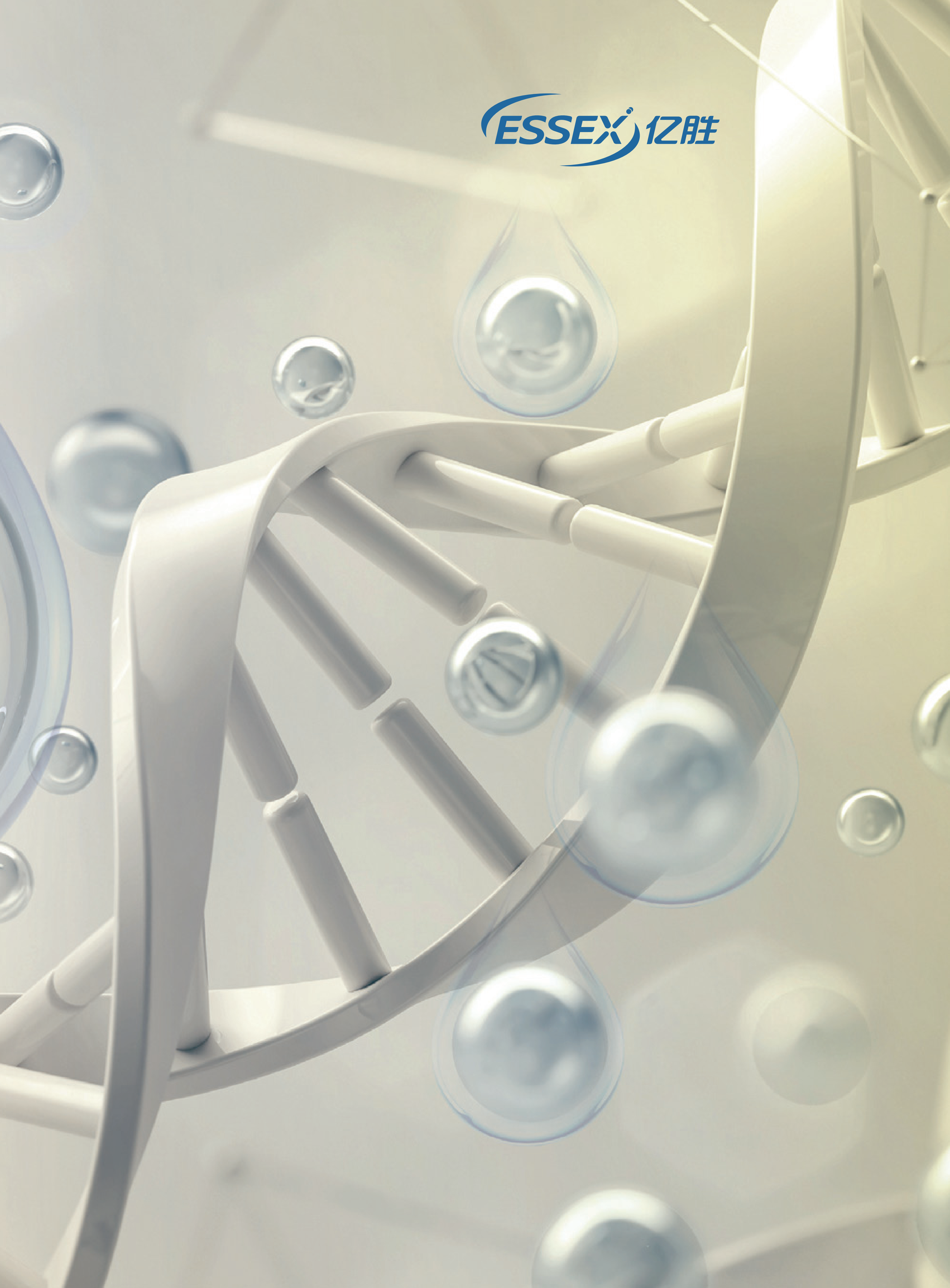
ESSEX 亿胜

ESSEX BIO-TECHNOLOGY LIMITED
億 勝 生 物 科 技 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 1061)

2026 INTERIM REPORT

PIONEERING GLOBAL REGENERATIVE SCIENCE & TECHNOLOGY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TOMORROW'S TODAY

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The board (the "Board") of directors (the "Directors") of Essex Bio-Technology Limited (the "Company") presents the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026 together with the comparative figures for the corresponding period in 2025 and the relevant explanatory notes as set out below.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**2026 (Unaudited) HK$'000**	For the six months ended 30 June 2025 (Unaudited) HK$'000
Turnover	4 & 5	**784,694**	876,535
Cost of sales		**(128,434)**	(97,932)
Gross profit		**656,260**	778,603
Other revenue, and other gains and losses	6	**19,732**	(691)
Distribution and selling expenses		**(396,517)**	(471,638)
Administrative expenses		**(126,878)**	(99,740)
Finance costs	7	**(4,629)**	(2,800)
Share of loss of an associate		**–**	(161)
Profit before income tax	8	**147,968**	203,573
Income tax	9	**(37,248)**	(40,172)
Profit for the period		**110,720**	163,401
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**71,982**	38,771
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at fair value through other comprehensive income		**(4,178)**	(17,723)
Other comprehensive income for the period		**67,804**	21,048
Total comprehensive income for the period		**178,524**	184,449
Earnings per share attributable to owners of the Company			
Basic and diluted	11	**HK19.53 cents**	HK28.82 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	12	**522,113**	497,822
Right-of-use assets		**22,378**	19,307
Land use rights		**14,293**	13,958
Goodwill		**58,437**	56,547
Other intangible assets	13	**1,295,463**	1,266,182
Financial assets at fair value through other comprehensive income	15	**10,384**	14,562
Financial assets at fair value through profit or loss	15	**183**	380
Deposits and prepayments	18	**3,449**	1,878
Total non-current assets		**1,926,700**	1,870,636
Current assets			
Inventories	16	**87,039**	79,398
Trade and other receivables	17	**722,227**	690,664
Deposits and prepayments	18	**53,545**	48,960
Convertible loan receivables	14	**18,738**	16,961
Financial assets at fair value through profit or loss	15	**1,098**	1,412
Cash and cash equivalents		**806,634**	782,730
Total current assets		**1,689,281**	1,620,125
Total assets		**3,615,981**	3,490,761
Current liabilities			
Trade and other payables	19	**555,921**	571,311
Bank borrowings	20	**94,920**	65,007
Lease liabilities		**5,070**	4,094
Current tax liabilities		**128,168**	126,493
Total current liabilities		**784,079**	766,905
Net current assets		**905,202**	853,220
Total assets less current liabilities		**2,831,902**	2,723,856
Non-current liabilities			
Bank borrowings	20	**229,563**	260,642
Lease liabilities		**19,437**	17,162
Deferred tax liabilities		**33,642**	32,966
Total non-current liabilities		**282,642**	310,770
Total liabilities		**1,066,721**	1,077,675
NET ASSETS		**2,549,260**	2,413,086
Capital and reserves attributable to owners of the Company			
Share capital	21(a)	**56,701**	56,701
Treasury shares	21(b)	**(2,660)**	–
Reserves		**2,495,219**	2,356,385
TOTAL EQUITY		**2,549,260**	2,413,086

