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**Shin Hwa World Limited**

**神話世界有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 00582)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board of directors (the “**Directors**”) (the “**Board**”) of Shin Hwa World Limited (the “**Company**”) hereby presents the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”) together with the comparative figures for the corresponding period in 2024. The audit committee of the Company (the “**Audit Committee**”) has reviewed and discussed with the management of the Company the unaudited interim financial information of the Group for the Period.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
<b>REVENUE</b>	4	<b>410,374</b>	524,725
Cost of properties and inventories sold		(45,434)	(56,875)
Other income and losses, net	5	6,085	(12,428)
Gaming duties and other related taxes		(11,593)	(19,030)
Amortisation and depreciation		(92,049)	(124,449)
Employee benefit expenses		(251,805)	(263,912)
Other operating expenses		(198,350)	(232,717)
Finance costs, net	6	(43,561)	(51,033)
Fair value (losses)/gains on investment properties, net		(22,072)	4,412
Reversal of impairment/(impairment) of trade and other receivables, net		4,034	(213)
<b>LOSS BEFORE TAX</b>	7	<b>(244,371)</b>	(231,520)
Income tax expense	8	(24)	(20)
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>(244,395)</b>	(231,540)
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	10		
Basic		(HK16.06) cents	(HK45.62) cents
Diluted		(HK16.06) cents	(HK45.62) cents

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>LOSS FOR THE PERIOD</b>	<b>(244,395)</b>	<b>(231,540)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations*	<b>549,786</b>	(445,746)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<b>549,786</b>	(445,746)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Revaluation of properties, plant and equipment upon transfer to investment properties, net	<b>7,118</b>	—
Deferred tax credited to asset revaluation reserve	<b>1,339</b>	—
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<b>202</b>	(72)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<b>8,659</b>	(72)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>558,445</b>	(445,818)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>314,050</b>	(677,358)

\* Mainly arising from translation from Korean Won to Hong Kong dollars.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>HK\$'000</b> <b>(Unaudited)</b>	HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	<b>6,657,016</b>	6,162,094
Investment properties		<b>748,832</b>	725,370
Right-of-use assets		<b>5,205</b>	5,221
Goodwill and other intangible assets	12	<b>129,918</b>	119,245
Equity investments designated at fair value through other comprehensive income		<b>1,330</b>	1,128
Prepayments, trade and other receivables	13	<b>74,971</b>	54,261
Restricted cash	14	<b>58,343</b>	53,466
Total non-current assets		<b>7,675,615</b>	7,120,785
<b>CURRENT ASSETS</b>			
Properties under development		<b>99,916</b>	91,563
Completed properties for sale		<b>266,342</b>	259,623
Inventories		<b>52,898</b>	46,106
Prepayments, trade and other receivables	13	<b>75,592</b>	56,435
Tax recoverable		<b>190</b>	32
Cash and cash equivalents	14	<b>117,507</b>	310,915
Total current assets		<b>612,445</b>	764,674
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	<b>257,356</b>	238,038
Interest-bearing bank and other borrowings	16	<b>172,110</b>	1,204,252
Lease liabilities		<b>2,459</b>	1,890
Tax payable		<b>25</b>	36
Total current liabilities		<b>431,950</b>	1,444,216
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>180,495</b>	(679,542)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,856,110</b>	6,441,243

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

As at 30 June 2025

		30 June 2025	31 December 2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	15	35,177	28,015
Interest-bearing bank and other borrowings	16	1,118,876	27,000
Lease liabilities		3,080	3,616
Deferred tax liabilities		44,665	42,350
		<hr/>	<hr/>
Total non-current liabilities		1,201,798	100,981
		<hr/>	<hr/>
<b>Net assets</b>		<b>6,654,312</b>	<b>6,340,262</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	17	15,215	15,215
Reserves		6,639,097	6,325,047
		<hr/>	<hr/>
<b>Total equity</b>		<b>6,654,312</b>	<b>6,340,262</b>
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# NOTES TO THE INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

Shin Hwa World Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands and continued in Bermuda, and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the period, the Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in development and operation of integrated leisure and entertainment resort (the “**Integrated Resort Development**”), gaming and entertainment facilities (the “**Gaming Business**”) and property development (the “**Property Development**”).

## 2.1 BASIS OF PREPARATION

The interim financial information for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (which also include HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The accounting policies adopted in the preparation of the interim financial information are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2024, except for the adoption of the new and revised HKFRS Accounting Standards as of 1 January 2025 as disclosed in note 3 below. The Group has not yet early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. In the opinion of the directors of the Company, the new and revised standard is not expected to have a significant impact on the financial position and performance of the Group.

The interim financial information for the six months ended 30 June 2025 has been prepared under the historical cost convention, except for investment properties and equity investments, which have been measured at fair value. The interim financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

## 3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of revised HKFRS Accounting Standards effective as of 1 January 2025.

Amendments to HKAS 21

*Lack of Exchangeability*

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity estimates the spot exchange rate when a currency is not exchangeable. In addition, the amendments require disclosure of information that enables users of its financial statements to evaluate how a currency’s lack of exchangeability affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The adoption of the above standard has no significant financial effect on the interim financial information and there has been no significant change to the accounting policies applied in the interim financial information.

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 4 SEGMENT INFORMATION

The executive directors of the Company are considered to be the Group's Chief Operating Decision-Maker ("CODM"). Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions. The CODM considers the Group is operating predominantly in three operating segments as follows:

- (a) Integrated Resort Development;
- (b) Gaming Business; and
- (c) Property Development.

The CODM monitors the results of the operating segments separately for the purpose of allocating resources and assessing performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's loss before tax except that finance costs, net, fair value losses on investment properties in Hong Kong, as well as head office and corporate income and expenses, net are excluded from such measurement.

