



CO REG NO: 200403029E

**Unaudited Condensed Interim Consolidated Financial Statements
For The Half Year Ended 30 June 2026**

CONTENTS

01	Condensed Interim Consolidated Income Statement and Consolidated Statement of Comprehensive Income
02	Condensed Interim Statements of Financial Position
03	Condensed Interim Consolidated Statement of Cash Flows
04	Condensed Interim Consolidated Statement of Changes in Equity
05	Condensed Interim Statement of Changes in Equity
06	Notes to Condensed Interim Consolidated Financial Statements
15	Other Information Required by Appendix 7C of the Catalist Rules



Condensed Interim Consolidated Income Statement and Consolidated Statement of Comprehensive Income

		Group	
	Note	Half Year ended 30/6/2026 (Unaudited) S\$'000	Half Year ended 30/6/2025 (Unaudited) S\$'000
Revenue	4.2	36,241	35,609
Cost of sales		(26,501)	(26,956)
Gross profit		9,740	8,653
Other income		665	535
Selling and distribution expenses		(2,274)	(1,803)
Administrative expenses		(4,901)	(4,697)
Other expenses		(1,229)	(1,263)
Loss allowance (made)/reversed on third party trade receivables		(28)	241
Finance costs		(129)	(202)
Profit before income tax	6	1,844	1,464
Income tax expense	7	(449)	(298)
Profit for the financial period		1,395	1,166
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		42	(46)
Other comprehensive income/(loss) for the financial period, net of tax		42	(46)
Total comprehensive income for the financial period		1,437	1,120
Profit attributable to:			
Owners of the parent		1,395	1,161
Non-controlling interests		-	5
		1,395	1,166
Total comprehensive income attributable to:			
Owners of the parent		1,437	1,120
Non-controlling interests		-	-
		1,437	1,120
Earnings per share			
Basic and diluted (in cents)	9	0.43	0.36

Condensed Interim Statements of Financial Position

		Group		Company	
	Note	As at 30/6/2026 (Unaudited) S\$'000	As at 31/12/2025 (Audited) S\$'000	As at 30/6/2026 (Unaudited) S\$'000	As at 31/12/2025 (Audited) S\$'000
Non-current assets					
Property, plant and equipment	11	23,915	21,670	-	-
Intangible asset	12	53	60	-	-
Investments in subsidiaries		-	-	16,166	15,684
Financial assets, at fair value through profit or loss		-	-	-	-
Financial assets, at fair value through other comprehensive income	13	-	-	-	-
Deferred tax assets		361	359	-	-
		<u>24,329</u>	<u>22,089</u>	<u>16,166</u>	<u>15,684</u>
Current assets					
Inventories		14,034	17,817	-	-
Trade and other receivables		9,218	12,853	8,203	9,443
Other current assets		292	1,048	-	-
Financial assets, at fair value through profit or loss		2	2	-	-
Income tax recoverable		2	28	-	-
Fixed deposits		438	119	-	-
Cash and bank balances		10,410	7,739	26	56
		<u>34,396</u>	<u>39,606</u>	<u>8,229</u>	<u>9,499</u>
Current liabilities					
Trade and other payables		5,890	8,686	124	211
Refund liabilities		772	2,220	-	-
Current income tax payable		316	182	2	8
Lease liabilities		236	241	-	-
Bank borrowings		3,639	5,518	-	-
		<u>10,853</u>	<u>16,847</u>	<u>126</u>	<u>219</u>
Net current assets		<u>23,543</u>	<u>22,759</u>	<u>8,103</u>	<u>9,280</u>
Non-current liabilities					
Other payable		384	384	-	-
Lease liabilities		2,832	2,946	-	-
Bank borrowings		4,947	2,596	-	-
Deferred tax liabilities		233	233	23	24
		<u>8,396</u>	<u>6,159</u>	<u>23</u>	<u>24</u>
Net assets		<u>39,476</u>	<u>38,689</u>	<u>24,246</u>	<u>24,940</u>
Equity					
Share capital	15	24,777	24,777	24,777	24,777
Foreign currency translation account		515	473	-	-
Fair value reserve		(49)	(49)	-	-
Retained earnings/(Accumulated losses)		14,233	13,488	(531)	163
Total equity		<u>39,476</u>	<u>38,689</u>	<u>24,246</u>	<u>24,940</u>

