TIAN CHANG GROUP HOLDINGS LTD.
天長集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2182)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Tian Chang Group Holdings Ltd. (the "**Company**") is pleased to announce 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 the comparative figures for the corresponding period in 2025, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(unaudited)	(unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**173,853**	254,213
Cost of goods sold		**(148,403)**	(206,053)
Gross profit		**25,450**	48,160
Other income	*4*	**2,414**	2,731
Other (loss) gains, net	*5*	**(3,625)**	946
Reversal of (Provision for) loss allowance on trade receivables		**193**	(3,421)
Selling and distribution costs		**(1,177)**	(3,106)
Administrative and other operating expenses		**(55,643)**	(53,542)
Finance costs	*6*	**(425)**	(762)
Loss before tax	*6*	**(32,813)**	(8,994)
Income tax expenses	*7*	**(487)**	(2,593)
Loss for the period attributable to equity holders of the Company		**(33,300)**	(11,587)
Loss per share attributable to equity holders of the Company (expressed in Hong Kong cents)			
Basic	*9*	**(5.37)**	(1.87)
Diluted	*9*	**(5.37)**	(1.87)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss for the period	**(33,300)**	(11,587)
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**27,544**	8,323
Total comprehensive loss for the period, attributable to equity holders of the Company	**(5,756)**	(3,264)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30 June 2026 (unaudited) HK$'000	At 31 December 2025 (audited) HK$'000
Non-current assets			
Property, plant and equipment		**590,963**	528,351
Financial assets at fair value through profit or loss ("**FVPL**")	*10*	**26,930**	26,521
Prepayment for machinery		**6,045**	–
Rental deposits		**495**	480
Deferred tax assets		**1,045**	1,125
		625,478	556,477
Current assets			
Inventories		**82,023**	62,413
Trade and other receivables	*11*	**79,651**	122,370
Income tax recoverable		**356**	–
Cash and cash equivalents		**125,803**	132,241
		287,833	317,024
Current liabilities			
Trade and other payables	*12*	**83,077**	93,491
Payables for construction	*13*	**2,661**	29
Interest-bearing borrowings	*14*	**57,937**	–
Deferred income		**1,515**	1,487
Lease liabilities		**1,847**	1,998
Income tax payables		**29**	1,434
		147,066	98,439
Net current assets		**140,767**	218,585
Total assets less current liabilities		**766,245**	775,062
Non-current liabilities			
Payables for construction	*13*	**–**	2,332
Deferred income		**5,137**	5,661
Lease liabilities		**3,721**	4,469
Deferred tax liabilities		**9,346**	8,803
		18,204	21,265
NET ASSETS		**748,041**	753,797
Capital and reserves			
Share capital		**62,000**	62,000
Reserves		**686,041**	691,797
TOTAL EQUITY		**748,041**	753,797

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six months ended 30 June 2026

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 March 2018. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's principal place of business is situated at Unit 6, 13/F, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Company together with its subsidiaries (hereinafter collectively referred to as the "**Group**") is principally engaged in manufacturing and sales of aerosol technology products (formerly known as electronic cigarettes products) and medical consumable products, and providing integrated advanced manufacturing solutions (formerly known as integrated plastic solutions) in Hong Kong and the People's Republic of China (the "**PRC**").

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

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2025, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group's audited financial statements for the year ended 31 December 2025 (the "**2025 Financial Statements**").

The Interim Financial Statements have been prepared on the historical costs basis except for financial assets at fair value through profit or loss ("**FVPL**") which are measured at fair value, and presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company, and rounded to the nearest thousands unless otherwise indicated.

The accounting policies and methods of computation applied in the preparation of these Interim Financial Statements are consistent with those applied in preparing the 2025 Financial Statements, except for the adoption of the new/revised HKFRS Accounting Standards that are effective from the current period as set out below:

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

The adoption of these new/revised HKFRS Accounting Standards did not result in material changes to the Group's accounting policies and/or amounts reported for the current and prior periods.

The Group has not early adopted any new/revised HKFRS Accounting Standards that have been issued but are not yet effective. The management does not anticipate that the adoption of these new/revised HKFRS Accounting Standards in future periods will result in substantial changes to the Group's accounting policies and material impacts on the financial position, financial performance and cash flow of the Group.

2. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

1) Integrated Advanced Manufacturing Solutions segment: manufacture and sale of moulds and plastic products.

2) Advanced Consumer & Industrial Products segment (formerly known as E-cigarette Products segment): manufacture and sale of aerosol technology products.

3) Medical consumable products segment: manufacture and sale of medical consumable products.

Segment revenue and results

Segment revenue represents revenue derived from manufacturing and sales of aerosol technology products, moulds and plastic products, and medical consumable products.

