四海國際集團有限公司

Cosmopolitan International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 120)

2026
INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Lo Yuk Sui
(Chairman and Chief Executive Officer)
Jimmy Lo Chun To
(Vice Chairman and Managing Director)
Lo Po Man (Vice Chairman)
Kenneth Wong Po Man (Chief Operating Officer)
Kelvin Leung So Po (Chief Financial Officer)
Kenneth Ng Kwai Kai

Independent Non-Executive Directors

Francis Bong Shu Ying, OBE, JP
Alice Kan Lai Kuen
David Li Ka Fai, MH
Abraham Shek Lai Him, GBS, JP

AUDIT COMMITTEE

David Li Ka Fai, MH (Chairman)
Francis Bong Shu Ying, OBE, JP
Alice Kan Lai Kuen
Abraham Shek Lai Him, GBS, JP

REMUNERATION COMMITTEE

Alice Kan Lai Kuen (Chairman)
Lo Yuk Sui
Francis Bong Shu Ying, OBE, JP
David Li Ka Fai, MH

NOMINATION COMMITTEE

Lo Yuk Sui (Chairman)
Francis Bong Shu Ying, OBE, JP
Alice Kan Lai Kuen
David Li Ka Fai, MH
Abraham Shek Lai Him, GBS, JP

SECRETARY

Eliza Lam Sau Fun

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under
the Accounting and Financial Reporting Council Ordinance

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited
Bank of Communications (Hong Kong) Limited
The Bank of East Asia, Limited
Industrial and Commercial Bank of China (Asia) Limited

SHARE REGISTRAR IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

20th Floor, 68 Yee Wo Street
Causeway Bay, Hong Kong
Tel: 2894 7888
Fax: 2890 1697
Website: www.cosmoholdings.com

***Mr. Lo Yuk Sui**, aged 81; Chairman and Chief Executive Officer* — Appointed to the Board as an Executive Director in 2013. Mr. Lo also acts as the Chairman and the Chief Executive Officer of the Company since 2013. He has been the managing director and chairman of the respective predecessor listed companies of Century City International Holdings Limited (“CCIHL”) (the ultimate listed holding company of the Company), Paliburg Holdings Limited (“PHL”) (the immediate listed holding company of the Company) and Regal Hotels International Holdings Limited (“RHIHL”) (a listed subsidiary of CCIHL and PHL and a listed fellow subsidiary of the Company) since 1980s. He is also an executive director, the chairman and the chief executive officer of CCIHL, PHL and RHIHL and a non-executive director and the chairman of Regal Portfolio Management Limited (“RPML”), the manager of Regal Real Estate Investment Trust (the listed subsidiary of RHIHL). Mr. Lo is a qualified architect. In his capacity as the Chief Executive Officer, Mr. Lo oversees the overall policy and decision making of the Group. Mr. Lo is the father of Mr. Jimmy Lo Chun To and Ms. Lo Po Man.

***Mr. Lo Chun To (Alias: Jimmy)**, aged 52; Vice Chairman and Managing Director* — Appointed to the Board as an Executive Director in 2013. Mr. Jimmy Lo also acts as a Vice Chairman and the Managing Director of the Company since 2013. He is also an executive director and a vice chairman of CCIHL, an executive director, the vice chairman and the managing director of PHL, an executive director of RHIHL and a non-executive director of RPML. Mr. Lo graduated from Cornell University, New York, the United States, with a Degree in Architecture. Mr. Lo joined the Century City Group in 1998. He is primarily involved in overseeing the property projects of the PHL Group and, in addition, undertakes responsibilities in the business development of the Century City Group. Mr. Lo is the son of Mr. Lo Yuk Sui and the brother of Ms. Lo Po Man.

***Ms. Lo Po Man**, aged 46; Vice Chairman and Executive Director* — Appointed to the Board as an Executive Director in 2013. Ms. Lo also acts as a Vice Chairman of the Company since 2013. She is also an executive director and a vice chairman of CCIHL, an executive director of PHL, an executive director, a vice chairman and the managing director of RHIHL, and a non-executive director and the vice chairman of RPML. In her executive capacity, she primarily oversees the operation of the Group’s hotel business while also managing corporate investments and business development of the Century City Group.

Ms. Lo graduated from Duke University with a Bachelor’s Degree in Psychology and from The University of Hong Kong with a Master’s Degree in Buddhist Studies. Ms. Lo serves as an Adjunct Professor teaching sustainable business management and impact investing at both The Hong Kong University of Science and Technology and The University of Hong Kong. She also serves as a Professional Fellow at the Honours Academy of The Hang Seng University of Hong Kong.

She has been officially appointed as a Member of the HKSAR Chief Executive’s Policy Unit Expert Group, a Member of the Green Technology and Finance Development Committee, and a Council Member of The Hong Kong University of Science and Technology. She also serves on the Advisory Committee on Mental Health, and the Advisory Committee at the School of Chinese Medicine at The University of Hong Kong. Her additional appointments include the Standing Committee on Values Education, the Hong Kong Academy for Wealth Legacy, and the position of Honorary President of the Hong Kong Federation of Women. She is appointed as Chair of the UNESCAP ESBN Finance Task Force and a member of the Executive Committee of ESBN, and serves as Chair of the Asia Pacific Green Deal for Business Committee. She has also been appointed as a Trustee of the World Sustainable Hospitality Alliance.

She also established the non-profit Institute of Sustainability & Technology (IST) to nurture the next generation of sustainability leaders. She also founded the One Earth Summit, One Earth NextGen Programs, One Earth Alliance and One Earth Institute to advance systemic innovation for collective flourishing.

Ms. Lo is the daughter of Mr. Lo Yuk Sui and the sister of Mr. Jimmy Lo Chun To.

***Mr. Wong Po Man (Alias: Kenneth)**, aged 60; Executive Director and Chief Operating Officer* — Appointed to the Board in 2010 as a Non-Executive Director and re-designated as an Executive Director and the Chief Operating Officer in 2013. Mr. Kenneth Wong is also an executive director of PHL. Mr. Wong graduated from The University of Hong Kong with a Bachelor of Arts Degree in Architectural Studies and a Bachelor's Degree of Architecture. He also holds a Master of Science Degree in Real Estates from The University of Hong Kong. He is a qualified architect and has over 34 years of experience in architectural design and project management in respect of property development projects. He is also a Technical Director of an engineering company which is registered under the Buildings Ordinance of Hong Kong.

***Mr. Leung So Po (Alias: Kelvin)**, aged 54; Executive Director and Chief Financial Officer* — Appointed to the Board in 2008 as a Non-Executive Director and re-designated as an Executive Director and the Chief Financial Officer in 2013. Mr. Kelvin Leung is also an executive director of CCIHL, PHL and RHIHL. He has been with the Century City Group since 1997, and he is involved in the corporate finance function as well as in the China business division of the Century City Group. Mr. Leung holds a Bachelor's Degree in Business Administration and a Master of Laws Degree in Chinese Business Law both from The Chinese University of Hong Kong. He is a member of the American Institute of Certified Public Accountants. Mr. Leung has over 30 years of experience in accounting and corporate finance field.

***Mr. Ng Kwai Kai (Alias: Kenneth)**, aged 72; Executive Director* — Appointed to the Board in 2008 as a Non-Executive Director and re-designated as an Executive Director in 2013. Mr. Kenneth Ng is also an executive director and the chief operating officer of CCIHL, an executive director of PHL and RHIHL, and a non-executive director of RPML. He is in charge of the corporate finance, company secretarial and administrative functions of the Century City Group. Mr. Ng is a Chartered Secretary.

