

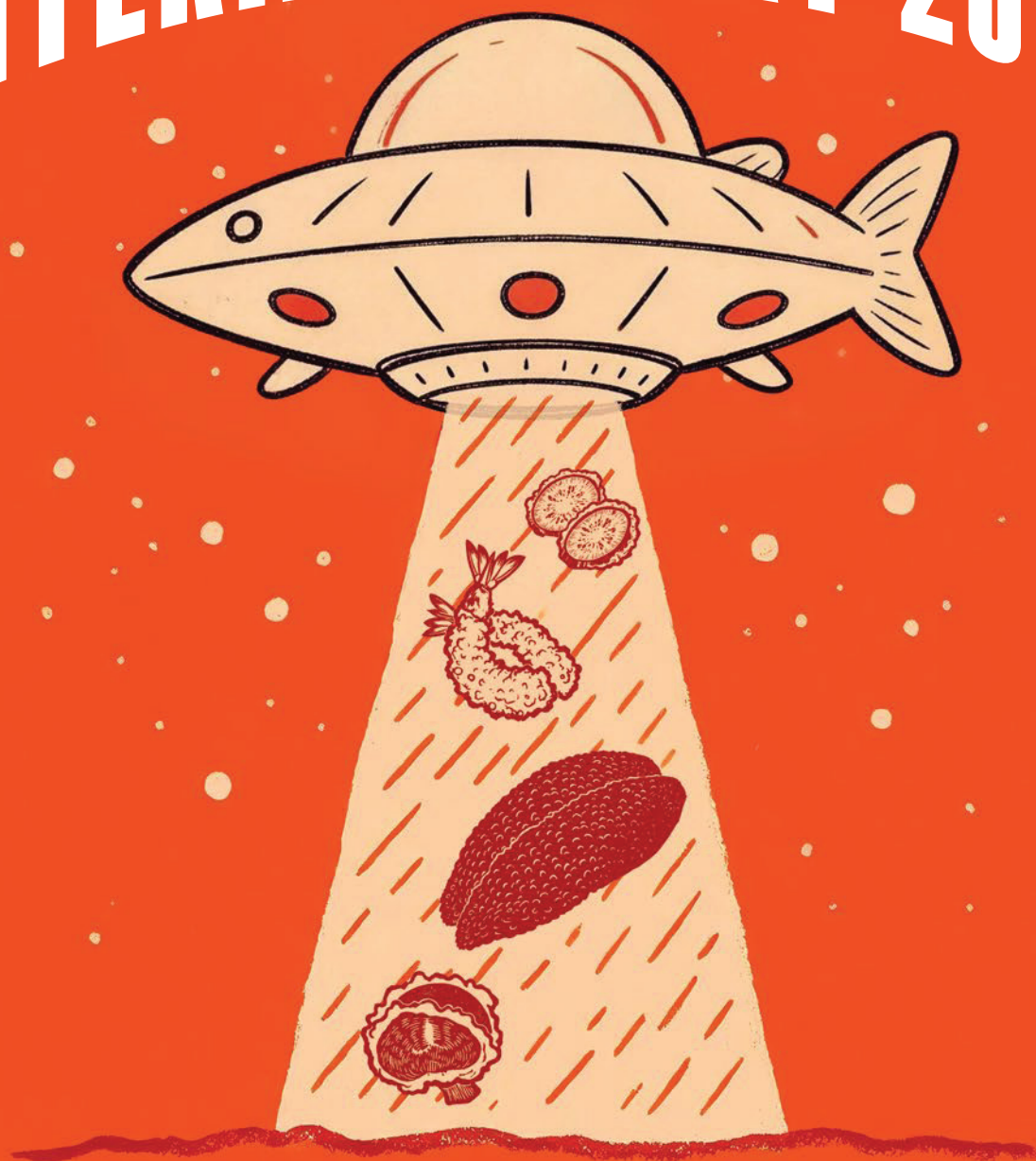


LHGROUP

叙福樓集團

The Mystery of Unidentified Delicious Object

INTERIM REPORT 2026



LH GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1978



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BOARD OF DIRECTORS

Executive Directors

Mr. Wong Kit Lung Simon *Prof, BBS, JP*
(Chairman and Chief Executive Officer)
Ms. Ko Sau Chee Grace *(Vice-Chairman)*

Independent non-executive Directors

Mr. Sin Yat Kin *GBS, CSDSM, JP*
Mr. Hung Wai Man *Prof, JP*
Mr. Mak Kam Chiu

AUDIT COMMITTEE

Mr. Mak Kam Chiu *(Chairman)*
Mr. Hung Wai Man *Prof, JP*
Mr. Sin Yat Kin *GBS, CSDSM, JP*

REMUNERATION COMMITTEE

Mr. Sin Yat Kin *GBS, CSDSM, JP (Chairman)*
Mr. Wong Kit Lung Simon *Prof, BBS, JP*
Mr. Mak Kam Chiu

NOMINATION COMMITTEE

Mr. Wong Kit Lung Simon *Prof, BBS, JP (Chairman)*
Ms. Ko Sau Chee Grace
Mr. Sin Yat Kin *GBS, CSDSM, JP*
Mr. Hung Wai Man *Prof, JP*
Mr. Mak Kam Chiu

COMPANY SECRETARY

Ms. Chan Hiu Yi *(ACG, HKACG, HKCGI*
Cert: ESG)

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

AUTHORISED REPRESENTATIVES

Ms. Chan Hiu Yi
Ms. Ko Sau Chee Grace

LEGAL ADVISER

ONC Lawyers
19th Floor, Three Exchange Square
8 Connaught Place
Central, Hong Kong

REGISTERED OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 03, L22, Tower 1
Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay, Kowloon
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong



CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
China Construction Bank (Asia) Corporation Limited
United Overseas Bank Limited

COMPANY WEBSITE

www.lhgroup.com.hk

STOCK CODE

1978

LISTING DATE

30 May 2018



FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026 HK\$ million	2025 HK\$ million
Revenue	506.5	540.5
Loss attributable to the Shareholders of the Company (“the Shareholders”)	(17.4)	(0.6)
Loss per share Basic and diluted (HK cents)	(2.18)	(0.08)
	30 June 2026	31 December 2025
Number of restaurants	62	61



BUSINESS REVIEW

LH Group Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) is a top full service multi-brand restaurant group in Hong Kong specialising in Asian (in particular Japanese) and Cantonese cuisine.

As at 30 June 2026, the Group operated a total of 62 restaurants in Hong Kong. Of these, 16 restaurants were under seven self-owned brands, namely “*Mou Mou Club* (牛涮鍋)”, “*Peace Cuisine* (和平飯店)”, “*Wing Wah Allday* (永華日常)”, “*Pot Master* (煲仔王)”, “*#HAP Taiwanese Hotpot* (好呷台灣火鍋)”, “*Shabu Days* (好鍋日子)” and “*SO MEEN* (敘 • 小麵)”. In addition, 4 restaurants were operated in collaboration with Twins Liangpi Limited under the brand *Twins Liangpi x KABU* (兩姊妹涼皮 x 株式會社). The remaining 42 restaurants were operated under six franchised brands, namely “*Gyu-Kaku* (牛角)”, “*Gyu-Kaku J* (牛角J)”, “*On-Yasai* (溫野菜)”, “*The Matcha Tokyo*”, “*Hikiniku To Come* (挽肉と米)” and “*Yamamoto Hamburg* (山本漢堡)”. The Group serves quality, value-for-money delicacies to diversified customer segments seeking a wide array of culinary experiences. The Group prides itself in the extensive market coverage of the Group’s brand portfolio, which allows the Group to tap into customer segments spanning across mid-to-high end market to mass market with different culinary preferences.

The following table sets forth the number of restaurants we operated as at the dates indicated.

	As at 30 June	
	2026	2025
Self-owned brands	20	20
Franchised brands	42	44
Total:	62	64

As at 30 June 2026, in respect of its overseas operations, the Group holds an investment in an associate, Gohan Concepts Pte. Ltd. (“**Gohan**”), which operates one store for “Hikiniku To Come” and one store for “Torikizoku”, respectively in Singapore. In addition, the Group has entered into a franchise agreement with Gohan for the operation of “Shabu Days”, under which one store has been opened in Singapore as at 30 June 2026.



FINANCIAL REVIEW

Revenue

In the first half of 2026, Hong Kong's retail and food & beverage sectors remained challenging due to intense price competition and changing consumer habits, despite a broader economic recovery. In response, we restructured our store network and operations, closing underperforming stores to focus resources on our most profitable assets. Due to these store closures and wider economic headwinds, the Group recorded a decline of approximately 6.3% or approximately HK\$34.0 million from approximately HK\$540.5 million for the six months ended 30 June 2025 (the “**Last Corresponding Period**”) to approximately HK\$506.5 million for the six months ended 30 June 2026 (the “**Period**”).

The number of restaurants under franchised brands decreased from 44 as at 30 June 2025 to 42 as at 30 June 2026, and the revenue from franchised brands decreased by approximately HK\$36.5 million or approximately 9.2%, from approximately HK\$396.4 million for the Last Corresponding Period to approximately HK\$359.9 million for the Period. Franchised brands remained as the main pillar of revenue, constituting approximately 71.1% of the total revenue of the Group for the Period (Last Corresponding Period: 73.4%).

The revenue from self-owned brands increased by approximately HK\$2.4 million or approximately 1.7% from approximately HK\$143.4 million for the Last Corresponding Period to approximately HK\$145.8 million for the Period.

Revenue by business segments is set out below:

	For the six months ended 30 June			
	2026		2025	
	Revenue HK\$'000	% of total Revenue (%)	Revenue HK\$'000	% of total Revenue (%)
Self-owned brands	145,817	28.8	143,358	26.5
Franchised brands	359,918	71.1	396,435	73.4
Sub-total of restaurant operations	505,735	99.9	539,793	99.9
Sale of food ingredients and others	720	0.1	667	0.1
Total	506,455	100.0	540,460	100.0



FINANCIAL REVIEW (continued)

Other income and gains

The Group's other income and gains decreased by approximately 8.9%, or approximately HK\$0.2 million, from approximately HK\$2.0 million for the Last Corresponding Period to approximately HK\$1.8 million for the Period. Other income and gains mainly included promotion income from a credit card company of approximately HK\$1.7 million for the Period (Last Corresponding Period: approximately HK\$1.7 million).

Cost of food and beverages

The Group's cost of food and beverages decreased by approximately 2.1%, or approximately HK\$3.3 million, from approximately HK\$156.5 million for the Last Corresponding Period to approximately HK\$153.2 million for the Period. However, as a percentage of revenue, the cost rose slightly from 29.0% to approximately 30.2%. This was mainly driven by ongoing food inflation and higher import costs, which temporarily offset efforts to lower procurement costs.

Staff costs

The Group's staff cost decreased by approximately 6.5%, or approximately HK\$12.6 million, from approximately HK\$192.6 million for the Last Corresponding Period to approximately HK\$180.0 million for the Period. Staff cost as a percentage of revenue decreased slightly from approximately 35.6% for the Last Corresponding Period to approximately 35.5% for the Period. The percentage reduction reflected the Group's effective labor cost management and operational agility amidst a challenging revenue environment.

Depreciation of right-of-use assets, rental and related expenses

The Group's depreciation of right-of-use assets, rental and related expenses decreased by approximately 5.6%, or approximately HK\$5.0 million, from approximately HK\$89.0 million for the Last Corresponding Period to approximately HK\$84.1 million for the Period. The decrease reflected the lower net book value of right-of-use assets following the impairment loss recognised during the Period.

Loss attributable to Shareholders

Loss attributable to Shareholders for the Period increased by approximately HK\$16.8 million to HK\$17.4 million as compared to a loss attributable to Shareholders of HK\$0.6 million in the Last Corresponding Period. The increase in net loss was primarily attributable to revenue pressure resulting from sluggish consumption demand and the Group's strategic restructuring of its restaurant network, alongside ongoing proactive transformation initiatives. This was further compounded by one-off expenses incurred during the Period, mainly comprising write-offs of property, plant and equipment and forfeiture of rental deposits upon early termination of lease from store closures and impairment provisions for right-of-use assets and property, plant and equipment, as well as the Group's share of loss from an associated company, which is primarily due to initial start-up and pre-operating costs following its commencement of operations in May 2026.



LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its business with internally generated cash flows. As at 30 June 2026, the Group had cash and cash equivalents of approximately HK\$114.2 million (as at 31 December 2025: approximately HK\$140.0 million). Most bank deposits and cash were denominated in HK\$. The Group will continue to use the internally generated cash flows as a source of funding for future developments.

As at 30 June 2026, the Group's total current assets and current liabilities were approximately HK\$197.4 million (as at 31 December 2025: approximately HK\$217.1 million) and approximately HK\$259.1 million (as at 31 December 2025: approximately HK\$265.5 million) respectively, while the current ratio was about 0.8 times (as at 31 December 2025: about 0.8 times).

As at 30 June 2026, the gearing ratio of the Group was Nil (as at 31 December 2025: Nil) as it had no outstanding interest-bearing bank borrowings. The gearing ratio is calculated by total interest-bearing bank borrowings divided by total equity and multiplied by 100%.

The Group operates a conservative set of treasury policies to ensure that no unnecessary risks are taken with the Group's assets. During the Period, there was no investment in financial products or instruments other than cash or bank deposits were used.

SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group did not have any significant investments.

CAPITAL COMMITMENT

As at 30 June 2026, the Group's outstanding commitments were approximately HK\$5.0 million (as at 31 December 2025: The Group's outstanding capital commitments were approximately HK\$6.8 million). The outstanding capital commitments consist of leasehold improvements which are contracted, but not provided for, and will be fulfilled by the operating cash flow generated from ordinary business of the Group. Save as disclosed above, the Group had no other capital commitment as at 30 June 2026.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had contingent liabilities of approximately HK\$2.7 million (as at 31 December 2025: approximately HK\$2.7 million) in respect of bank guarantee given in favour of the landlord in lieu of rental deposit.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENT

Save for those disclosed in this report, the Group had not entered into any off-balance sheet transactions as at the date of this report and had no other capital commitments or any specific plans for material investments or capital assets as at 30 June 2026.



MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

The Group had no material acquisition or disposal of subsidiaries, associates or joint ventures during the Period. Apart from those disclosed in this report, the Group has no plan for material investments or additions of capital assets as at 30 June 2026 and the date of this report.

CHARGES ON GROUP ASSETS

As at 30 June 2026, the Group did not have any charges on assets (2025: Nil).

CAPITAL STRUCTURE

There was no change in the capital structure of the Group during the Period. The capital of the Group only comprises ordinary shares. During the Period, the Company did not hold or did not sell any treasury shares (as defined under the Listing Rules).

EVENTS AFTER THE REPORTING PERIOD

No significant events occurred since the end of the Period and up to the date of this report which requires disclosure.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 1,605 employees (as at 31 December 2025: 1,521 employees). The remuneration of the employees is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. The remuneration of individual employee is reviewed regularly with reference to the employee's performance and qualifications.

The emoluments of the Directors are recommended by the remuneration committee of the Company, with reference to their respective contribution of time, effort and expertise on the Company's matters. The Company has adopted a share option scheme (the "**Share Option Scheme**") on 4 May 2018 to reward the participants defined thereunder for their contribution to the Group's success and to provide them with incentives to further contribute to the Group. The Share Option Scheme has become effective on 30 May 2018. In addition, employees are entitled to performance and discretionary Chinese New Year bonuses. The Group would provide induction trainings for new employees and continuous trainings to existing employees regularly.



SHARE OPTION SCHEME

No share option was granted during the Period. Since the date of adoption of the Share Option Scheme on 4 May 2018 and up to 30 June 2026, there was no share option granted, exercised, outstanding, expired, cancelled or lapsed under the Share Option Scheme.

As at 1 January 2026 and 30 June 2026, the total number of share option available for grant under the scheme mandate of the Share Option Scheme are 80,000,000 share options and 80,000,000 share options, respectively, which represent 10% and 10% of the total number of issued shares as at 1 January 2026 and 30 June 2026, respectively. There was no service provider sub-limit under the Share Option Scheme during the Period.

FOREIGN EXCHANGE EXPOSURE

Most of the transactions of the Group are denominated in HK\$ and the Group is not exposed to any significant foreign exchange exposure. As at 30 June 2026, the Group did not have any foreign exchange investment and did not engage in any currency hedging transactions or enter into any hedging instruments. The Board would monitor the exposure to fluctuations in exchange rates so that the related risk would be controlled at an acceptable level.

PROSPECTS

In the first half of 2026, despite a broader economic recovery in Hong Kong, the local retail and food & beverage sectors continued to face profound fundamental shifts and intense price competition. Management recognizes that this is a huge challenge and deeply understands that “challenges are always accompanied by opportunities.” During the Period, we continued to execute a comprehensive restructuring of the Group’s store network and organizational structure. Confronting market realities head-on, we proactively closed a number of stores that failed to meet operational efficiency expectations in order to optimize our overall asset allocation.

Impacted by the aforementioned store restructuring and macroeconomic conditions, the Group recorded a decline in total revenue for the Period. However, owing to our early deployment and rigorous execution of various cost control measures, operational efficiency has improved. Excluding non-recurring items such as one-off store closure costs and asset impairments, the Group’s core operational losses remained at a manageable level. This reflects the Group’s resilience under adverse conditions, as well as early positive results from the management team’s efforts to balance immediate containment of loss while preserving our core competitiveness.

Looking ahead to the second half of 2026 and beyond, the survival-of-the-fittest dynamic in the dining market will persist. The Group will adopt an approach anchored on the doctrine of “defensive strategy, strengthening core fundamentals, and remaining agile to adapt” advancing steadily amidst a highly volatile market. While staying focused on consolidating these defensive foundations, we are actively introducing new brands to maintain strong cash flows and operational flexibility, ensuring we can respond swiftly to market changes.



PROSPECTS (continued)

Introducing and incubating premium Japanese dining brands remains a crucial strategic directive for the Group. Following the successful establishment of a stellar reputation in Hong Kong for “Hikiniku To Come (挽肉と米)”, the Group further strengthened its brand portfolio focused on “affordable luxury and experiential dining.” In February 2026, we successfully launched the Hong Kong flagship store of “Yamamoto Hamburg (山本漢堡)”, a well-known Japanese yoshoku brand, at the PopCorn shopping mall in Tseung Kwan O, offering consumers a warm, high-quality dining experience. Supported by precise market positioning and superior customer experiences, the brand’s second location expanded rapidly to The Wai in Tai Wai in June this year, generating a highly favorable market response that validates the effectiveness of this strategy in catering to local demand for refined dining experience.

While fortifying our foundation in the local market, we are actively looking abroad. During the Period, the Group achieved a major strategic breakthrough in international expansion by officially entering the Singapore market via a joint venture. Partnering with a leading local supermarket and food hall operator, we are co-developing and operating curated premium Japanese dining concepts in the region. Established in Singapore through an associate company, this strategic partnership successfully introduced the industry-renowned yakitori chain “Torikizoku (鳥貴族)” alongside the popular brand “Hikiniku To Come (挽肉と米)”, while launching the Group’s self-owned brand “Shabu Days (好鍋日子)” under a franchise model. The Group is actively exploring and broadening its geographic footprint. Moving forward, we will continue to uncover unmet market demands through various partnership structures, carefully advancing overseas operations to cultivate brand-new growth engines for the Group.

In addition, fully expanding the application of technology and artificial intelligence (“AI”) will serve as a core strategy for the Group. Embracing technology is fundamental to achieving high-quality development for both enterprises and individuals. The Group has already successfully deployed several internal AI platforms and automated intelligence tools, enhancing cross-departmental collaboration and management transparency. These capabilities empower decision-makers to identify risks faster, spot opportunities earlier, and make better-informed decisions. Enabled by technology and backed by disciplined operational management, the Group stands fully prepared to confront future challenges and capitalize on new opportunities in the next economic cycle.

DIVIDENDS

The Board resolved not to declare an interim dividend for the Period (Last Corresponding Period: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a sufficient public float of at least 25% of the issued shares of the Company for the Period and up to the date of this report under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).



CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

For the Period, save for the deviation from code provision C.2.1 of the CG Code, which is explained in the paragraph below, the Board considers that the Company has in all material respects complied with all the code provisions of the CG Code and adopted most of the best practices set out therein.

Pursuant to code provision C.2.1 of the CG Code, the roles of the Chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Wong Kit Lung Simon (“**Mr. Wong**”) currently holds both positions. Mr. Wong has been the key leadership figure of the Group who has been primarily involved in the formulation of business strategies and determination of the overall direction of the Group. He has also been chiefly responsible for the Group’s operations as he directly supervises the senior management of the Group. Taking into account the continuation of the implementation of the business plans, the Directors (including the independent non-executive Directors) considered Mr. Wong as the best candidate for both positions and such arrangement is beneficial to and in the interests of the Group and the Shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises two executive Directors (including Mr. Wong) and three independent non-executive Directors and therefore has a strong independence element in its composition. The Board would continue to periodically review the effectiveness of this arrangement to ensure its alignment with the needs of the Group.

MODEL CODE FOR 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 securities transactions of the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standards as set out in the Model Code for the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities or engaged in sale of treasury shares (as defined under the Listing Rules) of the Company for the Period.

During the Period, the Company did not hold or sell any treasury shares (as defined under the Listing Rules).



AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) which comprises three independent non-executive Directors, namely Mr. Mak Kam Chiu (Chairman), Mr. Hung Wai Man and Mr. Sin Yat Kin. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process, to develop and review the policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has held meetings to discuss the financial reporting process, internal control and risk management system of the Group, including the review of the unaudited interim results and the unaudited interim condensed consolidated financial information of the Group for the Period.

The unaudited condensed consolidated interim results of the Group for the Period have not been audited or reviewed by the Company’s auditor but have been reviewed by the Audit Committee and the management of the Company.

CHANGE IN DIRECTOR’S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Mr. Sin Yat Kin, the independent non-executive Director, was awarded the Gold Bauhinia Star (GBS) by the Government of the Hong Kong Special Administrative Region with effect from 1 July 2026, in addition to his previous award of the Silver Bauhinia Star (SBS) in 2014.

Save as disclosed above and in this interim report, there has been no change in the Directors’ information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(i) Interest in the Company

As at 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Name of Director	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding in the Company (%)	Long position/ Short position
Mr. Wong Kit Lung Simon ⁽²⁾	Interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾
Ms. Ko Sau Chee Grace ⁽²⁾	Interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(i) Interest in the Company (continued)

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company (the "**Shares**").
- (2) Mr. Wong Kit Lung Simon, Mr. Ko Cheuk Kuen, Mr. Wong Yiu Hung, Mr. Liu Kai Ming, Mr. Liu Chi Hung Peter, Mr. Lau Kwong Kwan, Hop Kwan Holdings Limited ("**Hop Kwan**") and Ms. Ko Sau Chee Grace are parties acting in concert (having the meaning ascribed to it under the Hong Kong Codes on Takeovers and Mergers and Share Repurchases (the "**Takeovers Code**"). Under the SFO, Mr. Lam Kwan Ying and Ms. Chan Wai Chun are deemed or taken to be interested in the shares to be held by Hop Kwan. As such, Mr. Wong Kit Lung Simon, Mr. Ko Cheuk Kuen, Mr. Wong Yiu Hung, Mr. Liu Kai Ming, Mr. Liu Chi Hung Peter, Mr. Lau Kwong Kwan, Hop Kwan, Mr. Lam Kwan Ying, Ms. Chan Wai Chun and Ms. Ko Sau Chee Grace will for the purpose of the SFO together through LHG Holdings Limited ("**LHG Holdings**") control 75% of the entire share capital of the Company.

(ii) Interest in the associated corporation

Name of Director	Position in the Company	Name of associated corporation	Number of Shares held	Approximate percentage of shareholding (%)
Mr. Wong Kit Lung Simon	Executive Director	LHG Holdings	290,358	29.03%
Ms. Ko Sau Chee Grace	Executive Director	LHG Holdings	100,100	10.01%

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be 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 they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, within the knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (%)	Long position/ Short position/ Lending pool
LHG Holdings ⁽²⁾	Beneficial owner	600,000,000	75%	L ⁽¹⁾
Mr. Ko Cheuk Kuen ⁽⁶⁾	Interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾
Mr. Wong Yiu Hung ⁽⁶⁾	Interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾
Mr. Liu Kai Ming ⁽⁶⁾	Interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾
Mr. Liu Chi Hung Peter ⁽⁶⁾	Interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾
Mr. Lau Kwong Kwan ⁽⁶⁾	Interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾
Hop Kwan ⁽³⁾⁽⁶⁾	Interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)**

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (%)	Long position/ Short position/ Lending pool
Mr. Lam Kwan Ying ⁽³⁾⁽⁴⁾⁽⁶⁾	Interest of spouse; interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾
Ms. Chan Wai Chun ⁽³⁾⁽⁵⁾⁽⁶⁾	Interest of spouse; interest held jointly with other persons; interest in a controlled corporation	600,000,000	75%	L ⁽¹⁾

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) LHG Holdings is an investment-holding company incorporated in the British Virgin Islands and owned as to 29.03%, 2.99%, 10.01%, 11.99%, 11.99%, 11.99% and 10.01% by Mr. Wong Kit Lung Simon, Mr. Wong Yiu Hung, Mr. Ko Cheuk Kuen, Mr. Liu Kai Ming, Mr. Liu Chi Hung Peter, Mr. Lau Kwong Kwan, Hop Kwan and Ms. Ko Sau Chee Grace respectively.
- (3) Mr. Lam Kwan Ying and Ms. Chan Wai Chun each owns 18.33% and 68.33% of Hop Kwan respectively and therefore under the SFO, Mr. Lam Kwan Ying and Ms. Chan Wai Chun are deemed or taken to be interested in the Shares to be held by Hop Kwan.
- (4) Mr. Lam Kwan Ying is the spouse of Ms. Chan Wai Chun and is deemed or taken to be interested in all the Shares in which Ms. Chan Wai Chun has, or is deemed to have, an interest for the purpose of the SFO.
- (5) Ms. Chan Wai Chun is the spouse of Mr. Lam Kwan Ying and is deemed or taken to be interested in all the Shares in which Mr. Lam Kwan Ying has, or is deemed to have, an interest for the purpose of the SFO.
- (6) Mr. Wong Kit Lung Simon, Mr. Ko Cheuk Kuen, Mr. Wong Yiu Hung, Mr. Liu Kai Ming, Mr. Liu Chi Hung Peter, Mr. Lau Kwong Kwan, Hop Kwan and Ms. Ko Sau Chee Grace are parties acting in concert (having the meaning ascribed to it under the Takeovers Code). Under the SFO, Mr. Lam Kwan Ying and Ms. Chan Wai Chun are deemed or taken to be interested in the shares to be held by Hop Kwan. As such, Mr. Wong Kit Lung Simon, Mr. Ko Cheuk Kuen, Mr. Wong Yiu Hung, Mr. Liu Kai Ming, Mr. Liu Chi Hung Peter, Mr. Lau Kwong Kwan, Hop Kwan, Mr. Lam Kwan Ying, Ms. Chan Wai Chun and Ms. Ko Sau Chee Grace will for the purpose of the SFO together through LHG Holdings control 75% of the entire share capital of the Company.

Save as disclosed above, as at 30 June 2026, the Directors are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
	Notes		
Revenue	4	506,455	540,460
Other income and gains	5	1,833	2,012
Cost of food and beverages		(153,181)	(156,491)
Staff costs		(180,027)	(192,620)
Depreciation and amortisation		(19,452)	(20,296)
Depreciation of right-of-use assets, rental and related expenses	6	(84,057)	(89,016)
Fuel and utility expenses		(15,394)	(15,712)
Advertising and marketing expenses		(4,755)	(3,860)
Other operating expenses		(56,464)	(52,850)
Provision for impairment of property, plant and equipment		(1,912)	(1,459)
Provision for impairment of right-of-use assets		(3,813)	(6,522)
Finance income	7	583	1,272
Finance costs	7	(8,663)	(7,733)
Share of loss from investment in an associate	12	(1,732)	—
Loss before taxation	9	(20,579)	(2,815)
Income tax credit	8	3,059	2,168
Loss for the period		(17,520)	(647)
Loss for the period attributable to:			
— Shareholders of the Company		(17,414)	(633)
— Non-controlling interests		(106)	(14)
		(17,520)	(647)
Loss per share			
Basic and diluted	10	HK(2.18) cents	HK(0.08) cents



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Notes			
	Loss for the period	(17,520)	(647)
	Other comprehensive loss		
	— Currency translation difference	(39)	—
	Total comprehensive loss for the period	(17,559)	(647)
	Attributable to:		
	— Shareholders of the Company	(17,453)	(633)
	— Non-controlling interests	(106)	(14)
		(17,559)	(647)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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As at 30 June 2026

	Notes	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13(a)	116,388	123,941
Right-of-use assets	13(b)	283,015	241,737
Interest in an associate	12	3,629	—
Investment properties		10,918	11,177
Intangible assets		2,010	2,059
Rental and utilities deposits	14	40,677	49,242
Prepayments for purchase of property, plant and equipment	14	5,848	3,416
Deferred income tax assets		56,100	47,938
		<u>518,585</u>	<u>479,510</u>
CURRENT ASSETS			
Inventories		18,653	17,319
Trade receivables	14	6,780	6,937
Prepayments, deposits and other receivables	14	54,943	48,874
Tax recoverable		2,875	3,978
Cash and cash equivalents		114,198	140,024
		<u>197,449</u>	<u>217,132</u>
Total assets		716,034	696,642



As at 30 June 2026

		As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
	Notes		
EQUITY			
Equity and reserves attributable to the Shareholders of the Company			
Share capital	15	80,000	80,000
Share premium		122,781	122,781
Reserves		14,329	31,782
		<u>217,110</u>	<u>234,563</u>
Non-controlling interests		(112)	(6)
Total equity		<u>216,998</u>	<u>234,557</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Provision for reinstatement costs	16	17,065	14,500
Lease liabilities	13(b)	216,748	178,087
Deferred income tax liabilities		6,137	4,008
		<u>239,950</u>	<u>196,595</u>
CURRENT LIABILITIES			
Trade payables	16	38,920	50,964
Other payables and accruals	16	97,797	100,176
Contract liabilities	16	22,142	22,850
Tax payable		3,739	1,195
Lease liabilities	13(b)	96,488	90,305
		<u>259,086</u>	<u>265,490</u>
Total liabilities		<u>499,036</u>	<u>462,085</u>
Total equity and liabilities		<u>716,034</u>	<u>696,642</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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For the six months ended 30 June 2026

(Unaudited)	Attributable to Shareholders of the Company					Non-	Total
	Share Capital HK\$'000	Share Premium HK\$'000	Retained Earnings HK\$'000	Other Reserves HK\$'000	Exchange Reserve HK\$'000	Controlling Interests HK\$'000	
Balance as at 1 January 2026	80,000	122,781	4,163	27,619	—	(6)	234,557
Loss for the Period	—	—	(17,414)	—	—	(106)	(17,520)
Other comprehensive loss:							
Currency translation difference	—	—	—	—	(39)	—	(39)
Total comprehensive loss for the Period	—	—	(17,414)	—	(39)	(106)	(17,559)
Balance as at 30 June 2026	80,000	122,781	(13,251)	27,619	(39)	(112)	216,998

(Unaudited)	Attributable to Shareholders of the Company					Non-	Total
	Share Capital HK\$'000	Share Premium HK\$'000	Retained Earnings HK\$'000	Other Reserves HK\$'000	Controlling Interests HK\$'000		
Balance as at 1 January 2025	80,000	122,781	2,465	27,619	—		232,865
Capital contribution by a non-controlling interest	—	—	—	—	40		40
Loss and total comprehensive loss for the Period	—	—	(633)	—	(14)		(647)
Balance as at 30 June 2025	80,000	122,781	1,832	27,619	26		232,258



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	55,545	57,131
Interest received	385	112
Hong Kong profits tax refunded/(paid), net	673	(7,228)
Net cash flows generated from operating activities	56,603	50,015
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(17,115)	(21,551)
Purchase of intangible asset	(195)	(825)
Interest received	198	629
Initial capital injection of an associate	(5,400)	—
Net cash flows used in investing activities	(22,512)	(21,747)
CASH FLOWS FROM FINANCING ACTIVITIES		
Investment from non-controlling interest	—	40
Principal elements of lease payments	(59,917)	(72,858)
Net cash flows used in financing activities	(59,917)	(72,818)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(25,826)	(44,550)
Cash and cash equivalents at the beginning of the period	140,024	144,810
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	114,198	100,260



1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 9 June 2017 as an exempted company with limited liability under the Companies Act of the Cayman Islands and its shares have been listed (the “**Listing**”) on the Main Board of the Stock Exchange since 30 May 2018 (the “**Listing Date**”). The address of the Company’s registered office is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged as full-service restaurants operator serving Asian (in particular Japanese) and Cantonese cuisine in Hong Kong.

The unaudited condensed consolidated interim financial information is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated, and has been approved for issue by the Board on 27 August 2026.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Listing Rules. The Group’s unaudited condensed consolidated interim financial information should be read in conjunction with the Company’s annual report for the year ended 31 December 2025 (the “**2025 Annual Report**”).

