow method, and an impairment loss on plant and equipment of HK$2,829,000 was made for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$1,089,000).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2026, the Group's cash and cash equivalents amounted to HK$1,087,000 (31 December 2025: HK$6,665,000), representing a decrease of HK$5,578,000 or 83.7% as compared to 31 December 2025, of which 23.1% were in Hong Kong dollars, 68.1% in Renminbi and 8.8% in United States dollars. Net cash outflow from operating activities for the period was HK$7,410,000, which was mainly attributable to the increase in payables outflow. Net cash inflow from investing activities was HK$1,609,000, which was mainly attributable to the decrease in pledged bank balances.

As at 30 June 2026, the Group had interest-bearing borrowings in Renminbi amounted to HK$19,227,000 (31 December 2025: HK$19,264,000), charged at fixed rate. The Group's banking facilities secured by buildings and right-of-use assets of HK$43,359,000 in total.

As at 30 June 2026, the Group's gearing ratio of interest-bearing borrowings to shareholders' equity plus interest-bearing borrowings was 67.6% (31 December 2025: 75.4%). The annual interest rate of loan interest and discount interest during the period was approximately 1.2% to 3.1%. During the period, the Group's interest expenses amounted to HK$308,000, representing an increase of 47.4% as compared to the corresponding period of last year, which was mainly attributable to the increase in bank borrowings.

As at 30 June 2026, the Group's total banking facilities amounted to HK$40,296,000 (31 December 2025: HK$38,749,000), all of which were unutilized (31 December 2025: utilised banking facilities of HK$9,118,000 and unutilised banking facilities of HK$29,631,000). Taking into account the existing cash resources, available credit facilities and financial support from the substantial shareholder, the Group has sufficient financial resources to meet its daily operational requirements.

FINANCIAL REVIEW (CONTINUED)

Capital Expenditure

As at 30 June 2026, the net amount of non-current assets including property, plant and equipment and right-of-use assets amounted to HK$47,898,000, representing an increase of HK$1,001,000 over the net value of HK$46,897,000 as at 31 December 2025. The capital expenditure for the period amounted to HK$1,554,000 (six months ended 30 June 2025: HK$1,114,000) in total, which was mainly attributable to the payment of renovations as well as acquisition of equipment to meet the production needs of the Group.

Pledge of Assets

As at 30 June 2026, the Group's buildings of HK$32,870,000 and right-of-use assets of HK$10,489,000 (31 December 2025: bank deposits of HK$2,736,000; buildings of HK$32,250,000 and right-of-use assets of HK$10,235,000) were pledged to a bank to secure general banking facilities.

Foreign Exchange Exposure

The assets, liabilities and transactions of the Group are basically denominated in Hong Kong dollars, United States dollars or Renminbi. The Group is exposed to foreign currency risk primarily from purchases from overseas suppliers that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly the United States dollars against Renminbi. The Group did not hedge its exposure to risks arising from fluctuations in exchange rates during the period. Should the Group consider that its exposure to foreign currency risk justifies hedging, it may use forward or hedging contracts to reduce the risks.

REMUNERATION POLICY FOR EMPLOYEES

As at 30 June 2026, the Group had 193 employees (31 December 2025: 223). The Group's remuneration policy is based on its operating results and the employees' performance. The Group has adopted a performance-based quantitative appraisal scheme for its employees and established an operation assessment mechanism focusing on "accountability and performance". Based on the Group's operating efficiency, the incentive scheme provides bonuses to the management, key officers and outstanding employees according to different ranking and individual performance, which effectively motivates employees to make contribution. In addition, the Group offered social and medical insurance coverage and pension schemes to all employees in different areas.

PROSPECTS

Looking ahead to the second half of 2026, the external operating environment remains challenging, with changes in global tariff policies and competition from substitute materials expected to further intensify. Nevertheless, consumption scenarios are extending from traditional uses towards leisure and sports applications, bringing about a structural shift in demand, which provides new market opportunities for the Group. The Group will take its tanning and subcontracting business as the core lever for enhancing operating efficiency, comprehensively implement refined management, stimulate the intrinsic motivation of all staff to reduce costs and improve efficiency, and ensure the orderly achievement of its various operating objectives.

