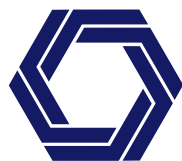


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沪港联合

HONG KONG SHANGHAI ALLIANCE HOLDINGS LIMITED

滬港聯合控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2025**

The board of directors (the “Board”) of Hong Kong Shanghai Alliance Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30th September 2025 (the “Period”).

FINANCIAL HIGHLIGHTS

For the six months ended 30th September 2025

	2025	2024	Change
	HK\$ million	HK\$ million	
Revenue	1,022.8	989.7	+3.3%
Gross profit	167.1	168.2	-0.6%
Operating profit	87.1	84.5	+3.1%
Profit for the period	50.4	50.1	+0.6%
Profit attributable to owners of the Company	52.9	54.9	-3.7%
Basic earnings per ordinary share (HK cents)	8.31	8.60	-3.4%
Interim dividend per ordinary share (HK cents)	2.00	1.80	+11.1%
Gross profit margin	16.3%	17.0%	-0.7 p.p.
Operating profit margin	8.5%	8.5%	No change
Net profit margin	4.9%	5.1%	-0.2 p.p.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2025

		Six months ended	
		30th September	
		2025	2024
		HK\$'000	HK\$'000
	<i>Note</i>	(Unaudited)	(Unaudited)
Revenue	4	1,022,822	989,740
Cost of sales	6	(855,700)	(821,579)
Gross profit		167,122	168,161
Other gains – net	5	653	2,862
Selling and distribution expenses	6	(6,797)	(8,989)
Provision for impairment loss on financial assets – net	6	(445)	(1,211)
General and administrative expenses	6	(73,397)	(67,627)
Net fair value loss on an investment property		—	(8,648)
Operating profit		87,136	84,548
Finance income	7	771	297
Finance costs	7	(24,934)	(37,983)
Share of results of investments accounted for using the equity method		(8,871)	(13,032)
Profit before income tax		54,102	33,830
Income tax (expense)/credit	8	(3,671)	16,309
Profit for the period		50,431	50,139
Profit attributable to:			
– Owners of the Company	10	52,870	54,899
– Non-controlling interests		(2,439)	(4,760)
		50,431	50,139
Earnings per ordinary share attributable to owners of the Company for the period			
– Basic earnings per ordinary share	10	HK8.31 cents	HK8.60 cents
– Diluted earnings per ordinary share	10	HK8.31 cents	HK8.60 cents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2025

	Six months ended	
	30th September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	50,431	50,139
Other comprehensive income:		
<i>Item that may be reclassified to profit or loss:</i>		
Currency translation differences	26,030	38,664
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of financial assets at fair value through other comprehensive income	264	238
Other comprehensive income for the period	26,294	38,902
Total comprehensive income for the period	76,725	89,041
Total comprehensive income/(loss) for the period attributable to:		
– Owners of the Company	76,908	89,851
– Non-controlling interests	(183)	(810)
	76,725	89,041

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2025

		As at 30th September 2025 <i>HK\$'000</i> (Unaudited)	As at 31st March 2025 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		35,120	36,229
Investment properties		1,270,158	1,246,853
Right-of-use assets		12,715	20,285
Investments accounted for using the equity method	11	270,163	267,402
Prepayments, deposits and receivables		5,788	23,938
Deferred income tax assets		43,265	45,103
Financial assets at fair value through profit or loss		2,901	2,901
Financial assets at fair value through other comprehensive income		2,511	2,247
Total non-current assets		1,642,621	1,644,958
Current assets			
Prepayments, deposits and other receivables		63,643	35,471
Inventories		276,549	342,883
Trade and bill receivables	12	334,920	352,399
Pledged bank deposits		814	687
Cash and cash equivalents		201,262	178,980
Total current assets		877,188	910,420
Total assets		2,519,809	2,555,378

		As at 30th September 2025 <i>HK\$'000</i> (Unaudited)	As at 31st March 2025 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		63,650	63,650
Reserves		1,003,886	936,526
		1,067,536	1,000,176
Non-controlling interests		95,435	93,825
Total equity		1,162,971	1,094,001
Liabilities			
Non-current liabilities			
Accrued liabilities and other payables		7,598	9,066
Deferred income tax liabilities		82,180	80,679
Borrowings	14	313,171	315,836
Lease liabilities		280	2,054
Total non-current liabilities		403,229	407,635
Current liabilities			
Trade and bill payables	13	19,304	58,366
Liabilities under supplier finance arrangements		33,713	25,798
Contract liabilities		96,037	78,544
Accrued liabilities and other payables		52,587	64,597
Provisions		3,696	2,722
Current income tax liabilities		10,659	9,640
Borrowings	14	732,819	806,781
Lease liabilities		4,794	7,294
Total current liabilities		953,609	1,053,742
Total liabilities		1,356,838	1,461,377
Total equity and liabilities		2,519,809	2,555,378

NOTES

1 General information

The Company is a limited liability company incorporated in Bermuda on 12th January 1994 as an exempted company under the Companies Act 1981 of Bermuda (as amended). The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 18th February 1994. The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong is located at Rooms 1103-05, 11th Floor, East Town Building, 41 Lockhart Road, Wanchai, Hong Kong.

The Group is principally engaged in distribution and processing of construction materials such as steel products; trading of sanitary wares and kitchen cabinets; and property investment and fund management businesses.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollar (“HK\$”), unless otherwise stated. This unaudited condensed consolidated interim financial information has been approved for issue on 27th November 2025 by the Board.

This condensed consolidated interim financial information has not been audited.

2 Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30th September 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This unaudited condensed consolidated interim financial information should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31st March 2025, which have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. They have been prepared under the historical cost convention, as modified by financial assets/liabilities (including derivative financial instruments) at fair value through profit or loss and other comprehensive income and investment properties, which are carried at fair values.

2.1 Going concern basis

As at 30th September 2025, the Group's current liabilities exceeded its current assets by approximately HK\$76.4 million while the Group's cash and cash equivalents amounted to approximately HK\$201.3 million. In view of such circumstances, the directors of the Company (the "Directors") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken by the Group to mitigate the liquidity pressure and to improve its financial position which include, but not limited to, the following:

- As at 30th September 2025, the Group had unutilised banking facilities of HK\$1,065.3 million and utilised banking facilities of HK\$1,173.4 million that are subject to standard annual review process by the banks. Management maintains on-going communication with the relevant banks, and these facilities are under normal utilisation in accordance with their terms and conditions. In the opinion of the Directors, these banking facilities will continue to be available to the Group and the Group will be successful in agreeing with the banks on terms as requested for supporting its operation for the next twelve months from 30th September 2025; and
- During the Period, the Group had successfully negotiated with various banks to increase the amount of credit facilities, including to provide revolving facilities sub-limit for managing short-term liquidity needs and/or to provide more flexible instalment payment term so as to match with the needs of the Group's business model.

The Directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 30th September 2025. They are of the opinion that, taking into account of the anticipated cash flow generated from the Group's operations, the possible changes in its operating performance, the availability of the Group's bank borrowings as well as the Group's ability to draw down from its existing banking facilities, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30th September 2025. Accordingly, the Directors consider that it is appropriate to prepare the Group's unaudited condensed consolidated interim financial information on a going concern basis.

3 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements of the Company for the year ended 31st March 2025 as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1 Adoption of new accounting policy in the Period

(a) Amendments to existing standards adopted by the Group

The following amendments to existing standards are mandatory for the first time for the financial year beginning on 1st April 2025 and have been adopted by the Group:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The above newly adopted amendments to existing standards did not have any material impact on the results and financial position of the Group.

(b) New standards, amendments to existing standards and interpretations not yet adopted by the Group

The following new standards, amendments to existing standards and interpretations have been issued but are not effective for the financial year beginning on 1st April 2025 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1st January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1st January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1st January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1st January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1st January 2027
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1st January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new standards, amendments to existing standards and interpretations when they become effective. The Group is in the process of assessing the impact of adoption of such new standards, amendments to existing standards and interpretations on the results and financial position of the Group.

4 Revenue and segment information

The Group's revenue consists of the following:

	Six months ended 30th September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Recognised at a point in time - sales of goods	983,752	947,568
Recognised over time - service income	17,900	18,343
Rental income	21,170	23,829
Total revenue	<u>1,022,822</u>	<u>989,740</u>

The Group's businesses are managed according to the nature of their operations and the products and services they provide.

Management has determined the operating segments based on the reports reviewed by the Group's Chief Operating Decision Maker ("CODM") that are used to make strategic decisions. The CODM is identified as the Executive Directors who consider the business from a customer perspective and assess the performance of the operating segments based on the segment revenue and segment results for the purposes of allocating resources and assessing performance. The CODM considers the Group operates predominantly in three operating segments:

- (i) Steels Distribution and Processing Business;
- (ii) Building Products Distribution Business; and
- (iii) Property Investment and Fund Management Business.

The CODM assesses the performance of operating segments based on a measure of profit before income tax.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in this unaudited condensed consolidated interim financial information.

Segment assets by geographical market consist primarily of property, plant and equipment, investment properties, right-of-use assets, investments accounted for using the equity method, prepayments, deposits and other receivables. They exclude financial instruments and deferred income tax assets.

Capital expenditure comprises additions to property, plant and equipment for the six months ended 30th September 2025 and 2024.

Analysis of the Group's results by business segment for the six months ended 30th September 2025 is as follows:

	Unaudited				
	Steels Distribution and Processing Business HK\$'000	Building Products Distribution Business HK\$'000	Property Investment and Fund Management Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Revenue from contracts with customers					
– Recognised at a point in time	838,823	144,929	—	—	983,752
– Recognised over time and rental income	6	—	39,064	—	39,070
	838,829	144,929	39,064	—	1,022,822
Cost of sales	(743,863)	(111,837)	—	—	(855,700)
Operating profit/(loss)	80,021	8,815	22,366	(24,066)	87,136
Finance income	59	52	658	2	771
Finance costs	(16,780)	(1,624)	(6,484)	(46)	(24,934)
Share of results of investments accounted for using the equity method	—	—	(8,871)	—	(8,871)
Profit/(loss) before income tax	63,300	7,243	7,669	(24,110)	54,102
Other (losses)/gains – net	(1,026)	448	643	588	653
Capital expenditure	189	2,026	20	328	2,563
Depreciation and amortisation	(2,502)	(2,476)	(580)	(5,790)	(11,348)
Provision for impairment loss on financial asset - net	—	(445)	—	—	(445)

Analysis of the Group's results by business segment for the six months ended 30th September 2024 is as follows:

	Unaudited				
	Steels Distribution and Processing Business <i>HK\$'000</i>	Building Products Distribution Business <i>HK\$'000</i>	Property Investment and Fund Management Business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from contracts with customers					
– Recognised at a point in time	780,966	166,602	—	—	947,568
– Recognised over time and rental income	6	—	42,166	—	42,172
	<u>780,972</u>	<u>166,602</u>	<u>42,166</u>	<u>—</u>	<u>989,740</u>
Cost of sales	(697,683)	(123,896)	—	—	(821,579)
Operating profit/(loss)	70,095	15,626	18,080	(19,253)	84,548
Finance income	74	45	174	4	297
Finance costs	(25,120)	(2,709)	(9,704)	(450)	(37,983)
Share of results of investments accounted for using the equity method	—	—	(13,032)	—	(13,032)
Profit/(loss) before income tax	<u>45,049</u>	<u>12,962</u>	<u>(4,482)</u>	<u>(19,699)</u>	<u>33,830</u>
Other gains – net	1,686	153	172	851	2,862
Net fair value loss on an investment property	—	—	(8,648)	—	(8,648)
Capital expenditure	818	75	141	1,897	2,931
Depreciation and amortisation	(2,502)	(2,670)	(581)	(8,221)	(13,974)
Provision for impairment loss on financial asset - net	<u>—</u>	<u>(1,211)</u>	<u>—</u>	<u>—</u>	<u>(1,211)</u>

For total selling and distribution cost, 6.5% (2024: 6.3%), 79.4% (2024: 84.6%) and 12.7% (2024: 7.8%) are contributed by segment of Steels Distribution and Processing Business, Building Products Distribution Business, and Property Investment and Fund Management Business, respectively. For total administrative expenses, 18.2% (2024: 20.8%), 26.2% (2024: 28.5%) and 22.3% (2024: 21.7%) are contributed by segment of Steels Distribution and Processing Business, Building Products Distribution Business, and Property Investment and Fund Management Business, respectively.

The Group's main business is domiciled in Hong Kong and Chinese Mainland. Analysis of the Group's revenue by geographical market is as follows:

	Six months ended 30th September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue		
Hong Kong	787,256	741,438
Chinese Mainland	235,566	248,302
Total revenue	<u>1,022,822</u>	<u>989,740</u>

Non-current assets, other than financial instruments and deferred income tax assets, by geographical market are as follows:

	As at	As at
	30th September	31st March
	2025	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Non-current assets		
Hong Kong	315,448	338,508
Chinese Mainland	1,278,496	1,256,199
Total non-current assets	<u>1,593,944</u>	<u>1,594,707</u>

5 Other gains - net

	Six months ended 30th September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net exchange (losses)/gains	(1,169)	220
Sundry income	1,822	2,642
	<u>653</u>	<u>2,862</u>

6 Expenses by nature

	Six months ended 30th September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Cost of finished goods sold	785,703	754,950
Reversal of written down of inventories	(775)	(85)
Provision for onerous contracts	974	3,134
Depreciation of property, plant and equipment	3,778	3,942
Depreciation of right-of-use assets	7,570	10,032
Gain on disposals of property, plant and equipment	—	(115)
Employee benefit expenses	65,997	53,376
Legal and professional fees	2,819	2,199
Storage and handling charges	4,555	4,395
Expenses relating to short-term or low-value leases	3,259	1,195
Provision for impairment of trade and bill receivables – net	445	1,211
Freight charges	42,007	43,036
Others	20,007	22,136
Total	<u>936,339</u>	<u>899,406</u>

7 Finance income and costs

	Six months ended 30th September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Finance income		
Interest income:		
– short-term bank deposits	<u>771</u>	<u>297</u>
Finance costs		
Interest expenses:		
– borrowings and hire purchase liabilities	(22,556)	(34,409)
– lease liabilities	(224)	(800)
Bank charges	<u>(2,154)</u>	<u>(2,774)</u>
	<u>(24,934)</u>	<u>(37,983)</u>
Net finance costs	<u>(24,163)</u>	<u>(37,686)</u>

8 Income tax expense/(credit)

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.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: Same) except for one of the Hong Kong incorporated subsidiaries which is subject to 8.25% for its first HK\$2,000,000 of assessable profits under the two-tiered profit tax regime during the Period (2024: Same). Subsidiaries established in Chinese Mainland are subject to China corporate income tax at 25% (2024: Same).

The amount of income tax expense/(credit) recorded in the unaudited condensed consolidated interim income statement represents:

	Six months ended 30th September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current income tax		
– Hong Kong Profits Tax	1,335	2,299
– China corporate income tax	451	233
Deferred income tax	1,885	(18,841)
	<u>3,671</u>	<u>(16,309)</u>

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

9 Dividends

An interim dividend of HK2.00 cents (2024: HK1.80 cents) per ordinary share was declared by the Board on 27th November 2025, totalling approximately HK\$12,730,000. The interim dividend has not been recognised as a liability in this unaudited condensed consolidated interim financial information. It will be recognised in equity in the year ending 31st March 2026.

A final dividend in respect of the year ended 31st March 2025 of HK1.50 cents per ordinary share was approved at the annual general meeting of the Company held on 22nd August 2025 and paid on 12th September 2025.

10 Earnings per ordinary share

(a) Basic

Basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Period.

	Six months ended 30th September	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (HK\$'000)	52,870	54,899
Weighted average number of ordinary shares in issue ('000)	636,508	638,226
Basic earnings per ordinary share (HK cents)	8.31	8.60

(b) Diluted

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended 30th September 2025, the Group did not have any potentially dilutive ordinary shares.

For the six months ended 30th September 2024, the Group has one category of potentially dilutive ordinary shares - share options issued by the Company. The computation of diluted earnings per ordinary share for the six months ended 30th September 2024 did not assume the exercise of the Company's share options because the exercise prices of these options were higher than the average market price for ordinary shares. Thus, there were no potentially dilutive ordinary shares as at the period end of 30th September 2024.

Diluted earnings per ordinary share were equal to basic earnings per ordinary share for the six months ended 30th September 2025 and 2024.

11 Investments accounted for using the equity method

The movements of interests in an associate and a joint venture are as follows:

	Six months ended 30th September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
At beginning of period	267,402	281,176
Share of loss of investments accounted for using the equity method	(8,871)	(13,032)
Contributions	4,043	5,125
Currency translation differences	7,589	7,173
At end of period	270,163	280,442

12 Trade and bill receivables

Sales are either covered by letters of credit or open account with credit terms of 0 to 90 days.

Ageing analysis of trade and bill receivables by invoice date is as follows:

	As at 30th September 2025 <i>HK\$'000</i> (Unaudited)	As at 31st March 2025 <i>HK\$'000</i> (Audited)
0 - 60 days	246,469	240,431
61 - 120 days	36,797	57,189
121 - 180 days	6,175	17,253
181 - 365 days	20,442	31,249
Over 365 days	43,542	32,714
	<hr/>	<hr/>
	353,425	378,836
Less: Provision for impairment	(18,505)	(17,810)
	<hr/>	<hr/>
	334,920	361,026
	<hr/>	<hr/>

The carrying amounts of net trade and bill receivables approximated their fair values.

13 Trade and bill payables

Payment terms with suppliers are either on letters of credit or open account with credit period of 30 to 60 days.

Ageing analysis of the trade and bill payables by invoice date is as follows:

	As at 30th September 2025 <i>HK\$'000</i> (Unaudited)	As at 31st March 2025 <i>HK\$'000</i> (Audited)
0 - 60 days	17,460	58,167
61 - 120 days	1,661	137
121 - 180 days	58	—
181 - 365 days	108	—
Over 365 days	17	62
	<hr/>	<hr/>
	19,304	58,366
	<hr/>	<hr/>

The carrying amounts of trade and bill payables approximated their fair values.

14 Borrowings

	As at 30th September 2025 <i>HK\$'000</i> (Unaudited)	As at 31st March 2025 <i>HK\$'000</i> (Audited)
Current		
– Trust receipts bank loans	636,944	691,183
– Short-term bank loans	84,750	95,058
– Current portion of long-term bank loans, secured	5,994	15,301
– Current portion of hire purchase liabilities, secured	1,708	1,669
– Other loans	3,423	3,570
	<u>732,819</u>	<u>806,781</u>
Non-current		
– Long-term bank loans, secured	311,740	311,905
– Hire purchase liabilities, secured	1,431	2,294
– Other loan	—	1,637
	<u>313,171</u>	<u>315,836</u>
Total borrowings	<u><u>1,045,990</u></u>	<u><u>1,122,617</u></u>

15 Commitments

(a) Commitments under operating leases

(i) Lessor

The Group leases investment properties under non-cancellable operating lease agreements. The lease agreements are renewable at the end of the lease period at market rate. As at 30th September 2025, the Group had total commitments receivable under various non-cancellable operating lease agreements in respect of rented premises amounted to HK\$24,923,000 (31st March 2025: HK\$26,761,000).

(ii) Lessee

The Group leases various retail outlets, offices, warehouses and sites under non-cancellable operating lease agreements. The majority of lease agreements are renewable at the end of the lease period at market rate. As at 30th September 2025, the Group had total commitments payable under various non-cancellable operating lease agreements in respect of short-term and low-value leases of HK\$190,000 (31st March 2025: HK\$462,000) which will be recognised as an expense in the forthcoming consolidated income statement.

(b) Capital commitments

As at 30th September 2025, the Group had total capital commitment of approximately HK\$134,562,000 (31st March 2025: HK\$102,852,000), mainly includes contracted but not provided for in respect of property, plant and equipment and investment property of approximately HK\$1,074,000 (31st March 2025: HK\$768,000) and commitment in respect of investments accounted for using equity method, if called, of approximately HK\$133,488,000 (31st March 2025: HK\$102,084,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

During the first half of FY2025/26 (the “Period”), macro uncertainties and regional dynamics continued to exert influence on the operating landscape in Hong Kong and Chinese Mainland. On the one hand, geopolitical tensions, changing monetary policies, and supply chain disruptions persisted on a global scale, casting doubts on general investment sentiment and major infrastructure progress in the region; on the other hand, despite the resurgence in economic activity, consumer confidence and the private property market continued to show weakness with subdued transaction performance. These circumstances have led to notable challenges for the Group, which has been keenly serving the regional construction and renovation market.

Nonetheless, the Group was able to successfully navigate the uncertainties and deliver resilient performance with its niche positioning. Supported by its growing industry recognition and the continued rollout of public housing initiatives, the Group saw a surging demand for its off-site prefabricated solutions, leading to a record-high steel processing volume during the Period and financial contributions that were able to offset market headwinds. In Shanghai, despite rising supply and growing competition in the commercial property space, the Group continued to showcase its agile execution and adaptability, refining its leasing strategies and enhancing tenant engagement to maintain satisfactory occupancy rates during the Period. Compounded by ongoing operational improvements and disciplined cost control, the Group has delivered stable profit performance during the Period, further underscoring its adaptability and sustainability through economic cycles.

During the Period, the Group’s revenue recorded a moderate year-on-year increase of 3.3%, rising from approximately HK\$989.7 million to approximately HK\$1,022.8 million. This was mainly attributable to the record-high production output from its value-added Steels Processing Business, which was able to offset the effect of lower average steel prices compared with the same period last year. Gross profit remained broadly stable at approximately HK\$167.1 million (FY2024/25: approximately HK\$168.2 million), with gross profit margin declining slightly from 17.0% to 16.3% due to intensified market competition.

The resilient revenue growth and margin performance, along with prudent cost control, have led to a stable profit level for the Group, with profit for the Period reaching approximately HK\$50.4 million (FY2024/25: approximately HK\$50.1 million). It is important to note that these results were achieved despite the absence of a one-off deferred tax assets recognised during the Period (FY2024/25: approximately HK\$18.8 million), highlighting the significant improvement in underlying performance.

For the Period, basic earnings per ordinary share of the Company was HK8.31 cents, as compared with HK8.60 cents in the same period last year. By considering the stable financial performance, the Board declared the payment of an interim dividend of HK2.00 cents per ordinary share (FY2024/25: HK1.80 cents).

BUSINESS REVIEW

Steels Distribution and Processing Business

Steels Distribution and Processing Business primarily supplies construction and industrial steels in Hong Kong and Chinese Mainland. In addition to its procurement and distribution model, it operates one leading steel reinforcing bar prefabrication yard in Hong Kong, providing customised offsite cut-and-bend services. The prefabricated steel reinforcing bars are ready for immediate use, offering consistent product quality and full traceability, which help reduce on-site labour, enhance safety, and minimise construction waste.

During the Period, the Steels Distribution and Processing Business delivered robust results despite challenging market conditions. While overall delivery volume remained stable, segment revenue increased by 7.4% year-on-year, rising from approximately HK\$781.0 million to approximately HK\$838.8 million. The revenue growth was largely attributable to a record level of steel processing output, reflecting broader market recognition of the Group's value-added offsite prefabricated solutions.

To support the rise in steels processing demand, the Group underwent ongoing process optimisation initiatives, which further enhanced both production capacity and operational efficiency. Along with its effective procurement strategy, expanding economies of scale, and increasing contributions from the value-added processing business, the segment maintained a stable gross profit margin throughout the Period, offsetting the effects of lower average steel prices.

As a result of the substantial increase in business volume from the processing segment, effective cost control measures, and prevailing lower interest rates, profit before income tax of the Steels Distribution and Processing Business increased significantly from approximately HK\$45.0 million to approximately HK\$63.3 million for the Period, representing a year-on-year growth of 40.5%.

During the Period, the Group participated in a number of major projects, including Fanling North New Development Area (Phase 1), Shek Li Street Public Housing Development, Tung Chung Public Housing Development, Pik Wan Road Public Housing Development, and Shatin Water Treatment Plant (South), among others.

Building Products Distribution Business

Building Products Distribution Business represents a comprehensive value proposition for architects and designers. It offers an extensive, well-designed, and popular portfolio of branded sanitary wares, smart toilet solutions, and fitting and kitchenware products, catering to the needs of hotels, residential, shopping malls, airports, and commercial buildings. It strives to provide a full chain of services covering design, installation, logistics, and technical support.

During the Period, the Building Products Distribution Business encountered a challenging operating environment in both Hong Kong and Chinese Mainland. On the retail end, moderate economic growth and growing macro uncertainties have led to diminishing disposable income and consumer confidence, which in turn, contribute to the soft demand within the mid-to-high-end home improvement and renovation sector. On the commercial end, the property market also experienced fewer transactions and delays in new project launches, directly leading to fewer and smaller orders for bathroom and sanitaryware products. Along with the slowdown in public projects, bulk procurement activities were notably impacted.

Consequently, segment revenue declined by 13.0% year-on-year, decreasing from approximately HK\$166.6 million to approximately HK\$144.9 million. Gross profit margin also saw a marginal reduction, primarily as a result of increased price competition and promotional initiatives, as well as a shift in revenue mix towards more competitive market segments. Due to the Group's proactive effort in expanding its brand portfolio with the addition of new brands and new product lines, the associated pre-operating expenses also negatively affected the profit before income tax for the Period. As a result, profit before income tax for the Period similarly declined from approximately HK\$13.0 million to approximately HK\$7.2 million.

Although the Period brought many challenges, the Group remained one of the key players in the market, participating in notable projects including Galaxy Macau, Hotel Jen and Three Pacific Place.

Property Investment and Fund Management Business

As a niche market specialist in asset revitalisation and value optimisation, the Group continues to adopt an “asset-light” strategy for its property investment projects in Shanghai. As at 30th September 2025, the Group manages a total gross floor area (“GFA”) of approximately 161,724 square meters, with assets under management valued at around HK\$8.1 billion. Among the three Central Park projects under management, Central Park • Pudong, wholly-owned by the Group, aims to deliver sustainable rental income and medium-to-long-term capital appreciation. The Group also partners with leading investment funds on two other projects, namely Central Park • Jing'an and Central Park • Huangpu, where it holds equity stakes and acts as a general partner and/or investment manager to earn fee income.

The Shanghai commercial property market remained fiercely competitive during the Period, with weakened demand and an influx of new supply continuing to put pressure on rental yields and tenant retention. Hence, segment revenue reported a decline of 7.4% year-on-year, from approximately HK\$42.2 million to approximately HK\$39.1 million, mainly due to the decrease in average rental income, alongside a reduction in management fee income.

Despite the headwinds, the Group's local team responded with dedication and careful planning - refining leasing strategies, strengthening tenant engagement, and repositioning assets to better align with the latest market demand. These efforts helped stabilise occupancy rates and maintain a steady stream of rental income, even as headline rental levels softened. Notably, Central Park • Huangpu continued to solidify its reputation as a healthcare and innovation hub, attracting reputable tenants with resilient leasing performance.

Excluding the share of loss from associates and fair value loss of investment properties, profit before income tax for the segment recorded a slight decrease of 3.8% year-on-year, from approximately HK\$17.2 million to approximately HK\$16.5 million in the current period. The decline was primarily driven by lower rental income. Nevertheless, the Group made significant progress in cost control, particularly in managing its interest expenses, which helped to mitigate the impact of weakened demand and rental yield pressure.

The share of loss of investments accounted for using the equity method also decreased from approximately HK\$13.0 million to approximately HK\$8.9 million during the Period, primarily due to the diminishing fair value losses on investment properties as compared with the previous period.

OUTLOOK

Looking forward, the Group anticipates that the operating environment will be characterised by ongoing macroeconomic uncertainties and shifting industry dynamics. Factors such as moderated economic growth, weak consumer sentiment persistent, supply chain challenges, and increasing competition are expected to bring further challenges to its key operating segments.

As a response, the Group will closely monitor macro development and stay agile in its strategy and operations. To safeguard its profit margins and promote sustainable development, the Group will also prioritise cost management and operational efficiency, while seeking business transformation opportunities that would strengthen its market competitiveness.

Regarding its Steels Distribution and Processing Business, the Group is considering the addition of more value-added services for the construction industry and upgrade the processing plant with latest automation technology. As for the Building Products Distribution Business, the Group is also seeking new initiatives that would expand its brand portfolio and product offerings, with an increasing emphasis on green building materials and integrated solutions that would cater to the latest consumer demand.

On its Property Investment and Fund Management Business, as the Shanghai property market is expected to remain subdued in the near term, the Group will maintain its focus on elevating service quality and strengthening its role as an industry hub operator, aiming to maintain occupancy rates through distinctive tenant experiences. By cultivating a more engaged tenant community, the Group also believes that it can be more effective than the traditional landlord-tenant model in generating stable lease income.

Throughout the years, the Group has remained dedicated to agility, innovation, and operational excellence. Through proactive planning and comprehensive transformation across all lines of business, the Group is confident to capitalise on emerging opportunities, and generate sustained value for stakeholders in a complex and evolving environment.

CORPORATE FINANCE AND RISK MANAGEMENT

Financial Position

Compared with the financial year ended 31st March 2025, the Group's total assets decreased from approximately HK\$2,555.4 million to approximately HK\$2,519.8 million as at 30th September 2025, mainly as a result of the reduction in working capital. In breakdown, the Group's inventories decreased from approximately HK\$342.9 million to approximately HK\$276.5 million, with the average inventory days of supply decreasing from 75 days to 66 days. The Group's trade and bill receivables decreased from approximately HK\$361.0 million to approximately HK\$334.9 million, with the average overall days of sales outstanding decreasing from 52 days to 46 days. Net asset value of the Group increased to approximately HK\$1,163.0 million, mainly attributable to profit for the Period and the translation difference arisen from the appreciation of Renminbi ("RMB") for the Group's net investments in Chinese Mainland. Net asset value per ordinary share was equivalent to approximately HK\$1.68 as at 30th September 2025.

Compared with the financial position as at 31st March 2025, the Group's cash and cash equivalents and pledged bank deposits increased from approximately HK\$179.7 million to approximately HK\$202.1 million. The Group's borrowings decreased by approximately HK\$76.6 million to approximately HK\$1,046.0 million as at 30th September 2025. Gearing ratio (net debt, which is total borrowings minus pledged bank deposits and cash and cash equivalents, divided by capital and reserves attributable to owners of the Company plus net debt) decreased from 48.5% to 44.2%.

In terms of liquidity, the Group's current ratio further improved from 0.86 to 0.92. During the Period, the Group utilised its excessive cash to repay certain short-term bank borrowing with relatively high interest rates, and was able to renegotiate existing credit facilities at more favorable interest rates and terms to reduce short-term commitments. In the opinion of the Directors, after due and careful consideration of the internally generated funds and banking facilities presently available to the Group, the Group has sufficient financial resources to meet its liabilities as they fall due, and is able to carry on its business without significant disruption.

The Group will continue to closely monitor the turnover of its working capital and take various cost containment and efficiency enhancement measures to strengthen its liquidity.

Financial Resources

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group's overall treasury and funding policies focus on managing financial risks including interest rate and foreign exchange risks; cost-efficient funding of the Company and its subsidiaries; and yield enhancement from time to time when the Group's cash position allows. The Group has always adhered to prudent financial management principles, including the selection of appropriate security investments according to the Group's treasury investment policy.

The Group's trade financing remained primarily supported by its bank trading and revolving facilities for its Steels Distribution and Processing Business and Building Products Distribution Business, as well as term loans for its Property Investment and Fund Management Business. As at 30th September 2025, about 64.7% of the Group's interest-bearing borrowings were denominated in HK dollar and about 35.3% in RMB. These facilities are either secured by pledged bank deposits and/or corporate guarantees provided by the Company or the Group's machineries and investment properties. All of the above borrowings were on a floating rate basis. Interest costs were levied on interbank offered rates plus a very competitive margin. RMB loans of the Group have been obtained from domestic and foreign banks in the amount of RMB338.6 million. Interest costs of RMB banking facilities were based on Loan Prime Rate adjusted with competitive margins. The maturity of the Group's borrowings as at 30th September 2025 was as follows:

Maturity Profile

Within 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total
70.1%	2.7%	10.2%	17.0%	100.0%

Charges on Assets

As at 30th September 2025, the Group had certain charges on assets which included (i) bank deposits of approximately HK\$0.8 million (31st March 2025: approximately HK\$0.7 million), which were pledged as collateral for the Group's bill payables; (ii) investment properties of approximately HK\$1,269.9 million (31st March 2025: approximately HK\$1,246.6 million), which were pledged as collaterals for certain bank borrowings of the Group; and (iii) machineries of approximately HK\$7.3 million (31st March 2025: approximately HK\$7.8 million), which was included in property, plant and equipment, and was used to secure the Group's hire purchase liabilities.

Foreign Exchange Risk

The Group's businesses are primarily transacted in HK dollars, US dollars, and RMB. As the exchange rate between HK dollars and US dollars is pegged, the Group believes its exposure to exchange rate risk arising from US dollars is not material. Facing the volatility of RMB, the Group will, among others, continue to match RMB payments with RMB receipts to minimise realised exchange exposure.

Forward foreign exchange contracts would be entered into when suitable opportunities arise and when management of the Group considers appropriate, in order to hedge against major non-HK dollar currency exposures. It is the Group's policy not to enter into any derivative transaction for speculative purposes.

Capital Expenditure

During the Period, the Group's total capital expenditure amounted to approximately HK\$2.6 million (30th September 2024: approximately HK\$2.9 million), which was primarily financed through cash generated from operating activities.

Capital Commitments

As at 30th September 2025, the Group's total capital commitments amounted to approximately HK\$134.6 million (31st March 2025: approximately HK\$102.9 million).

Contingent Liabilities

As at 30th September 2025, the Group had no material contingent liabilities (31st March 2025: Same).

Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the Period (30th September 2024: Same).

HUMAN RESOURCES

The Group puts a strong emphasis on nurturing talents, with its growth strategy built around its strong commitment to people. The Group strives to provide competitive remuneration packages, along with a safe and pleasant working environment with constant learning and growth opportunities, so as to attract and motivate employees.

As at 30th September 2025, the Group employs 258 staff (31st March 2025: 255 staff). Total staff costs during the Period, including the contribution to retirement benefit schemes, amounted to approximately HK\$66.0 million (30th September 2024: approximately: HK\$53.4 million). During the Period, no option has been offered and/or granted to its directors and employees under the share option scheme adopted by the Company.

DIVIDEND

The Board has declared an interim dividend of HK2.00 cents per ordinary share for the six months ended 30th September 2025 (30th September 2024: HK1.80 cents per ordinary share). The interim dividend will be payable on Thursday, 8th January 2026 to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 19th December 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 17th December 2025 to Friday, 19th December 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 16th December 2025.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed and discussed auditing, internal controls, risk management and financial reporting matters including review of the results for the six months ended 30th September 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Period, the Company has applied the principles of, and complied with, the applicable code provisions set out in the section headed “Part 2 - Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (the “CG Code”) under Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), except for CG Code provision C.1.6 and CG Code provision C.2.1.

CG Code provision C.1.6 stipulates that generally independent non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Li Yinquan was unable to attend the annual general meeting of the Company held on 22nd August 2025 due to his other engagement.

CG Code provision C.2.1 stipulates that the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. However, Mr. Yao Cho Fai Andrew (“Mr. Yao”) serves as both the Chairman and Chief Executive Officer (i.e. Chief Executive). The Board believes that the vesting of the roles of both Chairman and Chief Executive Officer in Mr. Yao will enable him to continue to provide the Group with strong leadership, efficient usage of resources, as well as effective planning, formulation and implementation of the Company’s business strategies. The day-to-day management and operation of the Group will continue to be the responsibility of the management team under the monitoring of the executive committee of the Company and Mr. Yao’s leadership.

CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, as amended from time to time, as its own code of conduct (the “Company’s Model Code”) regarding securities transactions by the Directors. Having made specific enquiry of all the Directors, they all confirmed that they have complied with the required standard set out in the Company’s Model Code during the Period.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Company (www.hkshalliance.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The interim report of the Company for the six months ended 30th September 2025 will be despatched to shareholders of the Company (if requested) and available on the same websites in due course.

On behalf of the Board
Hong Kong Shanghai Alliance Holdings Limited
Yao Cho Fai Andrew
Chairman

Hong Kong, 27th November 2025

As at the date of this announcement, the Board comprises Mr. Yao Cho Fai Andrew and Mr. Lau Chi Chiu (being the executive directors); Ms. Wong Kwai Sun (being the non-executive director), Mr. Yeung Wing Sun Mike, Mr. Li Yinquan and Ms. Cheung Marn Kay (being the independent non-executive directors).