Condensed Interim Consolidated Statement of Cash Flows

		Group	
	Note	Half Year ended 30/6/2026 (Unaudited) S\$'000	Half Year ended 30/6/2025 (Unaudited) S\$'000
Operating activities			
Profit before income tax		1,844	1,464
Adjustments for:			
Loss allowance made/(reversed) on third party trade receivables	6.1	28	(241)
Write-down of inventories	6.1	326	341
Amortisation of intangible asset		17	36
Depreciation of property, plant and equipment	6.1	581	556
Fair value gain arising from financial assets, at fair value through profit or loss		-	(1)
Property, plant and equipment written off		-	1
Gain on disposal of property, plant and equipment	6.1	(10)	(94)
Interest expense	6.1	129	202
Interest income		(24)	(17)
Unrealised exchange (gain)/loss		(45)	180
Operating cash flows before working capital changes		2,846	2,427
Working capital changes:			
Inventories		3,492	(140)
Trade and other receivables		3,677	4,918
Trade and other payables		(2,833)	(2,890)
Other current assets		756	755
Refund liabilities		(1,448)	(1,574)
Cash generated from operations		6,490	3,496
Income tax paid		(287)	(352)
Interest received		24	17
Net cash from operating activities		6,227	3,161
Investing activities			
Proceeds from disposal of property, plant and equipment		8	94
Purchase of property, plant and equipment		(330)	(410)
Purchase of intangible asset		(9)	(3)
Increase in fixed deposits		(318)	-
Net cash used in investing activities		(649)	(319)
Financing activities			
Dividend paid	8	(650)	(650)
Fixed deposit pledged		(3)	-
Interest paid		(196)	(202)
Repayment of lease liabilities		(120)	(66)
Repayment of bank borrowings		(1,953)	(998)
Net cash used in financing activities		(2,922)	(1,916)
Net change in cash and cash equivalents		2,656	926
Cash and cash equivalents at beginning of financial period		7,739	5,816
Net effect of exchange rate changes on cash and cash equivalents		15	(94)
Cash and cash equivalents at end of financial period		10,410	6,648

Condensed Interim Consolidated Statement of Changes in Equity

Group	Share capital S\$'000	Foreign currency translation account S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total S\$'000
(Unaudited)							
Balance at 1 January 2026	24,777	473	(49)	13,488	38,689	-	38,689
Profit for the financial period	-	-	-	1,395	1,395	-	1,395
Exchange differences on translating foreign operations	-	42	-	-	42	-	42
Total comprehensive income for the financial period	-	42	-	1,395	1,437	-	1,437
Transactions with owners:							
Dividends	-	-	-	(650)	(650)	-	(650)
Balance at 30 June 2026	24,777	515	(49)	14,233	39,476	-	39,476
(Unaudited)							
Balance at 1 January 2025	24,777	(211)	(49)	10,936	35,453	-	35,453
Profit for the financial period	-	-	-	1,161	1,161	5	1,166
Exchange differences on translating foreign operations	-	(41)	-	-	(41)	(5)	(46)
Total comprehensive income for the financial period	-	(41)	-	1,161	1,120	-	1,120
Transactions with owners:							
Dividends	-	-	-	(650)	(650)	-	(650)
Balance at 30 June 2025	24,777	(252)	(49)	11,447	35,923	-	35,923