PROSPECTS (CONTINUED)

In terms of business, the Group will further expand its subcontracting scale and continue to promote innovation in its subcontracting business model, relying on blue hides provided by customers and making full use of its own technology and equipment resources to organise production, so as to enhance the capacity utilisation rate of downstream processes. In the second half of the year, the Group will also accelerate the installation and commissioning of newly acquired equipment such as tanning drums and splitting machines, providing solid hardware support for the enhancement of production capacity. At the same time, the Group will formulate inventory digestion plans by inventory category, proactively engage with external customers, and explore diversified cooperation modes such as joint subcontracting and consignment sales, so as to improve resource turnover efficiency and reduce inventory pressure.

In terms of management, the Group will formulate a special plan for the collection of trade receivables and dynamically adjust credit limits to control credit risk. At the same time, the Group will continue to improve its internal control system, with a focus on strengthening process control in key areas such as procurement, sales and tendering, so as to enhance the standardisation and effectiveness of management. On the other hand, the Group will strictly comply with environmental protection regulations and continue to strengthen control over high-risk processes, so as to ensure safe production and compliant operations.

In response to the ever-changing market environment, in addition to consolidating and expanding its leather processing business, the Group will adopt an open yet prudent approach in actively seeking diversified development opportunities, and will endeavour to optimise its asset structure and enhance its profitability, thereby creating long-term value for shareholders.

Report on Review of Interim Financial Information

中汇
ZHONGHUI

INDEPENDENT REVIEW REPORT
TO THE BOARD OF DIRECTORS OF NAMYUE HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 9 to 27 which comprises the condensed consolidated statement of financial position of Namyue Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim financial information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

EMPHASIS OF MATTER

We draw attention to Note 2 to the condensed consolidated financial statements which mentions that the Group incurred a loss of approximately HK$665,000 for the six months ended 30 June 2026 and as at 30 June 2026 the Group had net current liabilities of approximately HK$34,108,000. These conditions indicate a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Li Shun Fai
Practising Certificate Number P05498

Hong Kong, 27 August 2026

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*6*	**31,902**	34,606
Cost of sales		**(30,028)**	(34,137)
Gross profit		**1,874**	469
Other income and losses, net	*7*	**6,996**	1,721
Selling and distribution expenses		**(147)**	(333)
Administrative expenses		**(8,508)**	(9,872)
Impairment on items of plant and equipment		**(2,829)**	(1,089)
Other operating income	*7*	**2,041**	3,036
Finance costs	*8*	**(308)**	(209)
LOSS BEFORE TAX	*9*	**(881)**	(6,277)
Income tax credit	*10*	**216**	213
LOSS FOR THE PERIOD		**(665)**	(6,064)
LOSS PER SHARE	*11*		
– Basic		**HK(0.12) cents**	HK(1.13) cents
– Diluted		**HK(0.12) cents**	HK(1.13) cents

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(665)**	(6,064)
OTHER COMPREHENSIVE INCOME/(EXPENSES)		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of buildings	**1,157**	908
Income tax effect	**(290)**	(227)
	867	681
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**(46)**	386
Exchange differences reclassified to profit or loss upon deregistration of a subsidiary	**2,743**	–
	2,697	386
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**3,564**	1,067
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD	**2,899**	(4,997)

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		37,409	36,662
Right-of-use assets		10,489	10,235
		47,898	46,897
CURRENT ASSETS			
Inventories		5,126	8,713
Receivables, prepayments and deposits	13	18,955	16,763
Pledged bank balances		-	2,736
Cash and bank balances		1,087	6,665
		25,168	34,877
CURRENT LIABILITIES			
Trade and bills payables	14	17,244	24,875
Other payables, accruals and provision	15	22,805	25,657
Interest-bearing bank borrowings	16	19,227	19,264
Due to a PRC joint venture partner		-	1,131
		59,276	70,927
NET CURRENT LIABILITIES		(34,108)	(36,050)
TOTAL ASSETS LESS CURRENT LIABILITIES		13,790	10,847
NON-CURRENT LIABILITY			
Deferred tax liabilities		4,589	4,545
NET ASSETS		9,201	6,302
EQUITY			
Share capital	17	75,032	75,032
Reserves	18	(65,831)	(68,730)
TOTAL EQUITY		9,201	6,302