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Company								
	Share capital HK$'000	**Treasury shares** HK$'000	**Share premium** HK$'000	**Capital reserve** HK$'000	**Statutory surplus reserve** HK$'000	**Foreign currency translation reserve** HK$'000	**Fair value through other comprehensive income reserve** HK$'000	**Retained earnings** HK$'000	**Total** HK$'000
At 1 January 2025	56,713	–	73,278	362	90,683	(156,912)	(66,455)	2,126,051	2,123,720
Profit for the period	–	–	–	–	–	–	–	163,401	163,401
Other comprehensive income:									
– Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	(17,723)	–	(17,723)
– Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	38,771	–	–	38,771
Total comprehensive income for the period	–	–	–	–	–	38,771	(17,723)	163,401	184,449
Dividend paid	–	–	–	–	–	–	–	(34,020)	(34,020)
Shares repurchased and cancelled	(12)	–	–	–	–	–	–	(313)	(325)
At 30 June 2025 (Unaudited)	56,701	–	73,278	362	90,683	(118,141)	(84,178)	2,255,119	2,273,824
At 1 January 2026	56,701	–	73,278	362	90,683	(84,739)	(82,599)	2,359,400	2,413,086
Profit for the period	–	–	–	–	–	–	–	110,720	110,720
Other comprehensive income:									
– Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	(4,178)	–	(4,178)
– Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	71,982	–	–	71,982
Total comprehensive income for the period	–	–	–	–	–	71,982	(4,178)	110,720	178,524
Dividend paid	–	–	–	–	–	–	–	(39,690)	(39,690)
Shares repurchased and held as treasury shares	–	(2,660)	–	–	–	–	–	–	(2,660)
At 30 June 2026 (Unaudited)	**56,701**	**(2,660)**	**73,278**	**362**	**90,683**	**(12,757)**	**(86,777)**	**2,430,430**	**2,549,260**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2026 (Unaudited) HK$'000	For the six months ended 30 June 2025 (Unaudited) HK$'000
Cash flows from operating activities			
Profit before income tax		**147,968**	203,573
Adjustments for:			
Interest income from convertible loan receivables	6	**(314)**	(947)
Interest income from bank deposits	6	**(7,281)**	(4,474)
Change in fair value of financial assets at fair value through profit or loss	6	**(1,266)**	23
Gain on disposal of other intangible assets	6	**(6,838)**	–
Expenses from litigation claim, net	6	**–**	10,067
Finance costs	7	**4,629**	2,800
Share of loss of an associate		**–**	161
Amortisation of land use rights	8	**189**	178
Amortisation of other intangible assets	8	**13,559**	12,342
Depreciation of property, plant and equipment	8	**19,217**	14,102
Depreciation of right-of-use assets	8	**2,697**	1,835
Exchange losses/(gains), net		**1,500**	(10,774)
Loss on disposal of property, plant and equipment	8	**28**	22
Write-off of inventories	8	**583**	422
Operating cash flows before working capital changes		**174,671**	229,330
Increase in inventories		**(5,231)**	(4,566)
Decrease/(increase) in trade and other receivables		**8,674**	(61,799)
(Increase)/decrease in deposits and prepayments		**(3,208)**	5,975
Decrease in trade and other payables		**(35,360)**	(24,559)
Cash generated from operations		**139,546**	144,381
Tax paid		**(40,862)**	(21,894)
Net cash generated from operating activities		**98,684**	122,487
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(25,720)**	(59,359)
Deposits paid for acquisition of property, plant and equipment		**(1,906)**	(11,552)
Increase in other intangible assets		**(25,192)**	(44,850)
Bank interest received		**7,281**	4,474
Proceeds from disposal of property, plant and equipment		**2,411**	183
Proceeds from disposal of other intangible assets		**7,978**	–
Net cash used in investing activities		**(35,148)**	(111,104)

	2026 (Unaudited) HK$'000	For the six months ended 30 June 2025 (Unaudited) HK$'000
Cash flows from financing activities		
Proceeds from bank borrowings	11,396	124,345
Repayments of bank borrowings	(20,945)	(25,947)
Payment of lease liabilities	(3,085)	(2,117)
Payments for shares bought back	(2,660)	(325)
Interest paid on bank borrowings	(4,846)	(2,965)
Dividends paid to owners of the Company	(39,690)	(34,020)
Net cash (used in)/generated from financing activities	(59,830)	58,971
Net increase in cash and cash equivalents	3,706	70,354
Cash and cash equivalents at beginning of period	782,730	557,167
Effect of foreign exchange rate changes on cash and cash equivalents	20,198	13,012
Cash and cash equivalents at end of period	806,634	640,533
Analysis of balances of cash and cash equivalents		
Cash and bank balances	521,451	433,983
Non-pledged time deposits with original maturity of less than three months when acquired	285,183	206,550
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	806,634	640,533

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Essex Bio-Technology Limited is a limited liability company incorporated in the Cayman Islands on 31 July 2000 under Companies Act Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock code: 1061). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business is located at Room 3206, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The Group, comprising the Company and its subsidiaries, is principally engaged in investment holding, and development, manufacture and sale of biologic drugs.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These interim condensed consolidated financial statements are presented in Hong Kong Dollars ("HK$"), unless otherwise stated, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025 (the "2025 Financial Statements"), which have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to each group entity.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the 2025 Financial Statements, except for the adoption of amended standards effective for annual periods beginning on or after 1 January 2026. The adoption of these amended standards has no material impact on the Group's interim condensed consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. SEGMENT REPORTING

The Group manages its businesses by business lines. The segment information is reported internally to the chief operating decision-maker (i.e. executive Directors) for the purposes of resources allocation and performance assessment. The Group's reportable and operating segments for financial reporting purposes are as follows:

– Ophthalmology: Development, manufacture and/or sale of products including Beifushu® series (Beifushu® eye drops, Beifushu® eye gel and Beifushu® unit-dose eye drops), Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, Moxifloxacin Hydrochloride Eye Drops, Diquafosol Sodium Eye Drops, 適麗順®卵磷脂絡合碘膠囊 (Shilishun Iodized Lecithin Capsules*), Soft Hydrophilic Contact Lens and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses;

– Surgical: Development, manufacture and/or sale of products including Beifuji® series (Beifuji® spray, Beifuji® lyophilised powder and Beifuxin® gel), Carisolv® dental caries removal gel, Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis and Osteopore's bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore; and

– Healthcare and Partner Services: 伢典醫生DR.YADIAN® oral care products, online and offline healthcare services and products, contract manufacturing organisation (CMO)/contract development and manufacturing organisation (CDMO) service and trades in equipment and parts.

4. SEGMENT REPORTING (CONTINUED)

(a) Reportable segments

The chief operating decision-maker monitors the results of its business units separately for the purpose of making decision about resources allocation and performance assessment. Segment performance is evaluated based on the results from the reportable segments as explained in the table below.

	For the six months ended 30 June 2026			
	Ophthalmology (Unaudited) HK$'000	**Surgical (Unaudited) HK$'000**	**Healthcare and Partner Services (Unaudited) HK$'000**	**Total (Unaudited) HK$'000**
Reportable segment revenue				
– Revenue from external customers	**367,213**	**341,230**	**76,251**	**784,694**
Reportable segment profit	**93,619**	**88,574**	**8,569**	**190,762**

	For the six months ended 30 June 2025			
	Ophthalmology (Unaudited) HK$'000	Surgical (Unaudited) HK$'000	Healthcare and Partner Services (Unaudited) HK$'000	Total (Unaudited) HK$'000
Reportable segment revenue				
– Revenue from external customers	417,358	448,965	10,212	876,535
Reportable segment profit	113,486	120,946	7,636	242,068

The totals presented for the Group's operating segments were reconciled to the Group's key financial figures as presented in the interim condensed consolidated financial statements as follows:

	2026 (Unaudited) HK$'000	For the six months ended 30 June 2025 (Unaudited) HK$'000
Reportable segment profit	**190,762**	242,068
Unallocated corporate income and expenses, net	**(39,431)**	(35,672)
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")	**1,266**	(23)
Finance costs	**(4,629)**	(2,800)
Profit before income tax	**147,968**	203,573

Major corporate expenses comprised mainly the staff costs including Directors' emoluments.

Analysis of segment assets and liabilities has not been presented as the measure of segment assets and liabilities is not regularly provided to the executive Directors.

4. SEGMENT REPORTING (CONTINUED)

(b) Geographical information

(i) Revenue from external customers

For the six months ended 30 June 2026, the Group's revenue from external customers of HK$778.4 million and HK$6.3 million (For the six months ended 30 June 2025: HK$871.7 million and HK$4.8 million) was derived from its operations in the People's Republic of China (the "PRC") and overseas, respectively.

(ii) Non-current assets

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
PRC	**1,538,302**	1,482,008
Hong Kong	**271,687**	272,534
Overseas	**106,144**	101,152
	1,916,133	1,855,694

The non-current asset information above excludes convertible loan receivables, financial assets at fair value through other comprehensive income ("FVTOCI") and financial assets at FVTPL, and is based on the physical locations of the respective assets, except for goodwill and other intangible assets of which is based on the area of the group entities' operations.

(c) Information about major customers

For the six months ended 30 June 2026, revenue of HK$209.2 million (For the six months ended 30 June 2025: HK$230.4 million and HK$89.2 million) was derived from sales to one customer (For the six months ended 30 June 2025: two customers, respectively), which individually accounted for over 10% of the Group's total revenue.

5. TURNOVER

Turnover represents the sales value of goods supplied to customers and service income (net of sales tax, value-added tax, commercial discounts and sales returns), further details of which are set out in note 4.

6. OTHER REVENUE, AND OTHER GAINS AND LOSSES

	For the six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Interest income from convertible loan receivables	**314**	947
Government grants	**854**	1,495
Interest income from bank deposits	**7,281**	4,474
Sundry income	**3,179**	2,483
Change in fair value of financial assets at FVTPL	**1,266**	(23)
Gain on disposal of other intangible assets	**6,838**	–
Expenses from litigation claim, net	–	(10,067)
	19,732	(691)

7. FINANCE COSTS

		For the six months ended 30 June
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest expense on bank borrowings	**4,847**	2,965
Interest expense on lease liabilities	**494**	497
Less: Amount capitalised	**(712)**	(662)
	4,629	2,800

8. PROFIT BEFORE INCOME TAX

This is arrived at after charging/(crediting):

		For the six months ended 30 June
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Amortisation of land use rights	**189**	178
Amortisation of other intangible assets	**13,559**	12,342
Auditor's remuneration	**988**	880
Cost of inventories	**101,581**	94,934
Cost of services	**26,270**	2,576
Depreciation of property, plant and equipment	**19,217**	14,102
Depreciation of right-of-use assets	**2,697**	1,835
Employee costs excluding Directors' emoluments:		
– Salaries and other benefits	**135,005**	147,453
– Pension fund contributions	**12,361**	11,353
Exchange losses/(gains), net	**84**	(12,017)
Research and development costs recognised as expenses	**25,786**	21,664
Write-off of inventories	**583**	422
Loss on disposal of property, plant and equipment	**28**	22

9. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group has no assessable profit arising in Hong Kong.