Segment results represent the gross profit less selling and distribution costs, reversal of (provision for) loss allowance on trade receivables, interest on interest-bearing borrowings, write-off of property, plant and equipment and gain on disposal of property, plant and equipment incurred by each segment without allocation of other income, other gains and losses, net, administrative and other operating expenses, finance costs and income tax expenses. This is the information reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

The followings are analysis of the Group's revenue and results by reportable and operating segments:

	Integrated advanced manufacturing solutions (unaudited) *HK$'000*	Advanced consumer & industrial products (unaudited) *HK$'000*	Medical consumable products (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Six months ended 30 June 2026 (unaudited)				
Segment revenue	**153,150**	**19,191**	**1,512**	**173,853**
Gross profit	**23,186**	**2,173**	**91**	**25,450**
Reversal of loss allowance on trade receivables	**98**	**95**	**–**	**193**
Gain on disposal of property, plant and equipment	**124**	**–**	**–**	**124**
Write-off of property, plant and equipment	**(120)**	**–**	**–**	**(120)**
Selling and distribution costs	**(1,102)**	**(75)**	**–**	**(1,177)**
Interest on interest-bearing borrowings	**(260)**	**–**	**–**	**(260)**
Segment results	**21,926**	**2,193**	**91**	**24,210**
Unallocated income and expenses				
Other income				**2,414**
Other loss, net				**(3,629)**
Administrative and other operating expenses				**(55,643)**
Finance costs				**(165)**
Loss before tax				**(32,813)**
Income tax expenses				**(487)**
Loss for the period				**(33,300)**

	Integrated advanced manufacturing solutions (unaudited) *HK$'000*	Advanced consumer & industrial products (unaudited) *HK$'000*	Medical consumable products (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Six months ended 30 June 2025 (unaudited)				
Segment revenue	230,711	22,389	1,113	254,213
Gross profit (loss)	46,132	2,556	(528)	48,160
Provision for loss allowance on trade receivables	(952)	(2,469)	–	(3,421)
Write-off of property, plant and equipment	(1)	–	–	(1)
Selling and distribution costs	(2,567)	(539)	–	(3,106)
Segment results	42,612	(452)	(528)	41,632
Unallocated income and expenses				
Other income				2,731
Other gains, net				947
Administrative and other operating expenses				(53,542)
Finance costs				(762)
Loss before tax				(8,994)
Income tax expenses				(2,593)
Loss for the period				(11,587)

Segment assets and liabilities

	Integrated advanced manufacturing solutions *HK$'000*	Advanced consumer & industrial products *HK$'000*	Medical consumable products *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
At 30 June 2026/Six months ended 30 June 2026 (unaudited)					
Assets					
Reportable segment assets	**368,112**	**26,611**	**1,931**	**516,657**	**913,311**
Liabilities					
Reportable segment liabilities	**109,299**	**7,138**	**–**	**48,833**	**165,270**
Other information					
Capital expenditure	**66,348**	**–**	**–**	**408**	**66,756**
Depreciation	**20,630**	**1,269**	**589**	**2,175**	**24,663**
Research and development expenses	**7,998**	**758**	**–**	**–**	**8,756**

	Integrated advanced manufacturing solutions *HK$'000*	Advanced consumer & industrial products *HK$'000*	Medical consumable products *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
At 31 December 2025/Year ended 31 December 2025 (audited)					
Assets					
Reportable segment assets	334,132	21,749	1,749	515,871	873,501
Liabilities					
Reportable segment liabilities	58,133	8,698	–	52,873	119,704
Other information					
Capital expenditure	187	–	–	1,345	1,532
Depreciation	38,887	2,387	1,371	6,298	48,943
Write-down of inventories	1,114	–	3,621	–	4,735
Research and development expenses	14,708	1,657	–	–	16,365

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include certain property, plant and equipment, prepayment for machinery, inventories and trade receivables. Other assets are not allocated to operating segments as these assets are managed on a group basis; and

- segment liabilities include trade payables, contract liabilities and interest-bearing borrowings. Other liabilities are not allocated to operating segments as these liabilities are managed on a group basis.

Geographical information

The following table sets out information about the geographical location of the Group's property, plant and equipment ("**Specified Non-Current Assets**"). The geographical location of the Specified Non-Current Assets is based on the physical location of the assets.

Specified non-current assets

	At 30 June 2026 (unaudited) ***HK$'000***	At 31 December 2025 (audited) *HK$'000*
Hong Kong	**1,208**	1,959
The PRC	**589,755**	526,392
	590,963	528,351

Information about the Group's revenue from external customers is presented based on the location of customers.