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital HK$'000	Equity component of convertible notes HK$'000	General reserve fund HK$'000 (note 18(a))	Reserve funds HK$'000 (note 18(c))	Capital reserve HK$'000 (note 18(d))	Exchange translation reserve HK$'000	Property revaluation reserve HK$'000	Special capital reserve HK$'000 (note 18(b))	Accumulated losses HK$'000	Total HK$'000
At 1 January 2025 (Audited)	75,032	5,545 *	167,746 *	20,239 *	167,920 *	63,596 *	11,239 *	927 *	(493,183)*	19,061
Loss for the period (Unaudited)	–	–	–	–	–	–	–	–	(6,064)	(6,064)
Other comprehensive income for the period (Unaudited):										
– Surplus on revaluation of buildings, net of tax	–	–	–	–	–	–	681	–	–	681
– Exchange differences on translation of foreign operations	–	–	–	–	–	386	–	–	–	386
Total comprehensive income/(expenses) for the period (Unaudited)	–	–	–	–	–	386	681	–	(6,064)	(4,997)
Transfer from property revaluation reserve to accumulated losses (Unaudited)	–	–	–	–	–	–	(861)	–	861	–
Transfer to accumulated losses in accordance with the undertaking (Unaudited)	–	–	–	–	–	–	–	(233)	233	–
At 30 June 2025 (Unaudited)	75,032	5,545 *	167,746 *	20,239 *	167,920 *	63,982 *	11,059 *	694 *	(498,153)*	14,064
At 1 January 2026 (Audited)	75,032	5,545 *	167,746 *	20,239 *	167,920 *	63,723 *	10,959 *	547 *	(505,409)*	6,302
Loss for the period (Unaudited)	–	–	–	–	–	–	–	–	(665)	(665)
Other comprehensive income/(expenses) for the period (Unaudited):										
– Surplus on revaluation of buildings, net of tax	–	–	–	–	–	–	867	–	–	867
– Exchange differences on translation of foreign operations	–	–	–	–	–	(46)	–	–	–	(46)
– Exchange differences reclassified to profit or loss upon deregistration of a subsidiary	–	–	–	–	–	2,743	–	–	–	2,743
Total comprehensive income/(expenses) for the period (Unaudited)	–	–	–	–	–	2,697	867	–	(665)	2,899
Transfer from property revaluation reserve to accumulated losses (Unaudited)	–	–	–	–	–	–	(978)	–	978	–
Transfer to accumulated losses in accordance with the undertaking (Unaudited)	–	–	–	–	–	–	–	(547)	547	–
At 30 June 2026 (Unaudited)	**75,032**	**5,545 ***	**167,746 ***	**20,239 ***	**167,920 ***	**66,420 ***	**10,848 ***	**–**	**(504,549)***	**9,201**

* These reserve accounts comprise the consolidated deficit reserves of approximately HK$65,831,000 (31 December 2025: HK$68,730,000) in the condensed consolidated statement of financial position as at 30 June 2026.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(881)**	(6,277)
Adjustments for:		
Finance costs	**308**	209
Finance income	**(15)**	(8)
Gains on disposal of property, plant and equipment	**(362)**	(527)
Depreciation of property, plant and equipment	**1,588**	1,759
Depreciation for right-of-use assets	**152**	146
Reversal of provision for inventories	**(6,135)**	(5,101)
Gain on deregistration of a subsidiary	**(4,974)**	–
Reversal of impairment on trade receivables	**(1,171)**	(1,738)
Impairment on items of plant and equipment	**2,829**	1,089
Reversal of accruals and payables	**(870)**	(1,298)
Operating cash flows before working capital changes	**(9,531)**	(11,746)
Change in inventories	**10,008**	10,777
Change in receivables, prepayments and deposits	**(2,379)**	1,663
Change in trade and bills payables	**(5,833)**	(2,370)
Change in other payables, accruals and provision	**631**	4,206
Cash (used in)/generated from operations	**(7,104)**	2,530
Interest received	**15**	8
Interest paid	**(308)**	(209)
Income tax paid	**(13)**	(2)
Net cash flows (used in)/generated from operating activities	**(7,410)**	2,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(1,554)**	(1,114)
Proceeds from disposal of property, plant and equipment	**362**	527
Change in pledged bank balances	**2,801**	(2,130)
Net cash flows generated from/(used in) investing activities	**1,609**	(2,717)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	**–**	(40)
Net cash flows used in financing activities	**–**	(40)

