CNT GROUP LIMITED
北 海 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 701)

ANNOUNCEMENT OF 2026 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

Results	Six months ended 30 June **2026** **(Unaudited)** **HK$'000**	 2025 (Unaudited) HK$'000	 Change %
Revenue	**138,748**	119,045	16.6
Gross profit	**62,921**	50,191	25.4
Gross profit margin	**45.3%**	42.2%	7.3
Loss for the period	**(20,667)**	(43,876)	-52.9
Loss attributable to:			
Shareholders of the Company	**(15,663)**	(36,551)	-57.1
Non-controlling interests	**(5,004)**	(7,325)	-31.7
Loss per share (HK cents)			
Basic and diluted	**(0.82)**	(1.92)	-57.1

Financial Position	**As at** **30 June** **2026** **(Unaudited)** **HK$'000**	As at 31 December 2025 (Audited) HK$'000	 Change %
Cash and cash equivalents and pledged deposits	**332,452**	330,166	0.7
Bank borrowings	**128,882**	141,388	-8.8
Gearing ratio	**10.7%**	11.8%	-9.3
Net asset value per share (HK$)	**0.68**	0.68	N/A
Shareholders' funds per share (HK$)	**0.63**	0.63	N/A

INTERIM RESULTS

The board (the "Board") of directors of CNT Group Limited (the "Company") presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 together with comparative amounts for the corresponding period in 2025. The condensed consolidated interim financial statements have not been audited, but have been reviewed by the Board's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
REVENUE	3	**138,748**	119,045
Cost of sales		**(75,827)**	(68,854)
Gross profit		**62,921**	50,191
Other income and gains, net	3	**4,926**	4,881
Selling and distribution expenses		**(20,655)**	(19,993)
Administrative expenses		**(52,275)**	(42,472)
Reversal of provision for impairment of trade and bills receivables, net		**6,542**	933
Other expenses, net		**(4,664)**	(5,416)
Fair value losses on investment properties, net	10	**(18,354)**	(30,751)
Finance costs	4	**(2,357)**	(2,722)
Share of profit of an associate		**247**	830
LOSS BEFORE TAX	5	**(23,669)**	(44,519)
Income tax credit	6	**3,002**	643
LOSS FOR THE PERIOD		**(20,667)**	(43,876)
ATTRIBUTABLE TO:			
Owners of the parent		**(15,663)**	(36,551)
Non-controlling interests		**(5,004)**	(7,325)
		(20,667)	(43,876)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic and diluted		**HK(0.82) cents**	HK(1.92) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
LOSS FOR THE PERIOD	**(20,667)**	(43,876)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**23,045**	21,467
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**23,045**	21,467
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**2,378**	(22,409)
ATTRIBUTABLE TO:		
Owners of the parent	**3,094**	(18,919)
Non-controlling interests	**(716)**	(3,490)
	2,378	(22,409)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 (Unaudited) HK$'000**	31 December 2025 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**365,571**	366,426
Investment properties	10	**689,957**	691,863
Property under development		**28,000**	28,000
Right-of-use assets		**40,999**	43,030
Interest in an associate		**900**	1,916
Equity investments designated at fair value through other comprehensive income		**34,868**	34,868
Deposits for purchases of property, plant and equipment		**43**	2,901
Deposits and prepayments		**254**	832
Deferred tax assets		**19,374**	18,993
Total non-current assets		**1,179,966**	1,188,829
CURRENT ASSETS			
Inventories		**23,744**	17,331
Trade and bills receivables	11	**62,391**	67,147
Prepayments, deposits and other receivables		**44,085**	43,869
Pledged deposits		**17,253**	14,691
Cash and cash equivalents		**315,199**	315,475
Total current assets		**462,672**	458,513
CURRENT LIABILITIES			
Trade and bills payables	12	**97,403**	87,423
Other payables and accruals		**48,208**	49,234
Due to an associate		**2,800**	2,800
Interest-bearing bank borrowings		**79,704**	75,500
Lease liabilities		**2,294**	3,549
Tax payable		**13,085**	13,494
Total current liabilities		**243,494**	232,000
NET CURRENT ASSETS		**219,178**	226,513
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,399,144**	1,415,342

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
NON-CURRENT LIABILITIES		
Lease liabilities	**81**	929
Interest-bearing bank borrowings	**49,178**	65,888
Deferred tax liabilities	**46,167**	47,869
Deposits received	**6,945**	6,334
Total non-current liabilities	**102,371**	121,020
Net assets	**1,296,773**	1,294,322
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**190,369**	190,369
Reserves	**1,008,819**	1,005,725
	1,199,188	1,196,094
Non-controlling interests	**97,585**	98,228
Total equity	**1,296,773**	1,294,322

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited. The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial statements.

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

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments did not have any impact on the condensed consolidated interim financial statements.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* only apply to contracts that reference nature-dependent electricity and clarify the application of the 'own-use' requirements for in-scope contracts. The amendments to HKFRS 9 will now allow an entity designating a contract referencing nature-dependent electricity as the hedging instrument in a hedge of forecast electricity transactions, to designate a variable nominal amount of forecast electricity transactions as the hedged item. HKFRS 7 has been amended to require disclosures relating to contracts that have been excluded from the scope of HKFRS 9 as a result of the amendments. In such cases, an entity must disclose in a single note:

- information about the contractual features that expose the entity to variability in an underlying amount of electricity and the risk that the entity would be required to buy electricity during a delivery interval where it cannot use it;

- information about unrecognised contractual commitments arising from such contracts; and

- qualitative and quantitative information about the effects on the entity's financial performance for the reporting period interval where it cannot use it.

The HKFRS 7 disclosure amendments must be applied when the HKFRS 9 amendments are applied. The clarifications regarding the 'own use' requirements must be applied retrospectively without using hindsight, but the guidance permits hedge accounting to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments did not have any impact on the condensed consolidated interim financial statements.

(c) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments did not have any impact on the condensed consolidated interim financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments did not have any impact on the condensed consolidated interim financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments did not have any impact on the condensed consolidated interim financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments did not have any impact on the condensed consolidated interim financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has four reportable operating segments as follows:

(a) the paint products segment engages in the manufacture and sale of paint and coating products through CPM Group Limited (the "CPM", together with its subsidiaries collectively as the "CPM Group");

(b) the property investment segment comprises:

  (i) the investment in residential properties, commercial properties and industrial properties for their rental income potential; and

  (ii) the development and sale of properties;

(c) the hotel business; and

(d) the others segment comprises, principally, investment holding.

The chief operating decision-maker regularly reviews the operating results of the operating segments of the Group separately for the purposes of resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the profit/loss before tax of the Group except that interest income, finance costs, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted on mutually agreed terms.