The Group's major operating subsidiary in Zhuhai, the PRC, was established and carries on business in the Special Economic Zones of the PRC as a high technology enterprise. This subsidiary has obtained a 高新技術企業證書 (High Technology Enterprise Certificate) and is entitled to enjoy the enterprise income tax at the concessionary rate of 15%. The income tax rate applicable to other PRC subsidiaries is 25%.

Enterprise income tax of the Group's other operating subsidiaries is calculated at tax rates prevailing in the jurisdictions in which they operate.

10. DIVIDENDS

The Board has resolved on 5 August 2026 to declare an interim dividend of HK$0.05 (For the six months ended 30 June 2025: HK$0.07) per ordinary share for the six months ended 30 June 2026, which is payable in cash.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings

	2026 (Unaudited) HK$'000	For the six months ended 30 June 2025 (Unaudited) HK$'000
Profit attributable to owners of the Company for the purposes of calculating basic and diluted earnings per share	**110,720**	163,401

Number of shares

	2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share	**566,971,492**	567,035,271

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings and leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
Cost:						
At 1 January 2025	114,197	200,356	82,587	6,636	158,858	562,634
Additions	9,179	14,350	3,863	1,319	86,222	114,933
Acquisition of a subsidiary	–	1,937	1,230	–	–	3,167
Disposals	–	(737)	(323)	(2,343)	–	(3,403)
Transfers	–	33,823	224	–	(34,047)	–
Exchange adjustment	5,503	10,338	3,895	250	8,237	28,223
At 31 December 2025	128,879	260,067	91,476	5,862	219,270	705,554
Additions	491	475	2,031	–	24,628	27,625
Disposals	(39)	(2,365)	(65)	–	–	(2,469)
Exchange adjustment	4,729	9,694	3,125	180	8,301	26,029
At 30 June 2026 (Unaudited)	134,060	267,871	96,567	6,042	252,199	756,739
Accumulated depreciation:						
At 1 January 2025	24,280	94,315	44,709	5,350	–	168,654
Charge for the year	5,547	14,168	10,878	363	–	30,956
Acquisition of a subsidiary	–	1,738	1,210	–	–	2,948
Disposals	–	(687)	(272)	(2,191)	–	(3,150)
Exchange adjustment	1,252	4,627	2,272	173	–	8,324
At 31 December 2025	31,079	114,161	58,797	3,695	–	207,732
Charge for the period	3,870	8,911	6,166	270	–	19,217
Disposals	–	(12)	(18)	–	–	(30)
Exchange adjustment	1,191	4,340	2,067	109	–	7,707
At 30 June 2026 (Unaudited)	36,140	127,400	67,012	4,074	–	234,626
Carrying amount:						
At 30 June 2026 (Unaudited)	97,920	140,471	29,555	1,968	252,199	522,113
At 31 December 2025 (Audited)	97,800	145,906	32,679	2,167	219,270	497,822

13. OTHER INTANGIBLE ASSETS

	Development expenditure HK$'000	Acquired intangible assets HK$'000	Total HK$'000
Cost:			
At 1 January 2025	316,958	929,879	1,246,837
Additions	6,009	61,092	67,101
Acquisition of a subsidiary	64,510	7,719	72,229
Exchange adjustment	10,435	34,851	45,286
At 31 December 2025	397,912	1,033,541	1,431,453
Additions	8,100	17,092	25,192
Disposals	–	(22,793)	(22,793)
Exchange adjustment	8,853	30,196	39,049
At 30 June 2026 (Unaudited)	414,865	1,058,036	1,472,901
Accumulated amortisation and impairment losses:			
At 1 January 2025	60,594	58,589	119,183
Amortisation	4,801	20,167	24,968
Acquisition of a subsidiary	–	6,678	6,678
Impairment	8,466	–	8,466
Exchange adjustment	2,936	3,040	5,976
At 31 December 2025	76,797	88,474	165,271
Amortisation	3,280	10,279	13,559
Disposals	–	(6,838)	(6,838)
Exchange adjustment	2,767	2,679	5,446
At 30 June 2026 (Unaudited)	82,844	94,594	177,438
Carrying amount:			
At 30 June 2026 (Unaudited)	332,021	963,442#	1,295,463
At 31 December 2025 (Audited)	321,115	945,067#	1,266,182

\# The carrying amount of acquired intangible assets as at 30 June 2026 mainly included (i) the development cost incurred in an ophthalmic solution containing SkQ1 as its sole active pharmaceutical ingredient of approximately HK$356.8 million (31 December 2025: approximately HK$350.8 million); (ii) the development cost incurred in a pharmaceutical product that contains an anti-vascular endothelial growth factor (anti-VEGF) as a drug substance of approximately HK$485.2 million (31 December 2025: approximately HK$451.5 million); and (iii) the carrying amount of intellectual property rights and right of Marketing Authorisation Holder relating to 適麗順®卵磷脂絡合碘膠囊 (Shilishun Iodized Lecithin Capsules*) of approximately HK$88.0 million (31 December 2025: approximately HK$91.8 million).

14. CONVERTIBLE LOAN RECEIVABLES

In 2018, the Group entered into an agreement (and as supplemented and revised from time to time) with an independent third party (the "Investee") to subscribe for a convertible loan with principal amount of US$4.5 million (approximately HK$35.3 million) which carries interest at 5% per annum with maturity on 31 July 2026 (the "Convertible Loan"). The extension of the maturity date is under negotiation and has not been finalised as at the date of this report. The entire principal amount of the Convertible Loan can be converted into such number of shares representing 45% of the enlarged and fully diluted share capital of the Investee at any time before the maturity date. In the event that no conversion has been taken place before maturity date, the Investee shall repay the Group on the maturity date the outstanding principal amount plus an amount calculated by the Group which would yield a return for the Group on the principal amount of the Convertible Loan of 8% per annum. Up to 30 June 2026, the principal amount of US$1.6 million (approximately HK$12.5 million) was disbursed to the Investee and it is classified as financial assets at FVTPL upon the initial recognition.

The Group's convertible loan receivables are as follows:

	HK$'000
As at 30 June 2026	
Convertible Loan, classified under current assets	**18,738**

	HK$'000
As at 31 December 2025	
Convertible Loan, classified under current assets	16,961

The movements in fair value of convertible loan receivables classified as level 3 in the fair value hierarchy during the six months ended 30 June 2026 are as follows:

	HK$'000
At 1 January 2026	16,961
Change in fair value recognised in profit or loss	1,777
At 30 June 2026 (Unaudited)	18,738

As at 30 June 2026, the fair value of the Convertible Loan is calculated using Binomial Share Option Model with the following key assumptions:

Stock price	US$0.0079
Conversion price	US$1
Expected volatility	76%

The key significant unobservable inputs to determine the fair value of convertible loan receivables are the stock price and expected volatility. An increase in the stock price and expected volatility would result in an increase in the fair value of convertible loan receivables, and vice versa.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
Non-current		
Equity investments designated at FVTOCI *(Note (a))*		
– Listed equity investments *(Note (b))*	**10,384**	14,562
Equity investments designated at FVTPL *(Note (d))*		
– Unlisted equity investments *(Note (c))*	**183**	380
Current		
Equity investments designated at FVTPL *(Note (d))*		
– Listed equity investments *(Note (b))*	**1,098**	1,412

Notes:

(a) The equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

(b) The balance as at 30 June 2026 represents four (31 December 2025: four) listed equity securities which are listed on the NASDAQ Stock Market or the Over-The-Counter (OTC) Market of the United States, namely AC Immune SA, Humacyte Inc., CytoMed Therapeutics Limited and Abpro Holdings, Inc. (31 December 2025: AC Immune SA, Humacyte Inc., CytoMed Therapeutics Limited and Abpro Holdings, Inc.). The fair value was based on quoted market price as at 30 June 2026.

(c) The balance as at 30 June 2026 represents one (31 December 2025: one) unlisted equity investment, namely the investment in series pre-A preferred stock of a private company incorporated in Singapore (the "Equity") (31 December 2025: the Equity).

(d) The equity investments were irrevocably designated at FVTPL as the Group considers these investments to be held for trading.

As at 30 June 2026, the fair value of investment in the Equity classified as level 2 in the fair value hierarchy is calculated using Value Allocation Model with the following key assumptions:

Expected volatility	79%
Risk-free interest rate	1.64%

16. INVENTORIES

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
Raw materials	**12,762**	14,368
Work in progress	**10,022**	6,724
Finished goods	**64,255**	58,306
	87,039	79,398

17. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
Trade receivables	674,453	661,502
Impairment	(5,136)	(4,950)
	669,317	656,552
Other receivables	52,910	34,112
	722,227	690,664

The Group's policy is to allow an average credit period of 90 days to its trade customers.