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(5,801)**	(430)
Cash and cash equivalents at beginning of period	**6,665**	3,419
Effect of foreign exchange rate changes, net	**223**	54
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,087**	3,043
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**1,087**	3,043

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Namyue Holdings Limited (the "Company") is a limited liability company incorporated in Hong Kong. The registered office and principal place of business of the Company is located at 29/F, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the processing and sale of semi-finished and finished leather, and subcontracted leather processing.

In the opinion of the directors of the Company (the "Directors"), as at the date of issue of these condensed consolidated financial statements, Nam Yue (Group) Company Limited, a company incorporated in Macao, is the immediate holding company of the Company; and 廣東南粵集團有限公司 (Guangdong Nam Yue Group Corporation Limited), which is established in the People's Republic of China (the "PRC" or "Mainland China"), is the ultimate holding company of the Company.

The condensed consolidated statement of financial position as at 30 June 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes of equity and the condensed consolidated statement of cash flows for the six-month period then ended, and notes to interim condensed consolidated financial statements (collectively defined as the "Interim Financial Information") of the Group were approved by the Board of Directors (the "Board") on 27 August 2026.

The financial information relating to the year ended 31 December 2025 that is included in this unaudited Interim Financial Information as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Chapter 622).

The Company's auditor has reported on those consolidated financial statements for the year ended 31 December 2025. The auditor's report was unqualified; include a reference to material uncertainty related to the going concern which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Chapter 622).

The Interim Financial Information are presented in Hong Kong dollars (the "HK$") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

This Interim Financial Information have been reviewed, not audited.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

Going Concern

The Group incurred a loss of approximately HK$665,000 for the six months ended 30 June 2026 and as at 30 June 2026, the Group had net current liabilities of approximately HK$34,108,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have been undertaking a number of plans and measures to improve the Group's liquidity and financial position, including:

(i) 南粵（集團）有限公司 (Nam Yue (Group) Company Limited), in which the immediate holding company has agreed to provide the Group with a financial support facility of RMB35,000,000 to ensure that the Group can settle its debts as they fall due and meet its normal operating requirements for the next 15 months commencing from 19 August 2026;

(ii) the Group had renewed the pledged bank facilities amounting to RMB35,000,000 up to April 2027 with Bank of Nanjing Co., Ltd. and had a bank borrowing amounting to RMB8,000,000 with Rural Commercial Bank Co., Ltd. up to June 2027 to finance daily operation;

(iii) the Directors continue to strengthen and implement a variety of measures to improve the working capital and cash flows of the Group, including closely monitoring the production costs, selling and distribution expenses, and general administrative and operating expenses; and

(iv) the Directors are actively seeking new business opportunities to achieve profitability and abundant working capital, and explore new sources of income.

Based on the cash flow projection of the Group and having taken into account the available financial resources of the Group and the above measures, the Directors consider that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future, and accordingly, are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these condensed consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group is in the process of making an assessment on the impact of these new standards and amendments to standards and preliminary results showed that their application is not expected to have material impact on the financial performance and the financial position of the Group except for the adoption of HKFRS 18 as mentioned below.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the condensed consolidated statement of profit or loss.

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognize transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

4. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Disclosures of level in fair value hierarchy:

Description	Fair value measurements using Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements:				
At 30 June 2026 (Unaudited)				
Debt investments at fair value through other comprehensive income ("DIFVOCI")				
Bills receivable	**–**	**1,804**	**–**	**1,804**
At 31 December 2025 (Audited)				
DIFVOCI				
Bills receivable	–	413	–	413

(b) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2026 and 31 December 2025:

The head of the finance department of the Group is responsible for determining the policies and procedures for the fair value measurement, including level 3 fair value measurements. The head of the finance department reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting for the year ending 31 December 2026 (year ended 31 December 2025: twice a year for interim and annual financial reporting).