The following tables represent revenue and results information regarding the Group's operating segments for the six months ended 30 June 2025 and 2024, respectively:

#### For the six months ended 30 June 2025

	Integrated Resort Development HK\$'000 (Unaudited)	Gaming Business HK\$'000 (Unaudited)	Property Development HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue:</b>				
<i>Revenue from contracts with customer</i>				
At a point in time	87,079	61,950	41,829	190,858
Over time	194,583	–	6,164	200,747
	281,662	61,950	47,993	391,605
<i>Revenue from other sources</i>				
Gross rental income from investment property operating leases	18,349	–	420	18,769
Sales to external customers	300,011	61,950	48,413	410,374
<b>Segment results</b>	<b>(129,983)</b>	<b>(59,639)</b>	<b>16,522</b>	<b>(173,100)</b>
<i>Reconciliation:</i>				
Finance costs, net (other than interest on lease liabilities)				(43,369)
Fair value losses on investment properties in Hong Kong				(4,174)
Corporate and other unallocated expenses, net				(23,728)
Loss before tax				(244,371)

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 4 SEGMENT INFORMATION (continued)

For the six months ended 30 June 2024

	Integrated Resort Development HK\$'000 (Unaudited)	Gaming Business HK\$'000 (Unaudited)	Property Development HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue:</b>				
<i>Revenue from contracts with customer</i>				
At a point in time	85,997	114,871	64,450	265,318
Over time	233,652	–	6,068	239,720
	319,649	114,871	70,518	505,038
<i>Revenue from other sources</i>				
Gross rental income from investment property operating leases	19,687	–	–	19,687
Sales to external customers	339,336	114,871	70,518	524,725
<b>Segment results</b>	<b>(115,416)</b>	<b>(55,849)</b>	<b>30,930</b>	<b>(140,335)</b>
<i>Reconciliation:</i>				
Finance costs, net (other than interest on lease liabilities)				(50,897)
Fair value losses on investment properties in Hong Kong				(900)
Corporate and other unallocated expenses, net				(39,388)
Loss before tax				(231,520)



## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 4 SEGMENT INFORMATION (continued)

#### Geographical information

##### *Revenue from external customers*

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
South Korea	409,954	524,725
Hong Kong	420	—
Total revenue	<u>410,374</u>	<u>524,725</u>

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

#### Information about major customers

During the six months ended 30 June 2025, no single customer contributed over 10% of the Group's total revenue. During the six months ended 30 June 2024, one customer from the Gaming Business segment contributed over 10% of the Group's total revenue. The revenue contributed by this customer amounted to HK\$53,512,000.

### 5 OTHER INCOME AND LOSSES, NET

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividend income from equity investments		
at fair value through other comprehensive income	61	68
Gain on disposal of items of property, plant and equipment	218	2,044
Foreign exchange differences, net	5,268	(3,845)
Provision for withholding tax	(3,708)	(10,953)
Others	4,246	258
Other income and losses, net	<u>6,085</u>	<u>(12,428)</u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 6 FINANCE COSTS, NET

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses:		
– Lease liabilities	(192)	(136)
– Bank borrowings	(41,669)	(51,377)
– Other borrowings	(2,546)	–
	<u>(44,407)</u>	<u>(51,513)</u>
<b>Finance costs</b>	<b>(44,407)</b>	<b>(51,513)</b>
Interest income:		
– Bank interest income	846	478
– Other interest income	–	2
	<u>846</u>	<u>480</u>
<b>Finance income</b>	<b>846</b>	<b>480</b>
<b>Finance costs, net</b>	<b>(43,561)</b>	<b>(51,033)</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 7 LOSS BEFORE TAX

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of properties and inventories sold:		
– Cost of properties sold	<b>14,338</b>	25,626
– Cost of inventories sold	<b>31,133</b>	31,390
– Reversal of provision for inventories	<b>(37)</b>	(141)
	<b>45,434</b>	56,875
Amortisation and depreciation:		
– Depreciation of property, plant and equipment	<b>90,678</b>	123,180
– Depreciation of right-of-use assets	<b>1,119</b>	957
– Amortisation of other intangible assets	<b>252</b>	312
	<b>92,049</b>	124,449
(Reversal of impairment)/impairment of trade and other receivables, net:		
– (Reversal of impairment)/impairment of gaming receivables, net	<b>(4,039)</b>	204
– Impairment of other receivables, net	<b>5</b>	9
	<b>(4,034)</b>	213
Expenses included in “other operating expenses”:		
– Repair and maintenance expenses of building, equipment, and facility	<b>71,275</b>	79,977
– Utilities expenses	<b>50,596</b>	48,141
– Sales and marketing, promotion and advertising expenses	<b>14,843</b>	23,285
– Operating supplies and equipment	<b>10,759</b>	13,237
– Expenses relating to short-term leases or leases of low-value assets	<b>1,915</b>	7,215

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 8 INCOME TAX

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2025 (Six months ended 30 June 2024: Nil). Corporate income tax in South Korea is charged progressively from 10% to 21% (Six months ended 30 June 2024: 8% to 21%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax – South Korea	<u>24</u>	<u>20</u>
Total tax charge for the period	<u><b>24</b></u>	<u><b>20</b></u>

### 9 DIVIDENDS

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 June 2025 (Six months ended 30 June 2024: Nil).

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 10 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Loss</b>		
Loss attributable to owners of the parent, used in the basic and diluted loss per share calculation:	<u>(244,395)</u>	<u>(231,540)</u>
<b>Number of shares</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted loss per share calculation	<u>1,521,451</u>	<u>507,541</u>

For the six months ended 30 June 2024, the calculation of the basic and diluted loss per share amount was based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 507,541,000, as adjusted for (i) the completion of issuing 845,250,000 ordinary shares of the Company to an independent subscriber at HK\$0.034 per share on 20 March 2024, (ii) the consolidation of ordinary shares of the Company on the basis of every ten ordinary shares into one consolidated share with effect from 17 June 2024, and (iii) the completion of issuing 1,014,300,462 rights shares on the basis of two rights shares for every one share of the Company at the subscription price of HK\$0.26 per share on 23 July 2024.