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

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
0-60 days	382,087	470,353
61-90 days	110,153	61,946
Over 90 days	177,077	124,253
	669,317	656,552

18. DEPOSITS AND PREPAYMENTS

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
Deposits paid for acquisition of property, plant and equipment	3,449	1,878
Prepayments for purchase of finished goods	25,249	24,138
Other deposits	2,466	2,346
Other prepayments	25,830	22,476
Total	56,994	50,838
Less: Current portion	(53,545)	(48,960)
Non-current portion	3,449	1,878

19. TRADE AND OTHER PAYABLES

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
Trade payables	**9,930**	11,563
Other payables and accruals *(Note)*	**545,991**	559,748
	555,921	571,311

Note:

Other payables and accruals included the accruals for sales and marketing costs of approximately HK$460.5 million (31 December 2025: approximately HK$458.9 million).

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

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
0-60 days	**7,127**	8,516
61-90 days	**612**	1,222
Over 90 days	**2,191**	1,825
	9,930	11,563

20. BANK BORROWINGS

As at 30 June 2026, certain of the bank borrowings and banking facilities were secured by corporate guarantees provided by the Company and two of its subsidiaries.

As at 31 December 2025, certain of the bank borrowings and banking facilities were secured by corporate guarantees provided by the Company and two of its subsidiaries.

As at 30 June 2026, the Group obtained non-revolving banking facilities of approximately HK$984.8 million (31 December 2025: approximately HK$952.7 million), of which approximately HK$412.3 million (31 December 2025: approximately HK$389.8 million) was utilised.

21. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

Authorised

	At 30 June 2026		At 31 December 2025	
	Number (Unaudited)	**HK$'000 (Unaudited)**	Number (Audited)	HK$'000 (Audited)
Ordinary shares at HK$0.1 each	**1,000,000,000**	**100,000**	1,000,000,000	100,000

Issued and fully paid

	Number	**HK$'000**
At 1 January 2025	567,129,000	56,713
Shares repurchased and cancelled	(123,000)	(12)
At 31 December 2025, 1 January 2026 and 30 June 2026 (Unaudited)	567,006,000	56,701

(b) Treasury shares

	Number	**HK$'000**
At 1 January 2025, 31 December 2025 and 1 January 2026	–	–
Shares repurchased and held as treasury shares *(Note)*	1,006,000	2,660
At 30 June 2026 (Unaudited)	1,006,000	2,660

Note:

During the six months ended 30 June 2026, the Company repurchased 1,006,000 of its shares on the Stock Exchange for a total consideration of approximately HK$2,659,780. The repurchased shares were subsequently held as treasury shares as at the date of this report.

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value measurement of the Group's financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Financial assets measured at fair value

As at the end of the reporting period, convertible loan receivables and equity investments included in the interim condensed consolidated financial statements require measurement at, and disclosure of, fair value.

The fair value of financial instruments with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the relationship between key unobservable inputs and fair value are set out in notes (iii) and (iv) below.

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, bank borrowings and lease liabilities.

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and current portion of bank borrowings and lease liabilities approximate to their fair values due to the short term maturities of these instruments.

The fair values of non-current portion of bank borrowings and lease liabilities for disclosure purposes have been determined using discounted cash flow models and are classified as level 3 in the fair value hierarchy. Significant inputs include the discount rate used to reflect the credit risks of the Group.

(iii) Information about level 2 fair value measurement

The fair values of the financial instruments included in the level 2 category have been determined with reference to generally accepted pricing models based on quoted prices for identical or similar assets or liabilities in markets that are not active.

(iv) Information about level 3 fair value measurement

The fair values of the financial instruments included in the level 3 category as at the end of the current period have been determined by the Directors with reference to the valuation performed by International Valuation Limited, an independent firm of professionally qualified valuers, details of which are set out in note 14.

The following table provides an analysis of financial instruments carried at fair value by level of the fair value hierarchy:

	As at 30 June 2026			
Recurring fair value measurement Financial assets:	**Level 1 (Unaudited) HK$'000**	**Level 2 (Unaudited) HK$'000**	**Level 3 (Unaudited) HK$'000**	**Total (Unaudited) HK$'000**
Listed equity investments	**11,482**	**–**	**–**	**11,482**
Unlisted equity investments	**–**	**183**	**–**	**183**
Convertible loan receivables	**–**	**–**	**18,738**	**18,738**

	As at 31 December 2025			
Recurring fair value measurement Financial assets:	Level 1 (Audited) HK$'000	Level 2 (Audited) HK$'000	Level 3 (Audited) HK$'000	Total (Audited) HK$'000
Listed equity investments	15,974	–	–	15,974
Unlisted equity investments	–	380	–	380
Convertible loan receivables	–	–	16,961	16,961

There was no transfer under the fair value hierarchy classification during the six months ended 30 June 2026. Please refer to notes 14 and 15 for the respective valuation techniques and the inputs used in the fair value measurement of financial assets catergorised within level 2 and level 3 of the fair value hierarchy.

23. CAPITAL COMMITMENTS

	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
Contracted but not provided for:		
– property, plant and equipment	**1,241**	347
– development expenditure	**8,708**	9,765
– acquired intangible assets	**44,133**	57,336
– construction of the new factory	**115,351**	135,819
– expansion of the existing factory	**598**	516
	170,031	203,783

24. RELATED PARTY TRANSACTIONS

Details of compensation paid to key management of the Group (all being the Directors) are as follows:

	For the six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Salaries and other benefits	**3,731**	3,615
Pension fund contributions	**14**	44
	3,745	3,659

25. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on 5 August 2026.

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Essex Bio-Technology Limited (the "Company") and its subsidiaries (the "Group") envision becoming a great and socially responsible corporation. Strategically, the Group develops, manufactures and commercialises genetically engineered therapeutic recombinant bovine basic fibroblast growth factor ("rb-bFGF"), leveraging its established mechanism of action in cellular proliferation, differentiation and migration.

The Group's turnover is primarily driven by its ophthalmology segment ("Ophthalmology") and surgical (encompassing wound care and healing) segment ("Surgical"), which cater to various medical fields including dermatology, stomatology, obstetrics and gynaecology. Furthermore, the Group is expanding its portfolio through strategic investments in emerging therapeutics, focusing on oncology, orthopaedics and neurology.

Currently the Group has six commercialised biologics, collectively referred to as the "bFGF Series", which are marketed and sold in the People's Republic of China (the "PRC"). These products include:

- Beifushu® eye drops, Beifushu® eye gel and Beifushu® unit-dose eye drops for treatment of ocular wounds; and

- Beifuji® spray, Beifuji® lyophilised powder and Beifuxin® gel for treatment of surface wounds.

The bFGF Series are developed and manufactured by the Group. Three of the bFGF Series were approved by 國家藥品監督管理局 (National Medical Products Administration ("NMPA")) as Category I biologics, and four are listed on the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance issued by the National Healthcare Security Administration and the Ministry of Human Resources and Social Security of the PRC. Collectively, the combined turnover of the bFGF Series represented about 78.2% of the Group's total turnover for the period under review.

In addition to the bFGF Series, the Group has a portfolio of commercialised preservative-free unit-dose eye drops (including Tobramycin, Levofloxacin, Sodium Hyaluronate, Moxifloxacin Hydrochloride and Diquafosol Sodium Eye Drops) and multi-dose eye drops (including Diquafosol Sodium and Sodium Hyaluronate Eye Drops).

Other key products include:

- 適麗順®卵磷脂絡合碘膠囊 (Shilishun Iodized Lecithin Capsules*), an oral ophthalmic product for treating central serous chorioretinopathy, central exudative chorioretinopathy, vitreous haemorrhage, vitreous opacities and central retinal vein occlusion, etc, has become one of the Group's core products and growth drivers since 2022;

- Carisolv® dental caries removal gel and 伢典醫生DR.YADIAN® oral care products; and

- a range of products and medical devices complementing the Group's therapeutics business of Ophthalmology and Surgical, including Soft Hydrophilic Contact Lens, Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis, Osteopore's bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses.

To drive mid-term and long-term growth, the Group maintains a robust pipeline of multi-project in research and development ("R&D") initiatives at various stages of clinical programmes, focusing on unit-dose ophthalmic products and biologics including growth factors and antibodies.