Level 2 fair value measurements on bills receivable

Description	Valuation techniques	Inputs	Fair value As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Bills receivable	Discount cash flow	Discount rate	**1,804**	413

During the six months ended 30 June 2026 and year ended 31 December 2025, there were no changes in the valuation techniques used.

During the six months ended 30 June 2026 and year ended 31 December 2025, there was no transfer between Level 1, Level 2 or transfer into or out of Level 3.

5. OPERATING SEGMENT INFORMATION

No separate analysis of segment information is presented by the Group as over 90% of the Group's revenue, results and assets relate to the processing and sale of semi-finished and finished leather, and subcontracted leather processing in the PRC.

Information about major customers

The revenue from customers individually contributed over 10% of the consolidated revenue of the Group are as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**6,188**	N/A*
Customer B	**3,998**	4,024

* The revenue from Customer A contributed not more than 10% of the Group's revenue for the six months ended 30 June 2025, therefore the amount is not disclosed.

6. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of processed leather	**8,228**	13,435
Subcontracted leather processing	**23,674**	21,171
	31,902	34,606

Revenue is recognized when goods are transferred at a point in time to customers.

7. OTHER INCOME AND LOSSES, NET, AND OTHER OPERATING INCOME

(a) Other income and losses, net

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance income	**15**	8
Sale of scrap materials in Mainland China	**1,640**	1,023
Government grants	**-**	1
Gains on disposal of property, plant and equipment	**362**	527
Net exchange gains/(losses)	**2**	(11)
Others	**3**	173
Gain on deregistration of a subsidiary	**4,974**	–
	6,996	1,721

(b) Other operating income

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Reversal of impairment on trade receivables	**1,171**	1,738
Reversal of accruals and payables	**870**	1,298
	2,041	3,036

8. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank loans and discounting bills receivable to banks	**308**	207
Lease liabilities	**–**	2
	308	209

9. LOSS BEFORE TAX

The Group's loss before tax is stated after charging the following:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold*	**36,163**	39,238
Depreciation of property, plant and equipment	**1,588**	1,759
Depreciation for right-of-use assets	**152**	146
Impairment on items of plant and equipment	**2,829**	1,089
Reversal of provision for inventories*	**(6,135)**	(5,101)

* These items are included in "Cost of sales" on the face of the condensed consolidated statement of profit or loss.

10. INCOME TAX CREDIT

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil). Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Group – Mainland China		
Provision for the period	**3**	2
Deferred tax	**(219)**	(215)
	(216)	(213)

11. LOSS PER SHARE

The calculation of basic loss per share amounts is based on the loss for the period of approximately HK$665,000 (six months ended 30 June 2025: approximately HK$6,064,000) and the weighted average number of ordinary shares of 538,019,000 (six months ended 30 June 2025: 538,019,000) in issue during the six months ended 30 June 2026.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 in the calculation of diluted loss per share as there were no dilutive events during the six months ended 30 June 2026 and 2025.

12. DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

13. RECEIVABLES, PREPAYMENTS AND DEPOSITS

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Trade receivables	16,561	15,302
Bills receivables	1,804	413
Prepayments, deposits and other receivables	590	1,048
	18,955	16,763

The Group's trading terms with customers are mainly on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 150 days. Each customer has a maximum credit limit. The Group seeks to maintain tight control over its outstanding receivables in order to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The carrying amounts of trade and bills receivables approximate their fair values.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Within 3 months	16,378	13,273
3 to 6 months	558	571
6 to 12 months	346	156
1 to 2 years	576	3,755
2 to 3 years	4,217	3,384
Over 3 years	3,140	2,307
	25,215	23,446
Impairment	(6,850)	(7,731)
	18,365	15,715

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the date of receipt of goods, is as follows:

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Within 3 months	3,733	4,109
3 to 6 months	2,935	2,342
Over 6 months	10,576	9,306
Trade payables	17,244	15,757
Bills payables	–	9,118
	17,244	24,875

The trade payables of the Group are non-interest-bearing and are normally settled on terms of 90 days. The carrying amounts of trade and bills payables approximate their fair values.