Six months ended 30 June 2026	Paint products (Unaudited) HK$'000	Property investment (Unaudited) HK$'000	Hotel business (Unaudited) HK$'000	Others (Unaudited) HK$'000	Total (Unaudited) HK$'000
Segment revenue					
Sales to external customers	**114,516**	**18,888**	**5,344**	**–**	**138,748**
Intersegment sales	**–**	**1,238**	**9**	**–**	**1,247**
Other income and gains, net	**1,308**	**65**	**–**	**1,381**	**2,754**
Intersegment other income and gains, net	**–**	**241**	**–**	**3,518**	**3,759**
	115,824	**20,432**	**5,353**	**4,899**	**146,508**
Reconciliation:					
Elimination of intersegment sales					**(1,247)**
Elimination of intersegment other income and gains, net					**(3,759)**
Total					**141,502**
Segment results	**(13,396)**	**(2,691)**	**289**	**5,856**	**(9,942)**
Reconciliation:					
Elimination of intersegment results					**(3,518)**
Interest income					**2,172**
Finance costs					**(2,357)**
Corporate and other unallocated expenses					**(10,024)**
Loss before tax					**(23,669)**

Six months ended 30 June 2025	Paint products (Unaudited) HK$'000	Property investment (Unaudited) HK$'000	Hotel business (Unaudited) HK$'000	Others (Unaudited) HK$'000	Total (Unaudited) HK$'000
Segment revenue					
Sales to external customers	96,893	16,806	5,346	–	119,045
Intersegment sales	–	1,238	2	–	1,240
Other income and gains, net	1,848	79	–	98	2,025
Intersegment other income and gains, net	–	273	–	3,628	3,901
	98,741	18,396	5,348	3,726	126,211
Reconciliation:					
Elimination of intersegment sales					(1,240)
Elimination of intersegment other income and gains, net					(3,901)
Total					121,070
Segment results	(21,578)	(16,174)	214	3,396	(34,142)
Reconciliation:					
Elimination of intersegment results					(3,628)
Interest income					2,856
Finance costs					(2,722)
Corporate and other unallocated expenses					(6,883)
Loss before tax					(44,519)

As at 30 June 2026	**Paint products (Unaudited) HK$'000**	**Property investment (Unaudited) HK$'000**	**Hotel business (Unaudited) HK$'000**	**Others (Unaudited) HK$'000**	**Total (Unaudited) HK$'000**
Segment assets	**404,684**	**805,013**	**259,284**	**38,579**	**1,507,560**
Reconciliation:					
Corporate and other unallocated assets					**219,321**
Elimination of inter-company receivables					**(84,243)**
Total assets					**1,642,638**
Segment liabilities	**317,232**	**99,897**	**5,808**	**1,635**	**424,572**
Reconciliation:					
Corporate and other unallocated liabilities					**5,536**
Elimination of inter-company payables					**(84,243)**
Total liabilities					**345,865**

As at 31 December 2025	Paint products (Audited) HK$'000	Property investment (Audited) HK$'000	Hotel business (Audited) HK$'000	Others (Audited) HK$'000	Total (Audited) HK$'000
Segment assets	391,788	801,199	261,224	38,375	1,492,586
Reconciliation:					
Corporate and other unallocated assets					226,790
Elimination of inter-company receivables					(72,034)
Total assets					1,647,342
Segment liabilities	309,065	103,610	5,447	1,584	419,706
Reconciliation:					
Corporate and other unallocated liabilities					5,348
Elimination of inter-company payables					(72,034)
Total liabilities					353,020

Six months ended 30 June 2026	Paint products (Unaudited) HK$'000	Property investment (Unaudited) HK$'000	Hotel business (Unaudited) HK$'000	Others (Unaudited) HK$'000	Total (Unaudited) HK$'000
Other segment information					
Depreciation of property, plant and equipment	**5,622**	**886**	**1,024**	**–**	**7,532**
Corporate and other unallocated depreciation					**8**
					7,540
Depreciation of right-of-use assets	**2,196**	**759**	**–**	**–**	**2,955**
Corporate and other unallocated depreciation					**3**
					2,958
Capital expenditure*	**731**	**2**	**–**	**–**	**733***
Fair value losses on investment properties, net	**–**	**18,354**	**–**	**–**	**18,354**
Gain on disposal of items of property, plant and equipment, net	**(125)**	**–**	**–**	**–**	**(125)**
Reversal of provision for impairment of trade and bills receivables, net	**(6,542)**	**–**	**–**	**–**	**(6,542)**
Reversal of provision for inventories to net realisable value, net	**(240)**	**–**	**–**	**–**	**(240)**

Six months ended 30 June 2025	Paint products (Unaudited) HK$'000	Property investment (Unaudited) HK$'000	Hotel business (Unaudited) HK$'000	Others (Unaudited) HK$'000	Total (Unaudited) HK$'000
Other segment information					
Depreciation of property, plant and equipment	5,876	896	1,027	–	7,799
Corporate and other unallocated depreciation					7
					7,806
Depreciation of right-of-use assets	2,314	757	–	–	3,071
Corporate and other unallocated depreciation					4
					3,075
Capital expenditure*	284	–	–	–	284*
Fair value losses on investment properties	–	30,751	–	–	30,751
Gain on lease modification	(133)	–	–	–	(133)
Gain on disposal of items of property, plant and equipment, net	(33)	–	–	–	(33)
Reversal of provision for impairment of trade and bills receivables, net	(928)	–	–	(5)	(933)
Reversal of provision for inventories to net realisable value, net	(269)	–	–	–	(269)
Write-off of items of property, plant and equipment	2	–	–	–	2

* Capital expenditure consists of additions to property, plant and equipment.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Hong Kong	**26,633**	19,271
Mainland China	**112,115**	99,774
	138,748	119,045

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Hong Kong	**563,340**	567,883
Mainland China	**562,384**	567,085
	1,125,724	1,134,968

The non-current assets information above is based on the locations of the assets and excludes deferred tax assets and financial instruments.

Information about major customers

During the six months ended 30 June 2026 and 2025, no revenue from any single customer accounted for 10% or more of the total revenue of the Group.

3. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue from contracts with customers		
Sale of paint products	**114,516**	96,893
Hotel operation	**5,344**	5,346
Revenue from other sources		
Gross rental income from investment properties operating leases	**18,888**	16,806
	138,748	119,045

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026	**Paint products (Unaudited) HK$'000**	**Hotel business (Unaudited) HK$'000**	**Total (Unaudited) HK$'000**
Segments			
Types of goods or services			
Sale of paint products	**114,516**	**–**	**114,516**
Hotel operation	**–**	**5,344**	**5,344**
Total revenue from contracts with customers	**114,516**	**5,344**	**119,860**
Geographical markets			
Hong Kong	**17,374**	**5,344**	**22,718**
Mainland China	**97,142**	**–**	**97,142**
Total revenue from contracts with customers	**114,516**	**5,344**	**119,860**
Timing of revenue recognition			
Goods transferred at a point in time	**114,516**	**–**	**114,516**
Service satisfied over time	**–**	**5,344**	**5,344**
Total revenue from contracts with customers	**114,516**	**5,344**	**119,860**

For the six months ended 30 June 2025	Paint products (Unaudited) HK$'000	Hotel business (Unaudited) HK$'000	Total (Unaudited) HK$'000
Segments			
Types of goods or services			
Sale of paint products	96,893	–	96,893
Hotel operation	–	5,346	5,346
Total revenue from contracts with customers	96,893	5,346	102,239
Geographical markets			
Hong Kong	10,314	5,346	15,660
Mainland China	86,579	–	86,579
Total revenue from contracts with customers	96,893	5,346	102,239
Timing of revenue recognition			
Goods transferred at a point in time	96,893	–	96,893
Service satisfied over time	–	5,346	5,346
Total revenue from contracts with customers	96,893	5,346	102,239

An analysis of the Group's other income and gains, net is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Other income and gains, net		
Bank interest income	**2,172**	2,856
Government grants*	**198**	40
Government subsidies^	**210**	342
Gain on disposal of items of property, plant and equipment, net	**125**	33
Gain on lease modification	**–**	133
Recognition of deferred income	**66**	137
Foreign exchange differences, net	**1,251**	–
Others	**904**	1,340
	4,926	4,881

* Government grants have been received from certain government authorities of the People's Republic China (the "PRC") in recognition of the Group's efforts in environmental awareness and protection and technological development. There are no unfulfilled conditions or contingencies relating to these grants.