Significant Business Development Activities

We are committed to pragmatically investing in new products and technologies to strengthen the Group's product and R&D pipeline as near to mid-term growth driver in ophthalmology and long-term plan for new therapeutics in oncology. Major investments in ophthalmic products that are currently in an advanced stage of clinical development are outlined as follows:

SkQ1 Product

A late-stage clinical development of SkQ1 for dry eye disease (the "SkQ1 Product"), as disclosed in the announcement of the Company dated 24 February 2021, achieved a positive outcome from the second phase 3 clinical trial (VISTA-2). The clinical trial study repeated statistically significant positive results on key predefined secondary end-point (Central Corneal Fluorescein Staining). The read-out of clearing of central staining of the cornea (defined as zero staining in central cornea) reveals the potential of SkQ1 in addressing oxidative stress in dry eye diseases.

As disclosed in the announcement of the Company dated 13 October 2022, the Group strategically and successfully secured (i) a patent assignment deed; and (ii) a patent and know-how licence agreement relating to SkQ1 in the field of ophthalmology exclusively for the global market (the "Global Rights").

The Group is in the final stages of completing the transfer of chemistry, manufacturing and controls (CMC), know-how and intellectual property rights relating to SkQ1. Concurrently, the Group is re-establishing the VISTA programme with regulators for mitigating any identifiable risks before continuing with the clinical trial. The aforementioned tasks will inevitably be time-consuming due to external factors and technical challenges involved. The board (the "Board") of directors of the Company (the "Directors") will keep shareholders and investors informed as and when appropriate about the development status.

The total actual investment cost of approximately HK$356.8 million has been incurred for the clinical development of the SkQ1 Product and the Global Rights, and is presented as "Acquired Intangible Assets" under the Group's interim condensed consolidated financial statements as at 30 June 2026. The investment cost represented 9.9% of the Group's total assets as at 30 June 2026. According to Frost & Sullivan, the estimated number of patients with moderate-to-severe dry eye disease was around 112.7 million in the PRC in 2025. It is expected that the size of the potential market of the SkQ1 Product will be significant.

For the purpose of on-going development and execution of the SkQ1 Product and the Global Rights of SkQ1 (exclusive of the PRC), the said asset is in the process of being carved out and injected into DunaVision Pte Ltd, Singapore, which is newly established and a wholly-owned subsidiary of the Company.

Anti-VEGF Licensed Product

In 2020, the Group entered into a co-development and exclusive license agreement (the "Co-Development License Agreement") with Shanghai Henlius Biotech, Inc. ("Henlius") to co-develop a pharmaceutical product that contains an anti-vascular endothelial growth factor ("anti-VEGF") as a drug substance (the "Anti-VEGF Licensed Product"), which is intended for the treatment of exudative (wet) age-related macular degeneration ("wet-AMD"). On 22 February 2023, the Group entered into an amendment agreement with Henlius to amend certain terms of the Co-Development License Agreement, which include payments for regulatory and commercial sales milestones and development costs in respect of the Anti-VEGF Licensed Product. Please refer to the announcement of the Company dated 22 February 2023 and the 2022 annual results announcement of the Company dated 8 March 2023 for further details.

As at the date of this report, the recombinant anti-VEGF humanised monoclonal antibody injection HLX04-O ("HLX04-O") for the treatment of wet-AMD has been approved to commence the phase 3 clinical trial in Australia, the United States, Singapore, Russia, Serbia and European Union countries such as Hungary, Spain, Latvia, the Czech Republic and Poland. So far, the first patient has been dosed in a phase 3 clinical study for HLX04-O for the treatment of wet-AMD in the PRC, Latvia, Australia and the United States successively, and the last patient last visit was completed. In July 2023, the phase 1/2 clinical study of HLX04-O for the treatment of wet-AMD has shown its safety and tolerability and demonstrated preliminary efficacy. In April 2025, the phase 3 clinical study of HLX04-O in Chinese patients with wet-AMD (AURA-1) met the primary study endpoint. In August 2025, the Biologics License Application (BLA) was accepted by NMPA in the PRC. In June 2026, the phase 3 clinical study of HLX04-O in patients with wet-AMD (AURA-2) met the study primary endpoint.

Henlius is the holding company of a group principally engaged in (i) the research and development, production and sale of monoclonal antibody (mAb) drugs and the provision of related technical services (except for the development and application of human stem cells, genetic diagnosis and therapy technology); and (ii) the transfer of its own technology and provision of the related technology consultation services.

Total maximum commitment in relation to the co-development of the Anti-VEGF Licensed Product with Henlius is US$67.0 million (equivalent to approximately HK$525.4 million). Total actual investment cost of approximately HK$485.2 million is presented as "Acquired Intangible Assets" under the Group's interim condensed consolidated financial statements as at 30 June 2026. The investment cost represented 13.4% of the Group's total assets as at 30 June 2026. The Anti-VEGF Licensed Product can be used for treating wet-AMD, diabetic macular edema, macular edema caused by retinal vein occlusion and myopic choroidal neovascularisation. According to Frost & Sullivan, the estimated number of patients with these 4 categories of disease was around 16.4 million in the PRC in 2025. Assuming each patient applies 4 doses in the first year of treatment and 2 to 3 doses in subsequent years, it is expected that the size of the potential market of the Anti-VEGF Licensed Product will be significant.

Apart from the investments in the SkQ1 Product and the Anti-VEGF Licensed Product, as at 30 June 2026 and the date of this report, each of the investments made and held by the Group represented less than 5% of the Group's total assets.

Other Business Development Activities

In January 2026, the Group entered into an exclusive distribution agreement with Osteopore International Pte Ltd ("Osteopore") for Osteopore's innovative dental, orthodontic, and maxillofacial products in the PRC, Hong Kong, and Macau. The collaboration with Osteopore establishes a milestone of the Group in the stomatology market and expands the range of the Group's dental, orthodontic, and maxillofacial solutions, which will together benefit the Group in striving for sustainable growth in the PRC market.

In February 2026, the Group participated in the Asia-Pacific Academy of Ophthalmology Congress 2026 (the "Congress"). During the Congress, the Group hosted a dedicated booth showcasing key products and pipeline assets from its ophthalmology portfolio, and to engage with ophthalmologists, healthcare professionals, and industry partners across Asia-Pacific. The Group's presence at the Congress underscored the Group's dedication to advancing ophthalmic care through clinically proven, first-in-class and best-in-class therapeutic solutions, while strengthening collaboration with leading eye care institutions and professionals across the region.

HONOURS AND AWARDS OBTAINED IN 2026

珠海億勝生物製藥有限公司 (Zhuhai Essex Bio-Pharmaceutical Company Limited*), a wholly-owned subsidiary of the Company, was awarded 2026年珠海市藥品安全公益事業愛心企業 (2026 Caring Enterprise for Pharmaceutical Safety Public Welfare in Zhuhai*).

The Group's Beifushu® and Beifuxin® were included in 廣東省重點商標保護名錄 (List of Key Trademarks in Guangdong Province*).

In addition, the Company was awarded 中國卓越IR－卓越數字化投資者關係獎 (China Excellent IR – Excellent Digitalised Investor Relations Award*).

MARKET DEVELOPMENT

As at 30 June 2026, the Group operates an extensive network of 47 regional sales offices across the PRC and a strategic base in Singapore to facilitate market access into Southeast Asian countries.

To drive sustainable growth and expansion for our current and future products, the Group has been investing relentlessly in enhancing its competitiveness and broadening its reach through the following strategic initiatives:

- expanding the clinical indications for its commercialised products;
- increasing patient access in lower-tier cities across the PRC;
- developing complementary sales channels; and
- nurturing the healthtech e-platform to enhance patient access.

During the period under review, the vast distribution network enabled the Group's therapeutic products to be prescribed in over 14,900 hospitals and medical providers, as well as approximately 9,900 pharmaceutical stores, covering major cities, provinces and county cities throughout the PRC. It has gained traction and access into more than 1,100 medical/healthcare institutions and, approximately 155 over-the-counter (OTC) retail and online platforms across Singapore, Malaysia and Indonesia.

RESEARCH AND DEVELOPMENT

The R&D division is driven by a vision that underscores its commitment to science and innovation, with a mission to develop groundbreaking therapeutics that address unmet clinical and/or commercial needs. The Group launched a development plan in 2021, focusing on ophthalmology.

The Group's key R&D initiatives comprise of growth factors, antibodies (i.e. mAb, bsAb, sdAb, scFv, ADC/FDC, etc.), drug formulation know-how and Blow-Fill-Seal ("BFS") platform. Growth factors, antibodies and drug formulation know-how are used for the development of therapeutic drugs in ophthalmology, surgical (encompassing wound care and healing) and oncology, whereas the BFS platform is a state-of-the-art manufacturing facility for producing preservative-free unit-dose drugs, in particular for ophthalmic drugs.

One of the Group's technology platforms is built on recombinant proteins, in particular, the basic fibroblast growth factor (bFGF). The Group has been able to capitalise on its biologic facility, built with its proprietary technique and know-how, delivering high-quality bFGF Series of biologics in the Ophthalmology and Surgical business segments that constituted the Group's primary current growth driver. Strengthening the Group's biologics-based R&D, the strategic investments in Antikor Biopharma Limited and alliance forged with Henlius are in furtherance of our R&D plans for biologics in oncology and in ophthalmology for wet-AMD, diabetic macular edema, macular edema caused by retinal vein occlusion and myopic choroidal neovascularisation for mid-term to long-term growth driver.

The establishment of the BFS platform formed part of the Group's core competency to develop and produce a series of preservative-free unit-dose drugs. As at 30 June 2026, the Group has 6 commercialised preservative-free unit-dose eye drops. Several preservative-free unit-dose ophthalmic drugs are in development with targeted commercialisation within the next 2 to 5 years.

As at the date of this report, the Group has 15 R&D programmes in the pre-clinical to clinical stage, with several ophthalmology programmes in clinical stage which are shown in the table below:

Field	Subfield	Project Code	Indication	Discovery	Pre-Clinical	Chemistry, Manufacturing and Controls	Investigational New Drug	Phase I	Phase II	Phase III	New Drug Application/ Biologics License Application ("BLA")	Regulatory	Remarks
Ophthalmology	Ocular surface	EB11-18136P	Dry eye disease									United States Food and Drug Administration ("US FDA")	Phase III ongoing
	Retina	EB12-20145P	Wet-AMD									NMPA	BLA submitted
		EB12-20145P	Wet-AMD									US FDA	Phase III complete

As at the date of this report, the Group has obtained a total of 132 patent certificates or authorisation letters, which include 101 發明專利 (invention patents), 15 實用新型專利 (utility model patents) and 16 外觀專利 (design patents).

The Group currently has multiple R&D sites located in Zhuhai (PRC), Boston (United States), London (United Kingdom) and Singapore. These sites support our efforts to develop new therapeutics and recruit global talent.

PRODUCTION CAPABILITY

The Group's factory in Zhuhai is fully equipped with production plants for the production of rb-bFGF as active pharmaceutical substance for the Group's flagship biologic formulations. The state-of-the-art BFS production plants in the factory enables the production of preservative-free unit-dose drugs, including Beifushu® unit-dose eye drops.

CONSTRUCTION OF THE SECOND FACTORY IN THE PRC

The second factory is being built on a piece of land of about 15,000 square metres located at 珠海高新區科技創新海岸 (Zhuhai Hi-Tech Industrial Park*), with a gross floor area (GFA) of about 58,000 square metres to house the Group's R&D centre, additional manufacturing facility, administrative office and staff hostel. The second factory is within minutes of walking distance from the Group's existing factory.

As at the date of this report, the second factory's construction is substantially completed, and the completion of the construction shall be in 2026 or 2027.

LITIGATION WITH 廣西萬壽堂藥業有限公司 (GUANGXI MEDICTOP PHARMACEUTICAL COMPANY LIMITED*) ("GUANGXI MEDICTOP")

In July 2024, a subsidiary of the Company in the PRC received a legal summons from Guangxi Medictop, alleging breach of certain obligations under an agency agreement related to the exclusive sales of Guangxi Medictop's 伊血安顆粒 (Yi Xue An Granules*). The Group categorically denies these allegations and has vigorously defended its position. After two hearings in November 2024 and June 2025, the Guangxi Nanning Court delivered a judgement in July 2025, ordering the Group to pay approximately HK$14.5 million to Guangxi Medictop in compensation. Both the Group and Guangxi Medictop have appealed the judgement.

In October 2024, the Group initiated counter legal proceedings against Guangxi Medictop, seeking repayment of outstanding amounts. A court order was obtained to freeze one of Guangxi Medictop's bank accounts. Following a hearing in June 2025, the Zhuhai Xiangzhou Court delivered a judgement in July 2025, ordering Guangxi Medictop to repay approximately HK$49.7 million to the Group. Guangxi Medictop has appealed the judgement.

In February 2026, the Group and Guangxi Medictop entered into a mediated settlement agreement. Under the agreement, Guangxi Medictop is required to repay approximately HK$25.5 million, plus any accrued interest, to the Group. Both Guangxi Nanning Court and Zhuhai Xiangzhou Court ruled to dismiss the cases, sanctioning the mediated settlement agreement.

FINANCIAL REVIEW

China Pharma 2026: Navigating Regulatory Headwinds and Embracing Adaptation

The pharmaceutical industry in the PRC has been undergoing significant changes to foster innovation, reduce healthcare costs and improve treatment outcomes. As part of the ongoing healthcare reform, the pharmaceutical industry is facing new regulatory challenges in the first half of 2026.

Key Regulatory Challenges in 2026

Tax and Cost Pressure: The value-added tax ("VAT") on biotech drugs has risen to 13%, and centralised procurement has led to price cuts. This combination is putting pressure on gross margins for innovative drugs.

Medical Representative (MR) Compliance Overhaul: New national requirements for medical representative registration, activity tracking and training have been introduced. Companies must now log all healthcare professionals (HCP) interactions in traceable systems.

5 Department Anti-Corruption Campaign: The National Health Commission (NHC), State Administration of Market Regulation (SAMR), Ministry of Public Security (MPS), NMPA and Tax Bureau are conducting joint inspections. Focus areas include speaker fees, conferences, donations and third-party vendors. Penalties now include both corporate fines and personal liability.

Procurement Environment: Volume-based procurement has been expanded to include more biologics and innovative drugs. However, "pay-for-performance" and hospital budget caps are restricting hospital formulary access.

Embracing Adaptation

In light of key regulatory challenges in the PRC, the Group prioritises compliance, digital engagement and differentiated innovations for efficient growth. The overall strategy will better position the Group to effectively navigate these headwinds and the long-term trend of rising compliance requirements for innovative pharmaceutical companies, driven by factors such as the PRC's ongoing healthcare reform.

The Group's revenue is chiefly derived from its operations in the PRC and denominated in Renminbi. For the six months ended 30 June 2026, the Group achieved a consolidated turnover of approximately HK$784.7 million, with a decrease of 10.5% as compared to approximately HK$876.5 million for the same period last year. The decrease is attributable to the new VAT law in the PRC announced on 30 January 2026 and effective retrospectively from 1 January 2026 which alters the tax treatment for pharmaceutical wholesale enterprises selling ordinary biological products. Previously, these enterprises could choose a simplified tax rate of 3% but now face the standard tax rate of 13%, aligning with other pharmaceuticals. This change and other newly introduced regulatory challenges have the impact on the Group's business, particularly the biologic products of Beifushu® and Beifuji® series. This is because the Group cannot pass on the VAT increase to final customers since selling prices inclusive of VAT are fixed under the PRC's centralised procurement system and turnover is reported net of VAT.

Correspondingly, the Group's profit decreased by 32.2% to approximately HK$110.7 million as compared to approximately HK$163.4 million for the same period last year. Approximately one-fourth of the decrease of the 32.2% was attributable to the decrease in exchange gain by approximately HK$12.1 million.

The Group's turnover is primarily made up of Ophthalmology, Surgical (encompassing wound care and healing), and Healthcare and Partner Services segment. The core products that are current growth drivers under each segment are:

1. Ophthalmology – Beifushu® series (Beifushu® eye drops, Beifushu® eye gel and Beifushu® unit-dose eye drops), Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, Moxifloxacin Hydrochloride Eye Drops, Diquafosol Sodium Eye Drops, 適麗順®卵磷脂絡合碘膠囊 (Shilishun Iodized Lecithin Capsules*), Soft Hydrophilic Contact Lens and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses;

2. Surgical (encompassing wound care and healing) – Beifuji® series (Beifuji® spray, Beifuji® lyophilised powder and Beifuxin® gel), Carisolv® dental caries removal gel, Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis and Osteopore's bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore; and

3. Healthcare and Partner Services – 伢典醫生DR.YADIAN® oral care products, online and offline healthcare services and products, contract manufacturing organisation ("CMO")/contract development and manufacturing organisation ("CDMO") service and trades in equipment and parts.

The sectoral turnover of Ophthalmology, Surgical, and Healthcare and Partner Services is approximately 46.8%, 43.5% and 9.7% of the Group's turnover, respectively.

The combined turnover of the Group's flagship biologics, Beifushu® series and Beifuji® series (the bFGF based biologic drugs), represented about 78.2% of the Group's total turnover, of which Beifushu® series and Beifuji® series accounted for 37.2% and 41.0% of the Group's turnover, respectively. The remaining 21.8% of the Group's turnover is mainly contributed by sales of Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, Moxifloxacin Hydrochloride Eye Drops, 適麗順®卵磷脂絡合碘膠囊 (Shilishun Iodized Lecithin Capsules*), Carisolv® dental caries removal gel, 伢典醫生DR.YADIAN® oral care products, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis, online and offline healthcare services and products, CMO/CDMO service and trades in equipment and parts, collectively.