Condensed Interim Statement of Changes in Equity

Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
(Unaudited)			
Balance at 1 January 2026	24,777	163	24,940
Total comprehensive loss for the financial period:			
Loss for the financial period	-	(44)	(44)
Transactions with owners:			
Dividends	-	(650)	(650)
Balance at 30 June 2026	<u>24,777</u>	<u>(531)</u>	<u>24,246</u>
(Unaudited)			
Balance at 1 January 2025	24,777	(1,809)	22,968
Total comprehensive loss for the financial period:			
Loss for the financial period	-	(17)	(17)
Transactions with owners:			
Dividends	-	(650)	(650)
Balance at 30 June 2025	<u>24,777</u>	<u>(2,476)</u>	<u>22,301</u>

Notes to Condensed Interim Consolidated Financial Statements

1. General corporate information

Hosen Group Ltd. (the "Company") (Registration Number: 200403029E) is a public company limited by shares incorporated and domiciled in Singapore with its principal place of business and registered office at 267 Pandan Loop, Singapore 128439. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (the "Group").

The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) import, distribution, wholesale of fast moving consumer goods; and
- (b) develop, process, trade and distribute house brand and new chocolate products.

2. Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention and SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s. There was no change in the accounting policies and methods of computation for the current financial period reported on.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The condensed interim consolidated financial statements of the Group and the condensed interim statement of financial position of the Company are presented in Singapore dollar ("S") which is the functional currency of the Company and the presentation currency for the condensed interim consolidated financial statements and all values presented are rounded to the nearest thousand ("S'000"), unless otherwise stated.

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, treasury shares (if any), foreign currency translation account and retained earnings. The Group's management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividend, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from the previous financial year.

2.1 Use of judgements and estimates

The preparation of condensed interim financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

In the application of the Group's accounting policies, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

The significant judgments 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 condensed interim consolidated financial statements as at and for the year ended 31 December 2025.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Seasonal operations

Management uses the expected value method which analyses the historical purchasing patterns and product returns of customers, including seasonal trends, to develop its estimation of refund liabilities for return of goods and the assets recognised from rights to the recovered goods. The trend is dependent on market and economic factors which may affect customers' behaviour.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

The Group is primarily engaged in two reportable segments, namely, house brands and non-house brands.

Principal activities of each business segment are as follows:

- House brands – Development, trading and distribution of canned seafood, canned fruits and vegetables and canned meat products, and chocolate products.
- Non-house brands – Importation, distribution, wholesaling and retailing of canned food and household consumable goods.

4.1 Reportable segments

Operating segment

Half year ended 30 June 2026			
	House Brands (Unaudited) S\$'000	Group Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
External revenue	31,343	4,898	36,241
Inter-segment revenue	2,790	309	3,099
Total revenue	34,133	5,207	39,340
Interest expense	(112)	(17)	(129)
Depreciation of property, plant and equipment	(405)	(59)	(464)
Amortisation of intangible asset	(14)	(3)	(17)
Gain on disposal of property, plant and equipment	8	2	10
Loss allowance made on third party trade receivables	(34)	6	(28)
Write-down of inventories	(286)	(40)	(326)
Segment profit	1,563	281	1,844
Assets			
Segment assets	38,296	5,531	43,827
Capital expenditure	2,813	9	2,822
Liabilities			
Segment liabilities	15,091	2,655	17,746

Half year ended 30 June 2025			
	House Brands (Unaudited) S\$'000	Group Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
External revenue	30,310	5,299	35,609
Inter-segment revenue	3,700	103	3,803
Total revenue	34,010	5,402	39,412
Interest expense	(175)	(27)	(202)
Depreciation of property, plant and equipment	(416)	(71)	(487)
Amortisation of intangible asset	(28)	(8)	(36)
Gain on disposal of property, plant and equipment	74	20	94
Loss allowance reversed on third party trade receivables	232	9	241
Write-down of inventories	(298)	(43)	(341)
Segment profit	1,553	9	1,562
Assets			
Segment assets	35,845	7,679	43,524
Capital expenditure	1,037	8	1,045
Liabilities			
Segment liabilities	13,568	2,538	16,106