^ During the six months ended 30 June 2026 and 2025, the PRC tax authority granted to the CPM Group the Advanced Manufacturing Tax Credit Initiative amounting to HK$210,000 and HK$342,000 respectively under the Announcement No. 43 [2023] of the Ministry of Finance and the State Taxation Administration. There were no unfulfilled conditions or contingencies relating to these government subsidies.

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank borrowings	**2,263**	2,558
Interest on lease liabilities	**94**	164
	2,357	2,722

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost of inventories sold	**75,827**	68,854
Depreciation of property, plant and equipment	**7,540**	7,806
Depreciation of right-of-use assets	**2,958**	3,075
Equity-settled share option expenses, net	**73**	21
Fair value losses on investment properties, net	**18,354**	30,751
Foreign exchange differences, net*	**(1,251)**	385
Gain on disposal of items of property, plant and equipment, net*	**(125)**	(33)
Gain on lease modification*	**–**	(133)
Reversal of provision for impairment of trade and bills receivables, net	**(6,542)**	(933)
Reversal of provision for inventories to net realisable value, net@	**(240)**	(269)
Staff termination cost*	**392**	1,128
Write-off of items of property, plant and equipment*	**–**	2

* These balances are included in "Other income and gains, net" for gains and "Other expenses, net" for losses in the unaudited condensed consolidated statement of profit or loss.

@ The balance is included in "Cost of sales" in the unaudited condensed consolidated statement of profit or loss.

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group has sufficient tax losses brought forward to set off against assessable profits for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

All subsidiaries of the Group established in Mainland China are subject to the PRC corporate income tax at a standard rate of 25% (six months ended 30 June 2025: 25%) during the period, except for the subsidiaries of the Group which qualified as a PRC High and New Technology Enterprise in Mainland China and a lower PRC corporate income tax rate of 15% (six months ended 30 June 2025: 15%) has been applied during the period.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current – Elsewhere		
Charge for the period	**127**	105
Deferred	**(3,129)**	(748)
Total tax credit for the period	**(3,002)**	(643)

The share of tax attributable to an associate amounting to HK$49,000 (six months ended 30 June 2025: HK$164,000) is included in "Share of profit of an associate" in the unaudited condensed consolidated statement of profit or loss.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted loss per share is based on the loss for the six months ended 30 June 2026 attributable to ordinary equity holders of the parent of HK$15,663,000 (six months ended 30 June 2025: HK$36,551,000), and the weighted average number of ordinary shares of 1,903,685,690 (six months ended 30 June 2025: 1,903,685,690) in issue during the period.

No adjustment has been made to the basic loss per share presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share presented.

8. DIVIDEND

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

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment at costs of HK$733,000 (six months ended 30 June 2025: HK$284,000).

Items of property, plant and equipment with an aggregate net book value of HK$5 (six months ended 30 June 2025: HK$1) were disposed of by the Group during the six months ended 30 June 2026.

10. INVESTMENT PROPERTIES

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Carrying amount at the beginning of period/year	**691,863**	725,819
Fair value losses, net	**(18,354)**	(55,895)
Exchange realignment	**16,448**	21,939
Carrying amount at the end of period/year	**689,957**	691,863

The investment properties of the Group were revalued on 30 June 2026 based on the valuations performed by Dudley Surveyors Limited and BMI Appraisals Limited, the independent qualified professional valuers. Fair values of the investment properties of the Group are generally derived by using the income capitalisation method and the market comparison approach.

11. TRADE AND BILLS RECEIVABLES

The trade receivables of the Group represent receivables arising from the leasing of investment properties and the sale of paint products. The Group normally requires its customers to make payment of monthly rentals in advance in relation to the leasing of investment properties. Tenants are usually required to pay security deposits which are held by the Group. The Group's trading terms of the paint business with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables balances. Trade and bills receivables are non-interest-bearing.

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

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Within three months	**43,161**	45,713
Over three months and within six months	**7,831**	7,892
Over six months	**11,399**	13,542
	62,391	67,147

12. TRADE AND BILLS PAYABLES

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

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Within three months	**40,208**	38,845
Over three months and within six months	**23,546**	25,165
Over six months	**33,649**	23,413
	97,403	87,423

As at 30 June 2026, except for bills payable with an aggregate carrying amount of HK$55,891,000 (31 December 2025: HK$47,777,000) were secured by time deposits of HK$17,253,000 (31 December 2025: HK$14,691,000), the remaining balances are unsecured, non-interest-bearing and normally settled within two months.

13. SHARE OPTION SCHEMES

Share Option Scheme of the Company

The 2022 share option scheme (the "2022 Scheme") was adopted by the Company on 2 June 2022 pursuant to a resolution passed at the special general meeting of the Company held on the same date. Unless terminated by a resolution in a general meeting or by the Board, the 2022 Scheme remains valid and effective for the period of 10 years commencing on 2 June 2022, after which period no further share options will be issued, but in all other aspects, the provisions of the 2022 Scheme shall remain in full force and effect. Further details are set out in the circular of the Company dated 28 April 2022.

The 2022 Scheme will expire on 1 June 2032. During the six months ended 30 June 2026 and 2025, no share options were granted under the 2022 Scheme.

Share Option Scheme of CPM

On 15 June 2022, 80,000,000 share options to subscribe for a total of 80,000,000 new shares of CPM of HK$0.10 each were granted to three directors of CPM and five employees of the CPM Group under the share option scheme (the "CPM Scheme") adopted by CPM on 4 June 2020 (the "Adoption Date"). The CPM Scheme was adopted by CPM for the purpose of providing incentives to attract and retain employees of the CPM Group, as well as other eligible participants (including, but not limited to, executive directors, non-executive directors and independent non-executive directors of CPM, any supplier of goods or services to any member of the CPM Group and any customer of the CPM Group) who made contributions to the CPM Group. Unless terminated by resolution in general meeting or by the board of directors of CPM, the CPM Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further share options will be issued, but in all other respects, the provisions of the CPM Scheme shall remain in full force and effect. Further details are set out in the circular of CPM dated 27 April 2020.

The equity-settled share options granted on 15 June 2022 vest over a period of four years from the date of grant, of which 50% of the share options vested immediately on the date of grant, 20% of the share options vested on 14 June 2023, 10% of the share options vested on 14 June 2024, 10% of the share options vested on 14 June 2025 and 10% of the share options vested on 14 June 2026. These share options are exercisable at HK$0.335 per share and must be exercised within five years from the date of grant, and if not so exercised, the share options shall lapse.

The following share options were outstanding under the CPM Scheme during the six months ended 30 June 2026 and 2025:

	2026 (Unaudited)		2025 (Unaudited)	
	Weighted average exercise price HK$ per share	**Number of share options**	Weighted average exercise price HK$ per share	Number of share options
At 1 January	**0.335**	**60,000,000**	0.335	70,000,000
Lapsed during the period	**–**	**–**	0.335	(10,000,000)
At 30 June	**0.335**	**60,000,000**	0.335	60,000,000
Vested and exercisable at 30 June	**0.335**	**60,000,000**	0.335	54,000,000

None of the share options granted under the CPM Scheme were exercised, cancelled or lapsed during the six months ended 30 June 2026.

As one of the directors of CPM resigned during the six months ended 30 June 2025, all share options granted to that director under the CPM Scheme lapsed on the date of cessation of employment. Save as disclosed above, none of the other share options granted under the CPM Scheme were exercised, cancelled or lapsed during the six months ended 30 June 2025.