***Mr. Bong Shu Ying, Francis, OBE, JP**, aged 84; Independent Non-Executive Director* — Appointed to the Board in 2006 as a Non-Executive Director and re-designated as an Independent Non-Executive Director in 2021. Mr. Francis Bong was a director of AECOM Technology Corporation, a company incorporated in the United States and listed on the New York Stock Exchange. Mr. Bong holds a Bachelor's Degree of Science in Engineering from The University of Hong Kong and is a former Chairman of the Hong Kong University Engineering Advisory Committee. He is a former president of the Hong Kong Institution of Engineers, a former president of the Hong Kong Academy of Engineering Sciences and a fellow member of The Institution of Structural Engineers in the United Kingdom.

***Ms. Kan Lai Kuen, Alice**, aged 71; Independent Non-Executive Director* — Invited to the Board as an Independent Non-Executive Director in 2013. Ms. Alice Kan is also an independent non-executive director of RHIHL. Ms. Kan is a shareholder and a director of BLS Capital Limited. She is a licensed responsible officer of BLS Capital Limited for asset management under the Securities and Futures Ordinance of Hong Kong. She has over 20 years of experience in corporate finance and is well experienced in both the equity and debt markets. She held various senior positions in international and local banks and financial institutions. Ms. Kan is a fellow member of The Association of Chartered Certified Accountants, a fellow member of the CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Kan is also an independent non-executive director of Jolimark Holdings Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Mr. Li Ka Fai, David, MH, *aged 71; Independent Non-Executive Director* — Invited to the Board as an Independent Non-Executive Director in 2006. Mr. David Li is a fellow of The Association of Chartered Certified Accountants, UK. Mr. Li is an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee and the nomination committee of China-Hongkong Photo Products Holdings Limited, Goldlion Holdings Limited and Wai Yuen Tong Medicine Holdings Limited, an independent non-executive director and a member of the audit committee and the remuneration committee of Continental Aerospace Technologies Holding Limited, an independent non-executive director and the chairman of the audit committee of Shanghai Industrial Urban Development Group Limited, all of which companies are listed on the main board of the Stock Exchange.

Mr. Shek Lai Him, Abraham (Alias: Abraham Razack), GBS, JP, *aged 81; Independent Non-Executive Director* — Invited to the Board as an Independent Non-Executive Director in 2013. Mr. Abraham Shek is also an independent non-executive director of PHL. Mr. Shek holds a Bachelor's Degree of Arts and a Juris Doctor Degree. Mr. Shek is an honorary member of the Court of The Hong Kong University of Science and Technology, a member of the Court of City University of Hong Kong and a member of the Court of Hong Kong Metropolitan University. Mr. Shek was a member of the Legislative Council of the Hong Kong Special Administrative Region. Mr. Shek is the honorary chairman, an independent non-executive director and the chairman of the audit committee of Chuang's China Investments Limited, an independent non-executive director and the chairman of the audit committee of Chuang's Consortium International Limited, an independent non-executive director and a member of the audit committee of CSI Properties Limited, Everbright Grand China Assets Limited, Far East Consortium International Limited, Hao Tian International Construction Investment Group Limited, Shin Hwa World Limited and CTF Services Limited, an independent non-executive director of Lai Fung Holdings Limited, and the chairman and a non-executive director of JY Grandmark Holdings Limited, all of which companies are listed on the Stock Exchange. He is also an independent non-executive director and a member of the audit committee of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust (which is listed on the Stock Exchange).

CHAIRMAN'S STATEMENT

Dear shareholders,

I am presenting herewith the Interim Report of the Company for the six months ended 30th June, 2026.

FINANCIAL RESULTS

For the six months ended 30th June, 2026, the Group recorded a consolidated loss attributable to shareholders of HK$232.4 million, as compared to the loss of HK$56.5 million for the comparative six months in the preceding year.

As explained in the Profit Warning published by the Company on 20th August, 2026, although the Group completed the sale of the hotel property in its Regal Cosmopolitan City project in Chengdu in June 2026, the progress on the disposals of the remaining commercial components in this project in Chengdu as well as the Group's other development project in Tianjin remained sluggish. Consequently, overall profit contribution from the sale of properties during the period was relatively modest. The increased loss sustained in the half year under review was mainly attributable to the impairment of the capitalised prepayment costs of the Group's reforestation and land grant project in Urumqi, due to recent changes in circumstances affecting the project.

BUSINESS OVERVIEW

Despite the Central Government's policy support, the real estate market in China has continued to consolidate. Overall property sales volumes as well as new investments in real estate have both declined.

As mentioned above, the Group has completed the sale of the hotel property in the Group's development project in Chengdu in June 2026 and the sales proceeds used to settle the Group's liabilities and for general working capital. The remaining commercial components in the Chengdu project and in the Group's Regal Renaissance development project in Tianjin, both of which have now been fully completed, still command significant value. However, due to the unfavourable market condition affecting the commercial property segment, sales progress has been very slow.

Shareholders could find detailed information on the development projects in Chengdu and Tianjin as well as an explanation on the recent changes in circumstances affecting the reforestation and land grant project in Urumqi in the "Management Discussion and Analysis" section in this Interim Report.

OUTLOOK

The Central Government will continue to introduce supportive policies and administrative measures to reduce market imbalances and to restore property buyers' confidence. It can be expected that the overall real estate market in China will stabilise, although the process might be gradual.

The Group will closely monitor the market conditions for the relaunch of the sales programmes for the two projects in Chengdu and Tianjin but, in the meanwhile, will also explore opportunities for the disposal of the remaining components on en bloc basis.

LO YUK SUI
Chairman

Hong Kong
26th August, 2026

BUSINESS REVIEW

The Group is principally engaged in property development and investment, which are mainly focused in Chinese Mainland, and other investments including financial assets investments.

The operating performance of the Group's property and other investment businesses for the period and its future prospects are contained in the preceding Chairman's Statement and in this section.

The Group has no immediate plans for acquisition of material investments or capital assets, other than those disclosed in the section headed "Business Overview" in the preceding Chairman's Statement and in this section.

A brief review on the property projects currently undertaken by the Group in Chinese Mainland and the Group's other investments is set out below.

Property Development

Chengdu Project – Regal Cosmopolitan City

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

All the residential units in the latest phase of the development had been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK$2,314.0 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the latest phase of the residential site in the development project is in progress. Up to date, a total of 4,002 square metres (43,078 square feet) of shops have been sold, for aggregate sale considerations of approximately RMB93.2 million (HK$107.5 million). The sale of the 1,387 car parking spaces is continuing and, up to date, 593 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB58.9 million (HK$67.4 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The remaining commercial components of the final stage of the development comprise a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet), which have all been completed.

The sale programme for the units in one of the office towers, consisting of 434 units with a total of about 19,400 square metres (208,800 square feet), is on-going. Up to date, 380 office units with a total of about 16,974 square metres (182,708 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB145.8 million (HK$164.6 million).

The sale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial portion of the office tower on sale commenced in 2022. Up to date, a total of 5 shop units of about 274 square metres (2,949 square feet) have been sold, for aggregate sale considerations of approximately RMB8.1 million (HK$9.3 million).

The Group entered into an agreement in January 2026 for the sale of the hotel block within the development to a third party purchaser for hotel operations at a gross consideration of RMB143.0 million. This transaction was completed in June 2026 and the net proceeds received were used to settle the Group's liabilities and for its general working capital purpose.

Tianjin Project – Regal Renaissance

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

All residential units in this development had been sold. The programme for the sale of shops with a total area of about 19,000 square metres (205,000 square feet) in the commercial complex is ongoing. Up to date, shops with a total area of 16,050 square metres (172,762 square feet) have been sold for aggregate sale considerations of approximately RMB374.1 million (HK$419.5 million). Certain parts of the commercial complex have been leased out for rental income.

The remaining components in this development, which have all been completed, mainly consist of two office towers atop of a four-storey podium with total gross floor area of 67,739 square metres (729,143 square feet).

Xinjiang Project

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Group had re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed. The Group should be entitled to participate in the tender of such land use right and monetary compensation in reference to the re-forestation cost of the Group incurred.