The Group had no potential dilutive ordinary shares outstanding during the respective periods. The bonus element of proposed rights issue, which is subject to shareholders' approvals in September 2025 (Note 19), has not been taken into account the calculation of loss per share as it is not yet effective as of the date of approval of these interim financial information.

### 11 PROPERTY, PLANT AND EQUIPMENT

	HK\$'000
Net carrying amount as at 31 December 2024 and 1 January 2025 (Audited)	6,162,094
Additions	12,538
Depreciation provided for the period	(90,678)
Transfers	14,842
Disposals/write-off	(2)
Exchange realignment	<u>558,222</u>
<b>Net carrying amount as at 30 June 2025 (Unaudited)</b>	<b><u>6,657,016</u></b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 12 GOODWILL AND OTHER INTANGIBLE ASSETS

	<u>Other intangible assets</u>			
	<b>Goodwill</b>	<b>Trademarks</b>	<b>Gaming</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>licenses</b>	<b>HK\$'000</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Cost</b>				
As at 31 December 2024 and 1 January 2025 (Audited)	4,167	4,260	678,317	686,744
Additions	–	57	–	57
Exchange realignment	380	391	61,881	62,652
<b>As at 30 June 2025 (Unaudited)</b>	<b>4,547</b>	<b>4,708</b>	<b>740,198</b>	<b>749,453</b>
<b>Accumulated amortisation</b>				
As at 31 December 2024 and 1 January 2025 (Audited)	–	2,320	–	2,320
Amortisation provided during the period	–	252	–	252
Exchange realignment	–	224	–	224
<b>As at 30 June 2025 (Unaudited)</b>	<b>–</b>	<b>2,796</b>	<b>–</b>	<b>2,796</b>
<b>Accumulated impairment</b>				
As at 31 December 2024 and 1 January 2025 (Audited)	4,167	–	561,012	565,179
Exchange realignment	380	–	51,180	51,560
<b>As at 30 June 2025 (Unaudited)</b>	<b>4,547</b>	<b>–</b>	<b>612,192</b>	<b>616,739</b>
<b>Net carrying amount</b>				
<b>As at 30 June 2025 (Unaudited)</b>	<b>–</b>	<b>1,912</b>	<b>128,006</b>	<b>129,918</b>
As at 31 December 2024 (Audited)	–	1,940	117,305	119,245

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 13 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	35,328	34,964
Less: Loss allowance for impairment of trade receivables	(9,474)	(8,988)
Trade receivables, net (Note (i))	25,854	25,976
Gaming receivables	198,114	186,838
Less: Loss allowance for impairment of gaming receivables	(191,446)	(179,333)
Receivables from gaming customers, net (Note (ii))	6,668	7,505
Other receivables	7,469	11,103
Prepayments	37,680	16,727
Value-added tax recoverable	2	73
Deposits	13,275	1,545
Restricted deposit for bank borrowings	59,615	47,767
	150,563	110,696
Less: Non-current portion	(74,971)	(54,261)
Current portion	75,592	56,435

Notes:

#### (i) Trade receivables, net

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

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 30 days	25,850	25,490
31 to 60 days	–	95
61 to 90 days	4	236
Over 90 days	–	155
	25,854	25,976

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 13 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

#### (ii) Receivables from gaming customers, net

The ageing analysis of the receivables from gaming customers as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>3,922</b>	6,248
31 to 60 days	<b>2,207</b>	1,257
61 to 90 days	<b>516</b>	—
Over 90 days	<b>23</b>	—
	<hr/>	<hr/>
	<b>6,668</b>	7,505
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## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 14 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Cash and bank balances	117,507	229,683
Short-term time deposits	–	81,232
Restricted cash for the Cash Incident (Note)	58,343	53,466
	<u>175,850</u>	<u>364,381</u>
Less: Restricted cash for the Cash Incident (Note)	<u>(58,343)</u>	<u>(53,466)</u>
Cash and cash equivalents	<u>117,507</u>	<u>310,915</u>

Note:

On 4 January 2021, management of the Group discovered that certain funds amounting to KRW14,555,000,000 (equivalent to HK\$103,713,000) belonging to the Group kept in Jeju, South Korea was missing (the “**Cash Incident**”). The Group was unable to reach the employee-in-charge of the funds and the Cash Incident was reported to the police in South Korea.

Based upon the Investigation Progress Notification issued by Jeju Special Self-Governing Provincial Police Agency of Korea (the “**Jeju Police**”) to the Group in March 2021, the Jeju Police revealed that KRW13,400,000,000 (equivalent to retranslated amount of HK\$77,024,000 as at 30 June 2025) (the “**Seized Money**”) was seized by them in accordance with the due process of Korean law, and are being kept in the deposit account of a bank under the name of the Jeju Police. According to the legal opinions from independent lawyers, the Seized Money is expected to be part of the amount of the Group missed as a result of the Cash Incident and has been retained by the Jeju Police until the investigation process is complete.

Based on the report of factual findings issued by an independent external auditor in Korea in 2021, the cash balance in relation to the Cash Incident located in a premises of the Group in Korea and under the Group’s possession as at 31 December 2020 was KRW10,150,000,000 (equivalent to HK\$72,325,000). Accordingly, a loss of KRW4,405,000,000 (equivalent to HK\$28,961,000) was recognised in the consolidated statement of profit or loss for the year ended 31 December 2020. The Seized Money, found in the premises of the Group of KRW10,150,000,000 (equivalent to HK\$72,325,000) and elsewhere of KRW3,250,000,000 (equivalent to HK\$23,158,000), is anticipated to be part of the missing fund. Since November 2024, the police investigation has been resumed. As at the date of this announcement, the criminal trial for the primary suspect undergone at the Jeju District Court has yet to pronounce its decision. As at 30 June 2025, the balance of this restricted cash amounted to KRW10,150,000,000 (equivalent to HK\$58,343,000) (31 December 2024: KRW10,150,000,000 (equivalent to HK\$53,466,000)) and is classified as a non-current asset since the investigation is continuing and decision of the court is not expected to conclude within a year.