15. OTHER PAYABLES, ACCRUALS AND PROVISION

The Group was accused of contravention of certain regulations under 中華人民共和國固體廢物污染環境防治法 (Law of the PRC on the Prevention and Control of Solid Waste Pollution)* during an inspection of 徐州市睢寧生態環境局 (Suining Ecological Environmental Bureau of Xuzhou City)* in November 2021 as a result of failure to maintain proper records of hazardous wastes produced and to make filings to the local authority, and improper transferral, handling and disposal of these materials. Included in other payables, accruals and provision, provision of approximately RMB5,738,000 (equivalent to approximately HK$6,606,000) (31 December 2025: RMB5,738,000 (equivalent to approximately HK$6,352,000)) was made for the penalty of violations, of which no penalties was paid during the period ended 30 June 2026 and the year ended 31 December 2025. Up to the approval date of these condensed consolidated financial statements, one (31 December 2025: one) summon with penalties of approximately RMB5,738,000 (equivalent to approximately HK$6,606,000) (31 December 2025: RMB5,738,000 (equivalent to approximately HK$6,352,000)) was received. The provision was determined based on the relevant rules and the legal opinion provided by the Group's legal counsel. In the opinion of the Directors, appropriate provision for the likely outcome was made as at 30 June 2026 and 31 December 2025.

* The name in English is not the official name but a translation for reference only.

16. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Effective interest rate (%)	Maturity	Amount HK$'000	Effective interest rate (%)	Maturity	Amount HK$'000
Unsecured						
Other bank borrowings	2.8%-3.1%	2026-2027	19,227	3.1%-3.5%	2026	19,264

The carrying amounts of the Group's interest-bearing bank borrowing approximate their fair values.

17. SHARE CAPITAL

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Issued and fully paid:		
538,019,000 (31 December 2025: 538,019,000) ordinary shares	75,032	75,032

18. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior periods are presented in the unaudited interim condensed consolidated statement of changes in equity.

(a) The general reserve fund of the Group is an undistributable reserve and may not be treated as realised profits.

On 25 November 1996, a court order confirming the reduction of the share premium account by approximately HK$133,349,000 was registered by the Registrar of Companies in Hong Kong and the credit arising therefrom was transferred to the general reserve fund against which goodwill arising on the acquisition of a subsidiary was eliminated in the consolidated financial statements. In the year ended 31 December 2002, there was a release of goodwill of approximately HK$133,349,000 in respect of impairment of an investment in a subsidiary relating to the goodwill arising from acquisition of that subsidiary in 1996.

Pursuant to a special resolution passed in the Company's extraordinary general meeting held on 23 January 1998 and confirmed by the Order of the High Court of the Hong Kong Special Administrative Region of the PRC (the "Court") dated 2 March 1998, the share premium account was reduced by the amount of approximately HK$34,397,000 and, as undertaken by the Company, a general reserve fund was credited in the books of accounts of the Company in the same amount for the purpose of setting off, in the consolidated financial statements of the Company and its subsidiaries, goodwill arising on consolidation in 1997. In 2000 and 2001, there was a release of goodwill of approximately HK$12,478,000 and HK$21,919,000, respectively, in respect of impairment of investments in subsidiaries relating to the goodwill arising from the acquisition of the subsidiaries in 1997.

18. RESERVES (CONTINUED)

(b) On 1 February 2011, a special resolution was passed by the shareholders of the Company for approving the reduction in share premium of the Company (the "Share Premium Reduction"). The purpose of the Share Premium Reduction is to reduce the credit standing to the share premium account of the Company to the extent of approximately HK$393,346,000 and to apply the credit arising from such reduction to eliminate the accumulated losses of the Company by the same amount.