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Revenue from external customers		
The United States of America	**21,082**	43,801
The PRC	**94,184**	132,823
The United Kingdom	**7,416**	11,967
Hong Kong	**32**	7,809
Netherlands	**16,737**	15,856
India	**22,509**	36,697
Indonesia	**2,978**	–
Bosnia and Herzegovina	**1,111**	–
Brazil	**2,499**	968
Malaysia	**3,341**	3,348
Serbia	**708**	–
Others	**1,256**	944
	173,853	254,213

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Advanced consumer & industrial products (unaudited) ***HK$'000***	**Integrated advanced manufacturing solutions (unaudited)** ***HK$'000***	**Total (unaudited)** ***HK$'000***
Six months ended 30 June 2026			
Customer A and its affiliated companies	**–**	**51,828**	**51,828**
Customer B and its affiliated companies	***Note***	***Note***	***Note***
	–	**51,828**	**51,828**
Six months ended 30 June 2025			
Customer A and its affiliated companies	–	51,999	51,999
Customer B and its affiliated companies	–	43,023	43,023
	–	95,022	95,022

Note: The corresponding customer did not contribute 10% or more of the total revenue of the Group for six months ended 30 June 2026.

3. **REVENUE**

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of moulds and plastic products	**153,150**	230,711
Sales of aerosol technology products	**19,191**	22,389
Sales of medical consumable products	**1,512**	1,113
	173,853	254,213

The revenue from contracts with customers within the scope of HKFRS 15 is recognised at a point in time.

4. **OTHER INCOME**

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Bank interest income	**569**	1,039
Government grants *(Note)*	**763**	891
Management service income	**3**	2
Rental income	**14**	15
Sales of scrap materials	**311**	–
Sundry income	**754**	784
	2,414	2,731

Note: Included in the amount is the amortisation of deferred government grant of approximately HK$763,000 *(six months ended 30 June 2025: HK$728,000)* in relation to the acquisition of property, plant and equipment. In the opinion of the management of the Group, the remaining government grants recognised directly in profit or loss for the six months ended 30 June 2025 have no unfulfilled condition or contingency relating to the government grants.

5. **OTHER (LOSS) GAINS, NET**

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Exchange (loss) gain, net	**(3,868)**	732
Changes in fair value of financial assets at FVPL	**239**	215
Write-off of property, plant and equipment	**(120)**	(1)
Gain on disposal of property, plant and equipment	**124**	–
	(3,625)	946

6. LOSS BEFORE TAX

This is stated after charging:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Finance costs		
Interest on interest-bearing borrowings	**260**	573
Interest on payables for construction	**56**	51
Interest on lease liabilities	**109**	138
	425	762
Staff costs, including directors' emoluments		
Salaries, allowances and other benefits in kinds	**62,037**	65,814
Contributions to defined contribution plans	**7,573**	3,964
Total staff costs (charged to "cost of goods sold", "administrative and other operating expenses" and "inventories", as appropriate)	**69,610**	69,778
Other items		
Cost of inventories	**148,403**	206,053
Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	**24,663**	24,881
Write-down of inventories (charged to "cost of goods sold")	**–**	2,269
Short-term lease payments	**304**	198
Research and development expenses	**8,756**	7,411

7. TAXATION

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax		
Current period	**60**	1,563
Under provision in prior year	**505**	931
	565	2,494
Deferred tax		
Origination and reversal of temporary differences	**(187)**	47
Utilisation of tax losses recognised	**109**	52
	(78)	99
Total income tax expenses	**487**	2,593

The Group's entities established in the British Virgin Islands are exempted from income tax.

For the six months ended 30 June 2026 and 2025, the estimated assessable profits for one of the Group's subsidiaries which was established in Hong Kong are wholly absorbed by unrelieved tax losses brought forward from previous years. The Hong Kong Profits Tax of other Group's entities established in Hong Kong and the Cayman Islands have not been provided as they incurred losses for taxation purposes.

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25%, except for Huizhou Tian Chang Industrial Company Limited (English translation of 惠州市天長實業有限公司 for identification purpose only) and Sun Leader Mould Industrial (Huizhou) Limited (English translation of 新利達模具實業(惠州)有限公司 for identification purpose only), which were reapproved and approved, respectively, to be a "New and High Technology Enterprise" in December 2025 with a valid period of 3 years *(six months ended 30 June 2025: Huizhou Tian Chang Industrial Company Limited was approved to be a "New and High Technology Enterprise" since December 2022 with a valid period of 3 years)*. The "New and High Technology Enterprise" is subject to a preferential rate of 15% during the valid period.