Based on the legal advice obtained, the legitimate interests of the Group in the re-forestation contract remained valid and effective. However, as a prerequisite to securing the right for the Group to participate in the land grant and monetary compensation for the re-forestation costs incurred, the re-forested area would require to undergo a satisfactory inspection by the local municipality government.

The Group has conducted communications with the local government authorities in recent months and it has since become apparent that the municipality government is not prepared to process the requisite inspection of the re-forested area in the near future, despite the fact that the Group had re-forested and maintained the project site for more than a decade.

Having regard to other more compelling needs for the use of the Group's available financial resources and the increasing uncertainties encroaching on the Group's ability to secure its contractual rights under the re-forestation and land grant contract, the Group determined to suspend the work for the maintenance of the re-forested area in April 2026, until there is some positive development on the site inspection by the local municipality government.

As the suspension of the maintenance work could potentially cause adverse impact on the Group's contractual rights under the re-forestation and land grant contract, the Group has fully impaired the capitalised prepayment costs associated with this project in the financial results for the half year ended 30th June, 2026 due to the recent changes in the circumstances affecting the project.

The Group will continue its regular contact with the relevant government officials and will consider resuming the re-forestation maintenance work as and when the Group is satisfied that the local government is ready to implement the process for the aforesaid requisite inspection and compensation. In the meantime, the Group is exploring other options to divest the project or to introduce strategic investors to co-develop the project.

Other Investments

Due to the changes in the overall economic environment, the Group no longer holds a significant portfolio of other investments, which were initially planned to complement the Group's property development and investment businesses. The Group may, however, consider reinvesting in this business segment if circumstances are appropriate.

FINANCIAL REVIEW

ASSETS VALUE

As at 30th June, 2026, the Group's net assets attributable to equity holders of the parent amounted to HK$217.6 million, representing approximately HK$0.12 per share (including ordinary share and convertible preference share). Assuming full conversion of the outstanding convertible notes as at 30th June, 2026, the Group's net assets attributable to equity holders of the parent would be approximately HK$0.09 per share (including ordinary share and convertible preference share) on a fully diluted basis.

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

The acquisitions of the two ongoing development projects in the People's Republic of China ("PRC") in 2013 were financed by the vendors by way of deferred payment of the considerations payable for a period of 3 years, subject to the terms of the relevant sale and purchase agreements. With an objective to align the due dates of the considerations payable with the anticipated progress and completion schedules of the two development projects, by virtue of the agreements entered into between the Group and the vendors and completed in 2016, (i) the consideration payables owing to one of the vendors were refinanced by new 5-year loan facilities, and (ii) the consideration payable owing to the other vendor was repaid through its subscription of the optional convertible bonds issued by the Group.

In September 2021, the Group entered into a supplemental agreement with Regal Hotels International Holdings Limited ("RHIHL") group for the extension of the repayment date of the revised loan facilities in the aggregate amount of HK$857.0 million from 12th October, 2021 to 12th October, 2024. In September 2024, the Group further entered into a second supplemental agreement with the RHIHL group, principally with the objective to extending the repayment date of the revised loan facilities from 12th October, 2024 to 12th October, 2027, in order that the Group can further align the timing for the repayment of the revised loan facilities with the latest sale progress and completion schedules of the Group's development projects in Chengdu and Tianjin.

Construction and related costs for the property projects for the time being are principally financed by internal resources, proceeds from the presale of the units and drawdown of loan facilities granted by the RHIHL group as well as through other borrowings.

Cash Flows

Net cash flows used in operating activities during the period under review amounted to HK$10.9 million (2025 – HK$73.3 million). Net interest payment for the period amounted to HK$11.7 million (2025 – HK$12.4 million).

Borrowings and Gearing

As at 30th June, 2026, the Group had cash and bank balances and deposits of HK$16.8 million (31st December, 2025 – HK$22.0 million) and the Group's borrowings including convertible notes, net of cash and bank balances and deposits, amounted to HK$1,240.4 million (31st December, 2025 – HK$1,241.0 million).

As at 30th June, 2026, the gearing ratio of the Group was 49.1% (31st December, 2025 – 44.3%), representing the Group's borrowings including convertible notes, net of cash and bank balances and deposits, of HK$1,240.4 million (31st December, 2025 – HK$1,241.0 million), as compared to the total assets of the Group of HK$2,527.4 million (31st December, 2025 – HK$2,802.5 million).

Details of the maturity profile of the borrowings of the Group as of 30th June, 2026 are shown in notes 11 and 13 to the condensed consolidated financial statements.

Lease Liabilities

As at 30th June, 2026, the Group did not have any lease liabilities (31st December, 2025 – Nil).

Pledge of Assets

As at 30th June, 2026, the Group's certain properties held for sale of HK$925.9 million (31st December, 2025 – Nil) were pledged to secure the other borrowings of the Group.

In addition, the Group's equity interests in companies holding certain property interests were pledged to secure the other borrowings of the Group.

Capital Commitments

Details of the capital commitments of the Group as at 30th June, 2026 are shown in note 15 to the condensed consolidated financial statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 30th June, 2026 are shown in note 17 to the condensed consolidated financial statements.

Share Capital

During the period under review, there was no change in the share capital of the Company.

DIVIDEND

The Directors have resolved not to declare an interim dividend for the financial year ending 31st December, 2026 (2025 – Nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES OR ASSOCIATES

During the period under review, there were no material acquisitions or disposals of subsidiaries or associates of the Company.

STAFF AND REMUNERATION POLICY

The Group employs approximately 50 staff in Hong Kong and the PRC. The Group's management considers the overall level of staffing employed and the remuneration cost incurred in connection with the Group's operations to be compatible with market norm.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include a mandatory provident fund scheme as well as medical insurance for staff in Hong Kong, and the social security fund and the housing provident fund for staff in the PRC.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th June, 2026

	Notes	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
		HK$ million	**HK$ million**
REVENUE	2, 3	**158.8**	16.0
Cost of sales		**(152.2)**	(13.7)
Gross profit		**6.6**	2.3
Other income and gains	3	**0.1**	1.7
Fair value losses on investment properties, net		**(0.5)**	(0.6)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net		**(0.1)**	0.3
Impairment loss on properties held for sale		**–**	(2.2)
Impairment loss on prepayments		**(163.3)**	–
Property selling and marketing expenses		**(8.0)**	(0.5)
Administrative expenses		**(26.5)**	(21.9)
OPERATING LOSS BEFORE DEPRECIATION		**(191.7)**	(20.9)
Depreciation	4	**(0.4)**	(0.3)
OPERATING LOSS		**(192.1)**	(21.2)
Finance costs	5	**(30.8)**	(39.0)
LOSS BEFORE TAX	4	**(222.9)**	(60.2)
Income tax	6	**(9.5)**	3.7
LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS		**(232.4)**	(56.5)
Attributable to:			
Equity holders of the parent		**(232.4)**	(56.5)
Non-controlling interests		**–**	–
		(232.4)	(56.5)
LOSS PER SHARE (INCLUDING ORDINARY SHARE AND CONVERTIBLE PREFERENCE SHARE) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		**HK(12.43) cents**	HK(3.84) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2026

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK$ million	HK$ million
LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	**(232.4)**	(56.5)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**65.9**	51.5
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity investments designated at fair value through other comprehensive income	**(0.1)**	(0.8)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**65.8**	50.7
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(166.6)**	(5.8)
Attributable to:		
Equity holders of the parent	**(166.8)**	(5.8)
Non-controlling interests	**0.2**	–
	(166.6)	(5.8)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June, 2026