On 22 March 2011, the Court made an order (the "Order") confirming the Share Premium Reduction. An office copy of the Order was registered with the Registrar of Companies in Hong Kong on 29 March 2011 (the "Effective Date") in accordance with Section 61 of the predecessor Hong Kong Companies Ordinance (Cap. 32). Accordingly, the Share Premium Reduction became effective immediately following the registration of the Order of the Court and the accumulated losses of the Company of approximately HK$393,346,000 were eliminated against the Company's share premium account.

In connection with the application for the Share Premium Reduction (the "Application"), the Company undertakes that in the event of the Company making any future recoveries of the assets identified in the Application for which provision for impairment in value or amortisation was made in the accounts of the Company between 31 December 2000 and 30 June 2010 (the "Assets"), beyond the written down values in the Company's accounts as at 30 June 2010, all such recoveries beyond that written down values up to an amount of HK$150,345,170 (the "Limit"), will be credited to a special capital reserve in the accounting records of the Company (the "Special Capital Reserve") and that so long as there shall remain outstanding any debt of or claim against the Company which, if the Effective Date was the date of the commencement of the winding up of the Company, would be admissible to proof in such winding up and the persons entitled to the benefit of such debts or claims shall not have agreed otherwise, such reserve shall not be treated as realised profits for the purposes of ss291, 297 and 299 of the new Hong Kong Companies Ordinance (Cap.622) of the Laws of the Hong Kong and shall (for so long as the Company shall remain a listed company) be treated as an undistributable reserve of the Company for the purposes of ss290 and 298 of the new Hong Kong Companies Ordinance (Cap.622) of the Laws of the Hong Kong, or any statutory re-enactments or modifications thereof provided that:

(1) the Company shall be at liberty to apply the Special Capital Reserve for the same purposes as a share premium account may be applied;

(2) the Limit in respect of the Special Capital Reserve may be reduced by the amount of any increase, after the Effective Date, in the amount standing to the credit of the share premium account of the Company as a result of the paying up of shares by the receipt of new consideration or the capitalisation of distributable profits;

(3) the Limit in respect of the Special Capital Reserve may be reduced upon the disposal or other realisation, after the Effective Date, of the Assets by the amount of the impairment in value and amortisation made in relation to such assets as at 30 June 2010 less such amount (if any) as credited to the Special Capital Reserve as a result of such disposal or realisation; and

18. RESERVES (CONTINUED)

(b) (CONTINUED)

(4) in the event that the amount standing to the credit of the Special Capital Reserve exceeds the Limit thereof after any reduction of such Limit pursuant to provisions (2) and/or (3) above, the Company shall be at liberty to transfer the amount of any such excess to the general reserves of the Company and the same shall become available for distribution.

During the six months ended 30 June 2026, additional provision for impairment of approximately HK$547,000 (six months ended 30 June 2025: approximately HK$233,000) was made for the Assets. This resulted in a transfer of approximately HK$547,000 from Special Capital Reserve to the accumulated losses (six months ended 30 June 2025: approximately HK$233,000).

During this period, due to the deregistration of Qingdao Nanhai Tannery Co.,Ltd（青島南海皮廠有限公司）(“Qingdao Tannery”), the Limit was reduced by the amount of the impairment in value and amortisation made in relation to Qingdao Tannery amount of HK$35,373,307 as at 30 June 2010.

The Limit as at 30 June 2026 was HK$114,900,663 (31 December 2025: HK$150,273,970) and the amount standing to the credit of the Group’s Special Capital Reserve as at 30 June 2026 was Nil (31 December 2025: HK$547,000).

(c) Pursuant to the relevant PRC laws and regulations, a portion of the profits of the Company’s subsidiaries which are established in Mainland China has been transferred to reserve funds which are restricted as to use.

(d) Capital reserve represents the capital contributions from the then immediate holding company.

19. COMMITMENTS

	As at 30 June 2026 *HK$’000* (Unaudited)	As at 31 December 2025 *HK$’000* (Audited)
Contracted but not provided for:		
Leasehold improvements	111	109
Plant and machinery	775	1,084
	886	1,193

20. RELATED PARTY TRANSACTION

Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Short term employee benefits	**341**	324
Post-employment benefits	**52**	134
Total compensation paid to key management personnel	**393**	458

21. DEREGISTRATION OF A SUBSIDIARY

Qingdao Tannery deregistered on 13 January 2026, as the ShanDong Administration for Market Regulation deemed Qingdao Tannery to be deregistered, in accordance with the relevant administrative measures for enterprises whose business licences had been revoked before 1 July 2004.