8. DIVIDENDS

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

9. LOSS PER SHARE

The calculation of the basic loss per share is based on loss attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the period:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss for the purpose of calculating basic and diluted loss per share:		
Loss for the period attributable to equity holders of the Company	**(33,300)**	(11,587)
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**620,000**	620,000
Effect of dilutive potential ordinary shares:		
– Share options of the Company *(Note)*	**–**	–
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	**620,000**	620,000
Basic loss per share (HK cents)	**(5.37)**	(1.87)
Diluted loss per share (HK cents)	**(5.37)**	(1.87)

Note: For the six months ended 30 June 2026 and 2025, the Company's share option scheme had an anti-dilutive effect to the basic loss per share calculation. The conversion of the above dilutive potential shares is not assumed in the computation of diluted loss per share for the six months ended 30 June 2026 and 2025. Therefore, the basic and diluted loss per share for the six months ended 30 June 2026 and 2025 are the same.

10. FINANCIAL ASSETS AT FVPL

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Unlisted investments - key management insurance contracts	**26,930**	26,521

The fair value of the key management insurance contracts is determined by reference to the respective surrender cash value of each insurance contract at the end of the reporting period, which is primarily based on the performance of the underlying investment portfolio together with the guaranteed minimum returns, ranging from 2% to 3.9% per annum *(31 December 2025: ranging from 2% to 3.9% per annum)* and are denominated in United States Dollar.

The movement of the key management insurance contracts is analysed as follows:

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
At the beginning of the reporting period	**26,521**	25,981
Changes in fair value	**239**	473
Exchange differences	**170**	67
At the end of the reporting period	**26,930**	26,521

As at 30 June 2026, a key management insurance contract with amount of approximate HK$4,252,000 *(31 December 2025: HK$4,171,000)* is pledged as collateral for the bank loan facilities.

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Trade receivables		
From third parties	**70,685**	114,788
Loss allowance for ECL	**(1,186)**	(1,343)
	69,499	113,445
Other receivables		
Deposits	**323**	302
Prepayment for suppliers	**514**	812
Prepayment for insurance	**1,734**	1,742
Other receivables	**77**	51
Value-added tax receivables	**6,277**	4,654
Prepaid expenses	**1,227**	1,364
	10,152	8,925
	79,651	122,370

The Group applies the simplified approach to provide the expected credit loss prescribed by HKFRS 9, which permits the use of lifetime expected loss provision for trade receivables. The loss allowance is approximately HK$1,186,000 as at 30 June 2026 *(31 December 2025: HK$1,343,000).*

The Group grants credit period up to 90 days to its customers upon the issuance of invoices.

The aging analysis of trade receivables, net of loss allowance, by invoice date at the end of the reporting period is as follows:

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Within 30 days	**46,318**	68,403
31 to 60 days	**13,243**	34,391
61 to 90 days	**3,584**	6,615
Over 90 days	**6,354**	4,036
	69,499	113,445

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

12. TRADE AND OTHER PAYABLES

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Trade payables		
To third parties *(Note)*	**51,203**	59,468
Other payables		
Contract liabilities	**7,297**	7,363
Salaries and bonus payable	**10,637**	16,267
Accruals and other creditors	**13,940**	10,393
	31,874	34,023
	83,077	93,491

Note: At the end of the reporting period, the aging analysis of the trade payables based on invoice date is as follows:

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Within 30 days	**27,157**	22,977
31 to 60 days	**7,534**	22,101
61 to 90 days	**7,987**	7,529
Over 90 days	**8,525**	6,861
	51,203	59,468

The credit period on trade payables is up to 90 days.

13. PAYABLES FOR CONSTRUCTION

Payables for construction represent the amounts payable to the constructors in respect of the construction of the production plants located in the PRC which the amounts due are unsecured, interest-free and repayable from one to five years since its inception. The carrying amount is determined based on the present value of the total payables consideration discounted using the effective interest rate of 4.75% *(31 December 2025: 4.75%)* per annum.

14. INTEREST-BEARING BORROWINGS

At 30 June 2026, the secured bank borrowings from banks are repayable within two years since inception and carried weighted average effective interest rate of approximately 2.64% per annum.

At 30 June 2026, the banking facilities are secured by:

(i) certain buildings and certain right-of-use assets in respect of the prepaid land lease payments with aggregate net carrying amount of approximately HK$172,226,000 *(31 December 2025: HK$168,002,000)*;

(ii) a key management insurance contract with fair value of approximately HK$4,252,000 *(31 December 2025: HK$4,171,000)*; and

(iii) corporate guarantees provided by the Company *(31 December 2025: corporate guarantees provided by the Company)*.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group operates its businesses through three segments, namely the Integrated Advanced Manufacturing Solutions segment (formerly known as the Integrated Plastic Solutions segment), the Advanced Consumer & Industrial Products segment (formerly known as the E-cigarette Products segment), and the Medical Consumable Products segment.