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 15 TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables (Note)	8,953	4,758
Deposit received	33,986	24,052
Accrued expenses	52,766	57,576
Accrued employee benefits	48,451	54,028
Other tax payables	64,727	52,806
Other payables (Note)	24,885	28,728
Contract liabilities	58,765	44,105
	<u>292,533</u>	<u>266,053</u>
Less: Non-current portion	(35,177)	(28,015)
Current portion	<u>257,356</u>	<u>238,038</u>

Note:

Trade payables and other payables are non-interest bearing and have an average term of 1 month.

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 16 INTEREST-BEARING BANK AND OTHER BORROWINGS

30 June 2025				31 December 2024		
	Effective interest rate	Maturity	HK\$'000 (Unaudited)	Effective interest rate	Maturity	HK\$'000 (Audited)
<b>Current</b>						
Bank loans – secured	3.2%/3.29% + Korea Certificate of Deposit rate	2026	72,110	2.75%+ Korea Commercial Paper rate	2025	1,204,252
Other borrowings – unsecured	8%	2026	100,000	–	–	–
			<u>172,110</u>			<u>1,204,252</u>
<b>Non-current</b>						
Bank loans – secured	3.2%/3.29% + Korea Certificate of Deposit rate	2028	902,372	–	–	–
Bank loans – secured	8.2%	2028	189,504	–	–	–
Other borrowings – unsecured	6%	2032	27,000	6%	2032	27,000
			<u>1,118,876</u>			<u>27,000</u>
			<u>1,290,986</u>			<u>1,231,251</u>

The bank borrowings are secured by the Group's property, plant and equipment amounting to HK\$1,888,320,000 (31 December 2024: HK\$1,408,989,000), investment properties amounting to HK\$149,083,000 (31 December 2024: HK\$132,075,000), properties under development amounting to HK\$99,916,000 (31 December 2024: HK\$91,563,000) and completed properties for sale amounting to HK\$266,342,000 (31 December 2024: HK\$160,094,000).

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 17 SHARE CAPITAL

#### Shares

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
<b>Authorised:</b>		
1,000,000,000,000 (31 December 2024: 1,000,000,000,000)		
ordinary shares of HK\$0.01 (31 December 2024: HK\$0.01) each		
At 1 January 2025 and 30 June 2025	<b>10,000,000</b>	10,000,000
<b>Issued and fully paid:</b>		
1,521,450,693 (31 December 2024: 1,521,450,693)		
ordinary shares of HK\$0.01 (31 December 2024: HK\$0.01) each		
At 1 January 2025 and 30 June 2025	<b>15,215</b>	15,215

### 18 COMMITMENTS

#### (a) Capital commitments

At the end of the reporting period, the Group had the following capital commitments:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Contracted, but not provided for:		
Properties under development	<b>60,238</b>	53,447

## NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

### 18 COMMITMENTS (continued)

#### (b) Lease arrangements

##### The Group as lessor

The Group leases its investment properties consisting of several commercial properties in Korea and residential properties in Hong Kong under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. Rental income recognised by the Group during the six months ended 30 June 2025 was HK\$18,769,000 (Six months ended 30 June 2024: HK\$19,687,000).

At 30 June 2025, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within one year	31,698	23,038
After one year but within two years	30,622	21,471
After two years but within three years	24,903	20,903
After three years but within four years	16,933	15,775
After four years but within five years	13,341	10,023
After five years	10,950	14,675
	<u>128,447</u>	<u>105,885</u>

### 19. EVENTS AFTER THE REPORTING PERIOD

On 15 July 2025, the Company completed the placing (the “**Placing**”) of 304,290,000 ordinary shares (the “**Placing Shares**”) under the general mandate to not less than six placees, who are independent third parties, at the placing price of HK\$0.118 per share pursuant to the terms and conditions of the placing agreement dated 27 June 2025, entered between the Company and the placing agent, SR Wealth Securities Limited. The Placing Shares represents approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issuance of the Placing Shares immediately upon completion.

On 25 July 2025, the Company announced a proposed rights issue on the basis of one rights share for every one share of the Company held on the record date at the subscription price of HK\$0.10 per rights share (the “**Rights Issue**”), subject to the approval of the independent shareholders of the Company at the special general meeting to be held on 16 September 2025. For details, please refer to the announcement and circular of the Company dated 25 July 2025 and 22 August 2025, respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Company is an investment holding company, and during the six months ended 30 June 2025 (the “**Period**”), the principal activities of the Group are (i) development and operation of the integrated leisure and entertainment resort (the “**Integrated Resort Development**”); (ii) operation of gaming and entertainment facilities (the “**Gaming Business**”); and (iii) property development (the “**Property Development**”).

## FINANCIAL RESULTS

For the Period, the Group’s consolidated revenue was approximately HK\$410,374,000 (2024: approximately HK\$524,725,000), representing a decrease of approximately 21.8% when compared to the corresponding period in 2024. During the Period, non-gaming revenue was approximately HK\$348,424,000 (2024: approximately HK\$409,854,000) while gaming revenue was approximately HK\$61,950,000 (2024: approximately HK\$114,871,000).

For the Period, the loss attributable to the owners of the parent is approximately HK\$244,395,000 (2024: approximately HK\$231,540,000). The basic and diluted loss per share attributable to owners of the parent was HK16.06 cents (2024: HK45.62 cents). In addition to the overall economic headwinds, as numerous flight cancellations disrupted travel plans and accessibility to Jeju in the first half of 2025, Jeju’s tourism and the Group’s core businesses experienced notable setbacks during the Period. The increase in the consolidated net loss for the Period was mainly attributable to (i) the decline in consolidated revenue, particularly from the Group’s integrated resort and gaming business, due to the pressure on room prices and dampened customer spending during the Period; and (ii) the decrease in fair value of the investment properties, compared to the corresponding period in 2024.

As at 30 June 2025, the consolidated net asset value of the Company was approximately HK\$6,654,312,000 (31 December 2024: approximately HK\$6,340,262,000) and the consolidated net asset value per weighted average number of ordinary shares outstanding during the period attributable to owners of the parent was approximately HK\$4.37 (31 December 2024: approximately HK\$6.61).