	Notes	30th June, 2026 (Unaudited) HK$ million	31st December, 2025 (Audited) HK$ million
NON-CURRENT ASSETS			
Property, plant and equipment		**6.7**	6.8
Investment properties		**38.5**	37.6
Investment in a joint venture		**2.4**	2.4
Prepayments	9	**–**	159.1
Equity investments designated at fair value through other comprehensive income		**3.9**	4.0
Total non-current assets		**51.5**	209.9
CURRENT ASSETS			
Properties held for sale		**2,437.1**	2,537.6
Loans receivable		**1.6**	1.6
Deposits, prepayments and other assets	9	**19.6**	30.5
Financial assets at fair value through profit or loss		**0.8**	0.9
Restricted cash		**0.4**	0.5
Cash and bank balances		**16.4**	21.5
Total current assets		**2,475.9**	2,592.6
CURRENT LIABILITIES			
Creditors and accruals	10	**(180.7)**	(210.3)
Contract liabilities		**(18.3)**	(12.1)
Deposits received		**(54.9)**	(52.9)
Other borrowings	11	**(210.4)**	(375.0)
Tax payable		**(179.5)**	(312.0)
Total current liabilities		**(643.8)**	(962.3)
NET CURRENT ASSETS		**1,832.1**	1,630.3
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,883.6**	1,840.2

As at 30th June, 2026

	Notes	30th June, 2026 (Unaudited) HK$ million	31st December, 2025 (Audited) HK$ million
NON-CURRENT LIABILITIES			
Creditors and accruals	10	**(24.8)**	(25.8)
Amount due to related companies	12	**(467.5)**	(443.3)
Deposits received		**(0.3)**	(0.9)
Other borrowings	11	**(1,014.4)**	(857.0)
Convertible notes	13	**(32.4)**	(31.0)
Deferred tax liabilities		**(122.3)**	(93.7)
Total non-current liabilities		**(1,661.7)**	(1,451.7)
Net assets		**221.9**	388.5
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**37.4**	37.4
Reserves		**180.2**	347.0
		217.6	384.4
Non-controlling interests		**4.3**	4.1
Total equity		**221.9**	388.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2026

	Attributable to equity holders of the parent												
	Issued capital (Unaudited) HK$ million	Share premium account (Unaudited) HK$ million	Capital redemption reserve (Unaudited) HK$ million	Capital reserve^ (Unaudited) HK$ million	Fair value reserve (Unaudited) HK$ million	Exchange equalisation reserve (Unaudited) HK$ million	Contributed surplus# (Unaudited) HK$ million	Equity component of convertible notes (Unaudited) HK$ million	Other reserve (Unaudited) HK$ million	Accumulated losses (Unaudited) HK$ million	Total (Unaudited) HK$ million	Non-controlling interests (Unaudited) HK$ million	Total equity (Unaudited) HK$ million
At 1st January, 2026	37.4	1,104.8	0.2	(2,871.8)	(301.5)	(234.6)	26.8	4,559.2	(1.1)	(1,935.0)	384.4	4.1	388.5
Loss for the period	–	–	–	–	–	–	–	–	–	(232.4)	(232.4)	–	(232.4)
Other comprehensive income/(loss) for the period:													
Change in fair value of equity investments designated at fair value through other comprehensive income	–	–	–	–	(0.1)	–	–	–	–	–	(0.1)	–	(0.1)
Exchange differences on translation of foreign operations	–	–	–	–	–	65.7	–	–	–	–	65.7	0.2	65.9
Total comprehensive income/(loss) for the period	–	–	–	–	(0.1)	65.7	–	–	–	(232.4)	(166.8)	0.2	(166.6)
At 30th June, 2026	37.4	1,104.8*	0.2*	(2,871.8)*	(301.6)*	(168.9)*	26.8*	4,559.2*	(1.1)*	(2,167.4)*	217.6	4.3	221.9

For the six months ended 30th June, 2026

	Attributable to equity holders of the parent												
	Issued capital (Unaudited) HK$ million	Share premium account (Unaudited) HK$ million	Capital redemption reserve (Unaudited) HK$ million	Capital reserve^ (Unaudited) HK$ million	Fair value reserve (Unaudited) HK$ million	Exchange equalisation reserve (Unaudited) HK$ million	Contributed surplus# (Unaudited) HK$ million	Equity component of convertible notes (Unaudited) HK$ million	Other reserve (Unaudited) HK$ million	Accumulated losses (Unaudited) HK$ million	Total (Unaudited) HK$ million	Non-controlling interests (Unaudited) HK$ million	Total equity (Unaudited) HK$ million
At 1st January, 2025	29.4	632.3	0.2	(3,753.3)	(300.7)	(317.4)	26.8	5,846.8	(1.1)	(1,481.9)	681.1	–	681.1
Loss for the period	–	–	–	–	–	–	–	–	–	(56.5)	(56.5)	–	(56.5)
Other comprehensive income/(loss) for the period:													
Change in fair value of equity investments designated at fair value through other comprehensive income	–	–	–	–	(0.8)	–	–	–	–	–	(0.8)	–	(0.8)
Exchange differences on translation of foreign operations	–	–	–	–	–	51.5	–	–	–	–	51.5	–	51.5
Total comprehensive income/(loss) for the period	–	–	–	–	(0.8)	51.5	–	–	–	(56.5)	(5.8)	–	(5.8)
Deemed disposal of interests in a subsidiary	–	–	–	54.7	–	–	–	–	–	–	54.7	4.1	58.8
At 30th June, 2025	29.4	632.3*	0.2*	(3,698.6)*	(301.5)*	(265.9)*	26.8*	5,846.8*	(1.1)*	(1,538.4)*	730.0	4.1	734.1

* These reserve accounts comprise the consolidated reserves of HK$180.2 million (30th June, 2025 – HK$700.6 million) in the condensed consolidated statement of financial position.

\# The contributed surplus of the Group represents the excess of the nominal value of the subsidiaries' shares acquired over the nominal value of the Company's shares issued in exchange at the time of the Group's reorganisation in 1991, net of subsequent distributions therefor. Under the Companies Act of the Cayman Islands, the contributed surplus is distributable under certain specific circumstances.

^ The capital reserve of the Group mainly represents the excessive amount of fair value of the Group's convertible notes at issuance date after debiting to share premium and the excess amount of consideration received over the carrying amount of non-controlling interests disposed of interests in a subsidiary.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June, 2026

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK$ million	**HK$ million**
Net cash flows used in operating activities	**(10.9)**	(73.3)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(0.1)**	(0.3)
Proceeds from disposal of property, plant and equipment	**–**	0.1
Withdrawal of pledged bank balances	**–**	1.6
Interest received	**–**	1.6
Net cash flows from/(used in) investing activities	**(0.1)**	3.0
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank loan	**–**	(12.5)
Drawdown of other borrowings	**–**	73.0
Redemption of secured note	**(10.0)**	–
Advance from related companies	**22.5**	113.4
Repayment to related companies	**(0.1)**	(93.2)
Interest paid	**(11.7)**	(14.0)
Net cash flows from financing activities	**0.7**	66.7
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(10.3)**	(3.6)
Cash and cash equivalents at beginning of period	**21.5**	12.3
Effect of foreign exchange rate changes, net	**5.2**	(0.5)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**16.4**	8.2
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**16.4**	8.2

1. Basis of Preparation and Accounting Policies

The condensed consolidated financial statements for the six months ended 30th June, 2026 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31st December, 2025. The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial statements.

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

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

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Prior to the initial application of the amendments, the Group derecognised payables that were settled by cheques upon the issuance of cheques to creditors. Upon applying the amendments, payables that were settled by cheques are derecognised on the settlement date which is the date when the cheques are cleared by banks. The change in accounting policy did not have a material impact on the Group's interim condensed consolidated financial statements. The change in accounting policy will be reflected in the Group's consolidated financial statements for the year ending 31st December, 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial statements.

(c) *Annual Improvements to HKFRS Accounting Standards* – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial statements.

The Group had a net loss attributable to owners of the parent of HK$232.4 million (2025 – HK$56.5 million) for the period ended 30th June, 2026 and net current assets of HK$1,832.1 million (31st December, 2025 – HK$1,630.3 million) and net assets of HK$221.9 million (31st December, 2025 – HK$388.5 million) as at 30th June, 2026.

The condensed consolidated financial statements were prepared based on the assumption that the Group is operating as a going concern, as the Directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 30th June, 2026, after taking into consideration the following:

(i) the estimated cash flows of the Group for the next twelve months from the end of the reporting period;

(ii) the plan for the sales of the Group's property assets which are readily available for sale, including the office units and other components of the development projects in Chengdu and Tianjin;

(iii) the available unutilised financial facilities of the Group; and

(iv) the financial support provided by the listed parent company of the Group.

2. Operating Segment Information

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

(a) the property development and investment segment comprises the development and sale of properties and the leasing of properties; and

(b) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that certain interest income, finance costs, head office and corporate gains and expenses are excluded from such measurement.

The following table presents revenue and profit/(loss) information for the Group's operating segments:

	Property development and investment		Financial assets investments		Consolidated	
	Six months ended 30th June,		Six months ended 30th June,		Six months ended 30th June,	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Segment revenue (Note 3):						
Sales to external customers	158.8	15.0	–	1.0	158.8	16.0
Segment results before depreciation	(176.2)	(11.9)	(0.1)	1.3	(176.3)	(10.6)
Depreciation	(0.4)	(0.3)	–	–	(0.4)	(0.3)
Segment results	(176.6)	(12.2)	(0.1)	1.3	(176.7)	(10.9)
Unallocated interest income and unallocated non-operating and corporate gains					–	1.6
Unallocated non-operating and corporate expenses					(15.4)	(11.9)
Operating loss					(192.1)	(21.2)
Finance costs	(21.5)	(24.5)	–	–	(21.5)	(24.5)
Unallocated finance costs					(9.3)	(14.5)
Loss before tax					**(222.9)**	**(60.2)**
Income tax					**(9.5)**	**3.7**
Loss for the period before allocation between equity holders of the parent and non-controlling interests					**(232.4)**	**(56.5)**
Attributable to:						
Equity holders of the parent					**(232.4)**	**(56.5)**
Non-controlling interests					**–**	**–**
					(232.4)	**(56.5)**

3. Revenue, Other Income and Gains

Revenue, other income and gains are analysed as follows:

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK$ million	HK$ million
Revenue		
Revenue from contracts with customers		
Proceeds from sale of properties	**158.2**	13.9
Revenue from other sources		
Rental income	**0.6**	1.1
Net gain from sale of financial assets at fair value through profit or loss	–	0.4
Dividend income from listed investments	–	0.6
Total	**158.8**	16.0
Other income and gains		
Other interest income	–	1.6
Gain on disposal of items of property, plant and equipment	–	0.1
Others	**0.1**	–
Total	**0.1**	1.7

Disaggregation of revenue from contracts with customers

All of the Group's revenue from contracts with customers for the six months ended 30th June, 2026 represented proceeds from sale of properties to external customers of HK$158.2 million (2025 – HK$13.9 million) in Chinese Mainland included in the "Property development and investment" segment. The proceeds from sale of properties were recognised at a point in time.

4. Loss Before Tax

The Group's loss before tax includes the following items:

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK$ million	HK$ million
Profit on disposal of properties, net	**6.2**	0.4
Depreciation of property, plant and equipment	**0.4**	0.3

5. **Finance Costs**

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK$ million	**HK$ million**
Interest on a bank loan	**–**	0.2
Interest on convertible notes	**1.4**	1.7
Interest on other borrowings	**29.4**	37.1
Total	**30.8**	39.0

6. **Income Tax**

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK$ million	**HK$ million**
Current – the People's Republic of China (the "PRC")		
Corporate income tax		
Credit for the period	**(21.6)**	–
Underprovision in prior years	**–**	0.3
Land appreciation tax	**0.7**	(3.0)
Deferred	**30.4**	(1.0)
Total tax charge/(credit) for the period	**9.5**	(3.7)

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2025 – Nil).

Taxes on the profits of subsidiaries operating in the PRC are calculated at the applicable prevailing rates.

The PRC land appreciation tax is levied on the sale or transfer of state-owned land use rights, buildings and their attached facilities in Chinese Mainland at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for the sale of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

No provision for tax was required for the joint venture as no assessable profits were earned by the joint venture during the period (2025 – Nil).

7. Dividend

No dividend was paid or proposed during the six months ended 30th June, 2026, nor has any dividend been proposed since the end of the reporting period (2025 – Nil).

8. Loss Per Share Attributable to Equity Holders of the Parent

(a) Basic loss per share

The calculation of basic loss per share for the period ended 30th June, 2026 is based on the loss for the period attributable to equity holders of the parent of HK$232.4 million (2025 – HK$56.5 million) and on the weighted average of 1,869.2 million (2025 – 1,469.2 million) shares of the Company outstanding (including ordinary shares and convertible preference shares) during the six months ended 30th June, 2026.

(b) Diluted loss per share

No adjustment has been made to the loss per share amount presented for the periods ended 30th June, 2026 and 2025 in respect of a dilution, as the impact of the convertible notes outstanding during the periods had an anti-dilutive effect on the loss per share amount presented.

9. Deposits, Prepayments and Other Assets

	Notes	30th June, 2026 (Unaudited) HK$ million	31st December, 2025 (Audited) HK$ million
Non-current			
Prepayments	(a)	**165.1**	159.1
Impairment		**(165.1)**	–
Total		**–**	159.1
Current			
Trade debtors	(b)	**0.6**	0.9
Prepayments		**14.5**	25.7
Other receivables		**4.5**	3.9
Total		**19.6**	30.5

Notes:

(a) The amount related to the costs incurred in relation to a re-forestation project in Urumqi, Xinjiang Uygur Autonomous Region, the PRC. In accordance with the prevailing relevant policies and regulations, upon the agreed completion (which has to be certified by the relevant government authorities) of re-forestation works in respect of that land, as well as the completion of the land listing and tender procedures in accordance with the relevant rules and regulations, the Group should be entitled to monetary compensation in reference to the cost incurred and/or the valuation of the land use right in respect of 30% of the overall project area for development purposes and to participate in the tender of such land use right.

In the prior years, the Group completed the milestones required by the relevant PRC government authorities and obtained affirmations to confirm the fulfilment of the conditions agreed with the relevant policies and regulations. Based on the latest legal opinion obtained, the legitimate interests of the Group in the relevant re-forestation contract remained valid and effective. However, having conducted communications with relevant government authorities in recent months, the Directors of the Company were of the opinion that the relevant government authorities are not prepared to proceed with the requisite inspection or certification process in the near future. Consequently, the Group has suspended its activities in respect of the project pending further positive developments.

Given the uncertainty surrounding the Group's ability to realise its contractual rights due to this recent change in circumstances and the absence of a clear timeline for a positive resolution with the relevant government authorities, a full impairment loss of HK$163.3 million was charged to profit or loss during the six months ended 30th June, 2026.

The Group continues to engage discussions with the relevant authorities and is also exploring alternative strategic options. The Group will reassess the recoverability of any future costs should the situation improve.

(b) Trade debtors, which generally have credit terms of 30 to 90 days, are recognised and carried at their original invoiced amounts less impairment.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over certain of these balances.

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

	30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	HK$ million	HK$ million
Outstanding balances with ages:		
Within 3 months	–	0.4
Over 1 year	1.1	1.0
	1.1	1.4
Impairment	(0.5)	(0.5)
Total	0.6	0.9

10. Creditors and Accruals

	Notes	30th June, 2026 (Unaudited) HK$ million	31st December, 2025 (Audited) HK$ million
Non-current			
Due to a joint venture	(a)	**22.7**	22.7
Deferred income		**2.1**	3.1
Total		**24.8**	25.8
Current			
Creditors		**125.1**	175.5
Accruals		**2.8**	8.6
Due to fellow subsidiaries	(b)	**52.8**	26.2
Total		**180.7**	210.3

Notes:

(a) The amount due to a joint venture represents outstanding interest payable on advances from the joint venture which is unsecured, interest-free and not repayable within twelve months from the end of the reporting period.

(b) Included in the balance is an amount due to a fellow subsidiary of HK$28.9 million (31st December, 2025 – HK$9.9 million) representing the accrued interest on the other borrowings which is secured by the pledge over the equity interests in the relevant holding companies of the Group's property development projects and repayable within one year. The remaining balance is unsecured, interest-free and repayable on demand.

11. Other Borrowings

	Notes	30th June, 2026 (Unaudited) HK$ million	31st December, 2025 (Audited) HK$ million
Secured note	(i)	**304.8**	312.0
Other loans	(ii)	**920.0**	920.0
Total		**1,224.8**	1,232.0
Analysed into:			
Other borrowings repayable:			
Within one year		**210.4**	375.0
In the second year		**1,014.4**	857.0
Total		**1,224.8**	1,232.0

(i) In April 2023, the Group issued a 3-year secured note in an aggregate nominal principal amount of US$40.0 million bearing interest at a coupon interest rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 3.11% per annum.

The secured note was re-financed for a two-year term (with certain portion to be due and repayable in April 2027), commencing from April 2026 under which the coupon interest rate was revised to CNH HIBOR plus 2.80% per annum for the first year and CNH HIBOR plus 2.00% per annum for the second year.

The secured note is secured by pledge over the equity interests of certain subsidiaries of the Group and certain of the Group's properties held for sale.

(ii) Other loans comprise the followings:

(a) A term loan of HK$357.0 million (31st December, 2025 – HK$357.0 million) and a revolving loan of HK$500.0 million (31st December, 2025 – HK$500.0 million) from a fellow subsidiary, secured by a pledge over the equity interests in the relevant holding companies of the Group's property development projects. The loans mature on 12th October, 2027 and bear interest at HIBOR plus an interest margin of 1.95% per annum. Both the term loan and revolving loan are accordingly classified as non-current other borrowings as at 30th June, 2026.

(b) A revolving loan of HK$63.0 million (31st December, 2025 – HK$63.0 million) drawn from a loan facility of HK$80.0 million, secured by interests in companies holding certain property interests and other assets. The loan effectively bears interest at Hong Kong Dollar Best Lending Rate, as quoted by The Hongkong and Shanghai Banking Corporation Limited, plus an interest margin of 3% per annum. The loan facility which originally matures in January 2027, has been extended to January 2028 with the interest margin revised to 5% per annum, subject to the lender's right of early cancellation of the facility.

12. Amounts due to Related Companies

The amounts due to related companies are unsecured, interest-free and not repayable within one year.

13. Convertible Notes

On 4th December, 2023, the Company issued convertible notes with principal amount of HK$148.2 million ("CN 2053") with a maturity date on 4th December, 2053 pursuant to a bonus issue. CN 2053 contains two components: equity component and liability component. The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar note without conversion option. The residual amount is assigned as the equity component and is included in reserve. The effective interest rate of the liability component of CN 2053 is 9.05%.

Further details of CN 2053 are set out as follows:

Purpose:	Bonus issue to the shareholders of the Company
Issue date:	4th December, 2023
Maturity date:	4th December, 2053
Principal amount:	HK$148.2 million
Coupon interest:	2% per annum payable annually
Initial conversion price to ordinary shares of the Company:	HK$0.10 per share (subject to adjustment)
Conversion period:	At any time from 4th December, 2023 to 4th December, 2053
Maximum number of shares of the Company to be converted based on initial conversion price:	1,482,226,414
Status as at 30th June, 2026:	Principal amount of HK$12,000,000 was converted into 120,000,000 ordinary shares on 4th December, 2023
	Principal amount of HK$30,000,000 was converted into 300,000,000 ordinary shares on 1st December, 2025
	Outstanding principal amount of HK$106.2 million as at 30th June, 2026 were convertible into 1,062,226,414 ordinary shares
Redemption:	If any of the convertible notes have not been converted, they will be redeemed on the maturity date at 100% of their outstanding principal amounts.

14. Related Party Transactions

(a) In addition to the transactions and balances set out elsewhere in the notes to the condensed consolidated financial statements, the Group had the following material related party transactions during the period:

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK$ million	HK$ million
A wholly owned subsidiary of Century City International Holdings Limited:		
Management fees	**4.3**	4.8
Subsidiaries of Paliburg Holdings Limited:		
Interest on other borrowings	**19.0**	21.8
Interest on convertible notes	**1.4**	1.7

The nature and terms of the above related party transactions have not changed and were already disclosed in the Group's audited consolidated financial statements for the year ended 31st December, 2025.

(b) Compensation of key management personnel of the Group:

	Six months ended 30th June, 2026 (Unaudited)	Six months ended 30th June, 2025 (Unaudited)
	HK$ million	HK$ million
Short term employee benefits	**3.5**	3.1
Staff retirement scheme contributions	**0.2**	0.2
Total compensation paid to key management personnel	**3.7**	3.3

15. Commitments

The Group had the following contractual commitments at the end of the reporting period:

	30th June, 2026 (Unaudited)	31st December, 2025 (Audited)
	HK$ million	HK$ million
Property development projects	**28.9**	101.1

16. Pledge of Assets

As at 30th June, 2026, the Group's certain properties held for sale of HK$925.9 million (31st December, 2025 – Nil) were pledged to secure the other borrowings of the Group. In addition, the Group's equity interests in companies holding certain property interests were pledged to secure the other borrowings and the related interest payable of the Group.

17. Contingent Liabilities

At the end of the reporting period, the Group had provided guarantees to banks in connection with mortgage facilities granted to certain purchasers of the Group's properties amounting to approximately RMB106.5 million (HK$122.8 million) (31st December, 2025 – RMB123.7 million (HK$137.6 million)). The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates and the completion of the proper procedures to register the mortgages under the names of the relevant purchasers, which will generally complete within one to two years after the purchasers take possession of the relevant properties.

No provision has been made in the condensed consolidated financial statements for the guarantees in connection with the mortgage facilities as management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of any default in payments.

18. Fair Value and Fair Value Hierarchy of Financial Instruments

At the end of the reporting period, the carrying amounts of the Group's financial assets and financial liabilities approximated to their fair values.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. Independent professional valuers are engaged for the valuation as appropriate. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial liabilities included in creditors and accruals, amount due to related companies, deposits received and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the financial liabilities included in creditors and accruals, and other borrowings was assessed to be insignificant. The fair value of the liability portion of the convertible notes are estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible note with consideration of the Group's own non-performance risk.

The fair values of listed equity investments are determined based on quoted market prices. The fair value of the unlisted equity investment is determined based on management's estimation on the future returns from the investment.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value as at 30th June, 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Unaudited) HK$ million	Significant observable inputs (Level 2) (Unaudited) HK$ million	Significant unobservable inputs (Level 3) (Unaudited) HK$ million	Total (Unaudited) HK$ million
Equity investments designated at fair value through other comprehensive income:				
Listed equity investment	3.9	–	–	3.9
Unlisted equity investment	–	–	–	–
Financial assets at fair value through profit or loss:				
Listed equity investments	0.8	–	–	0.8
Total	4.7	–	–	4.7

Assets measured at fair value as at 31st December, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Audited) HK$ million	Significant observable inputs (Level 2) (Audited) HK$ million	Significant unobservable inputs (Level 3) (Audited) HK$ million	Total (Audited) HK$ million
Equity investments designated at fair value through other comprehensive income:				
Listed equity investment	4.0	–	–	4.0
Unlisted equity investment	–	–	–	–
Financial assets at fair value through profit or loss:				
Listed equity investments	0.9	–	–	0.9
Total	4.9	–	–	4.9

The Group did not have any financial liabilities measured at fair value as at 30th June, 2026 and 31st December, 2025.

During the period, there were no movements in fair value measurements within Level 3 (2025 – Nil).

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2025 – Nil).

19. Approval of the Unaudited Condensed Consolidated Financial Statements

The unaudited condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 26th August, 2026.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 30th 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 any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) of the Company, which (a) are as recorded in the register required to be kept under section 352 of the SFO; or (b) are as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

				Number of shares held			
	The Company/ Name of associated corporation	**Name of Director**	**Class of shares held**	**Personal interests**	**Corporate interests**	**Family/Other interests**	**Total (Approximate percentage of the issued shares as at 30th June, 2026)**
1.	**The Company**	Mr. Lo Yuk Sui	Ordinary				
			(i) (issued)	–	1,171,504,279 (Note d)	–	1,171,504,279
			(ii) (unissued)	–	1,291,775,147 (Note e)	–	1,291,775,147
						Total:	2,463,279,426 (150.23%)
			Preference (issued)	–	229,548,733 (Note e)	–	229,548,733 (99.99%)
		Mr. Jimmy Lo Chun To	Ordinary (issued)	680,730	–	–	680,730 (0.04%)
		Ms. Lo Po Man	Ordinary (issued)	414,000	–	–	414,000 (0.03%)
2.	Century City International Holdings Limited ("CCIHL")	Mr. Lo Yuk Sui	Ordinary (issued)	111,815,396	2,032,315,326 (Note a)	380,683	2,144,511,405 (69.34%)
		Mr. Jimmy Lo Chun To	Ordinary (issued)	251,735	–	–	251,735 (0.008%)
		Ms. Lo Po Man	Ordinary (issued)	112,298	–	–	112,298 (0.004%)
		Mr. Kenneth Wong Po Man	Ordinary (issued)	200	–	–	200 (0.000%)

	The Company/ Name of associated corporation	Name of Director	Class of shares held	Number of shares held: Personal interests	Corporate interests	Family/Other interests	Total (Approximate percentage of the issued shares as at 30th June, 2026)
2.	CCIHL	Mr. Kelvin Leung So Po	Ordinary (issued)	4,000	–	–	4,000 (0.000%)
3.	Paliburg Holdings Limited ("PHL")	Mr. Lo Yuk Sui	Ordinary (issued)	90,078,014	740,860,803 (Note b)	15,000	830,953,817 (74.55%)
		Mr. Jimmy Lo Chun To	Ordinary (issued)	2,274,600	–	–	2,274,600 (0.20%)
		Ms. Lo Po Man	Ordinary (issued)	1,116,000	–	–	1,116,000 (0.10%)
		Mr. Kenneth Wong Po Man	Ordinary (issued)	6,200	–	–	6,200 (0.001%)
		Mr. Kelvin Leung So Po	Ordinary (issued)	50,185	–	–	50,185 (0.005%)
		Mr. Kenneth Ng Kwai Kai	Ordinary (issued)	176,200	–	–	176,200 (0.02%)
4.	Regal Hotels International Holdings Limited ("RHIHL")	Mr. Lo Yuk Sui	Ordinary (issued)	24,200	622,855,261 (Note c)	260,700	623,140,161 (69.33%)
		Ms. Lo Po Man	Ordinary (issued)	569,169	–	–	569,169 (0.06%)
		Mr. Kenneth Wong Po Man	Ordinary (issued)	200	–	–	200 (0.000%)
		Mr. Kelvin Leung So Po	Ordinary (issued)	200	–	–	200 (0.000%)
5.	Regal Real Estate Investment Trust ("Regal REIT")	Mr. Lo Yuk Sui	Units (issued)	–	2,443,033,102 (Note f)	–	2,443,033,102 (74.99%)

Notes:

(a) (i) The interests in 1,973,420,928 issued ordinary shares of CCIHL were held through companies wholly owned by Mr. Lo Yuk Sui ("Mr. Lo").

(ii) The interests in the other 58,894,398 issued ordinary shares of CCIHL were derivative interests held by YSL International Holdings Limited ("YSL Int'l"), a company wholly owned by Mr. Lo, under the right of first refusal to purchase such shares granted by the Dalton Group (comprising Dalton Investments LLC and its two affiliates).

(b) The interests in 694,124,547 issued ordinary shares of PHL were held through companies wholly owned by CCIHL, in which Mr. Lo held 67.43% shareholding interests.

The interests in 16,271,685 issued ordinary shares of PHL were held through corporations controlled by Mr. Lo as detailed below:

Name of corporation	Controlled by	% of control
Wealth Master International Limited	Mr. Lo	90.00
Select Wise Holdings Limited	Wealth Master International Limited	100.00

The interests in 30,464,571 issued ordinary shares of PHL were held through corporations controlled by Mr. Lo as detailed below:

Name of corporation	Controlled by	% of control
Wealth Master International Limited	Mr. Lo	90.00
Select Wise Holdings Limited	Wealth Master International Limited	100.00
Splendid All Holdings Limited	Select Wise Holdings Limited	100.00

(c) The interests in 421,400 issued ordinary shares of RHIHL were held through companies wholly owned by CCIHL, in which Mr. Lo held 67.43% shareholding interests. The interests in 622,433,861 issued ordinary shares of RHIHL were held through companies wholly owned by PHL, in which CCIHL held 62.28% shareholding interests. PHL held 69.25% shareholding interests in RHIHL.

(d) The interests in 1,006,851,215 issued ordinary shares of the Company were held through wholly owned subsidiaries of P&R Holdings Limited ("P&R"), which is owned as to 50% each by PHL and RHIHL through their respective wholly owned subsidiaries. The interests in the other 111,319,732 issued ordinary shares of the Company were held through wholly owned subsidiaries of RHIHL. The interests in the other 53,333,332 issued ordinary shares of the Company were held through wholly owned subsidiaries of PHL. PHL, in which CCIHL held 62.28% shareholding interests, held 69.25% shareholding interests in RHIHL. Mr. Lo held 67.43% shareholding interests in CCIHL.

(e) The interests in 972,070,219 unissued ordinary shares of the Company were held through wholly owned subsidiaries of P&R, which is owned as to 50% each by PHL and RHIHL through their respective wholly owned subsidiaries. The interests in the other 213,038,264 unissued ordinary shares of the Company were held through wholly owned subsidiaries of RHIHL. The interests in the other 106,666,664 unissued ordinary shares of the Company were held through wholly owned subsidiaries of PHL. PHL, in which CCIHL held 62.28% shareholding interests, held 69.25% shareholding interests in RHIHL. Mr. Lo held 67.43% shareholding interests in CCIHL.

The interests in 229,548,733 unissued ordinary shares of the Company are derivative interests held through interests in 229,548,733 convertible preference shares of the Company, convertible into new ordinary shares of the Company on a one to one basis (subject to adjustments in accordance with the terms of the convertible preference shares).

The interests in 1,062,226,414 unissued ordinary shares of the Company are derivative interests held through interests in 2 per cent. convertible notes due 2053 in a principal amount of HK$106,222,641.4 issued by the Company. The convertible notes are convertible into new ordinary shares of the Company at a conversion price of HK$0.10 per ordinary share (subject to adjustments in accordance with the terms of the convertible notes).

(f) The interests in 2,439,613,739 issued units of Regal REIT were held through wholly owned subsidiaries of RHIHL. The interests in 732,363 issued units of Regal REIT were held through wholly owned subsidiaries of PHL. The interests in 2,687,000 issued units of Regal REIT were held through wholly owned subsidiaries of CCIHL. PHL, in which CCIHL held 62.28% shareholding interests, held 69.25% shareholding interests in RHIHL. Mr. Lo held 67.43% shareholding interests in CCIHL.