The Integrated Advanced Manufacturing Solutions segment provides integrated manufacturing solutions covering product design and engineering development, precision tooling design and manufacturing, precision injection moulding, automated assembly and related engineering and manufacturing services. These capabilities form an integrated manufacturing system spanning product development through to mass production. In precision tooling design and manufacturing, the Group has built a strong technical foundation and accumulated extensive experience in supporting precision manufacturing and mass-production requirements. Building on these capabilities, the Group has adopted "Integrated Advanced Manufacturing Platform" as its long-term development positioning, with a focus on strengthening its engineering and manufacturing capabilities, developing advanced materials capabilities and expanding applications across different industries.

The Advanced Consumer & Industrial Products segment (formerly known as the E-cigarette Products segment) primarily engages in the manufacture and sale of aerosol technology products, including e-cigarette products.

The Medical Consumable Products segment engages in the manufacture and sale of medical device products and disposable face masks.

The Group distributes its products in the domestic market and overseas markets, including Europe, Asia and the United States (the "**U.S.**"). The Group has also obtained the Authorised Economic Operator ("**AEO**") Certificate issued by China Customs, which supports more efficient customs clearance and facilitates the Group's cross-border trade operations.

During the first half of 2026, the Group continued to operate in a challenging business environment amid macroeconomic uncertainties, evolving international trade policies and regulatory developments. The decrease in revenue and the loss after tax for the six months ended 30 June 2026 were mainly attributable to weaker demand for certain solar energy system products, lower order volumes arising from customer supply-chain diversification, and lower gross margin resulting from the absorption of relatively fixed manufacturing overheads over lower production and sales volumes. Further details are set out in the Financial Review below.

Despite the challenging market conditions, the Group continued to invest in precision manufacturing, automation, engineering technologies and machinery to strengthen its manufacturing capabilities and support existing customers, new product projects and future applications. The Group also continued to leverage its research and development capabilities to advance relevant technologies and develop new product applications.

During the six months ended 30 June 2026, the Group's total revenue amounted to approximately HK$173.9 million, representing a decrease of approximately 31.6% compared to the corresponding period in 2025 *(30 June 2025: HK$254.2 million)*. The Group recorded a gross profit of approximately HK$25.5 million *(30 June 2025: HK$48.2 million)* with a gross profit margin of approximately 14.7% *(30 June 2025: 19.0%)*.

The Group recorded a loss for the six months ended 30 June 2026 attributable to equity holders of the Company of approximately HK$33.3 million *(30 June 2025: HK$11.6 million)*. Basic loss per share attributable to equity holders of the Company was approximately 5.37 HK cents *(30 June 2025: 1.87 HK cents)*.

Integrated Advanced Manufacturing Solutions

The Group provides integrated advanced manufacturing solutions across a range of industries and product categories, including consumer electronics, office furniture, communication products, automotive products and solar energy system products. The segment encompasses precision tooling design and manufacturing, precision injection moulding and related engineering and manufacturing services.

In precision tooling design and manufacturing, its relevant precision tooling and moulding capabilities are capable of meeting the Grade H requirements for high-precision plastic moulded parts under GB/T 47067-2026 *Plastic Moulded Parts - Tolerances and Acceptance Conditions* (中華人民共和國國家標準GB/T 47067-2026《塑料模塑件－公差和驗收條件》). During the period, the Group continued to leverage its established engineering and manufacturing capabilities to support applications across different industries and product categories.

Subsequent to the end of the reporting period, as disclosed in the Company's voluntary announcement dated 12 August 2026 in relation to the update on the Group's strategic development and business positioning, the Group reported further progress in new product projects relating to Smart Manufacturing Equipment and Smart Agricultural Equipment. Certain projects with new customers have entered the product development and mass-production preparation stages and are expected to progressively enter mass production in the second half of 2026.

Advanced Consumer & Industrial Products

The Group manufactures aerosol technology products on both an original equipment manufacturing ("**OEM**") and original design manufacturing ("**ODM**") basis and sells such products in overseas markets and the PRC. Its aerosol technology products include disposable aerosol devices, refillable aerosol devices, battery rods, clearomisers, liquid pods and heated tobacco devices.

Building on the research and development centre established at its Shenzhen office, the Group has further developed the Shenzhen operation into an integrated product design and engineering solutions centre to support its ODM capabilities. The centre provides customers with integrated support across product design, engineering development and product development, extending the Group's capabilities from product concept and design through to engineering development and manufacturing implementation.

The research and development function remains an integral part of this solutions centre and provides technical support across a broad range of product development activities. Its capabilities include atomisation technology, product structural design and other related engineering technologies, which are applicable to aerosol products as well as other consumer and industrial product categories. Together with the Group's in-house product design and engineering capabilities, the research and development function supports product development across different applications and customer requirements.