## **MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

### **OPERATION AND BUSINESS REVIEW**

#### **Integrated Resort Development**

Jeju Shinhwa World, an integrated resort located on Jeju Island, South Korea is the core business of the Group. It is an iconic world-class resort destination in Northeast Asia, comprising a selection of premium hotels, a convention and exhibition centre, a retail mall, food & beverage outlets, a leisure and entertainment complex, a theme park, a water park, and one of the largest foreigners-only casinos in Jeju.

More than 2,000 high-quality guest rooms and suites are available for bookings, including the five-star rated Marriott Resort, the new lifestyle Shinhwa Resort, Landing Resort and the full-serviced Somerset family suites in Jeju. The hotels are strategically positioned in Jeju to cater to all segments of guests, providing the perfect accommodation options for every Jeju trip. All hotels in Jeju Shinhwa World consistently receive high rankings and multiple recommendations from guests and the hospitality industry. A wide range of entertainment options perfect for family and friends, from bowling to arcade games and cinema to karaoke. The spectacular view of Jeju's natural horizon distinguishes Jeju Shinhwa World as one of the best integrated resorts in Northeast Asia.

Themed with Larva characters from a popular local animated production and offering more than 15 amazing rides and attractions for children and families, including adventure games and a 4D theater, Shinhwa Theme Park attracts both domestic and foreign tourists. It also serves as an ideal venue for mega events, having been used for New Year's Eve countdown party, live concert, FIFA World Cup soccer event, dining functions for USPGA golf tournament, and more.

Shinhwa Waterpark is the largest water park in Jeju with 18,000 square meters of space. It features wave pools, water slides, rapids, spas, kids' pool, and a private cabana area suitable for visitors of all ages. Shinhwa Waterpark has established itself as the top water park attraction in Jeju.

Jeju Shinhwa World also boasts the most extensive food and beverage outlets under one roof in Jeju, offering an impressive array of local and international cuisines. Guests can savor the legendary flavors of Jeju and Korean specialties, Chinese classics, Japanese dishes, Western favorites and many other styles tailored to suit both tourists and domestic visitors. After dinner or a day of exploration, the poolside bar, contemporary pub and beer garden provide the perfect setting to unwind and chill with a variety of delicious snacks and a view of the starry night.

## **MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

### **OPERATION AND BUSINESS REVIEW (continued)**

#### **Integrated Resort Development (continued)**

The MICE (Meetings, Incentives, Conferences and Events) business at Jeju Shinhwa World capitalises on the largest column-free ballroom in Jeju and the adjacent conference room facilities. The Convention Centre has hosted numerous high-profile regional and international events, making it an ideal venue for a wide range of gatherings, from corporate conferences, to wedding and family banquet. Various life style facilities including the health care amenities and the Shinsegae Simon Jeju Premium Center in Jeju Shinhwa World, offer one-stop wellness treatment and shopping from foreign luxury brands to domestic fashion, sports, kids' items and cosmetics, attracting both domestic and foreign tourists.

To stay competitive in the market, we ramped up promotion of our catering services and we also introduced Momo Zoo, offering guests a relaxing and healing experience through bonding with animals. Our marketing team rolled out bundled packages combining accommodation with access to our water park and theme park, as well as food and beverage options. A wide range of membership promotions and attraction events such as the Sky Pool Party, summer waterpark festivities, fireworks and lighting shows, live music, flea markets, art exhibitions, kids' activities, and seasonal gourmet tastings, were launched to enrich the customer experience. Additionally, we continued leveraging digital marketing to expand our geographic reach and strengthen engagement with target audiences.

For the Period, the Integrated Resort Development generated segment revenue of approximately HK\$300,011,000 (2024: approximately HK\$339,336,000), which was mainly derived from its hotels, food and beverage services, MICE events, attraction theme park, water parks, and merchandise sales as well as leases of retail spaces in the resort, representing a decrease of approximately 11.6% as compared to the corresponding period in 2024. Despite consistent efforts in sales and marketing throughout the Period, segment revenue declined compared to the corresponding period in 2024. This was primarily attributable to a drop in tourist numbers in Jeju during the first half of 2025 and the pressure on room prices, as well as a depreciation of the Korean Won, which led to a slight decrease in segment revenue when translated into Hong Kong Dollars. The segment loss of the Integrated Resort Development was approximately HK\$129,983,000 for the Period (2024: approximately HK\$115,416,000).



## **MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

### **OPERATION AND BUSINESS REVIEW (continued)**

#### **Gaming Business**

Landing Casino, an integral part of Jeju Shinhwa World, is one of the largest foreigners-only casinos in South Korea with 150 gaming tables, 210 slot machines and electronic table games, occupying an exclusive gaming area of approximately 5,500 square meters. Korea Poker Cup Series 2025 are the major tournaments held in Landing Casino in first half of 2025. Notwithstanding that the success of these tournaments attracted numerous visitors and enhanced the publicity of Landing Casino, attributable to the decrease in rolling and non-rolling volume, the Gaming Business recorded net revenue of approximately HK\$61,950,000 (2024: approximately HK\$114,871,000) for the Period, representing a decrease of approximately 46.1% as compared to the corresponding period in 2024; and the segment loss from the Gaming Business for the Period was approximately HK\$59,639,000 (2024: approximately HK\$55,849,000).

Based on the recoverable amount of the cash-generating unit of the Gaming Business which has been determined by value-in-use calculations using cash flow projections of financial budgets and referencing to the segment performance, no impairment was made on the relevant intangible assets of the Casino for the Period (2024: Nil). Besides, no impairment was recorded on the relevant property, plant and equipment after the assessment.

#### **Property Development**

Primarily attributable to adverse macroeconomic factors, such as high interest rates and sluggish GDP growth, sales of resort condominiums and villas in zone R of Jeju Shinhwa World slowed down during the Period.