No share options were granted under the CPM Scheme during the six months ended 30 June 2026 and 2025. The net share option expenses of approximately HK$73,000 were recognised by the CPM Group during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$21,000).

14. EVENTS AFTER THE REPORTING PERIOD

Mandatory Conditional Cash Offer of the Company

On 29 May 2026, the Company and Prime Surplus Limited, a company incorporated in the British Virgin Islands with limited liability and SHK Hong Kong Industries Limited, a company incorporated in Hong Kong with limited liability) (collectively, the "Offerors") jointly issued a composite document in relation to the mandatory conditional cash offer by the Offerors to acquire all the issued shares of the Company (other than those shares already owned and/or agreed to be acquired by the Offerors and parties acting in concert with any of them) (the "Share Offer").

The Share Offer closed at 4:00 p.m. on 2 July 2026, and the results of the Share Offer were disclosed in the joint announcement of the Company dated 2 July 2026.

Mandatory Unconditional CPM Cash Offers

On 24 June 2026, CPM and the offerors jointly issued a composite document in relation to the mandatory unconditional cash offers by the Offerors to acquire all the issued shares of CPM (other than those shares already owned and/or agreed to be acquired by the Offerors, the Company and parties acting in concert with any of them) (the "CPM Share Offer") and to cancel all the outstanding share options granted by CPM pursuant to the CPM Scheme (the "CPM Option Offer", together with the CPM Share Offer, the "CPM Offers").

As disclosed in the joint announcement of CPM dated 15 July 2026, pursuant to the terms of the CPM Scheme, all unexercised 60,000,000 CPM share options automatically lapsed upon the close of the CPM Offers on 15 July 2026. Accordingly, as of that date, CPM has no outstanding share options.

This event is not expected to have any material impact on the unaudited condensed consolidated interim financial statements of the CPM Group for the six months ended 30 June 2026.

INTERIM DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2026, the Group was engaged in three principal business segments, namely (a) investment property business; (b) hotel business; and (c) paint and coating business. The paint and coating business was conducted by CPM. Other than these three business segments, the Group also holds certain equity for investment purpose and owns a parcel of land in Yuen Long, Hong Kong for re-development.

BUSINESS REVIEW

During the six months ended 30 June 2026, the Group recorded a loss attributable to the shareholders of the Company of approximately HK$15.66 million, as compared to the same of approximately HK$36.55 million for the six months ended 30 June 2025. The decrease in the Group's loss for the six months ended 30 June 2026 was primarily due to a decrease in the net fair value losses on the investment properties, amounting to approximately HK$12.40 million to HK$18.35 million as at 30 June 2026, as compared with the fair value losses of approximately HK$30.75 million as at 30 June 2025. Additionally, (i) an 18.2% increase in sales of paint and coating products by the Group; and (ii) the change in the sales mix, together led to a 32.8% increase in the gross profit and an increase of 4.1 percentage points in gross profit margin from paint and coating products sold during the six months ended 30 June 2026, as compared to the six months ended 30 June 2025. These positive factors, however, were partially offset by the increase in administrative expenses impacting the overall performance of the Group for the six months ended 30 June 2026.

Including the revenue generated by the CPM Group, the revenue of the Group during the six months ended 30 June 2026 was approximately HK$138.75 million, represented a 16.6% increase from HK$119.05 million for the six months ended 30 June 2025. The amount of gross profit of the Group for the six months ended 30 June 2026 was approximately HK$62.92 million, represented an increase of 25.4% from HK$50.19 million for the six months ended 30 June 2025. The significant increase in the gross profit of the Group was primarily due to the 18.2% increase in sales of paint and coating products, driven by stronger demand in Mainland China, and supported by the restructuring of the Hong Kong sales team and an improved sales mix. These positive factors were partially offset by intense competition in the paint and coating industry.

Furthermore, the Group experienced the adjusted profit of approximately HK$14.15 million for the six months ended 30 June 2026, as compared to the adjusted loss of approximately HK$1.08 million for the six months ended 30 June 2025. This adjusted profit excluded various gains and expenses such as depreciation of property, plant and equipment, adjustments related to provision for impairment of trade and bills receivables, depreciation of right-of-use assets, share option expenses, net fair value losses on investment properties, finance costs and income tax. The shift from adjusted loss to adjusted profit was primarily attributable to (i) an increase in gross profit from paint and coating products amounting to approximately HK$10.65 million, arising from the 18.2% increase in sales and an improved sales mix; (ii) an increase in rental income from investment properties of approximately HK$2.08 million; and (iii) an approximately HK$1.25 million gain on exchange differences in 2026, reversing a loss on exchange differences of approximately HK$0.39 million in 2025, principally attributable to the appreciation of the Renminbi during the period.

The revenue of the paint and coating business of the CPM Group accounted for 82.5% of the Group's revenue for the six months ended 30 June 2026, as compared to 81.4% of the same for the six months ended 30 June 2025.

INVESTMENT PROPERTY BUSINESS

Investment Properties

The revenue generated from the investment property business for the six months ended 30 June 2026 amounted to approximately HK$18.89 million, as compared to approximately HK$16.81 million for the six months ended 30 June 2025. The increase in the amount of revenue was primarily due to an absence of the changes in the effective rental calculations in 2026, as a result of alterations in the appreciation clauses of monthly charges in long-term tenancy agreements.

The revenue generated from the investment properties held by the Group (excluding the CPM Group) and the CPM Group for the six months ended 30 June 2026 amounted to approximately HK$7.75 million (as compared to approximately HK$7.36 million for the six months ended 30 June 2025) and approximately HK$11.14 million (as compared to approximately HK$9.45 million for the six months ended 30 June 2025), respectively.

The investment property portfolio of the Group consisted of 21 properties as at 30 June 2026, which remained unchanged when compared to 21 properties as at 31 December 2025. The gross floor area of the investment property portfolio includes properties with gross floor area of 93,988.21 square meters ("sq.m.") as at 30 June 2026, as compared to 93,988.21 sq.m. as at 31 December 2025. These investment properties included residential, commercial and industrial properties in Mainland China and Hong Kong and are held for the purpose of generating stable rental income and cash flows for long-term investment purposes.

The aggregate market value of the investment properties held by the Group amounted to approximately HK$689.96 million as at 30 June 2026, as compared to approximately HK$691.86 million as at 31 December 2025, including the investment properties held by the CPM Group, representing a decrease of 0.3%, as compared to the same as at 31 December 2025. The decrease was primarily attributable to the net fair value losses on investment properties due to persistent sluggishness in the real estate markets of Mainland China and Hong Kong. However, this was partially offset by a 3.6% appreciation of the Renminbi as recorded on the accounting dates between 31 December 2025 and 30 June 2026.

The market value of the investment properties of the Group (excluding the CPM Group) and the CPM Group as at 30 June 2026 amounted to approximately HK$400.49 million (as compared to approximately HK$399.69 million as at 31 December 2025) and approximately HK$289.47 million (as compared to approximately HK$292.17 million as at 31 December 2025), respectively.

The average occupancy rate for the investment properties of the Group for the six months ended 30 June 2026 was 86.1%, as compared to 85.9% for the six months ended 30 June 2025.

The stability of the occupancy rate was primarily due to the effective property management and proactive tenant relations. The recorded gross rental income (including inter-group rental income) increased to approximately HK$20.13 million for the six months ended 30 June 2026, as compared to approximately HK$18.04 million for the six months ended 30 June 2025.