The net liabilities of Qingdao Tannery as at the date of deregistration were as follows:

	HK$'000
	(Unaudited)
Amount due from related companies	**40**
Trade payables	**(1,781)**
Other payables, accruals and provision	**(4,845)**
Amount due to a PRC joint venture partner	**(1,131)**
Net liabilities of deregistration	**(7,717)**
Release of foreign currency translation reserve of Qingdao Tannery	**2,743**
Gain on deregistration of a subsidiary	**(4,974)**

22. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited condensed consolidated financial statements were approved and authorised for issue by the Board on 27 August 2026.

Directors' Interests and Short Positions in Securities

As at 30 June 2026, to the knowledge of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV the Securities and Futures Ordinance (the "SFO")) which are required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive are taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Substantial Shareholders' Interests

As at 30 June 2026, so far as is known to any Director or the chief executive of the Company, the following persons (other than a Director or the chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	**Capacity/nature of interests**	**Number of ordinary shares held**	**Long/short position**	**Approximate percentage of interests held** *(Note 1)*
廣東南粵集團有限公司 (Guangdong Nam Yue Group Corporation Limited) *(Note 2)*	Interest in controlled corporation	279,769,880	Long position	52%
Guangdong Assets Management (BVI) No. 11 Limited *(Note 3)*	Interest in controlled corporation	279,769,880	Long position	52%
南粵（集團）有限公司 (Nam Yue (Group) Company Limited)	Beneficial owner	279,769,880	Long position	52%
廣東粵海控股集團有限公司 (Guangdong Holdings Limited) *(Note 4)*	Interest in controlled corporation	104,050,120	Long position	19.34%
GDH Limited	Beneficial owner	104,050,120	Long position	19.34%

Notes:

1. The approximate percentage of interests held was calculated on the basis of 538,019,000 ordinary shares of the Company in issue as at 30 June 2026.

2. The attributable interest which 廣東南粵集團有限公司 (Guangdong Nam Yue Group Corporation Limited) has in the Company is held through its 100% direct interest in Guangdong Assets Management (BVI) No. 11 Limited.

3. The attributable interest which Guangdong Assets Management (BVI) No. 11 Limited has in the Company is held through its 70% direct interest in 南粵（集團）有限公司 (Nam Yue (Group) Company Limited).

4. The attributable interest which 廣東粵海控股集團有限公司 (Guangdong Holdings Limited) has in the Company is held through its 100% direct interest in GDH Limited.

Save as disclosed above, as at 30 June 2026, so far as is known to any Director or the chief executive of the Company, there were no other persons who had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to section 336 of the SFO.

Corporate Governance and Other Information

CORPORATE GOVERNANCE CODE

In the opinion of the Directors of the Company, the Company had complied with the code provisions and, where appropriate, the applicable recommended best practices in the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2026, save for the deviation explained below:

Under the Code Provision C.2.1, there should be a clear division of responsibilities between the roles of chairman and chief executive officer, and that these two roles should be performed by separate individuals (the Company considers the term “chief executive officer” to have the same meaning as the Managing Director of the Company). Mr. Cai Binglong, the Chairman and Managing Director of the Company, has assumed both roles since his appointment as an Executive Director of the Company on 1 October 2025. Despite the deviation from the Code Provision C.2.1, Mr. Cai, with his extensive experience and knowledge in management and operation, will provide solid and continuous leadership to the Group.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry to all the Directors of the Company, all Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2026.

REVIEW OF INTERIM RESULTS

The unaudited interim results of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee of the Company and ZHONGHUI ANDA CPA Limited, the independent auditor of the Company.

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 on the Hong Kong Stock Exchange during the six months ended 30 June 2026.

By Order of the Board
Cai Binglong
Chairman and Managing Director

Hong Kong, 27 August 2026

南粵控股
NAMYUE HOLDINGS

NAMYUE HOLDINGS LIMITED
南粵控股有限公司