



LUXKING GROUP HOLDINGS LIMITED

(Incorporated in Bermuda)

HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Group		
	6 months ended 31 December		
	2025	2024	+/(-)
	RMB'000	RMB'000	%
Revenue	287,993	304,783	(5.5%)
Cost of sales	(238,859)	(261,491)	(8.7%)
Gross profit	49,134	43,292	13.5%
Other income	961	609	57.8%
Selling and distribution costs	(14,087)	(14,086)	0.0%
Administrative expenses	(26,826)	(22,440)	19.5%
Other operating expenses	(617)	(212)	191.0%
Operating profit	8,565	7,163	19.6%
Interest Income	12	44	(72.7%)
Finance costs	(1,372)	(1,851)	(25.9%)
Profit before income taxes	7,205	5,356	34.5%
Income tax expense	(2,135)	(2,054)	3.9%
Profit for the period	5,070	3,302	53.5%
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of financial statements of foreign operations	(148)	59	n/m
Total comprehensive income attributable to the owners of the Company	4,922	3,361	46.4%
Earnings per share for profit attributable to the owners of the Company during the period			
- Basic and diluted (RMB)	0.4008	0.2610	53.5%

n/m: not meaningful

B. Interim statements of financial position

	Group		Company	
	As at	As at	As at	As at
	31.12.2025	30.6.2025	31.12.2025	30.6.2025
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	89,790	78,958	-	-
Right-of-use assets	20,812	21,593	-	-
Interests in subsidiaries	-	-	73,454	78,665
Deposits for acquisition of property, plant and equipment	-	3,861	-	-
	110,602	104,412	73,454	78,665
Current assets				
Inventories	91,575	97,452	-	-
Trade receivables	111,727	96,894	-	-
Prepayments, deposits and other receivables	11,485	15,471	-	-
Cash and bank balances	25,018	31,169	-	-
	239,805	240,986	-	-
TOTAL ASSETS	350,407	345,398	73,454	78,665
EQUITY AND LIABILITIES				
Equity attributable to the owners of the Company				
Share capital	133,557	133,557	133,557	133,557
Reserves	12,368	7,446	(60,103)	(56,484)
Total equity	145,925	141,003	73,454	77,073
Current liabilities				
Trade payables	48,833	39,467	-	-
Accrued expenses and other payables	20,001	21,378	-	1,592
Lease liabilities	3,162	2,901	-	-
Bank borrowings	116,861	123,538	-	-
Income tax payables	3,754	4,257	-	-
	192,611	191,541	-	1,592
Non-current liabilities				
Lease liabilities	613	1,468	-	-
Deferred capital grants	11,258	11,386	-	-
	11,871	12,854	-	-
Total liabilities	204,482	204,395	-	1,592
TOTAL EQUITY AND LIABILITIES	350,407	345,398	73,454	78,665

C. Interim statements of changes in equity

	Group					
	Share capital RMB'000	Share premium* RMB'000	Other reserves* RMB'000	Exchange reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
At 1.7.2024	133,557	33,961	16,569	(15,829)	(35,041)	133,217
Profit for the period	-	-	-	-	3,302	3,302
Other comprehensive income, net of income tax						
- Exchange gain on translation of financial statements of foreign operations	-	-	-	-	59	-
Total comprehensive income for the period	-	-	-	59	3,302	3,361
At 31.12.2024	133,557	33,961	16,569	(15,770)	(31,739)	136,578
at 1.7.2025	133,557	33,961	17,682	(15,799)	(28,398)	141,003
Profit for the period	-	-	-	-	5,070	5,070
Other comprehensive income, net of income tax						
- Exchange loss on translation of financial statements of foreign operations	-	-	-	(148)	-	(148)
Total comprehensive income for the period	-	-	-	(148)	5,070	4,922
At 31.12.2025	133,557	33,961	17,682	(15,947)	(23,328)	145,925

* These reserve accounts comprise the consolidated reserves approximately RMB12,368,000 (30.6.2025: RMB7,446,000) in the consolidated statement of the financial position.