In support of its aerosol technology business, the Group also holds the Tobacco Monopoly Production Enterprise License issued by the State Tobacco Monopoly Administration of the PRC, which is valid until 2027.

Medical Consumable Products

Since 2020, the Group has manufactured disposable face masks using the cleanroom facilities and dedicated face mask production machinery at its production plant in Huizhou, as disclosed in the Company's announcement dated 7 July 2020. The Group also engages in the manufacture and sale of other medical device products.

The cleanroom facility in Huizhou has obtained the pharmaceutical industry standard of "YY/T 0033-2000 Good Manufacture Practice for Sterile Medical Devices" issued by the National Medical Products Administration in the PRC. The Group's manufacturing quality system also meets the requirements of EN ISO 13485:2016 *Medical Devices - Quality Management Systems*, as certified by Société Générale de Surveillance S.A.. In addition, the Group holds a Medical Device Manufacturing Enterprise License (醫療器械生產許可證) issued by the National Medical Products Administration in the PRC for medical device production.

The Group's procedure face masks have been tested and shown to meet ASTM Level 3 in the U.S. and EN 14683 Type IIR in Europe. The Group also manufactures particulate face masks with higher levels of protection, including KN95 and FFP2 respirators.

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2026 was approximately HK$173.9 million, representing a decrease of approximately HK$80.3 million, or approximately 31.6%, from approximately HK$254.2 million for the same period in 2025.

The integrated advanced manufacturing solutions segment revenue for the six months ended 30 June 2026 was approximately HK$153.2 million, accounting for approximately 88.1% of the Group's total revenue and representing a decrease of approximately HK$77.5 million, or approximately 33.6%, from segment revenue of approximately HK$230.7 million for the same period in 2025. This was primarily attributable to weaker end-market demand for solar energy system products. In addition, the diversification of certain customers'supply chains, including the relocation of certain sourcing activities from the PRC to Southeast Asia, contributed to lower order volumes for certain office electronic products. These factors resulted in lower order volumes and revenue from the segment.

The advanced consumer & industrial products segment revenue for the six months ended 30 June 2026 was approximately HK$19.2 million, accounting for approximately 11.0% of the Group's total revenue and representing a decrease of approximately HK$3.2 million, or approximately 14.3%, from segment revenue of approximately HK$22.4 million for the same period in 2025. This decrease was primarily due to a decrease in sales orders for aerosol technology products during the period.

The medical consumable products segment revenue for the six months ended 30 June 2026 was approximately HK$1.5 million, accounting for approximately 0.9% of the Group's total revenue and representing an increase of approximately HK$0.4 million, or approximately 36.4%, from segment revenue of approximately HK$1.1 million for the same period in 2025.

Gross Profit

Gross profit for the six months ended 30 June 2026 was approximately HK$25.5 million *(30 June 2025: HK$48.2 million)*, representing a gross profit margin of approximately 14.7% *(30 June 2025: 19.0%)*.

Gross profit for integrated advanced manufacturing solutions for the six months ended 30 June 2026 was approximately HK$23.2 million *(30 June 2025: HK$46.1 million)*, representing a gross profit margin of approximately 15.1% *(30 June 2025: 20.0%)*. As production volumes declined, fixed manufacturing overheads were absorbed over a smaller production base, resulting in an increase in the fixed overhead allocated per unit sold and hence lowering the gross profit margin.

Gross profit for advanced consumer & industrial products for the six months ended 30 June 2026 was approximately HK$2.2 million *(30 June 2025: HK$2.6 million)*, representing a gross profit margin of approximately 11.5% *(30 June 2025: 11.6%)*.

Gross profit for medical consumable products for the six months ended 30 June 2026 was approximately HK$91,000 *(30 June 2025: gross loss HK$0.5 million)*, representing a gross profit margin of approximately 6.1% *(30 June 2025: gross loss margin 45.5%)*. The Group provided an allowance for inventories on slow moving medical consumable products for the six months ended 30 June 2025, and it resulted in a gross loss for medical consumable products. However, there was no such provision made for the six months ended 30 June 2026.

Other Income

Other income for the six months ended 30 June 2026 was approximately HK$2.4 million, which was similar to that for the six months ended 30 June 2025 of approximately HK$2.7 million.

Selling and Distribution Costs

Selling and distribution costs for the six months ended 30 June 2026 were approximately HK$1.2 million, representing a decrease of approximately HK$1.9 million, or approximately 61.3%, from approximately HK$3.1 million for the same period in 2025. The decrease was primarily driven by lower sales volume from certain customers who required the Group's delivery services during the period.