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	Group	
	Half Year ended 30/6/2026 (Unaudited) S\$'000	Half Year ended 30/6/2025 (Unaudited) S\$'000
Revenue		
Total revenue for reportable segments	39,340	39,412
Elimination of inter-segment revenue	(3,099)	(3,803)
Consolidated revenue	<u>36,241</u>	<u>35,609</u>
Profit or loss		
Total segment profit	1,844	1,562
Unallocated corporate income	433	373
Unallocated corporate expenses	(304)	(269)
Other expenses	(129)	(202)
Consolidated profit before income tax	<u>1,844</u>	<u>1,464</u>
Assets		
Segment assets	43,827	43,524
Other unallocated assets	14,898	9,944
Consolidated total assets	<u>58,725</u>	<u>53,468</u>
Liabilities		
Segment liabilities	17,746	16,106
Other unallocated liabilities	1,503	1,439
Consolidated total liabilities	<u>19,249</u>	<u>17,545</u>

Geographical segment

	Group	
	Half Year ended 30/6/2026 (Unaudited) S\$'000	Half Year ended 30/6/2025 (Unaudited) S\$'000
Total revenue from external customers		
Singapore	14,570	14,032
Malaysia	13,655	11,962
Others ⁽¹⁾	8,016	9,615
	<u>36,241</u>	<u>35,609</u>
Non-current assets		
Singapore	13,278	13,224
Malaysia	10,690	5,325
	<u>23,968</u>	<u>18,549</u>

⁽¹⁾ "Others" include countries in Africa, Europe and Asia other than Malaysia and Singapore of which none of these countries contributes individually more than 10 percent of the Group's revenue.

4.2 Disaggregation of revenue

Half year ended 30 June 2026			
	House Brands (Unaudited) S\$'000	Group Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
Type of good or service:			
Goods	31,278	4,883	36,161
Services	65	15	80
	<u>31,343</u>	<u>4,898</u>	<u>36,241</u>

Half year ended 30 June 2025			
	House Brands (Unaudited) S\$'000	Group Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
Type of good or service:			
Goods	30,259	5,284	35,543
Services	51	15	66
	<u>30,310</u>	<u>5,299</u>	<u>35,609</u>

5. Financial assets and financial liabilities

	Group		Company	
	As at 30/6/2026 (Unaudited) S\$'000	As at 31/12/2025 (Audited) S\$'000	As at 30/6/2026 (Unaudited) S\$'000	As at 31/12/2025 (Audited) S\$'000
Financial assets				
Cash and bank balances, fixed deposits and trade and other receivables ⁽¹⁾	<u>18,682</u>	<u>18,238</u>	<u>8,227</u>	<u>9,495</u>
Financial liabilities				
Trade and other payables and borrowings ⁽²⁾	<u>(17,297)</u>	<u>(19,407)</u>	<u>(124)</u>	<u>(211)</u>

⁽¹⁾ Excludes advance payments to suppliers, goods and services tax and prepayments.

⁽²⁾ Excludes advance receipts from customers and goods and services tax.

6. Profit before taxation

6.1 Significant items

	Group	
	Half Year ended 30/6/2026 (Unaudited) S\$'000	Half Year ended 30/6/2025 (Unaudited) S\$'000
Expenses/(Income)		
Write-down of inventories	326	341
Depreciation of property, plant and equipment	581	556
Gain on disposal of property, plant and equipment	(10)	(94)
Loss allowance made/(reversed) on third party trade receivables	28	(241)
Interest expense	129	202
Forex exchange (gain)/loss - net	(108)	74

6.2 Related party transactions

	Group	
	Half Year ended 30/6/2026 (Unaudited) S\$'000	Half Year ended 30/6/2025 (Unaudited) S\$'000
Sales to related parties	13	11
Purchases from related parties	22	8

7. Taxation

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

	Group	
	Half Year ended 30/6/2026 (Unaudited) S\$'000	Half Year ended 30/6/2025 (Unaudited) S\$'000
Current income tax expense	449	298

8. Dividends

	Group	
	Half Year ended 30/6/2026 (Unaudited) S\$'000	Half Year ended 30/6/2025 (Unaudited) S\$'000
First and final tax-exempt dividend paid in respect of the previous financial year		
- Per share	S\$0.002	S\$0.002
- Value	650	650

9. Earnings per ordinary share

	Group	
	Half Year ended 30/6/2026 (Unaudited)	Half Year ended 30/6/2025 (Unaudited)
Earnings per ordinary share of the Group attributable to owners of the parent for the period on the net profit after income tax:		
(Singapore cents)		
(a) Based on the weighted average number of shares	0.43	0.36
(b) On a fully diluted basis	0.43	0.36

Basic earnings per share are computed based on the weighted average number of issued shares excluding treasury shares of 324,900,846 for the six month periods ended 30 June 2026 and 30 June 2025.

The basic and diluted earnings per share are the same as there were no potentially dilutive securities for the financial periods ended 30 June 2026 and 30 June 2025.

10. Net asset value

	Group		Company	
	As at 30/6/2026 (Unaudited)	As at 31/12/2025 (Audited)	As at 30/6/2026 (Unaudited)	As at 31/12/2025 (Audited)
(Singapore cents)				
Net asset value per ordinary share	12.15	11.91	7.46	7.68

The net asset value per share is calculated based on the total number of issued shares excluding treasury shares of 324,900,846 as at 30 June 2026 and 31 December 2025.

11. Property, plant and equipment

The Group's addition of assets amounted to S\$2,813,000 and disposal of assets with net book value of S\$Nil in the half year ended 30 June 2026 as compared to addition of assets amounted to S\$1,042,000 and disposal of assets with net book value of S\$Nil in the half year ended 30 June 2025.

12. Intangible asset

	Group Computer Software S\$'000
As at 31 December 2025 (Audited)	
Cost	714
Accumulated amortisation	(654)
Net carrying amount	60
Half year ended 30 June 2026 (Unaudited)	
Balance as at 1 January 2026	60
Additions	9
Amortisation charge	(16)
Balance as at 30 June 2026	53
As at 30 June 2026 (Unaudited)	
Cost	723
Accumulated amortisation	(670)
Net carrying amount	53

13. Financial assets, at fair value through other comprehensive income

The Group has designated its unlisted equity investment in Singapore of S\$49,000 to be measured at FVOCI. The Group intends to hold this investment for long-term and strategic investment purposes.

The fair value of unlisted equity investment was derived using adjusted net assets of the unlisted equity investment which approximated the carrying amount of S\$Nil as at 30 June 2026 (31 December 2025: S\$Nil).

14. Borrowings

	Group			
	As at 30/6/2026 (Unaudited)		As at 31/12/2025 (Audited)	
	⁽²⁾ Secured S\$'000	⁽¹⁾ Unsecured S\$'000	⁽²⁾ Secured S\$'000	⁽¹⁾ Unsecured S\$'000
Repayable within one year or less or on demand	268	3,531	263	5,411
Repayable after one year	5,310	-	3,040	-
Total	5,578	3,531	3,303	5,411

(1) The unsecured borrowings comprise unsecured term loans of the Group amounting to S\$1.00 million (31 December 2025: S\$2.54 million) and bills payable amounting to S\$2.53 million (31 December 2025: S\$2.87 million).

(2) The secured borrowings include term loan amounting to S\$5.06 million (31 December 2025: S\$2.70 million) and finance lease of the Group amounting to S\$0.52 million (31 December 2025: S\$0.60 million).

Details of any collateral

Term loan is secured by legal mortgage over a property in Malaysia. Finance lease payables are secured by the underlying assets acquired.

15. Share capital

	Group and Company			
	As at 30/6/2026 (Unaudited)		As at 31/12/2025 (Audited)	
	Number of shares	Amount	Number of shares	Amount
		S\$'000		S\$'000
Total number/amount of Ordinary Shares	324,900,846	24,777	324,900,846	24,777

There were no changes in the Company's share capital since the end of the previous period reported on which was as at 31 December 2025.