Composition of the Group's turnover for the six months ended 30 June 2026 and 2025, respectively, is shown in the following table:

Expressed in HK$'million	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
Ophthalmology	**367.2**	417.4
Surgical	**341.2**	448.9
Healthcare and Partner Services	**76.3**	10.2
Total	**784.7**	876.5

Ophthalmology contributed approximately HK$367.2 million to the Group's turnover for the six months ended 30 June 2026, representing a decrease of 12.0% as compared to the same period last year. Surgical recorded a total turnover of approximately HK$341.2 million for the six months ended 30 June 2026, representing a decrease of 24.0% as compared to the same period last year. The decrease was mainly attributable to the aforementioned increase in VAT and other newly introduced regulatory challenges. Healthcare and Partner Services delivered a total turnover of approximately HK$76.3 million for the six months ended 30 June 2026, representing a significant increase of 648% as compared to the same period last year.

The distribution and selling expenses for the period under review were approximately HK$396.5 million as compared to approximately HK$471.6 million for the corresponding period last year, representing a decrease of 15.9%. Such expenses primarily consisted of remuneration, advertising costs, travelling and transportation costs, costs related to product training and marketing activities, etc. The decrease was in line with the decrease in turnover for the six months ended 30 June 2026.

The administrative expenses for the period under review were approximately HK$126.9 million as compared to approximately HK$99.7 million for the corresponding period last year. The increase in administrative expenses was mainly due to (i) a decrease in exchange gain by approximately HK$12.1 million; (ii) an increase in costs for expansion of operations in the United States and Singapore, and on-line platform for medical consultation by approximately HK$4.4 million; and (iii) an increase in R&D expenses by approximately HK$4.1 million.

Total expenditures (inclusive of acquired intangible assets) incurred in R&D for the period under review were approximately HK$51.0 million (For the six months ended 30 June 2025: approximately HK$66.5 million), representing 6.5% (For the six months ended 30 June 2025: 7.6%) of the turnover, of which approximately HK$25.2 million (For the six months ended 30 June 2025: approximately HK$44.8 million) were capitalised.

The Group had cash and cash equivalents of approximately HK$806.6 million as at 30 June 2026 (31 December 2025: approximately HK$782.7 million).

The Group's bank borrowings as at 30 June 2026 were approximately HK$324.5 million (31 December 2025: approximately HK$325.6 million), among which 29.3% was repayable within 1 year, 36.8% was repayable in more than 1 year but within 2 years and 33.9% was repayable in more than 2 years but within 5 years. Among the Group's bank borrowings as at 30 June 2026, 30.8% was denominated in Hong Kong Dollar and 69.2% was denominated in Renminbi. All of the Group's bank borrowings bear interest at floating rate. The interest rate of the Group's bank borrowings ranged from 2.4% to 4.4% per annum as at 30 June 2026. Please refer to the sub-section headed "Liquidity and Financial Resources" for details of banking facilities.

The total finance costs of the Group for the period ended 30 June 2026 were approximately HK$4.6 million (For the six months ended 30 June 2025: approximately HK$2.8 million), including interest expenses on bank borrowings and lease liabilities amounting to approximately HK$5.3 million (For the six months ended 30 June 2025: approximately HK$3.5 million) of which approximately HK$0.7 million (For the six months ended 30 June 2025: approximately HK$0.7 million) was capitalised during the period under review.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, as at 30 June 2026, the Group did not have any immediate plan for material investments or acquisition of material capital assets.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group obtained banking facilities of approximately HK$984.8 million, of which approximately HK$412.3 million was utilised. Certain of the banking facilities were secured by the corporate guarantees provided by the Company and two of its subsidiaries.

As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$806.6 million as compared to approximately HK$782.7 million as at 31 December 2025.

The Group monitors its capital structure on the basis of a gearing ratio which is defined as the ratio of total liabilities to total assets. The gearing ratio as at 30 June 2026 was 29.5% (31 December 2025: 30.9%).

The healthy liquidity position and working capital level together with the unutilised banking facilities are sufficient to meet the Group's capital commitments, as well as to support the Group's daily operations and bank loan repayments.

CHARGES ON GROUP ASSETS

As at 30 June 2026, no asset (31 December 2025: no asset) was being pledged to secure the Group's banking facilities.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had capital commitments which amounted to approximately HK$170.0 million (31 December 2025: approximately HK$203.8 million).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the period ended 30 June 2026.

SIGNIFICANT INVESTMENTS HELD

Save as disclosed in this report, the Group did not hold any significant investments as at 30 June 2026.

FOREIGN EXCHANGE EXPOSURE

It is the Group's policy to borrow and deposit cash in local currencies to minimise currency risk.

The Group's assets, liabilities and transactions are mainly denominated in Hong Kong Dollar, Renminbi or US Dollar. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange risks and therefore no hedging arrangements were made. So long as the linked exchange rate system in Hong Kong with US Dollar is maintained, it is expected that the Group will not be subject to any significant exchange risk. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements as appropriate.

TREASURY POLICY

The Group generally financed its operations with internally generated cash flows, bank and other borrowings. The Group placed these resources into interest-bearing bank accounts opened with the PRC and Hong Kong banks and earned interests in accordance with the PRC and Hong Kong banks rates. Bank deposits were mainly denominated in Renminbi, Hong Kong Dollar and US Dollar.

EMPLOYEES

As at 30 June 2026, the Group had a total of 1,240 full-time employees (31 December 2025: 1,289 full-time employees). The aggregate remuneration of the Group's employees, including that of the Directors for the period under review and the preceding period amounted to approximately HK$150.8 million and approximately HK$162.1 million, respectively. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. Share options and bonuses are also available to employees of the Group at the discretion of the Directors depending on the financial performance of the Group.

The remuneration of each executive Director has been determined with reference to the time commitment and responsibilities of each executive Director, and to the operating results of the Group and his/her performance in the relevant financial year.

SHARE CAPITAL AND SHARE OPTIONS

There was no movement in the Company's authorised share capital during the period under review. Please refer to the sub-section headed "Purchase, Redemption or Sale of Listed Securities of the Company" for details of the share repurchase of the Company conducted during the period under review. For the period ended 30 June 2026, there was no grant, exercise, lapse or cancellation of share options (the "Options") under the Company's share option scheme as approved by the shareholders of the Company at the annual general meeting held on 9 June 2023 (the "Scheme"). Details of the Scheme are set out below.

Summary of the Scheme

1. Purpose of the Scheme:

   (a) To recognise and acknowledge the contributions that the Eligible Participants (as defined below) have (or may have) made or may make to the Group (whether directly or indirectly).

   (b) To attract and retain and appropriately remunerate the best possible quality of Employees (as defined below) and other Eligible Participants (as defined below).

   (c) To motivate the Eligible Participants (as defined below) to optimise their performance and efficiency for the benefit of the Group.

   (d) To enhance its business, employee and other relations.

   (e) To retain maximum flexibility as to the range and nature of rewards and incentives which the Group can offer to Eligible Participants (as defined below).

2. Participants of the Scheme:

   (a) any director of the Company or any of its subsidiaries or any employee employed by the Company and/or any of its subsidiaries (whether full time or part time, including persons who are granted options under the Scheme as an inducement to enter into employment contract with any of such companies) ("Category A Participant"); or

   (b) any director or employee (whether full time or part time) of any of the Company's holding companies, fellow subsidiaries and associated companies ("Category B Participant"); or

   (c) any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including consultants and advisors of the Company with relevant expertise in fields related to biotechnology and capital market, and investor relations consultants, which could provide insights on areas such as investor relations, market development and promotion, technological trends and innovations, as well as management (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) ("Category C Participant")

   (Category A Participant, Category B Participant and Category C Participant collectively referred to as the "Eligible Participants"). The basis of eligibility of any of the above categories of the Eligible Participants to the grant of any right(s) to subscribe for fully paid share(s) of HK$0.10 each of the Company (or such other nominal amount prevailing from time to time) (the "Share(s)") granted pursuant to the Scheme shall be determined by the Board taking into account (i) the experience of the Eligible Participants on the Group's business; (ii) the length of service of the Eligible Participants with the Group if the Eligible Participant is an employee or a director of the Group; (iii) the actual degree of involvement in and/or cooperation with the Group; and (iv) the amount of support, assistance, guidance, advice, efforts and contribution the Eligible Participant has given or made, or may give or make, towards the success of the Group in the future.

3. (a) The maximum number of Shares in respect of which Options may be granted under the Scheme shall not, in aggregate, exceed 10.0% of the Shares in issue as at the date of approval of the Scheme, i.e. 57,064,900 (the "Scheme Mandate Limit").

   (b) The maximum number of Shares in respect of which Options may be granted to all Category C Participants under the Scheme shall not, in aggregate, exceed 1.0% of the Shares in issue as at the date of approval of the Scheme and 10.0% of the Scheme Mandate Limit, i.e. 5,706,490.

   (c) Number of Options available for grant under the Scheme as at 30 June 2026 and the date of this report is 57,064,900.

   (d) Number of Options available for grant to Category C Participants under the Scheme as at 30 June 2026 and the date of this report is 5,706,490.

   (e) Number of Shares that may be issued in respect of the Options granted under the Scheme and all other schemes or awards of the Company, if any, during the period under review (i.e. nil) divided by the weighted average number of Shares in issue for the period under review:

   Not applicable.