Administrative and Other Operating Expenses

Administrative and other operating expenses for the six months ended 30 June 2026 were approximately HK$55.6 million, which was similar to that for the six months ended 30 June 2025 of approximately HK$53.5 million.

Finance Costs

Finance costs for the six months ended 30 June 2026 were approximately HK$0.4 million, representing a decrease of approximately HK$0.4 million, or approximately 50.0%, from approximately HK$0.8 million for the same period in 2025. The decrease was primarily attributable to a lower weighted average effective interest rate and the new secured bank borrowings being obtained only in the late first quarter and second quarter of 2026.

Income Tax Expenses

Income tax expenses for the six months ended 30 June 2026 were approximately HK$0.5 million, representing a decrease of approximately HK$2.1 million, or approximately 80.8% from that for the same period in 2025 of income tax expenses of HK$2.6 million. Such decrease was attributable to the increase in loss before tax.

Loss Attributable to Equity Holders of the Company

As a result of the foregoing, loss for the six months ended 30 June 2026 was approximately HK$33.3 million, representing an increase of approximately HK$21.7 million, or approximately 187.1%, from the loss of approximately HK$11.6 million for the same period in 2025.

STRATEGIC DEVELOPMENT

Subsequent to the end of the reporting period, the Group continued to advance its strategic development and broaden its advanced manufacturing capabilities. As disclosed in the Company's voluntary announcement dated 12 August 2026, the Group is developing a new capability in semi-solid magnesium alloy injection moulding (Magnesium Thixomolding), with current key target application markets including new energy vehicles and related components, artificial intelligence-related equipment and smart hardware, and other high-end precision manufactured products.

The Group is also progressing the establishment of a new manufacturing facility on the newly acquired land parcel in Huizhou, Guangdong, the PRC. As disclosed in the Company's announcement dated 12 August 2026, construction is expected to commence in the third quarter of 2026, with the target of progressively commencing operations in the first half of 2027.

The Group will continue to progress these initiatives having regard to technological development, customer requirements and market conditions.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers. As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$125.8 million *(31 December 2025: HK$132.2 million)*. Interest-bearing borrowings as at 30 June 2026 amounted to HK$57.9 million *(31 December 2025: Nil)* with weighted average effective interest rate of approximately 2.64% per annum *(31 December 2025: Nil)*. The Group's gearing ratio as at 30 June 2026, calculated based on the total borrowings to the equity attributable to owners of the Company, was 8.8% *(31 December 2025: 1.2%)*.

FOREIGN EXCHANGE RISK

The monetary assets and liabilities and business transaction of the Group are mainly carried out and conducted in Hong Kong dollars, U.S. dollars Renminbi and Euro. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into foreign currency forward contracts, if necessary. At 30 June 2026, the Group had outstanding foreign currency forward contracts for the exchange of USD for Euros with a notional amount of approximately EUR300,000 *(31 December 2025: Nil)*. The management of the Company believes that the foreign exchange effect of these foreign currency forward contracts is not material. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2026, the Group has made no material acquisitions or disposals of subsidiaries and associated companies.

CAPITAL EXPENDITURE AND COMMITMENTS

During the six months ended 30 June 2026, the Group incurred capital expenditure of approximately HK$ 66.8 million *(31 December 2025: HK$1.5 million)*, which was mainly attributable to the acquisition of land use right and machinery and equipment.

As at 30 June 2026, the Group had capital commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements of approximately HK$36.7 million *(31 December 2025: HK$0.3 million)*. The commitments will be funded through finance lease arrangement which can be referred to the Group's announcement on 29 May 2026.

CONTINGENT LIABILITIES

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

CHARGE ON GROUP ASSETS

As at 30 June 2026, certain buildings and certain right-of-use assets in respect of the prepaid land lease payments with aggregate net carrying amount of approximately HK$172.2 million *(31 December 2025: HK$168.0 million)* and a key management insurance contract with fair value of approximately HK$4.3 million *(31 December 2025: HK$4.2 million)* were pledged as security for bank facilities.

SUBSEQUENT EVENT

On 12 August 2026, Tian Hao New Materials Technology (Hui Zhou) Limited* (天濠新材料科技(惠州)有限公司), an indirect wholly-owned subsidiary of the Company, entered into a construction agreement with Guangdong Zhongfu Jianbang Engineering Co., Ltd.* (廣東中孚建邦工程有限公司) ("**Guangdong Zhongfu**") as the main contractor. Pursuant to the agreement, Guangdong Zhongfu will undertake the construction and engineering works for a new manufacturing facility for advanced materials and semi-solid magnesium alloy injection moulding (Magnesium Thixomolding) comprising factory premises, staff quarters, warehouses, and ancillary facilities located in Huizhou City, Guangdong Province, the PRC — at an aggregate consideration of approximately RMB149.3 million (approximately HK$173.5 million). The transaction contemplated under the construction agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements thereunder. Written shareholders' approval for the construction agreement has been obtained under Rule 14.44 of the Listing Rules from a closely allied group of shareholders in lieu of convening a general meeting. Further details are set out in the Company's announcement dated 12 August 2026 and the circular of the Company dated 25 August 2026.