There were no outstanding convertibles as at 30 June 2026 and 30 June 2025.

There were no treasury shares as at 30 June 2026 and 30 June 2025. As such, there was no sale, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

There were no subsidiary holdings as at 30 June 2026 and 30 June 2025. As such, there was no sale, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

16. Subsequent events

There are no known subsequent events which have led to adjustments to the condensed interim financial statements for the half year ended 30 June 2026.

Other Information Required by Appendix 7C of the Catalist Rules

1. Review

The half year ended 30 June 2026 condensed interim financial statements and certain explanatory notes have not been audited or reviewed by the Company's auditor.

The Group's latest financial statements for the year ended 31 December 2025 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Condensed Interim Consolidated Statement of Comprehensive Income

The Group's revenue for the half year ended 30 June 2026 ("1H2026") increased by S\$0.63 million, or 1.77%, to S\$36.24 million from S\$35.61 million for the half year ended 30 June 2025 ("1H2025"). The increase was mainly attributable to higher sales of house brand products in Singapore and Malaysia, partially offset by lower export sales to other markets.

Gross profit increased by S\$1.09 million to S\$9.74 million in 1H2026 from S\$8.65 million in 1H2025 mainly due to increase of gross profit margin from 24.30% in 1H2025 to 26.88% in 1H2026. This improvement was supported by higher sales of house brands products, which generated higher gross profit margins, as well as lower procurement costs arising partly from favourable currency movements against the US dollar.

Other income increased by S\$0.13 million to S\$0.67 million in 1H2026 from S\$0.54 million in 1H2025. This was primarily due to the Group recording a net foreign exchange gain in 1H2026 compared with a net foreign exchange loss in 1H2025.

Selling and distribution expenses increased by S\$0.47 million to S\$2.27 million in 1H2026, compared to S\$1.80 million in 1H2025. This was mainly due to higher promotion and logistic costs incurred during the financial period.

Administrative expenses increased by S\$0.20 million to S\$4.90 million in 1H2026 from S\$4.70 million in 1H2025, mainly due to higher staff related costs and a higher provision for discretionary employees' bonuses following the improved profitability recorded in 1H2026.

Other expenses decreased by S\$0.03 million to S\$1.23 million in 1H2026 from S\$1.26 million in 1H2025. This decrease was mainly attributable to absence of foreign exchange loss incurred in 1H2025.

A loss allowance of S\$0.03 million on third party trade receivables was made in 1H2026 as compared to a reversal of S\$0.24 million in 1H2025. The reversal in 1H2025 arose from the reassessment of previously impaired receivables, whereas the charge in 1H2026 reflected an increase in expected credit losses on certain trade receivables.

Finance costs decreased by S\$0.07 million to S\$0.13 million in 1H2026 from S\$0.20 million in 1H2025, mainly due to lower average utilisation of short-term borrowing facilities during the financial period.

As a result of the above, profit attributable to owners of the parent increased by S\$0.23 million to S\$1.40 million in 1H2026 from S\$1.16 million in 1H2025.

Condensed Interim Statement of Financial Position

The Group's net assets were S\$39.48 million as at 30 June 2026, compared to S\$38.69 million as at 31 December 2025. The net increase of S\$0.79 million was largely attributable to profit earned in 1H2026 offset by the FY2025 final dividend paid in 1H2026, and the effect of exchange differences on translating foreign operations.

The significant changes to the Condensed Interim Statement of Financial Position were as follows:-

Property, plant and equipment increased by S\$2.25 million to S\$23.92 million as at 30 June 2026, compared to S\$21.67 million as at 31 December 2025 due to additions relating to the construction of the Group's new factory during 1H2026, partially offset by depreciation in 1H2026.

Inventories decreased by S\$3.79 million to S\$14.03 million as at 30 June 2026 from S\$17.82 million as at 31 December 2025 mainly due to the drawdown of inventories built up in late 2025 in anticipation of the sales demand during Chinese New Year in February 2026 ("CNY2026").

Trade and other receivables decreased by S\$3.63 million to S\$9.22 million as at 30 June 2026 from S\$12.85 million as at 31 December 2025. This decrease was mainly due to the collection of trade receivables outstanding as at 31 December 2025 and lower advance payment made to supplier in 1H2026.

Other current assets, representing the right to the recovered goods for sales returns by customers, reduced to S\$0.29 million as at 30 June 2026 from S\$1.05 million as at 31 December 2025 mainly due to the lower expected return of goods as at 30 June 2026 as compared to the end of FY2025 in connection with CNY2026.

Trade and other payables in current liabilities decreased by S\$2.8 million to S\$5.89 million as at 30 June 2026. This was mainly due to lower trade payables, consistent with lower level of inventory balance and the settlement of FY2025 profit-sharing and employee bonus provisions during 1H2026. This was partially offset by higher advance receipts from customers and bonus accruals recognised for 1H2026.

Refund liabilities represent the liabilities for return of goods and sales rebates. It dropped to S\$0.77 million as at 30 June 2026 from S\$2.22 million as at 31 December 2025 in line with the reduction in other current assets.

Bank borrowings in current liabilities, mainly comprised bills payable and short term unsecured loans, decreased by S\$1.88 million to S\$3.64 million as at 30 June 2026 from S\$5.52 million as at 31 December 2025 which was in line with the lower inventory kept by the Group and lower trade and other receivables.

Non-current bank borrowings increased by S\$2.35 million to S\$4.95 million as at 30 June 2026 from S\$2.60 million as at 31 December 2025 mainly due to new term loan of S\$2.39 million for the Group's property in Malaysia, partially offset by its repayment.

Condensed Interim Consolidated Statement of Cash Flows

Cash and cash equivalents was recorded at S\$10.41 million as at 30 June 2026. During 1H2026, the Group generated, net cash of S\$6.23 million from operating activities and used net cash of S\$0.65 million and S\$2.92 million in investing and financing activities respectively.

The net cash generated from operating activities was mainly attributable to the operating cash flows before working capital changes of S\$2.85 million, together with cash released from lower inventories of S\$3.49 million, lower trade and other receivables of S\$3.68 million. These inflows were partially offset by reductions in trade and other payables of S\$2.83 million and refund liabilities of S\$1.45 million.

The net cash used in investing activities was mainly attributable to the acquisition of property, plant and equipment of S\$0.33 million and an increase in fixed deposits of S\$0.32 million.

The net cash used in financing activities mainly consisted of repayment of bank borrowings of S\$1.95 million and payment of the FY2025 final dividend of S\$0.65 million.

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

Not applicable.

4. 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

The operating environment is expected to remain challenging due to ongoing geopolitical conflicts and disruptions to global shipping and supply chains. While the Group will continue to pursue sales opportunities and strengthen its house-brand portfolio, competitive pricing conditions and potentially higher input and logistics costs may place pressure on margins. The Group will continue to exercise prudent cost and working-capital management, while selectively pursuing business opportunities that support its longer-term competitiveness.

5. Dividend information

5.1 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Not applicable.

(b) (i) Amount per share cents

Nil

(ii) Previous corresponding period cents

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

5.2 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the half year ended 30 June 2026 as the Group intends to conserve funds for working capital purposes.

6. Interested person transactions

The Company does not have a general mandate for IPT from shareholders. There was no IPT with value of S\$100,000 and more entered into during the financial period.

7. Disclosure of acquisition (including incorporations) and sale of shares under Rule 706A

The Company did not carry out any acquisition or sale of shares during the current financial period.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

Lim Hock Chye Daniel
Chief Executive Officer

14 August 2026

On behalf of the Board of Directors, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of Hosen Group Ltd which may render the unaudited condensed interim consolidated financial statements for the half year ended 30 June 2026 to be false or misleading in any material aspects.

For and on behalf of the Board of Hosen Group Ltd.

Lim Hock Chye Daniel
Executive Director and Chief Executive Officer

Lim Hai Cheok
Executive Director

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.