The segment loss for the six months ended 30 June 2026 amounted to approximately HK$2.69 million, as compared to the segment loss of approximately HK$16.17 million for the six months ended 30 June 2025. This decrease in the segment loss was primarily due to the decrease in net fair value losses of the investment properties of approximately HK$12.40 million, as compared to the six months ended 30 June 2025. The net fair value losses for the six months ended 30 June 2026 were in line with persistent sluggishness in the real estate markets of Mainland China and Hong Kong.

The Group will constantly review the portfolio of its investment properties and will act prudently in making any decision on the acquisition of new properties in Hong Kong and/or Mainland China that may generate a constant flow of income with potential capital appreciation. This strategy was crucial to meet the financial objectives of the Group amidst challenging market conditions.

Property Under Development

An application was submitted on 30 September 2021 by Joyous Cheer Limited, a wholly-owned subsidiary of the Company, pursuant to Section 16 of the Town Planning Ordinance (Chapter 131 of the Laws of Hong Kong), for seeking the permission from the Town Planning Board (the "TPB") for (a) proposed conservation of historic building (being the preservation of Pun Uk 潘屋); (b) proposed construction of a recreation, sports or cultural centre (being the design to include an art/antique gallery and the development of heritage education); and (c) proposed construction of certain social welfare facility (which include the operation of residential care homes for the elderly (the "RCHE")) with ancillary catering facility on the land at Au Tau, Yuen Long (the "Au Tau Land") owned by the Group.

The Au Tau Land covers a site area of about 3,663.9 square meters and is currently occupied by Pun Uk, which is a Grade 1 historical building built in the 1930s.

Due to the heritage value of Pun Uk, any redevelopment on the Au Tau Land will have to include the preservation of Pun Uk, the promotion of the heritage value and the achievement of a commercial project that can generate reasonable economic return and prosperity.

In August 2022, the Rural and New Town Planning Committee of the TPB approved the Group's application for the redevelopment of the Au Tau Land with permission on (a) the preservation of Pun Uk; (b) the construction of a place of recreation, sports or cultural centre; and (c) the construction of an elderly home that has around 530 beds and other related facilities (collectively, the "Re-development Project"). The four-year permission was due to expire in August 2026, and the Group has applied for and successfully obtained an extension until August 2030.

Pursuant to the Re-development Project, there will be three non-domestic buildings comprising the existing Pun Uk and two new buildings to be constructed as RCHE. The north building of the proposed RCHE will have six storeys, i.e. basement, 1/F to 6/F, whereas the south building will have five storeys, i.e. 1/F to 5/F. Essential functional areas/facilities, such as administrative office, dining area, staff room and other supporting facilities would be provided and developed at the detailed design stage. Car parking spaces will also be included in the re-development design.

The Group is exploring different options available for the Re-development Project. Based on the current financial position of the Group and its business focus and expertise, the directors of the Company are of the preliminary view that the Re-development Project may be disposed of to the independent third parties. The directors of the Company are also of the view the disposal may be the most viable option which is in the best interest of the Company and the shareholders of the Company as a whole.

HOTEL BUSINESS

Since December 2021, the Group has engaged a hotel operator (the "Operator") to manage and operate the hotel under the brand name of "J Link Hotel". The Operator is an experienced hotel operator for small to medium-sized hotels.

During the six months ended 30 June 2026, the average number of available room nights was 80 and the occupancy rate was approximately 85%. The gross revenue from the hotel business for the six months ended 30 June 2026 amounted to approximately HK$5.35 million, unchanged from the six months ended 30 June 2025. Segment profit for the six months ended 30 June 2026 amounted to approximately HK$0.29 million, as compared to segment profit approximately HK$0.21 million for the six months ended 30 June 2025.

The J Link Hotel was focusing to attract short-haul travellers from Mainland China as well as overseas during the first half of 2026. In order to provide visitors with pleasant and enjoyable experience when participating in Hong Kong's events and seasonal celebrations, the Hong Kong Tourism Board collaborates with organisers of various events in the city by month and are powering up for the festivals and events, shaping Hong Kong as a lively city. This collaboration will introduce richer experiences to visitors upon their arrival.

The expansion of the cross-border driving scheme from mid-2026 may benefit the hotel industry in Hong Kong by encouraging longer stays from Mainland tourists. With more visitors stay overnight, hotel occupancy rates are likely to increase. As such, it is anticipated that the hotel business of the Group may benefit from this measure.

Promotional campaigns aim to attract not only Mainland China short-haul travellers but also overseas visitors for extended stays, providing curated event packages, themed experiences, and easy itinerary planning through digital platforms. The synergy between the Hong Kong government promotional campaigns, event organisers and hospitality providers, like J Link Hotel, contributes to maintaining high hotel occupancy rates and has improved average room rates during the peak event periods.

The directors of the Company anticipate that room occupancy will remain at a high level while average room rates are expected to improve, with the support of the ongoing promotional campaigns launched by the Hong Kong government in 2026.

PAINT AND COATING BUSINESS

Further information on the paint and coating business is set forth in the results announcement of CPM for the six months ended 30 June 2026 and the following information on the paint and coating business is extracted for ease of reference.

General Background

For the paint and coating business, the products of the CPM Group are broadly categorised into (i) industrial paint and coating products; (ii) architectural paint and coating products; and (iii) general paint and coating and ancillary products. Industrial paint and coating products are used in a wide range of applications, such as furniture painting, manufacturing and surface finishing for different kinds of materials, and are used by manufacturers, renovation contractors for property and infrastructure projects and household users. Architectural paint and coating products are used for walls, floors and exterior parts of buildings. The CPM Group's architectural paint and coating products focus primarily on the construction and maintenance markets of commercial and residential properties. General paint and coating and ancillary products, such as thinner, enamels, anti-mold agents and solvent agents, can be used for both architectural and industrial purposes.

The following sets forth an analysis of the CPM Group's revenue from the sales of the paint and coating products (the "Paint Sales") for the six months ended 30 June 2026 (with comparative figures for the six months ended 30 June 2025):

	Six months ended 30 June				
	2026		2025		% of net
	HK$'000	**%**	HK$'000	%	change
Industrial paint and coating products	**67,283**	**58.7**	56,485	58.3	19.1
Architectural paint and coating products	**15,779**	**13.8**	17,190	17.7	-8.2
General paint and coating and ancillary products	**31,454**	**27.5**	23,218	24.0	35.5
	114,516	**100.0**	96,893	100.0	18.2

The CPM Group continues to focus on Mainland China market which contributed to approximately 84.8% (2025: approximately 89.4%) of the total revenue generated from the Paint Sales in 2026.

Segment Results

Revenue from paint and coating products

The revenue of the CPM Group from the Paint Sales for the six months ended 30 June 2026 amounted to approximately HK$114.52 million, representing a significant increase of 18.2% as compared to approximately HK$96.89 million for the six months ended 30 June 2025.

Significant increase in the Paint Sales to the industrial manufacturers in Mainland China

For the six months ended 30 June 2026, the Paint Sales to industrial manufacturers in Mainland China significantly increased by 25.6%, as compared to the same period in 2025. This increase was mainly driven by higher demand for communication and electronic equipment in Mainland China, together with foreign export of goods. The CPM Group's industrial paint and coating products benefited from customers in sectors such as consumer electronics, machinery and mechanical equipment, toys, electrical appliances and automotive products. Consequently, the sales of industrial paint and coating products generated from the industrial manufacturers in Mainland China increased by HK$8.68 million, as compared to the same period in 2025.