For the Period, revenue generated from sales of residential properties and property management were amounted to approximately HK\$41,829,000 (2024: approximately HK\$64,450,000) and approximately HK\$6,584,000 (2024: approximately HK\$6,068,000), respectively and segment profit of the Property Development was approximately HK\$16,522,000 (2024: approximately HK\$30,930,000).

As of 30 June 2025, approximately HK\$266,342,000 (31 December 2024: approximately HK\$259,623,000) was classified as completed properties for sale.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### OUTLOOK

Jeju Shinhwa World is poised to become a leading integrated resort, leveraging the global appeal of Jeju Island, an internationally recognized UNESCO World Natural Heritage site and a rapidly emerging tourism hotspot. With its unique location and expansive land assets, Jeju Shinhwa World is strategically positioned to become a dynamic tourism paradise.

Our long-term vision is to transform Jeju Shinhwa World into a multi-purpose, all-day destination that extends far beyond hospitality and gaming. By cultivating a diversified portfolio of attractions and services, Jeju Shinhwa World aims to deliver a holistic experience that resonates with a wide range of visitors. Our non-gaming facilities, including a world-class MICE venue, a premium retail zone, cultural attractions, and family-oriented entertainments will broaden our customer reach and increase visitor spending. These additions are designed to appeal not only to leisure travelers, but also to corporate clients, educational groups, lifestyle influencers, and event organizers seeking distinctive and fully equipped venues.

To further enhance visitor engagement and brand affinity, Jeju Shinhwa World will host a dynamic calendar of event-based programs. Large-scale poker tournaments, golf clinics, live concerts, seasonal festivals, and themed cultural events will become the key drivers of repeat visitation. These events are expected to generate ancillary revenue across food and beverage, retail, and park attractions, contributing to a more balanced and resilient income model. To support this growth, the Group will continue investing in facility upgrades and renovations, ensuring operational excellence, maintaining asset value, and aligning with evolving customer expectations, while also enhancing Jeju Shinhwa World's appeal to strategic partners and sponsors.

Over the medium to long term, a diversified mix of revenue streams from leisure, food and beverages, retail, and events will significantly reduce dependence on hotel occupancy. The Group has been also actively monitoring the property market for opportunities to develop its unutilized land assets, enabling further expansion when conditions are favorable.

While global economic uncertainties call for prudent financial management, the Group remains confident in its disciplined capital strategy and long-term vision. With a clear roadmap for growth, Jeju Shinhwa World is well-positioned to evolve into a compelling and sustainable integrated resort destination.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2025, the Group had non-current assets of approximately HK\$7,675,615,000 (31 December 2024: approximately HK\$7,120,785,000) and net current assets of approximately HK\$180,495,000 (31 December 2024: net current liabilities of approximately HK\$679,542,000). The current ratio, expressed as the ratio of the current assets over the current liabilities, was 1.42 as at 30 June 2025 (31 December 2024: 0.53). The increase in the current ratio is mainly due to the majority of bank borrowings, being classified as non-current liabilities as at 30 June 2025, following the refinancing executed in April 2025, which will mature in 2028.

For the Period, the reversal of impairment of trade and other receivables (net) amounted to approximately HK\$4,034,000 (2024: impairment of approximately HK\$213,000). The provisions mainly consisted of overdue receivables with long aging periods. As at 30 June 2025, the Group had prepayments, trade and other receivables of approximately HK\$150,563,000 (31 December 2024: approximately HK\$110,696,000). As at 30 June 2025, the Group had cash and bank balances of approximately HK\$117,507,000, with approximately HK\$10,515,000, HK\$102,621,000, HK\$286,000, HK\$249,000 and HK\$3,722,000 held in Hong Kong dollars (“**HKD**”), Korean Won (“**KRW**”), Japanese Yen (“**JPY**”), Great British Pound (“**GBP**”) and United States dollars (“**USD**”), respectively and the remaining balances mainly held in Philippine Pesos (“**PHP**”) and Singapore dollar (“**SGD**”) (31 December 2024: approximately HK\$310,915,000, with approximately HK\$136,992,000, HK\$162,016,000, HK\$327,000 and HK\$11,138,000 held in HKD, KRW, SGD and USD, respectively and the remaining balances mainly held in PHP).

As at 30 June 2025, the Group had trade and other payables of approximately HK\$292,533,000 (31 December 2024: approximately HK\$266,053,000) and bank borrowings in KRW with floating rate of approximately HK\$974,482,000 (31 December 2024: approximately HK\$1,204,252,000), bank borrowings in KRW with fixed interest rate of approximately HK\$189,504,000 (31 December 2024: Nil) and other borrowings in HKD with fixed interest rate of approximately HK\$127,000,000 (31 December 2024: approximately HK\$27,000,000) while total liabilities of the Group amounted to approximately HK\$1,633,748,000 (31 December 2024: approximately HK\$1,545,197,000). The Group’s gearing ratio, which was measured on the basis of the Group’s total liabilities divided by total assets, was 19.7% (31 December 2024: 19.6%).

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

#### Investments

##### *Equity investments designated at fair value through other comprehensive income*

As at 30 June 2025, the Group held a listed equity investment at a fair value of approximately HK\$1,330,000 (representing approximately 0.016% of the consolidated total assets of the Group), which was classified as equity investment designated at fair value through other comprehensive income (31 December 2024: approximately HK\$1,128,000). Net fair value gain in respect of this investment of approximately HK\$202,000, was resulted from the upward movement in the stock price of the equity investment in China Resources Land Limited (the shares of which is listed on Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), stock code: 1109), was recognised in the consolidated statement of comprehensive income during the Period. There was no single equity investment representing more than 0.1% of the consolidated total assets of the Group as at 30 June 2025.

Save as disclosed above, there was no other significant investment, material acquisition or disposal during the Period that the shareholders of the Company should be notified of.

The Company will make further announcements and comply with the relevant requirement under the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”) as and when appropriate in case there is any material investment(s) being identified and entered into by the Group. The Company does not rule out the possibility that the Group will conduct debt and/or equity fundraising exercises when suitable fundraising opportunities arise in order to support future developments and/or investments of the Group and the Company will comply with the Listing Rules, where applicable, in this regard.

### CAPITAL STRUCTURE

As at 30 June 2025 and the date of this announcement, the total number of issued ordinary shares of the Company were 1,521,450,693 shares and 1,825,740,693 shares, respectively, with a nominal value of HK\$0.01 each.

#### Placing of New Shares

On 27 June 2025, the Company entered into a placing agreement (the “**Placing Agreement**”) with the placing agent, SR Wealth Securities Limited (the “**Placing Agent**”) for the placing of new shares under the general mandate granted by shareholders of the Company at the annual general meeting held on 18 June 2025 (the “**Placing**”).

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### CAPITAL STRUCTURE (continued)

#### Placing of New Shares (continued)

Subsequent to the reporting period, the Company completed the Placing of 304,290,000 shares (the “**Placing Shares**”) to not less than six placees, who are independent third parties, at the placing price of HK\$0.118 per share pursuant to the terms and conditions of the Placing Agreement. The Placing Shares represented approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issuance of the Placing Shares immediately upon completion. Details were disclosed in the announcements of the Company dated 27 June 2025 and 15 July 2025.

#### Issue of Bond

In 2024, the Board approved the issue of the unlisted and unsecured bonds (the “**Bonds**”) in the aggregate principal amount of not more than HK\$200 million in one or more series. As of 30 June 2025, the Company issued the Bonds (i) with principal amount of HK\$27,000,000 which bears interest at 6% per annum and due in November 2032 (unless otherwise extended for a further term of 24 months at the sole discretion of the Company); and (ii) with principal amount of HK\$50,000,000 which bears interest at 8% per annum and due in April 2026 (unless otherwise extended for a further term of 12 months at the sole discretion of the Company).

#### Rights Issue

On 23 July 2024, upon completion of the rights issue on the basis of two (2) rights shares for one (1) adjusted share held on 26 June 2024 at a subscription price of HK\$0.26 per rights share, the Company allotted and issued 1,014,300,462 rights shares and raised the net proceeds of approximately HK\$258.6 million (the “**Net Proceeds**”). As disclosed in 2024 annual report of the Company (“**2024 Annual Report**”), in order to address the shortfall arising from the re-financing facilities, the management of the Group proposed to reallocate HK\$80 million, part of the then unutilized portion of the Net Proceeds raised for repayment of outstanding borrowing in 2025. Save as disclosed in 2024 Annual Report, there are no other changes in the use of Net Proceeds. As of 30 June 2025, the Net Proceeds have been fully utilized as shown below.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### CAPITAL STRUCTURE (continued)

As at 30 June 2025, the Net Proceeds had been applied as follows:

Use of Net Proceeds	Proposed use of Net Proceeds as disclosed in the Prospectus HK\$'000	Unutilised Net Proceeds as at 31 December 2024 HK\$'000	Proposed use of the unutilised Net Proceeds in 2025 HK\$'000	Actual use of Net Proceeds as at 30 June 2025 HK\$'000
Maintenance, renovation and upgrade of facilities in Jeju Shinhwa World	80,100	44,406	17,119	52,813
Water supply construction for the development of Jeju Shinhwa World	19,900	19,900	-	-
Development of the Resort Business and the Gaming Business of the Group such as service enhancement, supply chain management, human resources development as well as sales and marketing activities	73,000	28,839	-	44,161
Interest expense	50,000	3,974	-	46,026
General working capital of the Company	35,600	-	-	35,600
Bank loan repayment	-	-	80,000	80,000
Total	<u>258,600</u>	<u>97,119</u>	<u>97,119</u>	<u>258,600</u>

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### CAPITAL COMMITMENTS

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

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Contracted, but not provided for:		
Properties under development	<b><u>60,238</u></b>	<b><u>53,447</u></b>

Save as disclosed above, the Group did not have any material capital commitments.

### CONTINGENT LIABILITY

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

### PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to certain banks to secure general banking facilities payable granted to the Group:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Property, plant and equipment	<b>1,888,320</b>	1,408,989
Investment properties	<b>149,083</b>	132,075
Properties under development	<b>99,916</b>	91,563
Completed properties for sale	<b><u>266,342</u></b>	<b><u>160,094</u></b>

Save as disclosed above, the Group did not have any material charges on assets.

### SEGMENT INFORMATION

Details of segment information of the Group for the Period are set out in note 4 to the interim financial information.

### CASH FLOW MANAGEMENT AND LIQUIDITY RISK

The Group's objective regarding cash flow management is to maintain a balance between continuity of funding and flexibility through a combination of internal resources, bank borrowings, and other debt or equity securities, as appropriate. The Group pays close attention to the present financial and liquidity position, and will continue to maintain a reasonable liquidity buffer to ensure sufficient funds are available to meet liquidity requirements at all times.



## **MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

### **CURRENCY AND INTEREST RATE STRUCTURE**

Business transactions of the Group are mainly denominated in HKD, KRW and USD. Currently, the Group has not entered into any agreement to hedge against foreign exchange risk. As the Group's revenue and expenses are mainly derived and incurred in KRW in Korea, there is no material potential currency exposure. However, in view of the fluctuation of KRW and USD in recent years, the Group will continue to monitor the situation closely and will introduce suitable measures as and when appropriate.

The Group's exposure to interest rate risk results from fluctuations in interest rate. As the Group's bank borrowing consists of floating rate debt obligation, an increase in interest rate would raise the interest expenses. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of the debt obligation. On 30 June 2025, the Group had outstanding bank borrowing that bear floating interest linked to the Korea Certificate of Deposit rate ("CD rate"). Currently, the Group does not hold any derivative financial instrument that linked to interest rates. In view of the trend of the CD rate, the Group continues to monitor closely its exposure to interest rate risk and may deploy derivative financial instruments to hedge against risk, if appropriate.

### **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2025, the Group had approximately 1,543 (31 December 2024: approximately 1,558) employees with total staff costs (including directors' remuneration) amounting to approximately HK\$251,805,000 (Six months ended 30 June 2024: approximately HK\$263,912,000) including management and administrative staff. The employees were mainly stationed in South Korea and Hong Kong. The remuneration, promotion and salary increment of employees are assessed according to the individual performance, as well as professional and working experience, and in accordance with prevailing industry practices. The Group also offers a variety of training schemes to its employees.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### CASH INCIDENT

As previously disclosed, the Group reported to Jeju Special Self-Governing Provincial Police Agency of Korea (the “**Jeju Police**”) in Jeju, South Korea in early January 2021 in relation to the missing fund of approximately KRW14,555,000,000 (equivalent to approximately HK\$103,713,000) cash (the “**Incident**”). Since the employee-in-charge of the missing fund (the “**Primary Suspect**”) was apprehended and extradited to South Korea in November 2024, the investigation has been resumed. The criminal trial for the Primary Suspect commenced in February 2025 and the Jeju District Court has yet to pronounce the judgement, pending the investigation of the co-conspirator(s). As at 30 June 2025, KRW13,400,000,000 (equivalent to approximately HK\$77,024,000) cash found has been retained by the Jeju Police until the investigation process is completed and a court decision is made. To the best knowledge of the Board, none of the suspect is or is related to, any director of the Company. Loss incurred by the Incident in an amount of approximately HK\$28,961,000 was recorded in the consolidated statement of profit or loss of the Group for the year ended 31 December 2020. As the investigation is not expected to be concluded within a year, the cash found amounting to approximately KRW10,150,000,000 (equivalent to HK\$58,343,000) has been classified as a non-current asset as at 30 June 2025. Save for the aforesaid, there was no further adjustment or loss made for the Period.

### EVENTS AFTER THE REPORTING PERIOD

#### Issue of Shares Under the General Mandate

Subsequent to the reporting period, the Company completed the Placing involving the allotment and issuance of 304,290,000 ordinary shares on 15 July 2025. The net proceeds from the Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK\$35,434,000 will be used for (i) the payment of bank interest expenses; (ii) the upgrade of information systems and other operating technologies; (iii) sales and marketing expenses; and (iv) operating expenses. Further details are set out in the sub-section headed “Placing of New Shares” herein this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### EVENTS AFTER THE REPORTING PERIOD (continued)

#### Proposed Rights Issue

On 25 July 2025, the Company announced a proposed rights issue on the basis of one rights share for every one share of the Company held on the record date at the subscription price of HK\$0.10 per rights share (the “**Rights Issue**”). Pursuant to the underwriting agreement entered into between the Company and the underwriter, the proposed Rights Issue is underwritten on a best-effort and non-fully underwritten basis. Assuming full acceptance by the qualifying shareholders, the estimated gross proceeds from the Rights Issue will be approximately HK\$182.57 million. As the proposed Rights Issue is subject to approval of the independent shareholders of the Company at the special general meeting of the Company to be held on 16 September 2025 and the proposed Rights Issue is conditional upon, among others, the underwriting agreement having become unconditional and the underwriter not having terminated the underwriting agreement, the proposed Rights Issue may or may not proceed. Details of the proposed Rights Issue are set out in the announcement of the Company dated 25 July 2025 and the circular of the Company dated 22 August 2025.

Save as disclosed above, there were no other significant events subsequent to 30 June 2025 which would materially affect the Group’s operating and financial performance as of the date of this announcement.

## **OTHER INFORMATION**

### **EXTRACT OF INDEPENDENT REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION**

The following is an extract of report on interim financial information by the Group's independent auditor:

#### **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.

#### **Emphasis of matter – the Group's cash incident**

We draw attention to note 17 to the interim financial information, which describes the Group's cash incident (the “**Cash Incident**”). As at 30 June 2025, KRW13,400,000,000 (equivalent to HK\$77,024,000) of cash has been seized and retained by the Jeju Special Self-Governing Provincial Police Agency of Korea. Our opinion is not modified in respect of this matter.

#### **DIVIDEND**

The Board resolved not to declare an interim dividend for the Period (Six months ended 30 June 2024: Nil).

#### **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

There was no purchase, sale or redemption of any of listed securities of the Company by the Company or any of its subsidiaries during the Period.

#### **CORPORATE GOVERNANCE**

Throughout the Period, the Company has applied the principles and adopted and complied with all the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, except that Mr. Shek Lai Him Abraham, an independent non-executive Director, was unable to attend the annual general meeting of the Company held on 18 June 2025 since he had other business engagement, which deviated from code provision F.2.2.

## **OTHER INFORMATION (continued)**

### **BYE-LAWS**

The Company's Bye-Laws (in both English and Chinese) are available on both the websites of the Company and the Stock Exchange. During the Period, there is no change to the Company's constitutional documents.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its model code for securities transactions by the Directors. Following a specific enquiry to all Directors by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Period.

### **AUDIT COMMITTEE REVIEW**

As at the date of this announcement, the Audit Committee comprises of three independent non-executive Directors, namely Mr. Li Chun Kei (Committee Chairman), Mr. Shek Lai Him Abraham and Mr. Du Peng. The unaudited interim financial information for the Period has been reviewed by the Audit Committee and the Company's independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. The Audit Committee has also reviewed with the management in relation to the accounting principles and practices adopted by the Group and has discussed auditing, risk management, internal control, and financial reporting matters.

### **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the websites of the Company ([www.shw.com.hk](http://www.shw.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2025 interim report containing all the information required by the Listing Rules will be published on the websites of the Company and Stock Exchange and dispatched to the Shareholders in due course.

By order of the Board  
**Shin Hwa World Limited**  
**Chan Mee Sze**  
*Acting Chairperson and Executive Director*

Hong Kong, 28 August 2025

*As at the date of this announcement, the Board comprises Ms. Chan Mee Sze (Acting Chairperson), Dr. Wong Hoi Po and Mr. Huang Wei as executive Directors and Mr. Li Chun Kei, Mr. Shek Lai Him Abraham and Mr. Du Peng as independent non-executive Directors.*

*In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*