   (f) Total number of ordinary shares of HK$0.10 each in the share capital of the Company available for issue under the Scheme as at the date of this report:

   57,064,900 Shares.

   (g) Percentage of the issued share capital (excluding treasury shares) that it represents as at the date of this report:

   10.08%.

4. Maximum entitlement of each Eligible Participant under the Scheme and all other schemes or awards of the Company, if any:

   Not to exceed an aggregate of 1.0% of the Shares in issue in any 12-month period unless approved by shareholders of the Company and meeting the other requirements as stipulated under the Scheme.

5. Period within which the Shares must be taken up under an Option:

   Within 10 years from the date on which necessary resolutions in relation to the Scheme have been approved by the shareholders of the Company in general meeting and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the approval for the listing of and permission to deal in the Shares to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the Scheme (i.e. 9 June 2023) (the "Effective Date") or such shorter period as the Board may determine.

6. Minimum period for which an Option must be vested:

Not less than 12 months, save and except that Options to be granted to a Category A Participant may be subject to a vesting period of less than 12 months (or no vesting period) in the following circumstances:

(a) grants of "make-whole" Options to new joiners to replace the share awards they forfeited when leaving the previous employer;

(b) grants of Options to a Category A Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(c) grants of Options that are made in batches during a year for administrative and compliance reasons;

(d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period 12 months; and

(e) grants of Options with a total vesting and holding period of more than 12 months.

7. (a) Price payable on application or acceptance of the Option:

HK$1.00.

(b) The period within which payments or calls must or may be made:

No offer shall be capable of or open for acceptance after the expiry of ten years from the Effective Date.

(c) The period within which loans for the purposes of the payments or calls must be repaid:

Not applicable.

8. Basis of determining the exercise price:

The exercise price shall be determined by the Board and notified to each grantee under the offer letter and shall not be less than the highest of:

(a) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant Option;

(b) the average closing price of a Share as stated in the daily quotations sheets of the Stock Exchange for the 5 business days immediately preceding the date of grant of the relevant Option; and

(c) the nominal value of a Share.

9. The remaining life of the Scheme:

Approximately 6.8 years (expiring on 8 June 2033).

* For identification purpose only

ADDITIONAL INFORMATION

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

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long positions in shares of the Company:

Name	**Capacity**	**Number of ordinary shares/ underlying shares of the Company**	**Approximate percentage of interest in the Company's issued share capital (excluding treasury shares) as at 30 June 2026**
Ngiam Mia Je Patrick	Beneficial owner and interests of controlled corporations	153,945,667 *(Note 1)*	27.20%
Fang Haizhou	Beneficial owner	5,244,300 *(Note 2)*	0.93%
Ngiam Hian Leng Malcolm	Beneficial owner	2,039,000 *(Note 3)*	0.36%
Yau Lai Man	Beneficial owner	46,000 *(Note 4)*	0.01%

Notes:

1. (a) 147,279,000 ordinary shares were registered in the name of Ngiam Mia Je Patrick.

   (b) 6,666,667 ordinary shares were held by Dynatech Ventures Pte Ltd ("Dynatech") which was wholly owned by Essex Investment (Singapore) Pte Ltd ("Essex Singapore"). Since Essex Singapore is owned by Ngiam Mia Je Patrick and Ngiam Mia Kiat Benjamin in equal shares, Ngiam Mia Je Patrick was deemed to be interested in these shares under the SFO as he was entitled to exercise or control the exercise of more than one-third of the voting power of Dynatech at general meetings.

2. 5,244,300 ordinary shares were registered in the name of Fang Haizhou.

3. 2,039,000 ordinary shares were registered in the name of Ngiam Hian Leng Malcolm.

4. 46,000 ordinary shares were registered in the name of Yau Lai Man.

Save as disclosed above, as at 30 June 2026, none of the Directors and the chief executive of the Company had any interest and short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO

As at 30 June 2026, the following persons or entities, other than a Director or chief executive of the Company had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in shares of the Company:

Name	**Capacity**	**Number of ordinary shares/ underlying shares of the Company**	**Approximate percentage of interest in the Company's issued share capital (excluding treasury shares) as at 30 June 2026**
Ngiam Mia Kiat Benjamin	Beneficial owner and interests of controlled corporations	152,020,667 *(Note 1)*	26.86%
Lauw Hui Kian	Family interest	153,945,667 *(Note 2)*	27.20%

Notes:

1. (a) 145,354,000 ordinary shares were registered in the name of Ngiam Mia Kiat Benjamin.

   (b) 6,666,667 ordinary shares were held by Dynatech which was wholly owned by Essex Singapore, which in turn was owned by Ngiam Mia Je Patrick and Ngiam Mia Kiat Benjamin in equal shares. Therefore, Ngiam Mia Kiat Benjamin was deemed to be interested in these shares under the SFO as he was entitled to exercise or control the exercise of more than one-third of the voting power of Dynatech at general meetings.

2. Lauw Hui Kian is the spouse of Ngiam Mia Je Patrick (an executive Director). Lauw Hui Kian was deemed to be interested in 153,945,667 ordinary shares in which Ngiam Mia Je Patrick was interested/deemed to be interested under the SFO.

Save as disclosed above, as at 30 June 2026, no other persons or entities (other than the Directors and chief executive of the Company whose interests are set out under the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above) had an interest or short position in the shares or underlying shares of the Company as recorded in the register to be kept under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the period under review, the Company repurchased 1,006,000 of its shares on the Stock Exchange at an aggregate consideration of HK$2,659,780 and these shares were subsequently held as treasury shares as at the date of this report. Details of those transactions are as follows:

Month	Number of shares repurchased	Price per share Highest	Price per share Lowest	Total price paid
		HK$	HK$	HK$
June 2026	1,006,000	2.71	2.61	2,659,780

The repurchase of the Company's shares was effected by the Directors, pursuant to the mandate granted by the shareholders of the Company to the Directors at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the period under review. As at 30 June 2026, the Company held 1,006,000 treasury shares. They were intended to be used in accordance with the applicable rules and regulations, including but not limited to resale for cash. During the period under review, the Company did not sell or transfer any treasury shares.

Subsequent to the end of the reporting period and up to the date of this report, the Company repurchased 350,000 of its shares on the Stock Exchange at an aggregate consideration of HK$895,500 and these shares were subsequently held as treasury shares as at the date of this report. The highest and lowest price per share paid was HK$2.61 and HK$2.50 respectively.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the period under review.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including reviewing the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026.

INTERIM DIVIDEND

The Board has resolved on 5 August 2026 to declare an interim dividend of HK$0.05 (For the six months ended 30 June 2025: HK$0.07) per ordinary share for the six months ended 30 June 2026 (the "Interim Dividend"), which is payable in cash on Wednesday, 2 September 2026. The Interim Dividend will be paid to shareholders of the Company whose names appear in the Company's register of members at the close of business on Monday, 24 August 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 20 August 2026 to Monday, 24 August 2026 (both days inclusive) during which period no share transfer will be effected. To qualify for the Interim Dividend, all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 19 August 2026. The record date will be Monday, 24 August 2026.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted procedures governing directors' securities transactions in compliance with the Model Code. Having made specific enquiries with all the Directors, all the Directors have confirmed that they have fully complied with the required standards and provisions as set out in the Model Code throughout the 6-month period ended 30 June 2026.

ON BEHALF OF THE BOARD
Ngiam Mia Je Patrick
Chairman

Hong Kong
5 August 2026

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ngiam Mia Je Patrick *(Chairman)*
Fang Haizhou *(Managing Director)*
Ngiam Hian Leng Malcolm *(Chief Executive Officer)*
Yau Lai Man

Independent Non-executive Directors

Fung Chi Ying
Yeow Mee Mooi
Yan Man Sing Frankie

AUDIT COMMITTEE

Fung Chi Ying *(Chairperson)*
Yeow Mee Mooi
Yan Man Sing Frankie

REMUNERATION COMMITTEE

Yeow Mee Mooi *(Chairperson)*
Ngiam Mia Je Patrick
Fung Chi Ying
Yan Man Sing Frankie

NOMINATION COMMITTEE

Yeow Mee Mooi *(Chairperson)*
Ngiam Mia Je Patrick
Fung Chi Ying
Yan Man Sing Frankie

CORPORATE GOVERNANCE COMMITTEE

Yeow Mee Mooi *(Chairperson)*
Yau Lai Man
Fung Chi Ying
Yan Man Sing Frankie

COMPANY SECRETARY

Yau Lai Man MBA, ACA, CPA (practising)

AUTHORISED REPRESENTATIVES

Fang Haizhou
Yau Lai Man

AUDITOR

BDO Limited
(Registered Public Interest Entity Auditors)

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PRINCIPAL BANKERS

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Bank of China
Bank of Communications Co., Ltd.
China Merchants Bank
China Construction Bank
Industrial and Commercial Bank of China (Asia) Limited

STOCK CODE

01061