Significant increase in the Paint Sales to the wholesale and retail distributors in Hong Kong

For the six months ended 30 June 2026, the Paint Sales to the wholesale and retail distributors in Hong Kong significantly increased to HK$14.89 million, as compared to HK$7.62 million for the six months ended 30 June 2025. This increase was driven by the restructuring of the Hong Kong sales team and an improved sales mix in 2026, as compared to the six months ended 30 June 2025. As a result of this effective sales management, the Paint Sales generated through the wholesale and retail distributors in Hong Kong rebounded by 95.4% as compared to the six months ended 30 June 2025.

Increase in the Paint Sales to the contractors working for private residential property projects in Mainland China

For the six months ended 30 June 2026, the Paint Sales to contractors for private residential projects in Mainland China increased by 9.3%, as compared to the same period in 2025. This increase was partly attributable to accelerated urban renewal under the 15th Five-Year Plan which helped sustain activity in the housing stock and supported demand for high-performance exterior paints and integrated coating solutions used in private residential renovations.

Cost of raw materials

Raw materials used by the CPM Group include resins, solvents and other materials, of which resins and solvents accounted for a substantial portion of the total raw material costs. Generally speaking, prices of such raw materials are directly or indirectly affected by crude oil prices. During the six months ended 30 June 2026, crude oil prices increased by 24.8%, ranging between US$55 and US$97 per barrel, as compared to a range of US$59 and US$68 per barrel for the six months ended 30 June 2025. This volatility in crude oil prices due to the US-Iran conflict pushed up global oil prices and had a proportionate negative impact on raw material costs for the CPM Group. During the period, the CPM Group effectively controlled costs through stringent measures. These measures included rigorous oversight of raw material costs and of manufacturing and operating expenses. Consequently, the cost of the Paint Sales for the six months ended 30 June 2026 only increased by 10.8%, lagging the Paint Sales's growth of 18.2% over the same period. Furthermore, there was a reduction of 1.0 percentage point in the proportion of raw material costs to sales, decreasing to 50.7% from 51.7% for the corresponding period ended 30 June 2025.

Gross Profit and Gross Profit Margin of the Paint and Coating Products of the CPM Group

For the six months ended 30 June 2026, the CPM Group recorded a 32.8% increase in gross profit resulting from the 18.2% increase in sales and an improved sales mix, as compared to the same period in 2025. The gross profit margin on the Paint Sales increased by 4.1 percentage points to 37.7%, up from 33.6% in the same period in 2025. These improvements in profitability reflected efficiency gains in manufacturing that supported higher the Paint Sales, together with optimisation of the CPM Group's product mix. However, the volatility in crude oil prices negatively impacted the gross profit margin of the CPM Group, eroding the positive contributions from higher selling prices of paint and coating products sold and from improvements in operating efficiency and cost-saving initiatives. The CPM Group will maintain close tracking of crude oil and key raw material prices and take timely actions in procurement and cost management to protect margins.

The flexible pricing strategy of the CPM Group not only bolstered its competitive edge but also reflected its quick responsiveness to market dynamics. By aligning with broader economic trends for cost efficiency, the CPM Group took advantage of the fluctuating oil prices to enhance operational efficiency and deliver greater customer value. This underscored the importance of agile responses to economic changes in maintaining a strong market position.

Selling and Distribution Expenses and Administrative Expenses

Selling and distribution expenses of the CPM Group increased by 3.3% to HK$20.81 million for the six months ended 30 June 2026, as compared to HK$20.15 million for the six months ended 30 June 2025. Such an increase was primarily due to the Renminbi strength against the Hong Kong Dollar ("HKD"), which increased costs when the reporting currency is HKD, as compared to the same period in 2025.

Administrative expenses of the CPM Group significantly increased by 22.5% or HK$7.18 million for the six months ended 30 June 2026, as compared to the same period in 2025. The increase was primarily due to the increase in withholding tax, other taxes and other additional expenses, together with the appreciation of the Renminbi against the HKD, which offset the positive impact of cost savings realised from reductions in audit fees, depreciation and other related expenses. In particular, the increase in withholding tax was aimed at optimising the debt composition and structure of the CPM Group between Hong Kong and Mainland China, and the share capital of the subsidiary in Mainland China.

Reversal of Provision for Impairment of Trade and Bills Receivables, Net

For the six months ended 30 June 2026, the CPM Group recorded the net reversal of provision for impairment of trade and bills receivables of approximately HK$6.54 million, as compared to HK$0.93 million for the same period in 2025. This increase was primarily attributable to the settlement of certain aged outstanding trade and bills receivables during the period, which resulted in the reversal of specific provisions for impairment as at 30 June 2026. The CPM Group made the net reversal of provision for impairment of trade and bills receivables in accordance with HKFRS 9, considering both historical credit loss experience and forward-looking information.

OTHER BUSINESSES

Equity Investments Designated at Fair Value Through Other Comprehensive Income

The Group owns 12.5% equity interest in Profitable Industries Limited ("Profitable Industries"), an investment holding company, which is in turn engaged in a cemetery project (the "Cemetery") situated in Sihui, Guangdong Province, Mainland China. The Cemetery is operated under the name of "Fortune Wealth Memorial Park" which is focused on the development, construction, management and operation of a cemetery. The Cemetery offers grave lots, ordinary columbarium niches and luxury columbarium niches. The other shareholder of Profitable Industries is Chuang's China Investments Limited ("Chuang's China"), a company listed on The Stock Exchange of Hong Kong Limited (stock code: 298). As a minority shareholder of Profitable Industries, the Group has not participated in the management of the Cemetery and is a passive minority shareholder of Profitable Industries.

As disclosed in the annual report of Chuang's China for the year ended 31 March 2026, the Fortune Wealth Memorial Park operates a cemetery in Sihui with a site area of approximately 518 mu agreed by the local government authorities. Development of the project is conducted by phases. Phase I of about 100 mu has been completed with 5,485 grave plots, one mausoleum providing 550 niches, as well as an administrative and customer service building.

Development of the remaining 418 mu will be divided into Phase II to Phase V. Based on the revised master layout plan of Phase II to Phase V, about 37,798 grave plots will be constructed covering land area of 268 mu and 150 mu of road access and greenbelts. For Phase II to Phase III, land use rights of approximately 143 mu had been obtained, which will accommodate a total of about 20,224 grave plots. For Phase IV to Phase V, land use rights of approximately 5.2 mu had been obtained and additional land quota of about 119.8 mu shall be required for the construction of a total of about 17,574 grave plots. As for the 150 mu of road access and greenbelts, Fortune Wealth will ascertain the arrangement required by the local authorities. The construction works of roads for Phase II and Phase III, as well as the site formation and construction works on other parts of the land, were both in progress.

On the sale aspects, the Cemetery has full license for sale not only in Mainland China, but also includes overseas Chinese, as well as the residents of Hong Kong, Macau and Taiwan. The Cemetery will review its sales and marketing strategy and will take more proactive steps in its brand building and customer services.

FINANCIAL REVIEW

Liquidity and Financial Information

The business operation of the Group is principally financed by its internal financial resources and external bank borrowings. The cash and cash equivalents amounted to approximately HK$315.20 million as at 30 June 2026, as compared to approximately HK$315.48 million as at 31 December 2025. The stability in the balance of cash and cash equivalents was primarily due to improvements in working capital, which collectively enhanced the liquidity of the Group. The total cash and bank balances, including pledge deposits, amounted to approximately HK$332.45 million as at 30 June 2026, as compared to approximately HK$330.17 million as at 31 December 2025.