Save as disclosed herein, as at 30th June, 2026, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) of the Company, which (a) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (b) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As at 30th June, 2026, so far as is known to the Directors and the chief executive of the Company, the following substantial shareholders (not being a Director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or notified to the Company pursuant to the SFO:

Name of substantial shareholder	Number of issued ordinary shares held	Number of underlying (unissued) ordinary shares held	Total number of ordinary shares (issued and underlying (unissued)) held	Approximate percentage of issued ordinary shares as at 30th June, 2026
YSL Int'l (Note i)	1,171,504,279	1,291,775,147	2,463,279,426	150.23%
Grand Modern Investments Limited ("Grand Modern") (Note ii)	1,171,504,279	1,291,775,147	2,463,279,426	150.23%
CCIHL (Note iii)	1,171,504,279	1,291,775,147	2,463,279,426	150.23%
Century City BVI Holdings Limited ("CCBVI") (Note iv)	1,171,504,279	1,291,775,147	2,463,279,426	150.23%
PHL (Note v)	1,171,504,279	1,291,775,147	2,463,279,426	150.23%
Paliburg Development BVI Holdings Limited (Note vi)	1,171,504,279	1,291,775,147	2,463,279,426	150.23%
RHIHL (Note vii)	1,118,170,947	1,185,108,483	2,303,279,430	140.48%
Regal International (BVI) Holdings Limited (Note viii)	1,118,170,947	1,185,108,483	2,303,279,430	140.48%
Capital Merit Investments Limited (Note vi)	1,060,184,547	1,078,736,883	2,138,921,430	130.45%
Regal Hotels Investments Limited (Note viii)	1,060,184,547	1,078,736,883	2,138,921,430	130.45%
P&R (Note ix)	1,006,851,215	972,070,219	1,978,921,434	120.69%
P&R Strategic Limited (Note x)	218,260,677	242,873,604	461,134,281	28.12%
Interzone Investments Limited (Note x)	142,857,142	285,714,284	428,571,426	26.14%
Alpha Advantage Investments Limited (Note x)	375,000,000	–	375,000,000	22.87%
Valuegood International Limited (Note x)	100,362,500	239,434,369	339,796,869	20.72%
Lendas Investments Limited (Note x)	127,410,760	89,196,080	216,606,840	13.21%
Tenshine Limited (Note viii)	57,986,400	106,371,600	164,358,000	10.02%

Notes:

(i) The interests in the ordinary shares of the Company held by YSL Int'l were included in the corporate interests of Mr. Lo Yuk Sui in the ordinary shares of the Company as disclosed under the section headed "Directors' Interests in Share Capital" above.

(ii) Grand Modern is a wholly owned subsidiary of YSL Int'l and its interests in the ordinary shares of the Company were included in the interests held by YSL Int'l.

(iii) CCIHL is owned as to 52.72% by Grand Modern and its interests in the ordinary shares of the Company were included in the interests held by Grand Modern.

(iv) CCBVI is a wholly owned subsidiary of CCIHL and its interests in the ordinary shares of the Company were included in the interests held by CCIHL.

(v) PHL is a listed subsidiary of CCIHL, which held 62.28% shareholding interests in PHL, and PHL's interests in the ordinary shares of the Company were included in the interests held by CCIHL.

(vi) These companies are wholly owned subsidiaries of PHL and their interests in the ordinary shares of the Company were included in the interests held by PHL.

(vii) RHIHL is a listed subsidiary of PHL, which held 69.25% shareholding interests in RHIHL, and RHIHL's interests in the ordinary shares of the Company were included in the interests held by PHL.

(viii) These companies are wholly owned subsidiaries of RHIHL and their interests in the ordinary shares of the Company were included in the interests held by RHIHL.

(ix) P&R is owned as to 50% each by PHL and RHIHL, through their respective wholly owned subsidiaries, and P&R's interests in the ordinary shares of the Company were included in the interests held by PHL and RHIHL.

(x) These companies are wholly owned subsidiaries of P&R and their interests in the ordinary shares of the Company were included in the interests held by P&R.

Save as disclosed herein, the Directors and the chief executive of the Company are not aware that there is any person (not being a Director or chief executive of the Company) who, as at 30th June, 2026, had an interest or short position in the shares and underlying shares of the Company which are recorded in the register required to be kept under section 336 of the SFO or notified to the Company pursuant to the SFO.

Details of directorships of the Company's Directors in each of those companies which has an interest in the shares and underlying shares of the Company as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as at 30th June, 2026 are set out as follows:

(1) Mr. Lo Yuk Sui is a director of YSL Int'l.

(2) Mr. Lo Yuk Sui, Mr. Jimmy Lo Chun To and Ms. Lo Po Man are directors of Grand Modern.

(3) Mr. Lo Yuk Sui, Mr. Jimmy Lo Chun To, Ms. Lo Po Man, Mr. Kelvin Leung So Po and Mr. Kenneth Ng Kwai Kai are directors of CCIHL and CCBVI.

(4) Mr. Lo Yuk Sui, Mr. Jimmy Lo Chun To, Ms. Lo Po Man, Mr. Kenneth Wong Po Man, Mr. Kelvin Leung So Po, Mr. Kenneth Ng Kwai Kai and Mr. Abraham Shek Lai Him are directors of PHL.

(5) Mr. Lo Yuk Sui, Mr. Jimmy Lo Chun To, Ms. Lo Po Man, Mr. Kenneth Wong Po Man and Mr. Kenneth Ng Kwai Kai are directors of the wholly owned subsidiaries of PHL which are substantial shareholders as named above, P&R and the wholly owned subsidiaries of P&R which are substantial shareholders as named above.

(6) Mr. Lo Yuk Sui, Mr. Jimmy Lo Chun To, Ms. Lo Po Man, Mr. Kelvin Leung So Po, Ms. Alice Kan Lai Kuen and Mr. Kenneth Ng Kwai Kai are directors of RHIHL.

(7) Mr. Lo Yuk Sui, Mr. Jimmy Lo Chun To, Ms. Lo Po Man and Mr. Kenneth Ng Kwai Kai are directors of the wholly owned subsidiaries of RHIHL which are substantial shareholders as named above.

CHANGE IN INFORMATION OF DIRECTORS

The change in the information of the Directors of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, since the publication of the annual report of the Company for the financial year ended 31st December, 2025 is set out below:

Name of Director	Details of changes
Independent Non-Executive Director:	
Mr. Abraham Shek Lai Him, GBS, JP	• Resigned as an independent non-executive director of Alliance International Education Leasing Holdings Limited, a company listed on the Stock Exchange, with effect from 30th April, 2026. • Retired as an independent non-executive director of Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust (the listed subsidiary of RHIHL), with effect from 19th May, 2026. • Retired as the joint vice chairman and an independent non-executive director of ITC Properties Group Limited, a company listed on the Stock Exchange, with effect from 21st August, 2026.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors of the Company are set out in the preceding section headed "Directors' Profile".

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules during the six months ended 30th June, 2026, except that:

- The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.

Code of Conduct for Securities Transactions by Directors

The Company has adopted the Model Code as the code of conduct governing the securities transactions by the Directors of the Company. Following specific enquiry by the Company, the Directors have confirmed that they have complied with the Model Code during the six months ended 30th June, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares) during the six months ended 30th June, 2026. The Company did not hold any treasury shares as at 30th June, 2026.

REVIEW OF RESULTS

The Audit Committee of the Company currently comprises the following members:

Mr. David Li Ka Fai, MH (Chairman of the Committee) *(Independent Non-Executive Director)*
Mr. Francis Bong Shu Ying, OBE, JP *(Independent Non-Executive Director)*
Ms. Alice Kan Lai Kuen *(Independent Non-Executive Director)*
Mr. Abraham Shek Lai Him, GBS, JP *(Independent Non-Executive Director)*

The Audit Committee has reviewed and discussed with the Company's management the accounting principles and practices adopted by the Group, auditing, internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements for the six months ended 30th June, 2026, in conjunction with the external auditor. The review report of the external auditor is set out on page 40 of this report.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

EY 安永

To the Board of Directors of
Cosmopolitan International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 12 to 32, which comprises the condensed consolidated statement of financial position of Cosmopolitan International Holdings Limited (the "Company") and its subsidiaries as at 30th June, 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants

27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

26th August, 2026

www.cosmoholdings.com