C. Interim statements of changes in equity

	Share capital RMB'000	Share premium* RMB'000	Exchange reserve* RMB'000	Accumulated losses* RMB'000	Company equity RMB'000
At 1.7.2024	133,557	33,961	(27,443)	(56,915)	83,160
Loss for the period	-	-	-	(3,092)	(3,092)
Other comprehensive income, net of income tax					
- Exchange loss on translation of the Company's financial statements to RMB	-	-	1,172	-	1,172
Total comprehensive income for the period	-	-	1,172	(3,092)	(1,920)
At 31.12.2024	133,557	33,961	(26,271)	(60,007)	81,240
at 1.7.2025	133,557	33,961	(27,467)	(62,978)	77,073
Loss for the period	-	-	-	(2,901)	(2,901)
Other comprehensive income, net of income tax					
- Exchange gain on translation of the Company's financial statements to RMB	-	-	(718)	-	(718)
Total comprehensive income for the period	-	-	(718)	(2,901)	(3,619)
At 31.12.2025	133,557	33,961	(28,185)	(65,879)	73,454

* These reserve accounts comprise Company's reserves of a deficit of approximately RMB60,103,000 (30.6.2025: RMB56,484,000) in the consolidated statement of the financial position.

D. Consolidated interim statement of cash flows

	Group	
	6 months ended	6 months ended
	31.12.2025	31.12.2024
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before income tax	7,205	5,356
Adjustments for:		
Interest income	(12)	(44)
Interest expenses	1,372	1,851
Depreciation of property, plant and equipment	5,525	8,163
Depreciation of right-of-use assets	1,783	1,783
Amortisation of government grants	(128)	(128)
Loss on disposal of property, plant and equipment	275	-
Impairment loss of inventories	1,126	1,035
Operating profit before working capital changes	17,146	18,016
Decrease in inventories	4,752	4,963
Increase in trade receivables	(14,924)	(8,802)
Decrease in prepayments, deposits and other receivables	3,985	2,334
Increase in trade payables	9,366	4,034
(Decrease)/increase in accrued expenses and other payables	(1,372)	967
Cash generated from operations	18,953	21,512
Interest received	12	44
Income taxes paid	(2,636)	(3,384)
Net cash generated from operating activities	16,329	18,172
Cash flows from investing activities		
Decrease in restricted bank deposits	-	2,002
Decrease/(increase) in deposits paid for acquisition of property, plant and equipment	3,861	(6,344)
Purchases of property, plant and equipment	(16,844)	(1,571)
Proceeds from disposal of property, plant and equipment	212	-
Net cash used in investing activities	(12,771)	(5,913)
Cash flows from financing activities		
Interest paid on bank borrowings	(1,296)	(1,733)
Net repayments of bank borrowings	(6,677)	(15,760)
Repayments of principal portion of lease liabilities	(1,624)	(1,565)
Interest paid on lease liabilities	(76)	(118)
Net cash used in financing activities	(9,673)	(19,176)
Net decrease in cash and cash equivalents		
Cash and cash equivalents at beginning of period	31,169	32,115
Effect of foreign exchange rate changes, net	(36)	(122)
Cash and cash equivalents at end of period	25,018	25,076
Analysis of balances of cash and cash equivalents		
Cash and bank balances	25,018	25,076

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

1. Corporate Information

Luxking Group Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The principal place of business of the Company is located at Unit 6, 12/F, Tower A, New Mandarin Plaza, 14 Science Museum Road, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The principal activity of the Company is investment holding. Principal activities of the Company's subsidiaries are production and trading of adhesive tapes and BOPP films, trading of polypropylene resin and investment holding.

The operations of the Company and its subsidiaries (the "Group") are principally conducted in the People's Republic of China, excluding Hong Kong and Macau (the "PRC"), and Hong Kong.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2025 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standard Board. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the financial year ended 30 June 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards as set out in note 2.1.

The condensed interim financial statements are presented in Renminbi ("RMB"), being the presentation currency of the Group. The functional currency of the Company is Hong Kong dollar ("HK\$"). In order to be consistent with the consolidated financial statements, the presentation currency of the Company is also RMB. Amounts are rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

During the period, the Group has adopted all the new and amended IFRSs which are effective for the reporting period and relevant to the Group. The new or amended IFRSs that are effective from 1 July 2025 did not have any significant impact on the Group's accounting policies.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. 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 consolidated financial statements for the financial year ended 30 June 2025. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segmental reporting

The Group has identified the following reportable segments:

General purpose adhesive tapes ("General tapes") – manufacture and distribution of adhesive tapes such as stationary tapes, masking tapes and double-sided tapes for industrial, commercial and customer uses.

Industrial specialty tapes ("IS tapes") – manufacture and distribution of adhesive tapes designed for more sophisticated industrial applications such as manufacturing and/or assembly processes, especially used for mobile and electronic appliances.