Bank borrowings amounted to approximately HK$128.88 million as at 30 June 2026, as compared to approximately HK$141.39 million as at 31 December 2025. The bank borrowings of the Group mainly bear interest at floating rates. The total bank borrowings of the Group as at 30 June 2026 amounted to approximately HK$79.70 million (61.8%) (31 December 2025: approximately HK$75.50 million (53.4%)) and was payable within one year or on demand. The remaining balance of approximately HK$49.18 million (38.2%) (31 December 2025: approximately HK$65.89 million (46.6%)) is payable between two and five years. The cash and bank balances of the Group are mainly denominated in Hong Kong dollars, Renminbi and US dollars, whereas its bank borrowings are primarily denominated in Hong Kong dollars and Renminbi. The results of the Group can be particularly affected by movements in the exchange rate between Hong Kong dollars and Renminbi.

The Group did not have any hedging instrument to hedge the foreign currency exposure as at 30 June 2026. However, the Group will continue to monitor its foreign exchange exposure and requirements closely and arrange hedging facilities when necessary.

The gearing ratio of the Group, which is expressed as a percentage of total bank borrowings to shareholders' funds, was 10.7% as at 30 June 2026, as compared to 11.8% as at 31 December 2025. The liquidity ratio of the Group, which is expressed as a percentage of current assets to current liabilities, was 1.90 times as at 30 June 2026, as compared to 1.98 times as at 31 December 2025.

For six months ended 30 June 2026, the inventory turnover days[1] were 57 days, as compared to 57 days for the six months ended 30 June 2025. The trade and bills receivables turnover days[2] for the six months ended 30 June 2026 were 81 days, as compared to 119 days for the six months ended 30 June 2025.

Equity, Net Asset Value and Shareholders' Funds

Shareholders' funds of the Group as at 30 June 2026 was approximately HK$1,199.19 million (31 December 2025: approximately HK$1,196.09 million). Net asset value per share as at 30 June 2026 was HK$0.68 (31 December 2025: HK$0.68). Shareholders' funds per share as at 30 June 2026 was HK$0.63 (31 December 2025: HK$0.63).

Contingent Liabilities

As at 30 June 2026 and 31 December 2025, no bank facilities granted to various subsidiaries subject to guarantees given to banks by the Company were utilised.

Pledge of Assets

Certain property, plant and equipment, investment properties, right-of-use assets and cash deposits with an aggregate net book value of approximately HK$470.47 million as at 30 June 2026, as compared to approximately HK$484.56 million as at 31 December 2025, were pledged as collaterals for bank borrowings, lease liabilities and bills payable.

As at 30 June 2026, the total outstanding secured bank borrowings amounted to approximately HK$110.88 million, as compared to approximately HK$123.39 million as at 31 December 2025. Lease liabilities amounted to approximately HK$0.04 million as at 30 June 2026, as compared to approximately HK$0.06 million as at 31 December 2025. Additionally, bills payable amounted to approximately HK$55.89 million as at 30 June 2026, as compared to approximately HK$47.78 million as at 31 December 2025.

STAFF

As at 30 June 2026, the Group employed a total of 409 employees, as compared to 440 employees as at 30 June 2025. Staff costs (excluding directors' emoluments) amounted to approximately HK$39.66 million (including related equity-settled share-based payments of approximately HK$0.06 million) for the six months ended 30 June 2026, as compared to approximately HK$39.03 million (including related equity-settled share-based payments of approximately HK$1.46 million) for the six months ended 30 June 2025. The Group has a comprehensive and competitive staff remuneration and benefits system which is based on the performance of individual employees. In addition, the Group also provides a staff option scheme.

1 The calculation of inventory turnover days is based on the closing balance of inventories divided by the cost of sales and multiplied by 181 days (30 June 2025: 181 days).

2 The calculation of trade and bills receivables turnover days is based on the closing balance of trade and bills receivables divided by the revenue and multiplied by 181 days (30 June 2025: 181 days).

BUSINESS OUTLOOK

Looking ahead, while China and the United States have made progress in addressing their trade disputes, the global business environment remains challenging. Geopolitical tensions and shifts in US monetary policy continue to create uncertainty for investment and trade. At the same time, advances in artificial intelligence ("AI") and robotics are expected to support long-term economic growth. However, interest-rate volatility and ongoing trade tensions continue to weigh on economic activity, property valuations, leasing demand and domestic consumption. In this environment, businesses are adopting a disciplined approach, prioritising resilience, managing costs carefully and expanding selectively where opportunities are compelling.

With the continued support of the Chinese Government, Hong Kong is well positioned for steady economic growth in 2026. In line with the 15th Five-Year Plan, Hong Kong is strengthening its international innovation and technology capabilities, supporting Mainland enterprises in expanding overseas, attracting international capital and talent, and promoting the internationalisation of the Renminbi. Its robust institutions, international connectivity and strategic role in Mainland China's development provide a solid foundation for a recovery in demand for office spaces. The growth of family offices, gold trading, and asset and wealth management will further strengthen Hong Kong's financial sector and support its ambition to become a leading global wealth management hub. Tourism, consumption and major events will enhance the city's vibrancy, while efforts to attract global talent and develop an international education hub will reinforce its long-term competitiveness. Overall, Hong Kong is entering 2026 focused on deeper integration with Mainland China, making the most of its unique advantages and strengthening its position as a leading global business and financial centre.

China's economy in 2026 is anticipated to grow steadily, supported by strong industrial output and exports. In the second half of 2026, continued advances in AI are expected to create new growth opportunities across China's electronics sector, particularly in AI-related hardware and components. China's economic growth is likely to remain supported by high-tech manufacturing and exports. However, continued weakness in the property market and subdued traditional domestic demand may constrain the pace and breadth of the wider economic recovery. In response, the Chinese Government is seeking to balance the expansion of high-tech industries with efforts to revitalise domestic demand through structural policy measures. These include a proactive fiscal stance, moderately accommodative monetary policy, the orderly adjustment of the property market, and measures to curb excessive price competition and improve industrial profitability.

The Group's rental portfolio is exposed to the economic conditions, regulatory requirements and tenant demand of the markets in which it operates. While the duration of the current economic slowdown remains uncertain, the Group remains optimistic about the long-term business prospects. In the near term, however, the directors of the Company expect the real estate rental markets in Hong Kong and Mainland China to remain challenging throughout 2026. The Group will continue to pursue a proactive leasing strategy to maintain high occupancy rates across its portfolio and support a substantial and relatively stable rental income stream. It will also focus on strengthening tenant relationships, responding to tenants' requests and addressing their needs where appropriate to support high retention rates.

The hotel sector in Hong Kong faces headwinds from geopolitical tensions, which are pushing global oil prices and commercial airfares higher. Impacts are expected in the latter part of 2026, with growth likely to remain moderate through year-end unless geopolitical tensions ease. Currency movements have also shaped inbound tourism demographics. The Hong Kong dollar has strengthened against regional currencies, notably the Japanese yen and the Korean won, contributing to a decline in visitor arrivals from several markets and softer inbound volumes overall. Opportunities include the Shenzhen permanent residents' multiple-entry visit scheme, which could support near-term demand. The Group's hotel business is positioned to capitalise on the increase in visitor numbers, but disciplined pricing and cost management will be essential to protect margins.

The CPM Group will proactively address external volatility and weaker domestic demand through the implementation of business revamp measures and initiatives. The paint and coating industry in Mainland China and Hong Kong is expected to show baseline demand amid oversupply, volatile raw material costs, and regional variation. While, overall market growth is anticipated, selling prices are likely to remain stable, and intensified price competition may erode market shares.