The Group’s current liabilities exceeded its current assets by approximately HK\$61,637,000 as at 30 June 2026 (31 December 2025: HK\$48,358,000). The Group was in a net current assets position of approximately HK\$56,993,000 (31 December 2025: HK\$64,797,000) by taking out lease liabilities of approximately HK\$96,488,000 and contract liabilities of approximately HK\$22,142,000 (31 December 2025: HK\$90,305,000 and HK\$22,850,000) respectively. As at 30 June 2026, the Group had cash and cash equivalents of approximately HK\$114,198,000 (31 December 2025: HK\$140,024,000) and no external borrowings. The Directors of the Company have reviewed the Group’s cash flow projections, which cover a period of not less than twelve months from 30 June 2026. The Directors are of the opinion that, taking into account the anticipated cash flows generated from the Group’s operations as well as the possible changes in its operating performance, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 30 June 2026. We have not identified any material uncertainties related to the Group’s ability to continue going concern. Accordingly, these unaudited condensed consolidated interim financial information have been prepared on a going concern basis.

The preparation of the unaudited condensed consolidated 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. In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2025 Annual Report, except as stated below.

Income tax expense is recognised based on management’s estimate of the weighted average effective annual income tax rate expected for the full financial year.



3. ACCOUNTING POLICIES

The accounting policies and methods of computation used in preparing the unaudited condensed consolidated interim financial information are consistent with those followed in preparing the 2025 Annual Report, except for the adoption of the following amended Hong Kong Financial Reporting Standards (“**HKFRSs**”) and HKASs (collectively “**new HKFRSs**”) as set out below.

(a) Amended standards adopted by the Group

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2026 and have been adopted in the preparation of the condensed consolidated interim financial information:

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

The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

The Group has not adopted any new or amended standards or interpretations that are not yet effective during the six months ended 30 June 2026.

(b) New standards, amendments to standards and interpretation not yet adopted

		Effective for annual periods beginning on or after
HKFRS 18 and Hong Kong Interpretation 5	Presentation and Disclosure in Financial Statement	1 January 2027
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and subsequent amendments in October 2025	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined



3. ACCOUNTING POLICIES (continued)

(b) New standards, amendments to standards and interpretation not yet adopted (continued)

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

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the consolidated results or the consolidated financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue, which is also the Group's turnover, represents amounts received and receivable from the operation of restaurants and sales of food ingredients and others in Hong Kong, net of discount. An analysis of revenue is as follows:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Recognised at a point in time:		
Restaurant operations	505,735	539,793
Sale of food ingredients and others	720	667
	506,455	540,460



4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment information

The Directors, who are the chief operating decision makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the Directors that are used to make strategic decisions.

The Group is principally engaged in the operation of restaurant chains and sales of food ingredients in Hong Kong. Management reviews the operating results of the business of major cuisine and sale of food ingredients and others which the Group operates to make decisions about resources to be allocated.

The Group has the following reporting segments:

- | | |
|---|--|
| (a) Self-owned brands | Operation of restaurants under the self-owned brands including "Mou Mou Club", "Peace Cuisine", "Wing Wah Allday", "Pot Master" and "#HAP Taiwanese Hotpot", "Shabu Days", "SO MEEN", and "Twins Liangpi x KABU" |
| (b) Franchised brands | Operation of restaurants under the franchised "Gyu-Kaku", "Gyu-Kaku J", "On-Yasai", "The Matcha Tokyo", "Hikiniku To Come" and "Yamamoto Hamburg" brands |
| (c) Sale of food ingredients and others | Sale of food ingredients to related parties and external third parties and other business |

Segment revenue and segment (loss)/profit are the measures reported to the Directors for the purpose of resources allocation and performance assessment. Segment (loss)/profit, which is a measure of adjusted loss before tax, is measured consistently with the Group's loss before tax except that unallocated finance income and unallocated cost are excluded from this measurement.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade receivables, prepayments, deposits and other receivables. They exclude property, plant and equipment, right-of-use assets, prepayments, deposits and other receivables and cash and cash equivalents for general use, interest in an associate, investment properties, deferred income tax assets and tax recoverable.

Segment liabilities consist primarily of trade payables, contract liabilities, lease liabilities and other payables and accruals. They exclude other payables and accruals for general use, tax payable and deferred income tax liabilities.

All operating entities of the Group are domiciled in Hong Kong. All of the Group's revenue are derived in Hong Kong. As at 30 June 2026 and 31 December 2025, all of non-current assets of the Group are located in Hong Kong except interest in an associate.



4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

An analysis of the Group's revenue, loss before taxation and depreciation and amortisation for the six months ended 30 June 2026 and 2025 and segment assets and liabilities as at 30 June 2026 and 31 December 2025 is as follows:

(Unaudited)	For the six months ended 30 June 2026			
	Self-owned brands HK\$'000	Franchised brands HK\$'000	Sale of food ingredients and others HK\$'000	Total HK\$'000
Segment revenue				
Revenue	145,817	359,918	45,525	551,260
Inter-segment revenue	—	—	(44,805)	(44,805)
External revenue	145,817	359,918	720	506,455
Segment (loss)/profit	(9,046)	31,943	(591)	22,306
Segment (loss)/profit include				
Depreciation and amortisation	(5,717)	(11,816)	(675)	(18,208)
Depreciation of right-of-use assets	(12,647)	(37,388)	—	(50,035)
Provision for impairment	(5,725)	—	—	(5,725)
Segment profit				22,306
Unallocated depreciation and amortisation				(1,244)
Unallocated depreciation of right-of-use assets				(2,130)
Unallocated costs				(37,610)
Unallocated share of loss from investment in an associate				(1,732)
Unallocated finance income				447
Unallocated finance costs				(616)
Loss before taxation				(20,579)
(Unaudited)	As at 30 June 2026			
Segment assets	120,661	331,813	100,046	552,520
Segment liabilities	(113,575)	(300,765)	(9,552)	(423,892)



4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

(Unaudited)	For the six months ended 30 June 2025			
	Self-owned brands HK\$'000	Franchised brands HK\$'000	Sale of food ingredients and others HK\$'000	Total HK\$'000
Segment revenue				
Revenue	143,358	396,435	44,481	584,274
Inter-segment revenue	—	—	(43,814)	(43,814)
External revenue	143,358	396,435	667	540,460
Segment (loss)/profit	(1,342)	34,611	(1,864)	31,405
Segment (loss)/profit include				
Depreciation and amortisation	(5,584)	(12,829)	(697)	(19,110)
Depreciation of right-of-use assets	(12,926)	(42,311)	—	(55,237)
Provision for impairment	—	(7,981)	—	(7,981)
Segment profit				31,405
Unallocated depreciation and amortisation				(1,186)
Unallocated depreciation of right-of-use assets				(2,116)
Unallocated costs				(31,546)
Unallocated finance income				702
Unallocated finance costs				(74)
Loss before taxation				(2,815)
(Audited)	As at 31 December 2025			
Segment assets	158,302	262,710	58,772	479,784
Segment liabilities	(124,905)	(261,100)	(16,959)	(402,964)



4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

A reconciliation of segment assets to the Group's total assets is as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Segment assets	552,520	479,784
Unallocated assets	163,514	216,858
	<u>716,034</u>	<u>696,642</u>

A reconciliation of segment liabilities to the Group's total liabilities is as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Segment liabilities	423,892	402,964
Unallocated liabilities	75,144	59,121
	<u>499,036</u>	<u>462,085</u>

5. OTHER INCOME AND GAINS

	Six months ended 30 June 2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Promotion income from a credit card company	1,650	1,650
Sundry income	183	362
	<u>1,833</u>	<u>2,012</u>



6. DEPRECIATION OF RIGHT-OF-USE ASSETS, RENTAL AND RELATED EXPENSES

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Depreciation of right-of-use assets	52,165	57,353
Property rentals and related expenses	31,892	31,663
	84,057	89,016

7. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Interest income from bank deposits	583	741
Finance income on financial assets	—	531
Finance income	583	1,272
Finance costs on lease liabilities	(7,790)	(7,733)
Finance costs on financial assets	(873)	—
Finance costs	(8,663)	(7,733)

8. TAXATION

Hong Kong profits tax has been provided on the estimated assessable profits at a rate of 16.5% for the six months ended 30 June 2026 (2025: 16.5%), except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2025: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%).



8. TAXATION (continued)

The major components of the income tax credit are as follows:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Hong Kong profits tax		
Current income tax	2,974	2,750
Over-provision in prior years	—	(918)
Deferred income tax	(6,033)	(4,000)
Income tax credit	(3,059)	(2,168)

9. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the followings:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	18,949	19,824
Depreciation of right-of-use assets	52,165	57,353
Depreciation of investment properties	259	260
Amortisation of intangible assets	244	212
Loss on disposal of property, plant and equipment	3,950	—
Forfeiture of rental deposits upon termination of lease	1,071	—
Lease payments under operating leases in respect of land and buildings:		
— Short term lease payments	3,665	1,776
— Contingent rental	1,631	1,997
	5,296	3,773
Employee benefit expenses:		
Salaries, bonuses and other allowances	172,996	184,638
Retirement benefit scheme contributions	7,031	7,982
	180,027	192,620
Auditors' remuneration:		
— Audit services	1,101	1,136
— Non-audit services	430	425



10. LOSS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

(a) Basic

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

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Loss attributable to the Shareholders of the Company (HK\$'000)	(17,414)	(633)
Weighted average number of ordinary shares in issue ('000)	800,000	800,000
Loss per share (HK cents)	(2.18)	(0.08)

(b) Diluted

Diluted loss per share for the six months ended 30 June 2026 and 2025 are the same as the basic loss per share as there were no potentially dilutive ordinary shares issued.

11. DIVIDENDS

The Board did not propose an interim dividend for the six months ended 30 June 2026 (For the six months ended 30 June 2025: Nil).



12. INTEREST IN AN ASSOCIATE

Details of the Group's investment in an associate are as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Cost of investment in an associate	5,400	—
Share of loss for the Period	(1,732)	—
Currency translation difference	(39)	—
	<u>3,629</u>	<u>—</u>

Details of the Group's associate as at the end of reporting period are as follows:

Name of associate	Place of incorporation/ principal place of business	Proportion of ownership interest held by the Group As at 30 June		Principal activity
		2026	2025	
Gohan Concepts Pte. Ltd. ("Gohan")	Singapore	29.4%	N/A	Restaurants operation

In May 2026, the Group, through its non-wholly owned subsidiary BHAG HK Limited, in which the Group holds a 60% equity interest, acquired a 49% equity interest in Gohan from an independent third party, FairPrice Group Food Services Pte. Ltd. (the "**FairPrice Group**"). As at 30 June 2026, the proportion of ownership interest is the same as the proportion of voting rights held.

During the period ended 30 June 2026, the total investment capital injected by BHAG HK Limited into Gohan amounted to approximately Singapore dollar 1.5 million equivalent to approximately HK\$9.0 million, of which HK\$5.4 million reflects the Group's pro-rata contribution.

The associate is accounted for using the equity method in the consolidated financial statements.

The share of loss for the Period from the associate mainly reflects initial start-up and pre-operating costs, given that the associate commenced operations in May and had only been operating for a limited timeframe during the reporting period.



13(a).PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Restaurant and kitchen equipment HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
(Audited)							
At 31 December 2025							
Cost	51,452	194,465	169,775	14,166	7,978	4,959	442,795
Accumulated depreciation	(17,781)	(143,102)	(126,074)	(13,539)	(4,618)	(3,978)	(309,092)
Accumulated impairment	—	(5,430)	(4,060)	(272)	—	—	(9,762)
Net carrying amount	33,671	45,933	39,641	355	3,360	981	123,941
(Unaudited)							
Period ended 30 June 2026							
Opening net book amount	33,671	45,933	39,641	355	3,360	981	123,941
Additions	—	9,272	4,872	889	2,225	—	17,258
Disposals	—	(2,258)	(1,633)	(59)	—	—	(3,950)
Depreciation	(802)	(9,180)	(7,648)	(437)	(665)	(217)	(18,949)
Provision for impairment	—	(999)	(913)	—	—	—	(1,912)
Closing net book amount	32,869	42,768	34,319	748	4,920	764	116,388
As at 30 June 2026							
Cost	51,452	200,571	172,236	14,695	10,203	4,959	454,116
Accumulated depreciation	(18,583)	(151,724)	(133,053)	(13,675)	(5,283)	(4,195)	(326,513)
Accumulated impairment	—	(6,429)	(4,878)	(272)	—	—	(11,579)
Net carrying amount	32,869	42,768	34,319	748	4,920	764	116,388

13(b).LEASES

(i) Amounts recognised in the unaudited condensed consolidated statement of financial position

The condensed consolidated statement of financial position shows the following amounts relating to leases:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Right-of-use assets		
Restaurants	272,924	241,737
Offices	10,091	—
	283,015	241,737



13(b).LEASES (continued)

(i) Amounts recognised in the unaudited condensed consolidated statement of financial position (continued)

The condensed consolidated statement of financial position shows the following amounts relating to leases:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Lease liabilities		
Current	96,488	90,305
Non-current	216,748	178,087
	313,236	268,392

(ii) Amounts recognised in the unaudited condensed consolidated statement of comprehensive income

	Six months ended 30 June 2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Depreciation charge of right-of-use assets	52,165	57,353
Finance costs	8,663	7,733
Expense relating to short-term leases (included in depreciation of right-of-use assets, rental and related expenses)	3,665	1,776
Expense relating to variable lease payments not included in lease liabilities (included in depreciation of right-of-use assets, rental and related expenses)	1,631	1,997

The total cash outflow for leases for the Period was approximately HK\$65,213,000 (Last Corresponding Period: HK\$76,631,000).



13(b).LEASES (continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and restaurants. Rental contracts are typically made for fixed periods of 1 to 6.5 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(iv) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a restaurant. The basis of variable payment terms range from 6% to 15% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established restaurants. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

13(c).IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The Group operates restaurant outlets on leased properties with lease terms ranging from 1 to 6.5 years. The Group regards each individual restaurant outlet as a separately identifiable cash-generating-unit ("CGU") and performed impairment assessments on each of the CGUs with impairment indicators by considering the recoverable amount of such assets at restaurant outlet level. As at 30 June 2026, the Group's management identified impairment indicators in certain restaurant outlets, which were loss making, and estimated the corresponding recoverable amounts of their property, plant and equipment and right-of-use assets.



13(c). IMPAIRMENT OF NON-FINANCIAL ASSETS (continued)

The recoverable amounts of the CGUs are determined based on value-in-use calculations, which are higher than the fair value less costs to sell calculations. Management adopted the expected cash flow approach to incorporate possible variations in the amount or timing of future cash flows. Impairment loss was recognised when the value-in-use calculations covering a period of the remaining lease term were lower than the carrying amount of the CGUs. Accordingly, the Group recognised an impairment charge of property, plant and equipment of approximately HK\$1,912,000 (Last Corresponding Period: HK\$1,459,000) and right-of-use assets of approximately HK\$3,813,000 (Last Corresponding Period: HK\$6,522,000) for the Period.

Key inputs to the determination of the recoverable amount over the remaining lease period includes annual revenue growth, operating costs and pre-tax discount rate. As at 30 June 2026, the annual revenue growth rate used for restaurant outlets in the impairment assessment is ranging from -3% to 6.5% for the remaining lease period after considering local economy and market situation. Operating costs used for restaurant outlets in the impairment assessment is set based on actual financial performance in 2026 taking into account of annual inflation rate of 2%. The pre-tax discount rate used to determine the recoverable amounts is approximately 11%.

14. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Trade receivables

Trade receivables mainly represent receivables from financial institutions in relation to the payment settled by credit cards by customers of which the settlement period is normally within 3 days from transaction date. Generally, there is no credit period granted to customers, except for certain corporate customers in relation to sales of food ingredients, to which a credit period of 30 days is granted by the Group.

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
External customers	6,780	6,937



14. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Trade receivables (continued)

An ageing analysis of the trade receivables as at 30 June 2026 and 31 December 2025, 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 30 days	5,197	5,530
31–60 days	22	746
61–180 days	1,561	661
	<u>6,780</u>	<u>6,937</u>

There was no recent history of default in respect of the Group's debtors. Based on past experience, management believes that no impairment allowance is necessary in respect of the past due balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral over these balances. No impairment loss was recognised by the Group as at 30 June 2026 and 31 December 2025.

Prepayments, deposits and other receivables

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Prepayments	21,282	15,713
Rental and utilities deposits	75,541	82,931
Other receivables	4,645	2,888
	<u>101,468</u>	<u>101,532</u>
Less: non-current portion		
— Rental and utilities deposits	(40,677)	(49,242)
— Prepayments for purchase of property, plant and equipment	(5,848)	(3,416)
	<u>54,943</u>	<u>48,874</u>
Current portion		



14. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Prepayments, deposits and other receivables (continued)

As at 30 June 2026 and 31 December 2025, the balances of deposits and other receivables were neither past due nor impaired. Financial assets included in the above balances relate to receivables for which there was no recent history of default.

The maximum exposure to credit risk as at 30 June 2026 and 31 December 2025 was the carrying value of each class of receivable mentioned above. The Group did not hold any collateral as security. The carrying amounts of deposits and other receivables approximate to their fair values and are denominated in HK\$.

15. SHARE CAPITAL

(a) Authorised:

	As at 30 June 2026		As at 30 June 2025	
	Number of shares	Nominal value HK\$'000	Number of shares	Nominal value HK\$'000
At beginning and end of the period	4,000,000,000	400,000	4,000,000,000	400,000

(b) Issued and fully paid:

	As at 30 June 2026		As at 30 June 2025	
	Number of shares	Nominal value HK\$'000	Number of shares	Nominal value HK\$'000
At beginning and end of the period	800,000,000	80,000	800,000,000	80,000



16. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Trade payables

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
External suppliers	38,920	50,964

An ageing analysis of the trade payables as at 30 June 2026 and 31 December 2025, 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 30 days	37,960	27,483
31–60 days	86	23,098
61–180 days	874	31
Over 180 days	—	352
	38,920	50,964

The trade payables are non-interest-bearing with payment terms of 30–60 days in general. The carrying amounts of trade payables approximate to their fair values and are denominated in HK\$.



16. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (continued)

Contract liabilities, other payables and accruals

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Rent payable	685	1,148
Accrued employee benefit expenses	39,102	36,525
Provision for long service payment	1,893	2,058
Provision for untaken annual leave	12,259	12,353
Provision for reinstatement costs	24,837	24,327
Contract liabilities	22,142	22,850
Other accrued expenses	28,831	32,122
Payables for purchase of property, plant and equipment	6,623	5,511
Other payables	632	632
	137,004	137,526
Less: non-current portion		
— Provision for reinstatement costs	(17,065)	(14,500)
Current portion	119,939	123,026



17. CAPITAL COMMITMENTS

The Group had the following capital expenditure contracted but not yet incurred and provided for as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Leasehold improvements Contracted but not provided for	4,950	6,819

18. CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, the total contingent liabilities not yet provided were as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Bank guarantees in favour of landlords in lieu of rental deposit (unsecured)	2,718	2,718



19. RELATED PARTY TRANSACTIONS

Save as transactions detailed elsewhere in the unaudited condensed consolidated interim financial information, the Group had the following transactions with related parties:

(a) Key management compensation

Key management includes executive directors and the senior management of the Group.

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and other short term employee benefits	3,306	3,306
Discretionary bonuses	—	291
Retirement benefit scheme contribution	18	18
	3,324	3,615



As at 30 June 2026

Location	Nature
A residential unit at Nos. 153–155 Po Kong Village Road, Nos. 1–9 Po Ying Lane, 20 Yuk Wah Crescent, Tsz Wan Shan, Kowloon, Hong Kong	Investment property
A residential unit at Villa Esplanada, No. 8 Nga Ying Chau Street, Tsing Yi, New Territories, Hong Kong	Investment property
Four workshop units at Wah Fai Industrial Building, No. 4 Sze Shan Street, Kowloon, Hong Kong	Property
Five car parking units at Wah Fai Industrial Building, No. 4 Sze Shan Street, Kowloon, Hong Kong	Property

There was no change in properties held by the Group during the six months ended 30 June 2026.