Biaxially oriented polypropylene films ("BOPP films") – manufacture and distribution of BOPP films for packaging in industries, such as food, pharmaceutical, medical and electrical industries.

Each of these operating segments is managed separately as each of these product lines requires different resources as well as marketing approaches. The executive directors regularly review revenue, gross profit margin and operating results of each operating segment.

Certain comparative amounts have been re-presented to confirm with current year's presentation to better reflect the nature of the financial performance of the Company.

- (i) Information regarding the Group's reportable segments as provided to the Group's executive directors is set out below:

	General tapes RMB'000	IS tapes RMB'000	BOPP films RMB'000	Group RMB'000
6 months ended 31.12.2025				
Revenue from external customers	101,885	108,232	77,876	287,993
Reportable segment revenue	101,885	108,232	77,876	287,993
Reportable segment profit	5,519	6,141	1,513	13,173
Reportable segment assets	118,188	136,449	70,173	324,810
Corporate assets:				
Cash and bank balances				25,018
Other financial assets				579
Consolidated total assets				350,407
Additions to non-current segment assets				
Property, plant and equipment	5,576	6,701	5,380	17,657
	5,576	6,701	5,380	17,657
Reportable segment liabilities	25,256	30,311	24,309	79,876
Corporate liabilities:				
Bank borrowings				116,861
Other financial liabilities				3,991
Income tax payables				3,754
Consolidated total liabilities				204,482

	General tapes RMB'000	IS tapes RMB'000	BOPP films RMB'000	Group RMB'000
6 months ended 31.12.2024				
Revenue from external customers	104,661	102,926	97,196	304,783
Reportable segment revenue	104,661	102,926	97,196	304,783
Reportable segment profit	4,984	3,782	3,079	11,845
Reportable segment assets	129,119	109,760	70,960	309,839
Corporate assets:				
Cash and bank balances				25,076
Restricted bank deposits				600
Other financial assets				781
Consolidated total assets				336,296
Additions to non-current segment assets				
Property, plant and equipment	530	528	501	1,559
	530	528	501	1,559
Reportable segment liabilities	30,113	30,033	28,514	88,660
Corporate liabilities:				
Bank borrowings				108,538
Other financial liabilities				293
Income tax payables				2,227
Consolidated total liabilities				199,718

(ii) The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	6 months ended 31 December	
	2025 RMB'000	2024 RMB'000
Reportable segment profit	13,173	11,845
Interest income	12	44
Unallocated corporate expenses	(4,608)	(4,682)
Finance costs	(1,372)	(1,851)
Profit before income tax	7,205	5,356

(iii) The Group's revenue from external customers and non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	6 months ended 31 December		6 months ended 31 December	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The PRC	259,723	272,122	107,692	99,575
Hong Kong	1,142	1,212	2,910	3,091
Other countries	27,128	31,449	-	-
	287,993	304,783	110,602	102,666

Geographical location of customers is based on the location at which the goods are delivered whilst that of non-current assets is based on the physical location of the asset.

(iv) Revenue from the major customers with whom transactions have exceeded 10% of the Group's revenue is as follows:

There is no single customer that contributed to 10% or more of the Group's revenue for the 6 months ended 31 December 2025 (6 months ended 31 December 2024: nil).

(v) A breakdown of sales and operating profit after tax:

	Group		
	6 months ended 31 December		
	2025 RMB'000	2024 RMB'000	+/(-) %
(a) Sales reported for the 1st half year	287,993	304,783	(5.5%)
(b) Operating profit after tax for the 1st half year	5,070	3,302	53.5%

5. Other income

	Group	
	6 months ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net gain on disposal of property, plant and equipment	-	20
Net gain on sales of raw materials	221	195
Government grants and subsidies	686	368
Others	54	26
	961	609

6. Profit before income tax

	Group	
	6 months ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	5,525	8,163
Depreciation of right-of-use assets	1,783	1,783
Loss on disposal of property, plant and equipment	275	-
Inventories write-down	1,126	1,035
Interest on bank borrowings	1,296	1,733
Interest paid on lease liabilities	76	118
Government grants and subsidies	(686)	(368)

Taxation

The Group calculates the period income tax expenses using the tax rate that would be applicable to the external total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of the profit or loss are:

	Group	
	6 months ended 31 December	
	2025	2024
	RMB'000	RMB'000
The PRC		
Current Tax	1,737	2,048
	1,737	2,048
Hong Kong		
Current Tax	398 * 6	6
	398	6
Total income tax expense	2,135	2,054

* Income tax for the dividend income received from PRC subsidiary

7. Dividends

The directors do not recommend the payment of a dividend for the periods ended 31 December 2025 and 31 December 2024.

8. Earnings per share

The calculation of basic earnings per share for the 6 months ended 31 December 2025 is based on the profit attributable to owners of the Company of approximately RMB5,070,000 (6 months ended 31 December 2024: RMB3,302,000) divided by 12,650,000 (6 months ended 31 December 2024: 12,650,000) ordinary shares in issue during the period.

Diluted earnings per share for the 6 months ended 31 December 2025 and 2024 are the same as basic earnings per share, as the Group has no dilutive potential shares during the current and prior period.

9. Net asset value

Net assets value per ordinary share is calculated based on the issued ordinary shares of 12,650,000 ordinary shares as at 31 December 2025 and 2024.

	Group		Company	
	As at	As at	As at	As at
	31.12.2025	30.6.2025	31.12.2025	30.6.2025
Net assets value per ordinary share	RMB	RMB	RMB	RMB
Net assets value per ordinary share	11.54	11.15	5.81	6.09

10. Property, plant and equipment

During the 6 months ended 31 December 2025, the Group acquired assets amounting to RMB12,983,000 (6 months ended 31 December 2024: RMB7,915,000).

As at 31 December 2025, the Group has capital commitments of RMB11,533,000 (as at 30 June 2025: RMB11,100,000) which is contracted but not provided for in respect of property, plant and equipment.

11. Bank borrowings

Amount repayable in one year or less, or on demand

As at 31.12.2025		As at 30.6.2025	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
116,861	-	123,538	-

Details of any collateral

The Group's bank borrowings of RMB116,861,000 represent: -

- (i) bank loans granted by Bank of Communications, Bank of China and China Resource Bank in the PRC;
- (ii) invoice finance granted by China Construction Bank and China Citic Bank in the PRC.

As at 31 December 2025, the Group's bank borrowings were secured by the pledge of certain of the Group's property, plant and equipment, right-of-use assets and the land use rights of the Company's substantial shareholder.

As at 31 December 2025, these bank borrowings bear fixed interest rates ranging from 2.5% to 3.2% per annum.

12. Share capital – Group and Company

	31.12.2025		30.6.2025	
	HK\$'000	RMB'000	HK\$'000	RMB'000
Authorised:				
50,000,000 ordinary shares of HK\$10.00 each	500,000	530,000	500,000	530,000
Issued and full paid:				
12,650,000 ordinary shares of HK\$10.00 each	126,500	133,557	126,500	133,557

(There were no treasury shares)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share at shareholders' meetings of the Company without restriction.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The interim statement of financial position of Luxking Group Holdings Limited and its subsidiaries as at 31 December 2025 and the related condensed interim consolidated profit or loss and other comprehensive income for the six-month period then ended, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the six months ended 31 December 2025 and certain explanatory notes have not been audited or reviewed.

Review of performance of the Group

HY2026 vs HY2025

Group Revenue

The Group's revenue declined 5.5% from RMB 304.8 million in HY2025 to RMB 288.0 million in HY2026, reflecting softer economic conditions in China and overseas markets, as well as intensified competitive pressures across the Group's product portfolio. The challenging market environment weighed on the performance of the biaxially oriented polypropylene films ("BOPP films") segment, which experienced slower sales volume and lower selling prices. Despite greater sales and marketing efforts, and stronger results from the industrial specialty tapes ("IS tapes") segment, these contributions could not fully counter this, resulting in a decline in overall sales.

The biaxially oriented polypropylene films ("BOPP films") segment posted a 19.9% drop in sales revenue, from RMB 97.2 million in HY2025 to RMB 77.9 million in HY2026. A highly competitive environment prompted a shift towards the sales of standard BOPP films. This range carries lower selling prices, which weighed on overall sales.

The industrial specialty tapes ("IS tapes") segment delivered stronger results despite weak market conditions, with sales growing 5.2% from RMB 102.9 million in HY2025 to RMB 108.2 million in HY2026. The performance was supported by targeted sales and marketing initiatives, with a strategic focus on promoting tailor-made products to meet the commercial needs of our customers.

Sales of general purpose tapes ("General tapes") segment eased 2.7% from RMB 104.7 million in HY2025 to RMB 101.9 million in HY2026, due to keen competition and softer demand.

As a result, the IS tapes segment's revenue contribution widened to 37.6% in HY2026 (33.8% in HY2025). The General tapes segment maintained a stable contribution, accounting for 35.4% of sales revenue in HY2026 (34.3% in HY2025), while the BOPP segment made up a lower proportion of total sales at 27.0% in HY2026 (31.9% in HY2025).

In terms of revenue by geographical markets, sales in the domestic market was reduced by 4.6% from RMB 272.1 million in HY2025 to RMB 259.7 million in HY2026. Sales to overseas markets declined 13.4% from RMB 32.7 million in HY2025 to RMB 28.3 million in HY2026 due to continued geopolitical uncertainty and a weaker export market. As a result, the domestic market accounted for 90.2% of Group revenue in HY2026 (89.3% in HY2025), while overseas markets made up the remaining 9.8% of Group revenue in HY2026 (10.7% in HY2025).

Group Gross Profit and Gross Profit Margin

The Group's gross profit increased 13.5% from RMB 43.3 million in HY2025 to RMB 49.1 million in HY2026. Gross profit margin widened from 14.2% in HY2025 to 17.1% in HY2026, underpinned by stronger sales of IS tapes which have slightly better margins, bespoke products, as well as improved production capacity and efficiency in both the IS tapes and General tapes segments. Investments in upgraded machinery and equipment helped to contribute positively to overall margin improvement. A smaller contributory factor was the lower raw material costs.

Other Income

Other income increased 57.8% from RMB 0.6 million in HY2025 to RMB 1.0 million in HY2026, arose mainly from receipt of a local government subsidy for the Group's manufacturing plant in Hubei ("Hubei plant").

Selling and Distribution Costs, Administrative and Other Operating Expenses

Selling and distribution costs remained at the same level of RMB 14.1 million in HY2026 as compared with HY2025. Administrative expenses rose 19.5% from RMB 22.4 million in HY2025 to RMB 26.8 million in HY2026 due mainly to higher salaries and headcount, as well as marketing expenses related to 30th Anniversary Brand promotional activities. The Group incurred higher operating expenses of RMB 0.6 million in HY2026, compared with RMB 0.2 million in HY2025 due mainly to losses on the disposal of assets.

Finance Costs

Finance costs fell 25.9% from RMB 1.9 million in HY2025 to RMB 1.4 million in HY2026 on the back of lower interest rates.

Income Tax

Income tax expense increased slightly by 3.9% to RMB 2.1 million as compared with HY2025.

Group Net Profit

As a result of the above, the Group's net profit rose 53.5% from RMB3.3 million in HY2025 to RMB 5.1 million in HY2026.

Review of Financial Position as at 31 December 2025

Non-current assets increased from RMB 104.4 million as at 30 June 2025 to RMB 110.6 million as at 31 December 2025. This was due mainly to an increase in property, plant and equipment for the Group's Hubei plant and factory in Zhongshan, Guangdong Province ("Zhongshan factory"), offset by a slight reduction in right-of-use assets.

Inventories decreased from RMB 97.5 million as at 30 June 2025 to RMB 91.6 million as at 31 December 2025, in line with the decline in sales.

Trade receivables climbed from RMB 96.9 million as at 30 June 2025 to RMB 111.7 million as at 31 December 2025, debtor turnover slightly increased to 67 days for HY2026, compared to 62 days for FY2025.

Prepayments, deposits and other receivables dropped from RMB 15.5 million as at 30 June 2025 to RMB 11.5 million as at 31 December 2025. This was largely attributed to a fall in deposits paid to suppliers and a decrease in value-added tax receivables.

Cash and bank balances decreased from RMB 31.2 million as at 30 June 2025 to RMB 25.0 million as at 31 December 2025. Total borrowings declined from RMB 123.5 million as at 30 June 2025 to RMB 116.9 million as at 31 December 2025 due to repayments of borrowings.

Trade payables rose from RMB 39.5 million as at 30 June 2025 to RMB 48.8 million as at 31 December 2025, reflecting an increase in credit-based purchases from suppliers.

Accrued expenses and other payables moderated from RMB 21.4 million as at 30 June 2025 to RMB 20.0 million as at 31 December 2025, due mainly to the increase of payables to the suppliers of property, plant and equipment.

The Group recognised lease liabilities of RMB 3.8 million as at 31 December 2025, compared to RMB 4.4 million as at 30 June 2025 due to the repayment of lease liabilities.

Income tax payables decreased from RMB 4.3 million as at 30 June 2025 to RMB 3.8 million as at 31 December 2025.

Deferred capital grants stood at RMB 11.3 million as at 31 December 2025 which arose from a local government grant for the Group's manufacturing plant in Hubei.

Group Cash Flows

Net cash generating from operating activities during HY2026 amounted to RMB 16.3 million. This was derived mainly from operating profit before working capital changes of RMB 17.1 million and net working capital inflows of RMB 1.8 million, offset partially by income taxes paid of RMB 2.6 million.

Net cash used in investing activities amounted to RMB 12.8 million in HY2026, attributed mainly to purchases of property, plant and equipment for the Hubei plant and Zhongshan factory. Net cash used in financing activities in HY2026 was RMB 9.7 million due mainly to interest payments, net repayments of bank borrowings and repayment of lease liabilities.

2. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

3. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

For the second half of the financial year ended 30 June 2026 ("2HFY2026"), the Group expects the operating environment to remain challenging, due to increasing production and operating costs, rising raw material prices, and volatile USD/RMB exchange rates. A weaker global economic backdrop is likely to heighten competition, while geopolitical tensions could undermine supply chains. Given fierce competition and economic uncertainty, the Group expects demand in both China and overseas markets to remain weak in 2HFY2026.

The Group remains focused on positioning for long-term growth and operational strength by focusing on these strategies:

- Leverage R&D capabilities to reinforce competitive positioning, accelerate new product development to meet market needs, as well as tailor products to customers' specifications;
- Invest in upgrading equipment and machinery to improve production efficiency and optimise operational costs;
- Strengthen sales force to deepen existing customer relationships and win new customers; and
- Enhance market insights and customer understanding by participating in domestic and overseas trade shows in order to anticipate trends and identify opportunities.

The Group expects the BOPP films segment to face headwinds amidst stiff competition in the packaging sector. The Group anticipates greater demand in the IS tapes segment particularly for tailor-made products. It intends to prioritise R&D efforts to expand its footprint in the automotive industry, while maintaining competitive advantage in the smartphone and home appliances industries by developing bespoke products for its established customers. The Group plans to deepen existing customer relationships and drive customer acquisition by expanding its sales force and attending tradeshows to increase market visibility and attract new customers. Given greater market competition in the General tapes segment, the Group will focus on cost efficiency, while driving efforts to expand its customer base and capture greater market share.

As part of its ongoing strategy, the Group maintains a disciplined review of operations, production capacity and efficiency, product portfolio, market demand, as well as energy and emissions performance to guide its capital expenditure investments in machinery and equipment.

In HY2026, the Group incurred a total capital expenditure of RMB 13.0 million to expand the production capacity at its Hubei plant and upgrade machinery and equipment at its Zhongshan factory to improve efficiency.

Out of the total capital expenditure, the Group invested RMB 5.5 million at its Hubei plant in installing an additional silicone-release coating line and ancillary equipment. This will enable the Group to increase production of release liners, which will further support the production of Zhongshan factory. The Group also invested RMB 7.5 million at its Zhongshan factory, due mainly to the installation of two high-speed adhesive coating lines and a solvent recovery system. This is expected to expand the production capacity and efficiency for IS tapes and General tapes, which positions the Group well to meet future demand.

For 2HFY2026, the Group will maintain investments in peripheral facilities and systems at the Hubei plant, and fund completion of the solvent recovery system and upgrades to equipment at the Zhongshan factory.

4. Dividend information

- (a) Current financial period reported on
No dividend has been declared or recommended for the current financial period reported on.
- (b) Corresponding period of the immediate preceding financial year
No dividend has been declared or recommended for the corresponding period of the immediate preceding financial year.
- (c) Date payable
Not applicable
- (d) Book closure date
Not applicable
- (e) If no dividend has been declared (recommended), a statement to that effect and the reasons for the decision.
No dividend has been declared or recommended for the six months ended 31 December 2025 as the Group wants to conserve fund for working capital purpose during this challenging business conditions.

5. Interested person transactions

There was no IPT and no mandate was sought under Rule 920(1)(a)(ii) for the six months ended 31 December 2025.

6. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

7. Negative assurance confirmation on the interim financial results under Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year financial results of the Group as at 31 December 2025 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lisa Cheng
Company Secretary

11 February 2026