In response to these dynamics, the CPM Group will continue to expand its reach by actively engaging with both existing and potential wholesalers across Mainland China, Hong Kong and other regions. This approach aims to broaden the distribution network, strengthen market presence and sustain revenue growth. Additionally, the CPM Group will carefully evaluate whether the increased raw material costs should be absorbed internally or managed through operational adjustments, as this decision will significantly influence profitability and pricing strategies.

Against this backdrop, the CPM Group will persist with the business revamp measures and initiatives to: (a) enrich the product portfolio and ensure competitiveness; (b) expand and strengthen the distribution network across Mainland China, Hong Kong and other regions; and (c) enhance operational efficiency and reduce costs. The CPM Group remains prudent in risk management and cautious about its business outlook.

MANDATORY CONDITIONAL CASH OFFER OF THE COMPANY

On 29 May 2026, Prime Surplus Limited and SHK Hong Kong Industries Limited (collectively, the "Offerors") and the Company jointly issued a composite document (the "Composite Document") in relation to the mandatory conditional cash offer by the Offerors to acquire all the issued shares of the Company (the "Shares") (other than those Shares already owned and/or agreed to be acquired by the Offerors and parties acting in concert with any of them) (the "Share Offer").

As at 4:00 p.m. on 17 June 2026, the Offerors had received valid acceptances in respect of a total of 300,641,170 Shares under the Share Offer (representing approximately 15.79% of the total issued Shares).

Taking into account the acceptance shares, together with 654,464,818 Shares already held by the Offerors and parties acting in concert with any of them immediately before the commencement of the offer period on 21 April 2026 (representing approximately 34.38% of the total issued Shares), the Offerors and parties acting in concert with any of them were interested in an aggregate of 955,105,988 Shares (representing approximately 50.17% of the total issued Shares). Accordingly, the condition of the Share Offer had been fulfilled and the Share Offer had become unconditional in all respects on 17 June 2026.

The Share Offer was closed at 4:00 p.m. on 2 July 2026 and the Offerors had received further valid acceptance of a total of 2,660,699 Shares under the Share Offer (representing approximately 0.14% of the total issued Shares). Immediately after the close of the Share Offer, the Offerors and parties acting in concert with any of them were interested in an aggregate of 957,766,687 Shares (representing approximately 50.31% of the total issued Shares).

Details of the Share Offer and the results of the Share Offer have been disclosed in the joint announcements of the Company dated 21 April 2026, 12 May 2026, 29 May 2026, 17 June 2026 and 2 July 2026 and in the Composite Document.

MANDATORY UNCONDITIONAL CPM CASH OFFERS

On 24 June 2026, the Offerors and CPM jointly issued a composite document (the "CPM Composite Document") in relation to the mandatory unconditional cash offers by the Offerors to acquire all the issued shares of CPM (the "CPM Shares") (other than those CPM Shares already owned and/or agreed to be acquired by the Offerors, the Company and parties acting in concert with any of them) (the "CPM Share Offer") and to cancel all the outstanding share options of CPM (the "CPM Option Offer") (the CPM Share Offer, together with the CPM Option Offer, the "CPM Offers") pursuant to the Hong Kong Code on Takeovers and Mergers.

The CPM Offers were closed at 4:00 p.m. on 15 July 2026 and the Offerors had received (i) valid acceptances in respect of a total of 360,520 CPM Shares under the CPM Share Offer (representing approximately 0.04% of the total issued CPM Shares) (the "Acceptance CPM Shares"); and (ii) no acceptance under the CPM Option Offer.

Immediately after the close of the CPM Offers, and taking into account the Acceptance CPM Shares, the Offerors, the Company and parties acting in concert with any of them were interested in 750,360,520 CPM Shares, representing approximately 75.04% of the total issued CPM Shares. Among these, the Company, through its wholly-owned subsidiary, namely CNT Enterprises Limited, held 750,000,000 CPM Shares and SHK Hong Kong Industries Limited held 360,520 CPM Shares. Despite being a joint Offeror, SHK Hong Kong Industries Limited was not a close associate of Prime Surplus Limited, nor a core connected person of CPM. Accordingly, SHK Hong Kong Industries Limited was regarded as a public shareholder of CPM under the Listing Rules.

On 15 July 2026, all unexercised 60,000,000 share options granted by CPM automatically lapsed upon the close of the CPM Offers pursuant to the terms of the share option scheme adopted by CPM on 4 June 2020. Accordingly, CPM had no outstanding share options as at 15 July 2026.

Immediately upon close of the CPM Offers on 15 July 2026, 250,000,000 CPM Shares (representing 25% of the total issued CPM Shares) were held by the public (as defined under the Listing Rules). Accordingly, CPM continues to satisfy the minimum public float requirement under Rule 13.32B of the Listing Rules, which remains unchanged as at the date of this announcement.

Details of the CPM Offers and the results of the CPM Offers have been disclosed in the joint announcements of CPM dated 21 April 2026, 12 May 2026, 12 June 2026, 17 June 2026, 24 June 2026 and 15 July 2026 and in the CPM Composite Document.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, there was no other significant investment acquired, nor was there any other material acquisitions or disposals of subsidiaries during the six months ended 30 June 2026. The Board has not yet authorised any plan for other material investments or additions of capital assets.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares (including sale of treasury shares, if any) during the period under review.

The Company and its subsidiaries did not hold any treasury shares during the six months ended 30 June 2026.

CORPORATE GOVERNANCE

The Board recognises the importance of and benefit from good corporate governance practices and has devoted considerable efforts to develop the best corporate governance practices appropriate to the businesses of the Group. Throughout the six months ended 30 June 2026, the Company has applied the principles and complied with the code provisions as set out in the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Listing Rules (the "CG Code") except for the following deviation:

The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since 6 June 2025, Mr. Tsui Yam Tong, Terry has been holding the dual roles of the chairman of the Board and the managing director of the Company. After evaluating the current situation of the Company and taking into account the experience and performance of Mr. Tsui Yam Tong, Terry, the Board is of the opinion that it is appropriate at the present stage for him to hold both positions as it helps to maintain the continuity of the policies and the stability of the operations of the Company, and this structure can ensure the Company has consistent leadership. In addition, under the supervision by the Board which currently consists of two executive directors, two non-executive directors and three independent non-executive directors of the Company, the interests of the shareholders of the Company are adequately and fairly represented. Also, as all major decisions are made in consultation with and approved by the members of the Board, the Board believes that this arrangement will not have negative influence on the balance of power and authority between the Board and the management of the Company.

The Board will regularly review the effectiveness of this arrangement to ensure that it remains appropriate to the circumstances of the Company. The Board will consider splitting the roles of the chairman of the Board and the managing director of the Company at a time when the Group can identify a suitable candidate with capable leadership, knowledge and relevant skills and experience for the position. Owing to the business nature and scope of the Group as a whole, such an appropriate candidate shall have a profound understanding of and experience in the business of the Group and therefore there is no definite timetable for such appointment.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

On behalf of the Board
CNT Group Limited
Tsui Yam Tong, Terry
Chairman and Managing Director

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Mr. Tsui Yam Tong, Terry and Mr. Mak Chi Wah as executive directors; Mr. Tsui Ho Chuen, Philip and Mr. Zhang Jun as non-executive directors; and Mr. Ko Kwok Fai, Dennis, Mr. Huang De Rui and Ms. Lin Yingru as independent non-executive directors.