EMPLOYEE AND REMUNERATION POLICY

The Group has 845 employees as at 30 June 2026. The Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Group's operational results. The total remuneration of employees includes basic salaries, performance bonus and share options. Directors and senior management of the Group receive compensation in the form of fees, salaries, allowances, discretionary bonus, share options, defined contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses its Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages (including incentive plans) of its Directors and senior management, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of its Directors and senior management and the performance of the Group.

SHARE OPTION SCHEME

On 28 May 2019, the Company adopted a share option scheme (the "**Option Scheme**") for the purpose of providing reward to selected participants for their contribution to the Group. Eligible participants of the Option Scheme include, without limitation, employees, executive directors, non-executive directors, shareholders, advisers and consultants.

For the six months ended 30 June 2026, the Company has the following share options granted to the eligible participants under the Option Scheme:

Grantees	**Date of grant**	**Exercise price** *(HK$)*	**Outstanding as at 1 January 2026**	**Options lapsed during the period**	**Options outstanding at 30 June 2026**	**Exercisable at 30 June 2026**
Directors, chief executives and substantial shareholders						
Chan Tsan Lam	13 May 2020	0.355	620,000	–	620,000	620,000
Chan Yin Yan	13 May 2020	0.355	6,200,000	–	6,200,000	6,200,000
Poon Po Han Lisa	13 May 2020	0.355	6,200,000	–	6,200,000	6,200,000
Hung Chun Leung	13 May 2020	0.355	500,000	–	500,000	500,000
Chan Bing Kai	13 May 2020	0.355	500,000	–	500,000	500,000
Employees	13 May 2020	0.355	16,000,000	(200,000)	15,800,000	15,800,000
Service providers	13 May 2020	0.355	2,000,000	–	2,000,000	2,000,000
			32,020,000	(200,000)	31,820,000	31,820,000

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2026, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group has no plan to conduct material investments and capital assets other than the construction of new factory premises and addition of machineries as mentioned in the sections headed "Management Discussion and Analysis - Business Review", "Strategic Development" and "Subsequent Event" in this announcement. The planned capital expenditure will primarily be funded by the Group's internal resources and bank borrowings.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and any of its subsidiaries have not purchased, redeemed or sold any of its listed securities during the six months ended 30 June 2026.

CORPORATE GOVERNANCE MEASURES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") to ensure that the Company's business activities and decision making processes are regulated in a proper and prudent manner. Mr. Chan Tsan Lam ("**Mr. Chan**") is the chairman of the Board and chief executive officer of the Company. Although this deviates from the practice under code provision C.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals, as Mr. Chan has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and its shareholders as a whole to continue to have Mr. Chan as chairman of the Board and as chief executive officer so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolise the decision-making of the Board. The Board considers that the balance of power between the Board and management can still be maintained under the current structure. The Board shall review its management structure from time to time to ensure appropriate action be taken should the need arise.

Save as disclosed above, during the six months ended 30 June 2026, the Company has complied with the CG Code.

AUDIT COMMITTEE

The Group has established an audit committee (the "**Audit Committee**") on 8 February 2018 with its written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code set out in Appendix C1 to the Listing Rules. The primary duties of the audit committee are to review and supervise the Group's financial reporting process and internal control system, nominate and monitor external auditors and to provide advice and comments to the Board. The audit committee consists of three members, being Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai. Mr. Ng Chi Wai currently serves as the chairman of the Audit Committee, who holds the appropriate professional qualification as required under rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed with the management the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026, the accounting principles and practices adopted and discussed auditing, internal control and financial reporting matters.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Upon specific enquiry, all Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2026. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the six months ended 30 June 2026.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 *(30 June 2025: Nil)*.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement of the Group for the six months ended 30 June 2026 is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.hktcgroup.com.

An interim report for the six months ended 30 June 2026, containing all the information required by the Listing Rules, will be dispatched to the shareholders of the Company and published on the above websites in due course.

By Order of the Board
TIAN CHANG GROUP HOLDINGS LTD.
Chan Tsan Lam
Chairman

Hong Kong, 27 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Chan Tsan Lam, Ms. Poon Po Han Lisa and Ms. Chan Yin Yan, and the independent non-executive directors of the Company are Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai.