



ART GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 565)

2025 INTERIM REPORT



Corporate Information

BOARD OF DIRECTORS

Mr. Su Peixin (*Chairman*)
Dr. Wong Ho Yin (*Chief Executive Officer*)
Mr. Yao Linying
Mr. Du Zhenluan
(appointed on 28 January 2026)
Mr. Chen Jinyan
(resigned on 23 January 2026)
Mr. Chong Hon Wang*
Ms. Chuang Yin Lam*
Ms. Wang Yuqin*

* *Independent Non-executive Director*

COMPANY SECRETARY

Ms. Yeow Mee Mooi

AUDITOR

Confucius International CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Chinachem Century Tower
178 Gloucester Road
Wan Chai, Hong Kong
Website: <https://artgroup.etnet.com.hk>

REGISTERED OFFICE

P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of Zhengzhou
Bank of China
Hang Seng Bank

SHARE LISTING

The Stock Exchange of Hong Kong Limited
(Stock code: 565)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

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TO THE BOARD OF DIRECTORS OF ART GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements set out on pages 4 to 51, which comprise the condensed consolidated statement of financial position of Art Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 31 December 2025 and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements including material accounting policy information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”), issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

EMPHASIS OF MATTER

We draw attention to note 1 to the condensed consolidated financial statements which indicates that (i) the Group incurred a net loss attributable to the owners of the Company of approximately HK\$65,811,000 for the six months ended 31 December 2025; (ii) as of that date, the Group had net liabilities of approximately HK\$35,710,000 and net current liabilities of approximately HK\$93,074,000. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Management’s arrangements to address the going concern issue are described in note 1 to the condensed consolidated financial statements. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified in respect of this matter.

Confucius International CPA Limited

Certified Public Accountants

Chan Lap Chi

Practising Certificate number: P04084

Hong Kong, 27 February 2026

The board (the “Board”) of directors (the “Directors”) of Art Group Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (together, the “Group”) for the six months ended 31 December 2025 (the “Interim Period”), which were reviewed by the auditor and the audit committee of the Company, together with the comparative figures for the corresponding period in 2024 are as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2025

		Six months ended 31 December	
	NOTES	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited) (restated)
Continuing operations			
Revenue	3	38,173	47,028
Cost of sales		<u>(13,743)</u>	<u>(20,916)</u>
Gross profit		24,430	26,112
Other income and other gain and loss		7,745	6,962
Administrative expenses		(13,761)	(17,295)
(Allowance for expected credit loss)/reversal of allowance for expected credit loss on rental deposits		(38,521)	6,740
(Allowance for expected credit loss)/reversal of allowance for expected credit loss on trade receivables		(96)	3,888
Loss on fair value changes of investment properties	10	(36,703)	(36,058)
Loss on derecognition of investment properties	10	–	(276,087)
Gain on termination of lease	12	–	302,912
Gain on bargain purchase	19	–	10,576
Finance costs	4	<u>(10,881)</u>	<u>(12,951)</u>
(Loss)/profit before taxation		(67,787)	14,799
Income tax credit	5	<u>1,788</u>	<u>11,717</u>
(Loss)/profit for the period from continuing operations	7	(65,999)	26,516
Discontinued operations			
Profit for the period from discontinued operations	6	<u>1,993</u>	<u>138</u>
(Loss)/profit for the period		(64,006)	26,654

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2025

	Six months ended 31 December	
<i>NOTE</i>	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited) (restated)
Other comprehensive expense: <i>Item that will not be reclassified to profit or loss</i>		
Exchange differences on translation from functional currency to presentation currency	(4,566)	(582)
Other comprehensive expense for the period	(4,566)	(582)
Total comprehensive (expense)/income for the period	(68,572)	26,072
(Loss)/profit for the period attributable to:		
Owners of the Company	(65,811)	26,587
Non-controlling interests	1,805	67
	(64,006)	26,654
Total comprehensive (expense)/income for the period attributable to:		
Owners of the Company	(70,389)	26,005
Non-controlling interests	1,817	67
	(68,572)	26,072
(LOSS)/EARNINGS PER SHARE	9	
From continuing and discontinued operations		
Basic (<i>HK cents</i>)	(2.45)	0.99
Diluted (<i>HK cents</i>)	(2.45)	0.99
From continuing operations		
Basic (<i>HK cents</i>)	(2.49)	0.98
Diluted (<i>HK cents</i>)	(2.49)	0.98

Condensed Consolidated Statement of Financial Position

As at 31 December 2025

	<i>NOTES</i>	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		4,944	5,298
Right-of-use assets		4,613	5,481
Investment properties	10	434,222	466,154
Rental deposits		1,191	51,505
Prepaid lease payments		4,700	4,703
		<u>449,670</u>	<u>533,141</u>
CURRENT ASSETS			
Trade and other receivables	11	30,753	19,657
Loan receivables	12	7,464	8,026
Financial assets at fair value through profit or loss	13	911	–
Bank balances and cash		58,344	44,404
		<u>97,472</u>	<u>72,087</u>
CURRENT LIABILITIES			
Other payables	14	96,716	68,732
Contract liabilities		11,364	14,358
Lease liabilities	15	71,124	72,637
Amount due to a substantial shareholder	16	11,342	9,751
Bonds	17	–	10,005
		<u>190,546</u>	<u>175,483</u>
NET CURRENT LIABILITIES		<u>(93,074)</u>	<u>(103,396)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>356,596</u>	<u>429,745</u>

Condensed Consolidated Statement of Financial Position

As at 31 December 2025

	<i>NOTES</i>	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
CAPITAL AND RESERVES			
Share capital	20	26,888	26,888
Reserves		(61,998)	8,391
(Deficit)/equity attributable to owners of the Company		(35,110)	35,279
Non-controlling interests		(600)	(2,750)
TOTAL (DEFICIT)/EQUITY		(35,710)	32,529
NON-CURRENT LIABILITIES			
Lease liabilities	15	361,140	374,743
Deferred tax liabilities	18	20,768	22,473
Bonds	17	10,398	–
		392,306	397,216
		356,596	429,745

Condensed Consolidated Statement of Changes In Equity

For the six months ended 31 December 2025

	Attributable to owners of the Company									
	Share capital	Share premium	Merger reserve	Exchange reserve	Share option reserve	Statutory reserve	Retained profits/ losses	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 July 2024 (audited)	26,888	48,746	136	(93,505)	5,402	1,232	3,163	(7,938)	-	(7,938)
Profit for the period	-	-	-	-	-	-	26,587	26,587	67	26,654
Other comprehensive expense for the period										
- Exchange difference on translation for functional currency to presentation currency	-	-	-	(582)	-	-	-	(582)	-	(582)
Total comprehensive income/(expense) for the period	-	-	-	(582)	-	-	26,587	26,005	67	26,072
Capital injection from a non-controlling interest	-	-	-	-	-	-	-	-	5	5
As at 31 December 2024 (unaudited)	26,888	48,746	136	(94,087)	5,402	1,232	29,750	18,067	72	18,139
As at 1 July 2025 (audited)	26,888	48,746	136	(92,180)	5,402	1,504	44,783	35,279	(2,750)	32,529
Loss for the period	-	-	-	-	-	-	(65,811)	(65,811)	1,805	(64,006)
Other comprehensive expense for the period										
- Exchange difference on translation for functional currency to presentation currency	-	-	-	(4,578)	-	-	-	(4,578)	12	(4,566)
Total comprehensive income/(expense) for the period	-	-	-	(4,578)	-	-	(65,811)	(70,389)	1,817	(68,572)
Capital injection from a non-controlling interest	-	-	-	-	-	-	-	-	333	333
Transfer to statutory reserve	-	-	-	-	-	381	(381)	-	-	-
As at 31 December 2025 (unaudited)	26,888	48,746	136	(96,758)	5,402	1,885	(21,409)	(35,110)	(600)	(35,710)

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2025

		Six months ended 31 December	
		2025	2024
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
NOTES			
	Net cash generated from operating activities	33,506	2,648
	Cash flows from investing activities		
	Purchases of financial assets at fair value through profit or loss	(901)	–
	Purchases of property, plant and equipment	–	(2,603)
	Net cash inflow on acquisition of a subsidiary	–	3,394
	Repayments from loan receivables	800	2,200
	Interest received	12	36
	Net cash (used in)/generated from investing activities	(89)	3,027
	Cash flows from financing activities		
	Advance from a substantial shareholder	2,440	14,424
	Capital injection from a non-controlling interest	333	5
	Repayment to a substantial shareholder	(800)	(5,180)
	Repayments of lease liabilities	(17,384)	(19,075)
	Net cash used in financing activities	(15,411)	(9,826)
	Net increase/(decrease) in cash and cash equivalents	18,006	(4,151)
	Effect of foreign exchange rate changes	(4,066)	(114)
	Cash and cash equivalents at the beginning of the period	44,404	40,239
	Cash and cash equivalents at the end of the period, represented by bank balances and cash	58,344	35,974

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2025

1. BASIS OF PREPARATION

Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Going concern

The directors of the Company have given careful consideration to the going concern status of the Group in light of the fact that (i) the Group incurred a net loss attributable to the owners of the Company of approximately HK\$65,811,000 for the six months ended 31 December 2025; (ii) as of that date, the Group had net liabilities of approximately HK\$35,710,000 and net current liabilities of approximately HK\$93,074,000. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

In order to improve the liquidity of the Group and ensure the Group’s ability to operate as a going concern, the directors of the Company have implemented measures as follows:

After review and assessment by the directors of the Company, as at 31 December 2025, the Group has contract liabilities and receipts in advance in an aggregated amount of HK\$62,008,000, which shall not result in any cash outflow of the Group eventually. Additionally, the Group also has deposits received from tenants of approximately HK\$13,082,000. The directors of the Company are confident that this level of deposits can be sustained in the short term, based on the existing lease agreements with tenants. The directors of the Company will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs. The directors of the Company believe that the Group has sufficient cash operating inflow to cover cash operating outflow, which included lease payments for two shopping malls, namely the Jiachao’s Shopping Mall and the Zone C Shopping Mall, industrial park and office premises in Hong Kong in the next 12 months from the date of this report.

1. BASIS OF PREPARATION *(Continued)*

Going concern *(Continued)*

On the other hand, on 27 August 2025, the Group entered into a lease agreement as the lessee in respect of the lease of four floors of the Longhu Shopping Centre located in Longhu Town, Zhengzhou City, Henan Province, the PRC, from a landlord with a rental period to expire in mid-2035 and with a gross floor area of approximately 62,583 square meters. The lease was conditional on the Company's shareholders' approval at an extraordinary general meeting ("EGM") pursuant to a supplemental lease agreement dated 29 September 2025. Following approval at the EGM on 20 January 2026, the lease became effective that day. The leased property is expected to further enhance the Group's asset operation capabilities and cash flow stability, while providing sustained rental income and ensuring positive cash flow. For details regarding the lease of the Longhu Shopping Centre, please refer to note 24 to the condensed consolidated financial statements and the announcements of the Company dated 29 September 2025, 31 December 2025 and 20 January 2026.

The directors of the Company have reviewed the cash flow projections of the Group prepared by the management covering a period of not less than 12 months from the date of this report taking into account the impact of the above measures. The directors of the Company are confident that the Group has sufficient cash resources to be able to satisfy its future working capital and meet its financial obligations when they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 30 June 2025.

Application of amendments to HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current interim period

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2025 for the preparation of the condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents (i) the lease payments received and receivable in the normal course of business, net of related taxes for the period; and (ii) property management and related services fee received and receivable.

	Six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Revenue from major business services:		
<i>Revenue within the scope of HKFRS 16</i>		
Rental income from leasing of properties	18,167	20,267
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>		
Property management fee income	19,117	25,819
Property management – other related services	889	942
	20,006	26,761
	38,173	47,028
Disaggregated by timing of revenue recognition:		
<i>Over time:</i>		
Property management fee income	19,117	25,819
Property management – other related services	889	942
	20,006	26,761

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Performance obligations for revenue from contracts with customers

Property management fee income

Property management fee income is recognised over the service period. The Group receives monthly property management fee payments from customers one to three months in advance under the contracts. Advance consideration allocated to the properties management services is recognised as a contract liability and is released over the period of services.

Segment information

Information reported to the board of directors, being the chief operating decision maker (the “CODM”), for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For the reporting period, the Group had one operating and reportable segment: the property operating segment (six months ended 31 December 2024: two operating and reportable segments: the property operating segment and the cargo aircraft charter segment). These segments have been identified based on internal management reports prepared in accordance with accounting policies that conform to HKFRSs and are regularly reviewed by the CODM. From a product perspective, management assesses the performance of both segments by considering the contributions of the property operating segment and the cargo aircraft charter segment.

The cargo aircraft charter segment was established by the Group during the last reporting period, to operate and manage certain specified cargo aircraft charter businesses including but not limited to cargo arrangement from Hong Kong to Miami and other locations. Due to the ongoing uncertainties surrounding U.S. tariff policies, which have significantly impacted the global economy and cargo aircraft operations, the Group decided to classify the cargo aircraft charter segment as discontinued operations during the same period. The segment information reported below does not include any amount for discontinued operations, which is described in more details in note 6 to the condensed consolidated financial statements.

Segment information about the continuing operations is presented below:

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment revenue and result

Six months ended 31 December 2025	Property operating HK\$'000
Revenue	<u>38,173</u>
Segment result	(63,690)
Income tax credit	1,788
Loan interest income	238
Unallocated administrative expenses	<u>(4,335)</u>
Loss for the period from continuing operations	<u>(65,999)</u>

**Six months ended
31 December 2025**

*Amounts included in the
measurement of segment
profit or loss*

	Property operating HK\$'000	Unallocated HK\$'000	Total HK\$'000
Bank interest income	4	8	12
Depreciation of property, plant and equipment	(116)	(271)	(387)
Depreciation of right-of-use assets	(97)	(806)	(903)
Interest expenses	(10,438)	(443)	(10,881)
Allowance for expected credit loss on rental deposits	(38,521)	–	(38,521)
Allowance for expected credit loss on trade receivables	<u>(96)</u>	<u>–</u>	<u>(96)</u>

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment revenue and result *(Continued)*

Six months ended 31 December 2024 (restated)	Property operating HK\$'000
Revenue	<u>47,028</u>
Segment result	21,706
Income tax credit	11,717
Loan interest income	946
Unallocated administrative expenses	<u>(7,853)</u>
Profit for the period from continuing operations	<u>26,516</u>

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment revenue and result *(Continued)*

Six months ended 31 December 2024 (restated)	Property operating HK\$'000	Unallocated HK\$'000	Total HK\$'000
<i>Amounts included in the measurement of segment profit or loss</i>			
Bank interest income	14	22	36
Depreciation of property, plant and equipment	(114)	(194)	(308)
Depreciation of right-of-use assets	(96)	(452)	(548)
Gain on bargain purchase	10,576	–	10,576
Gain on termination of lease	302,912	–	302,912
Interest expenses	(12,528)	(423)	(12,951)
Loss on derecognition of investment properties	(276,087)	–	(276,087)
Loss on fair value changes of investment properties	(36,058)	–	(36,058)
Reversal of allowance for expected credit loss on rental deposits	6,740	–	6,740
Reversal of allowance for expected credit loss on trade receivables	3,888	–	3,888
<i>Amount regularly provided to the CODM but not included in the measurement of segment profit or loss</i>			
Additions to non-current assets	<u>152,689</u>	<u>2,603</u>	<u>155,292</u>

Segment results represent profit of loss from the segment without allocation of income tax credit, loan interest income and unallocated administrative expenses.

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment assets and liabilities

	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
Segment assets		
Continuing operations		
Property operating	476,439	547,396
Total segment assets	476,439	547,396
Loan receivables	7,464	8,026
Bank balances and cash	58,344	44,404
Other unallocated assets	4,890	5,397
	547,137	605,223
Assets relating to discontinued operations	5	5
Consolidated assets	547,142	605,228
Segment liabilities		
Continuing operations		
Property operating	550,342	545,299
Total segment liabilities	550,342	545,299
Amount due to a substantial shareholder	11,342	9,751
Bonds	10,398	10,005
Other unallocated liabilities	9,833	6,707
	581,915	571,762
Liabilities relating to discontinued operations	937	937
Consolidated liabilities	582,852	572,699

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical segments

The Group's property operating segment is operated in the People's Republic of China (the "PRC"), while the cargo aircraft charter segment (which is classified as discontinued operations) is operated in Hong Kong.

The Group's revenue from external customers from continuing operations by location of operation and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets*	
	Six months ended			
	31 December 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (unaudited) (restated)	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
The PRC	38,173	47,028	437,233	469,248
Hong Kong	—	—	—	—
	38,173	47,028	437,233	469,248

* Non-current assets excluded those relating to discontinued operations, prepaid lease payments, rental deposits, right-of-use assets and other unallocated non-current assets.

Information about major customers

One single tenant from property operating segment contributed 10 per cent or more of the Group's total revenue of HK\$38,173,000 for the six months ended 31 December 2025 (six months ended 31 December 2024: one single customer from cargo aircraft charter segment (which is classified as discontinued operations) contributed 10 per cent or more of the Group's total revenue of HK\$89,296,000). The total amount of revenue from the tenant from property operating segment amounted to HK\$4,052,000.

4. FINANCE COSTS

	Six months ended 31 December	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited) (restated)
Continuing operations		
Interest on		
– Bonds	393	393
– Lease liabilities	<u>10,488</u>	<u>12,558</u>
	<u>10,881</u>	<u>12,951</u>

5. INCOME TAX CREDIT

	Six months ended 31 December	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited) (restated)
Continuing operations		
<i>Income tax recognised in profit and loss</i>		
PRC Enterprise Income Tax (“EIT”)		
– Current income tax	141	50
– Over provision in prior years	<u>(6)</u>	<u>–</u>
	135	50
Deferred tax	<u>(1,923)</u>	<u>(11,767)</u>
	<u>(1,788)</u>	<u>(11,717)</u>

5. INCOME TAX CREDIT *(Continued)*

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong for both periods.

PRC EIT is calculated at the rate of 25% of the profits for the PRC statutory financial reporting purpose for the period ended 31 December 2025 and the year ended 30 June 2025, adjusted for those items which are not assessable or deductible for the PRC EIT purpose.

As at 31 December 2025, no deferred tax liabilities (30 June 2025: Nil) were recognised in respect of the undistributed retained earnings of the PRC subsidiaries attributable to the Group under the EIT Law that are subject to withholding tax upon the distribution of such profits to the shareholders outside the PRC.

6. DISCONTINUED OPERATIONS

Due to ongoing U.S. tariff policy uncertainties that have significantly impacted the global economy and air cargo markets, the Group decided to cease its cargo aircraft charter business (“**discontinued operations**”) during the year ended 30 June 2025 after a thorough review of market conditions and a comprehensive evaluation of strategic options.

The results of the discontinued operations included in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the six months ended 31 December 2025 and the six months ended 31 December 2024 are set out below.

	Six months ended 31 December	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited) (restated)
Revenue (<i>Note (i)</i>)	–	42,268
Cost of sales (<i>Note (ii)</i>)	–	(41,957)
	<hr/>	<hr/>
Gross profit	–	311
Administrative expenses	(7)	(173)
Reversal of allowance for ECL on trade and other receivables	2,000	–
	<hr/>	<hr/>
Profit before taxation from discontinued operations	1,993	138
Income tax expenses	–	–
	<hr/>	<hr/>
Profit for the period from discontinued operations	1,993	138
	<hr/>	<hr/>
Profit for the period from discontinued operations attributable to:		
Owners of the Company	1,016	71
Non-controlling interests	977	67
	<hr/>	<hr/>
	1,993	138
	<hr/>	<hr/>

6. DISCONTINUED OPERATIONS *(Continued)*

Notes:

- (i) Revenue from discontinued operations comprises income from cargo aircraft chartering services, which is accounted for as revenue from contracts with customers under HKFRS 15. This revenue is recognised over time as the performance obligation is satisfied. Advance consideration allocated to the cargo aircraft chartering services is recognised as a contract liability and is released over the period of service.
- (ii) Cost of sales from discontinued operations represents the direct costs incurred for the Group's cargo aircraft chartering services. These costs primarily consist of payments made to secure aircraft capacity from airline operators via intermediaries. For the six months ended 31 December 2024, approximately HK\$36,710,000 of the total cost of sales was attributable to capacity purchased from a related company ("Related Company") acting as an intermediary. One of the Company's subsidiaries and the Related Company have a common director.

Cash flows from discontinued operations:

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (restated)
Net cash (outflows)/inflows from operating activities	(2)	227
Net cash (outflows)/inflows	(2)	227

None of the assets nor liabilities related to the discontinued operations were classified as held for sale.

7. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (restated)
Continuing operations		
(Loss)/profit for the period from continuing operations has been arrived at after charging:		
Depreciation of property, plant and equipment	387	308
Depreciation of right-of-use assets	903	548
Expenses related to short-term leases in respect of rented premises	66	1,824

8. DIVIDENDS

No dividends were paid, declared or proposed during the interim period nor has any dividend been proposed since the end of the interim period (six months ended 31 December 2024: Nil).

9. (LOSS)/EARNINGS PER SHARE

For continuing operations

The calculation of the basic and diluted (loss)/earnings per share from continuing operations attributable to owners of the Company is based on the following data:

(Loss)/earnings

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (restated)
(Loss)/profit for the period attributable to owners of the Company	(65,811)	26,587
Less: Profit for the period from discontinued operations attributable to owners of the Company	(1,016)	(71)
	<hr/>	<hr/>
(Loss)/profit for the period from continuing operations attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	(66,827)	26,516
	<hr/>	<hr/>

Number of shares

	Six months ended 31 December	
	2025	2024
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	2,688,805	2,688,805
Effect of dilutive potential ordinary shares in respect of share options issued by the Company (Note)	–	10,204
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	2,688,805	2,699,009
	<hr/>	<hr/>

Note: For the six months ended 31 December 2025, the computation of diluted loss per share amount has not assumed the conversion of the Company's outstanding share options because of its anti-dilutive effects.

9. (LOSS)/EARNINGS PER SHARE *(Continued)*
From continuing and discontinued operations
(Loss)/earnings

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	(65,811)	26,587

The denominators used are the same as those detailed above for both basic and diluted (loss)/earnings per share.

From discontinued operations

Basic earnings per share for discontinued operations is HK0.04 cents per share (six months ended 31 December 2024: HK0.01 cents) and diluted loss per share for discontinued operations is HK0.04 cents per share (six months ended 31 December 2024: HK0.01 cents), based on the profit for the period from discontinued operations attributable to owners of the Company of approximately HK\$1,016,000 (six months ended 31 December 2024: HK\$71,000) and the denominators detailed above for both basic and diluted (loss)/earnings per share.

10. INVESTMENT PROPERTIES

The Group takes on the lease of shopping malls and units in the industrial park; and subleases the retail stores of the shopping malls and the units in the industrial park, under operating leases with rentals payable monthly/quarterly. The subleases typically run for an initial period of 30 days to 15 years. Majority of the sublease contracts contain market review clauses in the event the tenant exercises the option to extend.

The Group is not exposed to foreign currency risk as a result of the sublease arrangements, as all subleases are denominated in the respective functional currency of group entities. The sublease contracts do not contain residual value guarantee and/or tenant's option to purchase the property at the end of the term of sublease.

	Shopping Malls	Industrial Park	31 December 2025	30 June 2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<i>(Note (iv))</i>			
Fair value				
Balance at the beginning of the period/year	305,495	160,659	466,154	568,817
Derecognition upon termination of lease – Jiachao's Shopping Mall <i>(Note (i); Note (ii))</i>	–	–	–	(383,805)
Derecognition upon termination of lease – Zone C Shopping Mall <i>(Note (iii))</i>	–	–	–	(244,565)
Additions – Jiachao's Shopping Mall <i>(Note (i); Note (ii))</i>	–	–	–	181,871
Additions – Zone C Shopping Mall <i>(Note (iii))</i>	–	–	–	296,413
Additions – Industrial Park	–	–	–	59,714
Additions on acquisition of a subsidiary	–	–	–	32,935
(Loss)/gain on fair value changes on investment properties	(20,659)	(16,044)	(36,703)	(56,476)
Exchange realignment	3,164	1,607	4,771	11,250
Balance at the end of the period/year	<u>288,000</u>	<u>146,222</u>	<u>434,222</u>	<u>466,154</u>

10. INVESTMENT PROPERTIES *(Continued)*

Notes:

- (i) As described in the announcement of the Company dated 21 February 2025, a notice dated 23 January 2025 was received from its landlord, Zhengzhou Jiachao Property Services Co., Ltd.* (鄭州佳潮物業服務有限公司) (“Zhengzhou Jiachao”), notifying the Company’s wholly-owned subsidiary, Zhengzhou Zhongyuan Jinyi Commercial Operation Management Co., Ltd.* (鄭州中原錦藝商業運營管理有限公司) (“Zhongyuan Jinyi”) that, (a) from 1 October 2024, the rental area under the lease contract dated 26 April 2021 entered into by Zhengzhou Jiachao as the lessor and Zhongyuan Jinyi as the lessee in respect of the Jiachao’s Shopping Mall with a leased area of 125,188.32 square meters (the “Jiachao’s Lease Contract”) would no longer include the rental area of 30,595.51 square meters of the Jiachao’s Shopping Mall, the title and ownership of which were transferred to Henan Construction Commercial Services Co., Ltd.* (河南建投商業服務有限公司); and (b) from 1 October 2024, the rental area under the Jiachao’s Lease Contract should be amended to 44,060.33 square meters (the “Remaining Area”) and the rental payment of the Remaining Area is amended to RMB23.5 per square meters per month, which shall be setoff against the deposits paid by Zhongyuan Jinyi to Zhengzhou Jiachao under the Jiachao’s Lease Contract. On 26 January 2025, Zhongyuan Jinyi and Zhengzhou Jiachao further entered into a supplemental lease contract (“Jiachao’s Supplemental Lease Contract”) for the lease of the Remaining Area which replaced the Jiachao’s Lease Contract. Under these circumstances, the Jiachao’s Lease Contract is considered terminated as of 30 September 2024.

For the termination of the Jiachao’s Lease Contract, the Group derecognised lease liabilities associated with the Jiachao’s Lease Contract as of 30 September 2024, which were approximately RMB279 million (equivalent to approximately HK\$302,912,000). This amount is recognised as a gain on termination of lease in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025. Simultaneously, the termination of the Jiachao’s Lease Contract required the Group to derecognise the associated amount from its investment properties as of 30 September 2024. The fair value of the investment properties derecognised by the Group amounted to approximately RMB254 million (equivalent to approximately HK\$276,087,000). Consequently, the Group recognised a loss on derecognition of investment properties of approximately HK\$276,087,000 in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025.

Pursuant to Jiachao’s Supplemental Lease Contract, the Group recognised new lease liabilities of approximately RMB103 million (equivalent to approximately HK\$111,734,000) and a corresponding amount in its investment properties. The fair value of the newly recognised investment properties as of 1 October 2024 amounted to RMB100 million (equivalent to approximately HK\$108,696,000).

* For identification purpose only

10. INVESTMENT PROPERTIES (Continued)

Notes: (Continued)

- (ii) On 27 June 2025, the People's Court of Zhongyuan District, Zhengzhou City, Henan Province, served Zhengzhou Jiachao with the "Notice to Vacate Within a Time Limit" (Case Reference.: (2023) Yu 01 Zhi Hui No. 355*) (河南省鄭州市中原區人民法院(2023)豫01執恢355號《限期遷出公告》), mandating that all entities and individuals occupying or leasing the property located at basement 1 level underground space, Zone B (with a certified construction area of 16,311.24 square meters, hereinafter referred to as the "Zone B Basement Level") to vacate within 30 days of the notice's posting.

This area constituted part of the premises leased under Jiachao's Supplemental Lease Contract. The previous end tenant, Henan Century Lianhua Supermarket Co., Ltd.* (河南世紀聯華超市有限公司), had vacated the premises on 28 February 2025, leaving the area unoccupied. Following negotiations, the sub-tenant of Zhongyuan Jinyi, Henan Zhongyu Zhongyuan Commercial Operation Management Co., Ltd.* (河南中豫中原商業運營管理有限公司) submitted a formal letter of withdrawal for the specified basement area to Zhongyuan Jinyi on 30 June 2025. On the same date, Zhongyuan Jinyi notified Zhengzhou Jiachao of the vacation and formally acknowledged the release of the leasehold area via an official court submission. These actions effected a termination of the corresponding portion of Jiachao's Supplemental Lease Contract as of 30 June 2025.

For this termination, the Group derecognised lease liabilities associated with Jiachao's Supplemental Lease Contract as of 30 June 2025, which were approximately RMB98 million (equivalent to approximately HK\$106,527,000). This amount is recognised as a gain on termination of lease in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025. A corresponding reduction was made in the book value of associated investment properties, with the derecognised fair value amounting to approximately RMB99 million (equivalent to approximately HK\$107,718,000). Consequently, it resulted in a loss on derecognition of investment properties of approximately HK\$107,718,000 in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025.

The residual leased area of 27,749.09 square meters under Jiachao's Supplemental Lease Contract has been reconstituted as a new lease arrangement. This resulted in the Group recognising new lease liabilities of approximately RMB65 million (equivalent to approximately HK\$70,137,000) and a corresponding amount in its investment properties. The fair value of the investment properties recognised by the Group amounted to RMB63 million (equivalent to approximately HK\$68,478,000).

* For identification purpose only

10. INVESTMENT PROPERTIES (Continued)

Notes: (Continued)

- (iii) The lease for Zone C Shopping Mall was originally executed between Zhongyuan Jinyi and Zhengzhou Hanyuan Real Estate Co., Ltd.* (鄭州翰園置業有限公司) (“Zhengzhou Hanyuan”) on 26 April 2021 with a lease term of 15 years. Due to debt issues encountered by Zhengzhou Hanyuan, it transferred ownership of certain floors within Zone C Shopping Mall to settle its obligations, resulting in the lawful transfer of the relevant property rights to the respective creditors. In accordance with Article 725 of the Civil Code of the People’s Republic of China, which establishes the principle that “a change in ownership does not affect existing leases”, the validity of the original lease contract remains unaffected by the transfer of ownership during the lease term. Thus, the lease agreement originally signed between Zhongyuan Jinyi and Zhengzhou Hanyuan continued to be effective, and Zhongyuan Jinyi’s leasehold rights remained intact despite the change in ownership. Accordingly, Zhongyuan Jinyi continued to exercise its rights and perform its obligations as the lessee under the original lease terms, while the new property owner assumed the position and responsibilities of the lessor originally held by Zhengzhou Hanyuan under the lease contract.

However, on 22 May 2025, through mutual agreement among the new landlord of the basement level of Zone C Shopping Mall, China Orient Asset Management Co., Ltd. Fujian Branch* (中國東方資產管理股份有限公司福建省分公司) (“China Orient Fujian”), Zhongyuan Jinyi, and another subsidiary of the Group, Zhengzhou Zhengxu Commercial Operation Management Co., Ltd.* (鄭州正旭商業運營管理有限公司) (“Zhengzhou Zhengxu”), it was decided to terminate the lease relationship under the original Zone C Shopping Mall lease agreement concerning the basement level effective 28 February 2025. Subsequently, a new lease agreement for the area was executed between Zhengzhou Zhengxu and China Orient Fujian effective from 1 March 2025, covering a leasable area of 6,692.93 square metres. The lease term ran for more than 15 years from 1 March 2025 to 31 October 2040. Zhengzhou Hanyuan ratified the above changes for the original lease agreement by formal notice. The arrangement is considered a termination of the original lease agreement since the original lease agreement no longer included the leased area pertaining to the basement level of Zone C Shopping Mall from 1 March 2025.

As a result of this termination, the Group derecognised lease liabilities associated with the original lease agreement as of 28 February 2025, which were approximately RMB283 million (equivalent to approximately HK\$308,099,000). This amount is recognised as a gain on termination of lease in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025. Concurrently, the termination of the original lease agreement required the Group to derecognise the associated amount from its investment properties as of 28 February 2025. The fair value of the investment properties derecognised by the Group amounted to approximately RMB225 million (equivalent to approximately HK\$244,565,000). Consequently, the Group recognised a loss on derecognition of investment properties of approximately HK\$244,565,000 in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025.

The original lease agreement for the remaining area of Zone C Shopping Mall, together with the new lease agreement for the basement level of Zone C Shopping Mall, resulted in the Group recognising new lease liabilities totalling approximately RMB273 million (equivalent to approximately HK\$296,413,000) and the corresponding amounts in its investment properties. The total fair value of the investment properties recognised by the Group as of 1 March 2025 amounted to RMB225 million (equivalent to approximately HK\$244,565,000).

* For identification purpose only

10. INVESTMENT PROPERTIES (Continued)

Notes: (Continued)

- (iv) According to the legal opinions from the Group's PRC legal adviser, the two lease contracts dated 26 April 2021 each entered into by Zhengzhou Jiachao as lessor and Zhongyuan Jinyi as lessee in respect of the Jiachao's Shopping Mall and by Zhengzhou Hanyuan as lessor and Zhongyuan Jinyi as lessee in respect of the Zone C Shopping Mall and the supplemental agreements or arrangements contemplated thereafter remain valid as of the date of authorisation for issue of the condensed consolidated financial statements.

The fair value of the Group's investment properties as at 31 December 2025 and 30 June 2025 has been arrived at on the basis of a valuation carried out at the end of the period/year by International Valuation Limited (the "Valuer"), an independent qualified professional valuer not connected with the Group.

The Valuer has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The Group's investment properties were valued individually, on market value basis, which conforms to Hong Kong Institute of Surveyors Valuation Standards. The fair value was arrived at by reference to comparable sales transactions available in the relevant market together with income approach by capitalising the net rental income derived from the existing tenancies under various terms.

The Group as lessor

Property rental income, management fee income and operating service income earned during the period was approximately HK\$38,173,000 (six months ended 31 December 2024: HK\$47,028,000). All properties have committed tenants ranging from the next 1 to 15 years and may include an extension option.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	31 December 2025	30 June 2025
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Within one year	31,999	35,451
In the second to fifth years inclusive	56,835	70,511
Over five years	52,999	80,278
	141,833	186,240

11. TRADE AND OTHER RECEIVABLES

	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
Trade receivables	9,031	10,642
Less: Allowance for expected credit loss ("ECL")	(5,436)	(5,301)
	3,595	5,341
Prepayment (<i>Note (i)</i>)	18,360	5,568
Other receivables (<i>Note (ii)</i>)	8,798	8,748
	30,753	19,657

Notes:

- (i) Included in the Group's prepayments balance are mainly prepayments related to Longhu Property of approximately HK\$12,412,000 and prepaid lease payments of approximately HK\$4,822,000 (30 June 2025: prepaid lease payments of approximately HK\$4,548,000). The prepayments related to Longhu Property, which include the prepaid lease payments for Longhu Property, were appropriately accounted for when the lease agreement of Longhu Property was approved and became effective, i.e., 20 January 2026. During the six months ended 31 December 2025, no impairment loss was recognised in respect of the prepayments by the Group (year ended 30 June 2025: an impairment loss of approximately HK\$220,000).
- (ii) Included in the Group's other receivables balance are mainly deposits paid of approximately HK\$5,287,000 and other tax recoverable of approximately HK\$3,252,000 (30 June 2025: deposits paid of approximately HK\$5,228,000 and other tax recoverable of approximately HK\$3,317,000). During the six months ended 31 December 2025, the Group has made a reversal of allowance for ECL of approximately HK\$2,000,000 (year ended 30 June 2025: an allowance for ECL of approximately HK\$5,359,000) on the other receivables.

Trade receivables from contracts with customers as at 31 December 2025, 30 June 2025 and 1 July 2024 amounted to HK\$6,117,000, HK\$6,963,000 and HK\$13,732,000, respectively.

As at 31 December 2025 and 30 June 2025, all trade receivables of the Group were in the functional currency of the relevant group entities.

11. TRADE AND OTHER RECEIVABLES *(Continued)*

The following is an ageing analysis of trade receivables after deducting the allowance for ECL presented based on date of rendering of services:

	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
0 – 60 days	1,348	2,660
61 – 90 days	32	79
Over 90 days	2,215	2,602
	<hr/>	<hr/>
Trade receivables	3,595	5,341
	<hr/>	<hr/>

The Group measures allowance for ECL on trade receivables at an amount equal to lifetime ECL.

As at 31 December 2025, trade receivables over 90 days, net of allowance for ECL, amounted to HK\$2,215,000 (30 June 2025: HK\$2,602,000) were past due but not impaired. The Group has evaluated the credit quality of the relevant tenants and, based on both historical and forward-looking information, has determined that there has not been a significant change in the credit quality of these tenants, and the balances are still considered to be fully recoverable. The Group does not hold any collateral against these balances, except for the deposits received from tenants.

The Group's trade and other receivables balance as at 31 December 2025 and 30 June 2025 included amounts from the Related Company against which allowances for ECL have been recognised. These comprised approximately HK\$875,000 (30 June 2025: approximately HK\$875,000) in trade receivables for operational support services and approximately HK\$3,305,000 (30 June 2025: approximately HK\$5,305,000) in other receivables, held as security for aircraft capacity.

12. LOAN RECEIVABLES

	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
Gross carrying amount of loan and interest receivables	199,613	198,064
Less: Allowance for ECL	(192,149)	(190,038)
	7,464	8,026

The Group held two loan receivables as at 31 December 2025 (30 June 2025: two), the details of which are as follows:

- (a) On 28 April 2021, the Group entered into an agreement with an independent third party (“Borrower I”) to lend RMB250,000,000 (equivalent to approximately HK\$294,118,000). The loan was interest-bearing at 7.50% per annum and due on 27 April 2022. The loan was secured by 25% equity interests of Zhengzhou Jiachao and 25% equity interests of Zhongyuan Jinyi both held by a former non-controlling shareholder of a subsidiary (“Guarantor I”).

On 19 November 2021, the Group entered into the first supplemental agreement with Borrower I, Guarantor I and a new guarantor which is an independent third party (the “Guarantor II”). Pursuant to which, the principal amount of loan receivable was revised from RMB250,000,000 (equivalent to approximately HK\$294,118,000) to RMB210,000,000 (equivalent to approximately HK\$253,012,000) and the share charged over the 25% equity interests of Zhongyuan Jinyi held by a former non-controlling shareholder of a subsidiary was released. At the same time, the Group received RMB40,000,000 (equivalent to approximately HK\$48,193,000) for repayment of principal and the interest receivables remained outstanding.

On 29 June 2022, the Group and Borrower I entered into the second supplemental agreement to (i) extend the maturity date of loan receivable and agree that the outstanding balance be repaid by three instalments. The last instalment was due on 27 April 2023; and (ii) revise the interest rate of the loan receivable to 4.785% per annum effective from 28 April 2022 and up to and including 27 April 2023.

12. LOAN RECEIVABLES *(Continued)*

(a) *(Continued)*

As at 30 June 2023, the outstanding loan receivable amounted to RMB174,346,000 (equivalent to approximately HK\$187,469,000). The Group assessed the credit risk of the renewed loan based on Borrower I's repayment ability, financial status, and communications with Borrower I. The Group had not yet reached any consensus with Borrower I with respect to a revised repayment schedule for the renewed loan. Hence, Borrower I was considered to be in default as of 27 April 2023, and therefore, the loan receivable was transferred to stage 3 lifetime ECL and fully impaired during the year ended 30 June 2023.

Following Borrower I's default in April 2023, the Group initiated legal proceedings to recover the outstanding loan through the Zhengzhou Intermediate People's Court. The parties subsequently reached a settlement through court mediation, which was formally confirmed in a Civil Mediation Statement issued in June 2025. Under the mediated agreement, the first installment payment is due by 31 December 2025, with subsequent payments structured through June 2030. The agreement stipulates that interest obligations will be waived only upon full compliance with all repayment terms.

If Borrower I fails to fulfill its payment obligations in accordance with any of the deadlines and amounts agreed upon in the mediation agreement, the Group shall have the right to apply to the People's Court for compulsory execution of the following: (i) the principal and interest owed by Borrower I (the interest includes approximately RMB39,625,000 and that which is calculated based on the unpaid principal at an annual interest rate of 3.10% from 18 December 2024 (the next day of the prosecution date) to the actual repayment date) and the case handling fee; (ii) the Group has the right to receive priority compensation for the proceeds from the discount, auction, or sale of the 25% equity interest in Zhengzhou Jiachao within the scope of the loan involved in the case; and (iii) Guarantor I and Guarantor II assume joint and several liability for the loan involved in the case of Borrower I.

Since Borrower I failed to settle the first scheduled payment on time, i.e., to repay the principal of RMB5 million before 31 December 2025, the Group has applied to the People's Court for the above compulsory execution. The case has entered the property investigation and control stage. The Group retains the right to enforce the full debt amount and exercise its secured guarantees in the event of any default by Borrower I, including failure to meet the initial December 2025 payment deadline. The Group continues to monitor compliance with the repayment schedule and remains prepared to take enforcement action if necessary.

12. LOAN RECEIVABLES *(Continued)*

(a) *(Continued)*

As at 31 December 2025, the Group held collateral consisting of 25% equity interests of Zhengzhou Jiachao, a former subsidiary of the Company, to secure the loan receivable with an aggregate gross principal amount of RMB140,021,000 (equivalent to approximately HK\$155,579,000) (30 June 2025: RMB140,021,000 (equivalent to approximately HK\$153,870,000)) and related gross interest receivables of RMB32,913,000 (equivalent to approximately HK\$36,570,000) (30 June 2025: RMB32,913,000 (equivalent to approximately HK\$36,168,000)). The loan receivable was fully guaranteed by Guarantor I and Guarantor II. Neither an allowance nor a reversal of an allowance for ECL has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 31 December 2025 (30 June 2025: Nil). Notwithstanding the court-mediated settlement agreement established in June 2025 that outlined a structured repayment schedule, the Group maintained a full impairment on the loan receivable to exercise financial prudence, as no payments were received pursuant to the settlement terms as at 31 December 2025. The Group will continue to monitor the implementation of the repayment plan and will reassess the impairment status upon receipt of actual payments according to the court-approved schedule.

- (b) On 25 April 2024, the Group entered into another agreement with a party (“Borrower II”) to lend HK\$18,000,000. The amount was interest-bearing at 8.50% per annum and due on 30 June 2024. The amount was secured by the Company’s two unlisted and non-transferable bonds at face value of HK\$7,000,000 and HK\$3,000,000, held by another party (“Guarantor III”). Both Borrower II and Guarantor III have unconditionally and irrevocably committed to not disposing of the Company’s shares they hold under any circumstances before the loan and interest are fully repaid. Additionally, at the Group’s request, they must immediately sell the Company’s shares and use the proceeds to repay any overdue loan amounts owed by Borrower II, either in whole or in part (the “Commitment”). As of the date of the agreement, Borrower II held 765,000 shares, while Guarantor III held 63,800,000 shares.

Between July and November 2024, pursuant to the Commitment, Borrower II sold all of the Company’s shares to repay part of the overdue loan amounts. The total repayment amount was HK\$2,200,000.

12. LOAN RECEIVABLES *(Continued)*

(b) *(Continued)*

On 25 November 2024, the Group entered into a supplemental agreement with Borrower II and Guarantor III to (i) extend the maturity date of the loan receivable to 30 June 2025; (ii) revise the interest rate of the loan receivable from 8.50% per annum to 11.00% per annum; and (iii) update the status of the Commitment, under which Guarantor III unconditionally and irrevocably committed to not disposing of 15,000,000 shares of the Company under any circumstances until the loan and interest are fully repaid.

On 30 April 2025, the Group entered into a further supplemental agreement with Borrower II and Guarantor III, which amended the terms as follows: (i) the maturity date of the loan receivable was further extended to 28 February 2026; (ii) the interest rate was revised from 11.00% per annum to 8.00% per annum effective from 1 January 2025; and (iii) the Guarantor III continued to pledge all rights and interests of the two bonds with a total face value of HK\$10,000,000 to the Group as security, but was no longer required to hold the Company's shares as collateral. The Commitment regarding the disposal restriction and forced sale of shares was thereby released.

As at 31 December 2025, the loan receivable with gross principal amount of HK\$5,500,000 and related gross interest receivables of HK\$1,964,000 were not yet matured and settled. This loan was interest-bearing at a rate of 8.00% per annum, and was fully guaranteed by Guarantor III. The Group held collateral in the form of the two bonds held by Guarantor III. No allowance for ECL on this loan receivable has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 31 December 2025.

Loan receivable mentioned in (a) is denominated in RMB, the functional currency of the relevant group entities, while loan receivable mentioned in (b) is denominated in HK\$.

12. LOAN RECEIVABLES *(Continued)*

The movements in the allowance for ECL on loan receivables are as follows:

	Stage 3 Lifetime ECL (credit- impaired) HK\$'000
As at 1 July 2024 (audited)	185,951
Exchange realignment	<u>4,087</u>
As at 30 June 2025 and 1 July 2025 (audited)	190,038
Exchange realignment	<u>2,111</u>
As at 31 December 2025 (unaudited)	<u>192,149</u>

Reconciliation of gross carrying amount for loan receivables and interest receivables for the six months ended 31 December 2025 and the year ended 30 June 2025 are as follow:

	31 December 2025 HK\$'000	30 June 2025 HK\$'000
As at 1 July 2025 (audited)/ 1 July 2024 (audited)	198,064	204,278
Repayment	(800)	(11,700)
Interest receivables	238	1,399
Exchange realignment	<u>2,111</u>	<u>4,087</u>
As at 31 December 2025 (unaudited)/ 30 June 2025 (audited)	<u>199,613</u>	<u>198,064</u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
Investment in standardised debt securities	911	–

At 31 December 2025, the Group held standardised debt securities which represent standardised policy bank financial bonds issued by a bank in the PRC. They are traded on the PRC interbank bond market, with standardised terms and conditions, and classified as Level 2 in the fair value hierarchy.

14. OTHER PAYABLES

	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
Receipts in advance of rental income from leasing of properties	13,861	25,164
Receipts in advance in relation to Longhu Property (Note (i))	36,783	–
Deposits received from tenants	13,082	13,603
Accrued charges and other payables	7,331	6,556
Amount due to a director (Note (iii))	4,808	–
Payables for terminal charges to Related Company	937	937
Dividend payable	192	192
Other tax payables	3,264	6,003
Provision for litigation (Note (ii))	16,458	16,277
	96,716	68,732

Notes:

- (i) The receipts in advance in relation to Longhu Property, comprising rental income and deposits received in advance from tenants of Longhu Property, were appropriately recognised upon the approval and effectiveness of the lease agreement of Longhu Property, i.e. 20 January 2026.

14. OTHER PAYABLES (Continued)

Notes: (continued)

- (ii) Pursuant to the judgment of the People's Court of Zhongyuan District, Zhengzhou City, Henan Province ((2024) Yu 0102 Ming Chu No. 4142*) (河南省鄭州市中原區人民法院(2024)豫0102民初4142號《民事判決書》), Zhongyuan Jinyi was ordered to make the rental payment to the creditor of Zhengzhou Jiachao, amounting to approximately RMB9,864,000 (equivalent to approximately HK\$10,722,000). Such amount was then reclassified from lease liabilities to other payables and presented as provision for litigation in the year ended 30 June 2024.

On 20 June 2025, following the judgment ((2024) Yu 0102 Ming Chu No. 19276*) (河南省鄭州市中原區人民法院(2024)豫0102民初19276號《民事判決書》) issued by the same court, the appeal case between Zhongyuan Jinyi and the creditor of Zhengzhou Jiachao was concluded. According to the new judicial ruling, the creditor is entitled to claim rental arrears of approximately RMB14,812,000 from Zhongyuan Jinyi. Consequently, the provision for litigation was adjusted to reflect this updated amount. As at 30 June 2025, the balance of the provision for litigation stood at approximately RMB14,812,000 (equivalent to approximately HK\$16,277,000).

During the six months ended 31 December 2025, Zhongyuan Jinyi, disagreeing with the ruling, is seeking to pursue a further appeal. At the end of the reporting period, the appeal remained in progress and the related expenses had not yet been paid. As at 31 December 2025, the balance of the provision for litigation remained at approximately RMB14,812,000 (equivalent to approximately HK\$16,458,000).

- (iii) The amount due to a director is unsecured, interest free and repayable on demand. It was denominated in HK\$ as at 31 December 2025.

* For identification purpose only

15. LEASE LIABILITIES

The exposure of the Group's lease liabilities are as follows:

	31 December 2025	30 June 2025
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Current	71,124	72,637
Non-current	361,140	374,743
	432,264	447,380
– within one year	71,124	72,637
– more than one year but not more than two years	43,684	47,924
– more than two years but not more than three years	40,595	40,164
– more than three years but not more than five years	76,415	74,957
– more than five years	200,446	211,698
	432,264	447,380
Amounts due for settlement within one year (shown under current liabilities)	(71,124)	(72,637)
Amounts due for settlement after one year (shown under non-current liabilities)	361,140	374,743

The weighted average incremental borrowing rates applied to lease liabilities from 2.49% to 6.70% (30 June 2025: 2.49% to 6.70%).

15. LEASE LIABILITIES *(Continued)*

Reconciliation of the Group's lease liabilities are as follows:

	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
Balance at the beginning of the period/year	447,380	630,994
Termination of lease – Jiachao's Shopping Mall <i>(Note (i))</i>	–	(409,439)
Termination of lease – Zone C Shopping Mall <i>(Note (ii))</i>	–	(308,099)
Additions – Jiachao's Shopping Mall <i>(Note (i))</i>	–	181,871
Additions – Zone C Shopping Mall <i>(Note (ii))</i>	–	296,413
Additions – Industrial Park	–	59,714
Additions – others	–	3,280
Additions on acquisitions of a subsidiary	–	17,985
Offset with other receivables <i>(Note (iii))</i>	–	(13,733)
Offset with rental deposits <i>(Note (iv), Note (v), Note (vi))</i>	(12,954)	(12,367)
Interest expenses	10,488	24,347
Repayment	(17,384)	(35,280)
Exchange realignment	4,734	11,694
Balance at the end of the period/year	432,264	447,380

15. LEASE LIABILITIES *(Continued)*

Notes:

- (i) Please refer to note 10(i) and note 10(ii) to the condensed consolidated financial statements for the details of termination of lease of Jiachao's Shopping Mall.
- (ii) Please refer to note 10(iii) to the condensed consolidated financial statements for the details of termination of lease of Zone C Shopping Mall.
- (iii) Zhengzhou Jiachao agreed that the rental payment of approximately RMB12,635,000 (equivalent to approximately HK\$13,733,000) was setoff with other receivables due from the landlord during the year ended 30 June 2025.
- (iv) Zhengzhou Jiachao agreed that the rental payment of approximately RMB11,377,000 (equivalent to approximately HK\$12,367,000) was setoff with the rental deposit due from the landlord during the year ended 30 June 2025.
- (v) Zhengzhou Jiachao agreed that the rental payment of approximately RMB3,913,000 (equivalent to approximately HK\$4,300,000) was setoff with the rental deposit due from the landlord during the six months ended 31 December 2025.
- (vi) Zhengzhou Hanyuan agreed that the rental payment of approximately RMB7,875,000 (equivalent to approximately HK\$8,654,000) was setoff with the rental deposit due from the landlord during the six months ended 31 December 2025.

16. AMOUNT DUE TO A SUBSTANTIAL SHAREHOLDER

The amount due to a substantial shareholder is unsecured, interest free and repayable on demand. It was denominated in HK\$ (30 June 2025: HK\$) as at 31 December 2025.

17. BONDS

On 8 August 2018 and 29 August 2018, the Company issued two unlisted and non-transferable bonds at face value of HK\$7,000,000 and HK\$3,000,000 to an independent third party. The bonds are interest bearing at 8.00% per annum, unsecured and repayable on the seventh and half anniversary of the respective date of issue.

In August 2025, the Company entered into two supplemental agreements with the independent third party to extend the repayment of the two unlisted and non-transferable bonds by one year to February 2027. All other terms remained unchanged.

The bonds were initially recognised at HK\$10,000,000 and subsequently measured at amortised cost using the effective interest method. The effective interest rate is 8.00% (six months ended 31 December 2024: 8.00%) per annum.

The movements of the liability component of the Group's bonds during the six months ended 31 December 2025 and the year ended 30 June 2025 are as follows:

	HK\$'000
As at 1 July 2024 (audited)	10,005
Effective interest charged for the period	800
Coupon interest paid/payable	(800)
	<hr/>
As at 30 June 2025 and 1 July 2025 (audited)	10,005
Effective interest charged for the period	393
	<hr/>
As at 31 December 2025 (unaudited)	10,398
	<hr/>

18. DEFERRED TAX LIABILITIES

The followings are the deferred tax liabilities recognised by the Group and movement thereon during the current period and prior years.

	Fair Value adjustment on investment properties HK\$'000	Undistributable profits of PRC's subsidiaries HK\$'000	Total HK\$'000
As at 1 July 2024 (audited)	3,713	925	4,638
Acquired on an acquisition of a subsidiary	3,737	–	3,737
Credit to profit or loss	17,577	–	17,577
Release upon derecognition (<i>Note</i>)	(3,753)	–	(3,753)
Exchange realignment	274	–	274
	<u>21,548</u>	<u>925</u>	<u>22,473</u>
As at 30 June 2025 and 1 July 2025 (audited)	21,548	925	22,473
Charge to profit or loss	(1,923)	–	(1,923)
Exchange realignment	218	–	218
	<u>19,843</u>	<u>925</u>	<u>20,768</u>
As at 31 December 2025 (unaudited)	19,843	925	20,768

Note: Part of the deferred tax liabilities arising from the fair value adjustment on investment properties in the prior years had been released upon derecognition because of the lease modification as stated in note 10(i) and the termination of lease as stated in note 10(iii) to the condensed consolidated financial statements.

During the six months ended 31 December 2025, the Group has deductible temporary difference of approximately HK\$26,400,000 (year ended 30 June 2025: approximately HK\$126,785,000) arising from the fair value adjustment on investment properties. Deferred tax assets thereon cannot be recognised because of the unpredictability of future profit streams.

19. ACQUISITION OF A SUBSIDIARY

On 2 September 2024, the Group further expanded its property operating business through the acquisition of the entire equity interests in Zhengzhou Yingrui Property Services Co., Ltd.* (鄭州英睿物業服務有限公司) (“Zhengzhou Yingrui”) from an independent third party by its wholly-owned subsidiary, Zhengzhou Xuqi Corporation Management Co., Ltd.* (鄭州旭啟企業管理有限公司), for a consideration of RMB200,000 (equivalent to approximately HK\$217,000) (the “Acquisition”). Upon completion of the Acquisition, the Company held the entire issued share capital of Zhengzhou Yingrui.

Zhengzhou Yingrui is principally engaged in the property operating business. The Acquisition has been accounted for as a business acquisition using the acquisition method.

Assets acquired and liabilities recognised at the date of Acquisition:

	HK\$'000 (Unaudited)
Investment properties	32,935
Rental deposits	326
Trade and other receivables	1,487
Bank balances and cash	3,611
Other payables	(3,384)
Contract liabilities	(2,460)
Lease liabilities	(17,985)
Deferred tax liabilities	(3,737)
	<hr/>
Identifiable net assets, at fair value	10,793

Bargain purchase arose in the Acquisition:

	HK\$'000 (Unaudited)
Identifiable net assets, at fair value	10,793
Less: Consideration paid in cash	(217)
	<hr/>
Gain on bargain purchase arising on the Acquisition	10,576

Gain on bargain purchase arising on the Acquisition amounting to approximately HK\$10,576,000, is recognised in the condensed consolidated statement of profit or loss and other comprehensive income during the six months ended 31 December 2024.

* For identification purpose only

20. SHARE CAPITAL

	31 December 2025 HK\$'000 (unaudited)	30 June 2025 HK\$'000 (audited)
Authorised: 5,000,000,000 ordinary shares with HK\$0.01 each	50,000	50,000
Issued and fully paid: 2,688,805,163 ordinary shares with HK\$0.01 each	26,888	26,888

21. SHARE-BASED PAYMENTS

The Company adopts a share option scheme for eligible participants, including directors and employees of the Group and other participants. Details of the share options granted to the directors and employees of the Group outstanding during the period are as follows:

	Number of share options	
	2025 '000	2024 '000
Outstanding as at 1 July (audited)	26,850	26,850
Forfeited during the period	—	—
Outstanding as at 31 December (unaudited)	26,850	26,850

22. RELATED PARTY TRANSACTIONS

The remuneration of directors, being the key management personnel, during the period was as follows:

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries and other benefits	1,878	1,841
Retirement benefit scheme contributions	40	29
	<hr/>	<hr/>
	1,918	1,870
	<hr/>	<hr/>

The remuneration of directors is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

In addition, other than as disclosed elsewhere in these condensed consolidated financial statements, there are no other related party transactions.

23. PENDING LITIGATION

Reference is made to the announcement of the Company dated 26 September 2025 in relation to the pending litigation.

On 25 June 2025 and 30 July 2025, respectively, the Company received a writ of summons and statement of claim from MSC Air Cargo SA (“MSC”) filed in the High Court of the Hong Kong Special Administrative Region. The claim is for a guaranteed sum of US\$2,000,000 pursuant to an on-demand corporate guarantee issued by the Company. This guarantee was provided in favor of MSC concerning the obligations under an aircraft charter agreement between MSC and Hainan Hong Kong-Macau Aviation Development & Investment Holdings Limited, a subsidiary of the Company.

The Company has obtained legal advice and intends to defend against the claim vigorously. Based on such legal advice and a preliminary assessment, the management believes that the Group has meritorious defenses.

Consequently, management is of the opinion that the outcome of this litigation will not have a material adverse effect on the Group’s financial position or results of operations. No provision for any liability has been made in the condensed consolidated financial statements in respect of this matter.

Save for the litigation described above, there were no other material litigations nor arbitrations involving the Group during the period and up to the date of approval of the condensed consolidated financial statements.

24. EVENT AFTER THE REPORTING PERIOD

On 27 August 2025, Zhengzhou Longqixiang Commercial Operation Management Co., Ltd.* (鄭州龍啟翔商業運營管理有限公司) (“Zhengzhou Longqixiang”), an indirect non-wholly owned subsidiary of the Company, entered into a lease agreement as the lessee for four floors of the Longhu Shopping Centre in Longhu Town, Zhengzhou City, Henan Province, the PRC. The lease term is ten years, expiring in mid-2035, and covers a gross floor area of approximately 62,583 square meters.

Zhengzhou Longqixiang has assumed the outstanding rent of approximately RMB4,211,000 (equivalent to approximately HK\$4,679,000) that was originally due and payable by the previous management company, for which Zhengzhou Longqixiang and the previous management company were jointly liable.

The lease agreement presents strategic and financial benefits to the Group as a whole. Moreover, the arrangement provides stable rental income supported by tenants with an average lease term of three years, against a backdrop of improving macroeconomic conditions in the PRC.

However, pursuant to the terms of the supplemental lease agreement dated 29 September 2025, the lessor of the Longhu Shopping Centre acknowledged that the lease agreement is conditional upon the Company’s shareholders’ approval at the EGM of the Company.

* For identification purpose only

24. EVENT AFTER THE REPORTING PERIOD *(Continued)*

Subsequently, on 20 January 2026, the date of the EGM, the resolution proposed to approve, confirm and ratify the lease agreement was duly passed by the shareholders of the Company. The lease agreement became effective on the same day.

Please refer to the announcements of the Company dated 29 September 2025, 31 December 2025 and 20 January 2026 for details.

According to the announcement of the Company dated 31 December 2025, it was expected that upon completion of the transaction under the lease agreement, and pursuant to HKFRS 16 and HKAS 40, the Group would recognise right-of-use assets (classified as investment properties upon initial recognition in the Group's consolidated financial statements). This would result in an increase in total assets of approximately RMB254 million, reflecting the fair value of the recognised right-of-use assets. Correspondingly, total liabilities would increase by approximately RMB138 million, reflecting the associated lease liabilities.

Apart from the matters mentioned above, no other events have occurred that require adjustment to the consolidated financial statements nor disclosure in the notes to condensed consolidated financial statements for the period from the end of the reporting period to the date of authorisation for issue of the condensed consolidated financial statements.

Management Discussion And Analysis

OPERATIONAL AND FINANCIAL REVIEW

During the six months ended 31 December 2025 (the “Interim Period”), the Group was principally engaged in property operating business. The Group recorded a total revenue of approximately HK\$38,173,000 (2024: HK\$47,028,000 (Restated)) and a loss of approximately HK\$64,006,000 (profit in 2024: HK\$26,654,000 (Restated)).

Property Operating Segment

The Group is engaged in property operating business through holding all equity interests in Zhengzhou Zhongyuan Jinyi Commercial Operation Management Co., Ltd.* (鄭州中原錦藝商業運營管理有限公司) (“Zhongyuan Jinyi”), Zhengzhou Jinfu Commercial Management Co., Ltd.* (鄭州金福商業管理有限公司) (“Zhengzhou Jinfu”), Zhengzhou Yingrui Property Service Co., Ltd.* (鄭州英睿物業服務有限公司) (“Zhengzhou Yingrui”), Zhengzhou Yinghao Property Service Co., Ltd.* (鄭州英浩物業服務有限公司) (“Zhengzhou Yinghao”) and Zhengzhou Yinghan Property Service Co., Ltd.* (鄭州英瀚物業服務有限公司) (“Zhengzhou Yinghan”) and through three non-wholly-owned subsidiaries, Zhengzhou Zhengxu Commercial Operation Management Co., Ltd.* (鄭州正旭商業運營管理有限公司) (“Zhengzhou Zhengxu”), Zhengzhou Longqixiang Commercial Operation Management Co., Ltd.* (鄭州龍啟翔商業運營管理有限公司) (“Zhengzhou Longqixiang”) and Zhengzhou Yichi Commercial Operation Management Co., Ltd.* (鄭州義尺商業運營管理有限公司) (“Zhengzhou Yichi”) in the People’s Republic of China (the “PRC”). Zhongyuan Jinyi, Zhengzhou Jinfu, Zhengzhou Yingrui, Zhengzhou Yinghao, Zhengzhou Yinghan, Zhengzhou Zhengxu, Zhengzhou Longqixiang and Zhengzhou Yichi are principally engaged in the property operating business.

The Group leased the whole Zone C Shopping Mall, situated in Zhengzhou City, Henan Province, the PRC, from a number of landlords with rental periods expiring no later than 2040. The Zone C Shopping Mall is a 5-storey integrated commercial mall built over one level of basement commercial space with a gross floor area of approximately 80,118 square meters. The Zone C Shopping Mall is a shopping mall located adjacent to the Jiachao’s Shopping Mall. The Group promoted and further rented out the Zone C Shopping Mall to various independent tenants under the respective tenancy agreements with a remaining term ranging from one year to ten years. As of 31 December 2025, approximately 100 tenants and approximately 88.8% of the lettable area of the Zone C Shopping Mall had been leased out as retail shops and restaurants and/or for entertainment and leisure use. The Zone C Shopping Mall offers a wide range of services and goods, including cinema, KTV, a photo shop, a bookshop, jewelery, beauty, electrical devices shops, car sales, international labels for shoes and fashions, fitness, lifestyle, casual wear/sport, kid’s paradise, kid’s learning and restaurants. Certain areas of the Zone C Shopping Mall are rented to tenants on short-term leases for use, including kiosks and booths of trendy and stylish items.

* For identification purpose only

In addition, the Group leased approximately 27,749 square meters (the “Remaining Area”) of the Jiachao’s Shopping Mall, situated in Zhengzhou City, Henan Province, the PRC, from a landlord with a rental period to expire in the mid of 2036. Since the Remaining Area is part of the Jiachao’s Shopping Mall, if it is operated and managed by the same entity, the Remaining Area will benefit from promotional activities and events organised for the entire mall. If the Jiachao’s Shopping Mall is split and operated by different entities, it may become challenging to hold promotional activities and events simultaneously or with a unified theme. The style and positioning of the Remaining Area may differ from those of other parts of the Jiachao’s Shopping Mall, raising concerns about its ability to attract customer traffic if it is operated and promoted independently. The Directors believe that it would be in the interests of the Company and its shareholders as a whole to sub-let the Remaining Area to the same management company which operates the other parts of the Jiachao’s Shopping Mall for purpose of a cohesive operation and promotion. Therefore, during the year ended 30 June 2025, Zhongyuan Jinyi and a management company entered into a sub-lease agreement with a rental period to expire in the mid of 2036 whereby the Remaining Area is leased to the management company who would operate and manage the Remaining Area with the tenants while the Group would receive a fixed rental income from it without incurring operating and maintenance costs and expenses.

Furthermore, the Company was informed by the landlords of the Jiachao’s Shopping Mall and the Zone C Shopping Mall that in enforcement of the relevant judgements obtained by their creditors, in June 2025, the Intermediate People’s Court, Zhengzhou City, Henan Province, the PRC (the “Court”) issued three “Notice to Vacate Within a Time Limit” (the “Notice(s)”) whereby the Court plans to conduct an auction sale of certain premises of two shopping malls and the occupant(s) thereon shall move out from the premises within 30 days from the date of the Notices. The Company was further informed that the landlords of the Jiachao’s Shopping Mall and the Zone C Shopping Mall have filed objections to the Notices with the Court. The Court’s decisions on the objections are not available up to the date of this report.

In January 2026, the Company was informed by the landlord of the Jiachao’s Shopping Mall that in enforcement of additional judgements obtained by their creditors, the Court issued three “Notice of Relocation Within a Time Limit” (the “Notice(s) I”) whereby the Court plans to conduct an auction sale of certain premises of the Jiachao’s Shopping Mall and the occupant(s) thereon shall move out from the premises within 15 days from the date of the Notices I. The Company was further informed that the landlord of the Jiachao’s Shopping Mall intended to file objections to the Notices I with the Court.

The total rental area of the Jiachao’s Shopping Mall subject to the Notices and the Notices I is 35,022.51 square meters and 5,003.30 square meters, respectively. The total rental area of the Zone C Shopping Mall subject to the Notice is 15,037.58 square meters.

According to the Group's PRC legal adviser, Article 31 of the Provisions of the Supreme People's Court on Several Issues Concerning the Handling of Execution Objections and Reconsideration Cases by People's Courts* (最高人民法院關於人民法院辦理執行異議和覆議案件若干問題的規定), if a tenant signed a legal lease agreement, and already occupied and used the property before the court seized it and pays the rents according to the tenancy agreement, the court should uphold the tenancy. As such, Zhongyuan Jinyi has the right to continue to use the rental area subject to the Notices and the Notices I. In addition, during the period from the filing of the objections to the Court's decision, the existing occupants on the premises subject to the Notices and the Notices I can continue to occupy and use the premises, and therefore the Group's operation of these premises is not affected. The Company will make further announcements on the Court's decisions on the objection applications filed by the landlords of two shopping malls when and where appropriate.

Since the rental area in the two lease contracts dated 26 April 2021 each entered into by Zhengzhou Jiachao Property Services Co., Ltd.* (鄭州佳潮物業服務有限公司) ("Zhengzhou Jiachao") as lessor and Zhongyuan Jinyi as lessee in respect of the Jiachao's Shopping Mall and by Zhengzhou Hanyuan Real Estate Co., Ltd.* (鄭州翰園置業有限公司) ("Zhengzhou Hanyuan") as lessor and Zhongyuan Jinyi as lessee in respect of the Zone C Shopping Mall and the supplemental agreements or arrangements contemplated thereafter had been continuously reduced, Zhengzhou Jiachao and Zhengzhou Hanyuan each has the obligations to return relevant rental deposits of the decreased rental area to Zhongyuan Jinyi. In addition, Zhongyuan Jinyi has the right to bring actions against Zhengzhou Jiachao and Zhengzhou Hanyuan for the rental deposits, such as bankruptcy liquidation to two landlords.

Moreover, Zhengzhou Yingrui leased 42 units with a rental period to expire in the first half of 2027 and with a gross floor area of approximately 130,873 square meters in an industrial park, namely the Zhiyun City, located in Xinmi City, Zhengzhou City, Henan Province, the PRC. The Group promoted and further rented out the Zhiyun City to approximately 74 tenants and approximately 72.3% of the lettable area had been leased out as production, processing and sales of men's and women's shoes, processing and sales of shoe accessories and wholesale of groceries as of 31 December 2025.

Zhengzhou Yinghao leased 9 units with a rental period to expire in the mid of 2027 and with a gross floor area of approximately 40,142 square meters in the Zhiyun City. As of 31 December 2025, the Group promoted and further rented out the area leased by Zhengzhou Yinghao to approximately 173 tenants and approximately 52.9% of the lettable area had been leased out as wholesale of snacks, stationery and toys. Zhengzhou Yinghan leased 7 units with a rental period to expire in the first half of 2039 and with a gross floor area of approximately 41,385 square meters in the Zhiyun City. As of 31 December 2025, the Group promoted and further rented out the area leased by Zhengzhou Yinghan to approximately 196 tenants and approximately 48.2% of the lettable area had been leased out as wholesale of snacks, stationery, toys, sugar and machinery.

* For identification purpose only

The Group has an advantage of having an existing team of high-caliber and experienced management and staff to run the shopping malls and the industrial park together, which has served as a fundamental driver of the Group's ability to generate considerable incomes from the provision of rental, management and operating services to tenants of the shopping malls and the industrial park. The larger the area of the shopping malls and the industrial park, the more the number of similar types of shops open, and thus more customers will be attracted by offering them a large diversity and well-known brand choices. Positive benefits and synergy effects on the customer flow and the tenant grade will be brought to the Group through effective management of the Jiachao's Shopping Mall, the Zone C Shopping Mall, the Longhu Shopping Centre and the Zhiyun City together, eventually contributing to affirmative revenue and profit margin of property operating business.

For the Interim Period, the Group's property operating segment recorded a revenue of approximately HK\$38,173,000 generated from periodical incomes of rental, management and operating service receivables from tenants, representing a decrease of approximately 18.8% (Restated) from approximately HK\$47,028,000 (Restated) in the corresponding period in 2024, and a negative segment result of approximately HK\$63,690,000 (a positive segment result in 2024: HK\$21,706,000 (Restated)). The decrease in both revenue and segment result from the property operating segment during the Interim Period were mainly due to property portfolio adjustments. The operating performance of the Jiachao's Shopping Mall experienced certain changes during the Interim Period when compared to that of the corresponding period in 2024. The total leased gross floor area of the Jiachao's Shopping Mall decreased from approximately 44,776 square meters as at 31 December 2024 to approximately 27,749 square meters as at 31 December 2025. The above situation happened primarily because of the Notices issued by the Court in June 2025, which resulted in a reduction in total leased area and income base. In addition, the unit rent in the Jiachao's Shopping Mall and the Zone C Shopping Mall fell by ranging from 5% to 22%, reflecting the impact of the current economic environment in Zhengzhou City and the country as a whole.

The main reason for the decline in unit rent was the weakening macro-economy in the PRC. In 2025, China's economy has faced deflationary pressure, with the consumer price index remaining sluggish. Tenants controlled their operating costs by lowering rental budgets, and the Group had to accept rent reductions to maintain occupancy rates. Intensified market competition has also exerted bargaining pressure. The number of similar shopping malls around the Group's two shopping malls has increased, and consumers have shown a preference for discounted and low-priced services. This has compelled the Group to introduce more suitable brands to attract customers and further compress the unit rent. In addition, changes in tenant structure have also affected rental levels. In order to adapt to consumer preferences and a shift to experience-based and service-oriented living patterns, the Group adjusted the tenant mix of its shopping malls by increasing the proportion of catering and/or entertainment tenants. However, these businesses usually command lower rental levels; consequently the overall average unit rent reduced.

Moreover, there was no revenue generated from the Group's cargo aircraft charter segment for the Interim Period because it was discontinued during the year ended 30 June 2025 (2024: HK\$42,268,000), which in turn lead to a decrease in total revenue for the Interim Period.

Discontinued Operations

During the year ended 30 June 2025, the Group set up a non-wholly owned Hong Kong subsidiary, Hainan-Hong Kong-Macau Aviation Development & Investment Holdings Limited (瓊港澳航空發展投資有限公司), to operate and manage certain specified cargo aircraft charter businesses including but not limited to cargo arrangement from Hong Kong to Miami and other locations (the "Cargo Aircraft Charter Business"). The Group provided cargo aircraft chartering services from Hong Kong to Miami for the transportation of air cargoes. However, due to the ongoing US tariff policy uncertainties that have significantly impacted the global economy and air cargo markets, it is difficult for the Group to keep existing airline and expand new airline, which also induced litigations for the Group. As such, the Group decided to cease the Cargo Aircraft Charter Business. During the Interim Period, the revenue and profit from the Cargo Aircraft Charter Business were HK\$nil (2024: HK\$42,268,000 (Restated)) and approximately HK\$1,993,000 (2024: HK\$138,000 (Restated)) respectively. Please refer to note 6 to the condensed consolidated financial statements for details.

Loss/(Profit) for the Interim Period

The Group's loss incurred for the Interim Period was approximately HK\$64,006,000 (profit in 2024: HK\$26,654,000). The loss margin was approximately 167.7% for the Interim Period (profit margin in 2024: 29.8%). Such decrease is primarily due to (i) the recognition of the allowance for expected credit loss on rental deposits of approximately HK\$39 million for the Interim Period; (ii) the absence of a one-off gain on the termination of lease of approximately HK\$303 million and the release of deferred tax liabilities upon derecognition of investment properties of approximately HK\$15 million, off-set by the loss on derecognition of investment properties of approximately HK\$276 million in corresponding period in 2024; and (iii) the absence of the gain on bargain purchase of approximately HK\$11 million in corresponding period in 2024.

Other Income and Other Gain and Loss

Total other income and other gain and loss for the Interim Period was approximately HK\$7,745,000 (2024: HK\$6,962,000), which comprised interest incomes and other kinds of incomes generated from property operating segment, such as car parking fees and other services provided to tenants. Total other income and other gain and loss was maintained at a similar level for the Interim Period as compared to the corresponding period last year.

Expenses

Total administrative expenses amounted to approximately HK\$13,761,000 (2024: HK\$17,295,000 (Restated)), representing approximately 36.0% (2024: 36.8% (Restated)) of total revenue for the Interim Period. The decrease in administrative expenses was due to the decreasing operating expenses incurred for operating the rented premises during the Interim Period as a result of the decreased rental area.

Allowance for expected credit loss on rental deposits amounted to approximately HK\$38,521,000 (reversal of allowance in 2024: HK\$6,740,000) for the Interim Period due to the seizure and title transfer of majority areas of the Jiachao's Shopping Mall and the Zone C Shopping Mall by a number of banks and financial institutions as a result of the exercise of their rights under the pledges of the shopping malls created by their owners, which in turn increased the credit risk significantly.

The carrying value of the Group's investment properties, namely the Remaining Area of the Jiachao's Shopping Mall, the Zone C Shopping Mall and the Zhiyun City, as of 31 December 2025 of approximately HK\$434,222,000 (30 June 2025: HK\$466,154,000) was stated at fair value based on an independent valuation as at that date, which produced a loss on fair value changes of investment properties of approximately HK\$36,703,000 (2024: HK\$36,058,000). The decrease in the carrying value and the increase in the loss on fair value changes of investment properties were due to fewer areas of the Jiachao's Shopping Mall leased and operated by the Group and slow recovery of China's macro-economy during the Interim Period, particularly the real estate market. Some real estate companies still have financial pressure. Under the influence of multiple factors, the supply and demand ends of the commercial real estate market are still weak. As a result, the commercial rental performance declined. Besides, traditional shopping malls' reliance on offline retail has instead led to a continued slowdown, which is opposite to the incremental growth in online sales. The PRC government, however, has initiated and implemented measures to expand domestic demand and increase customer consumption. In addition, customer consumption demands are constantly upgrading, and they pay more attention to consumption experience. The young customers (generation Z, generation Alpha) prefer the integration of concepts such as green, health, humanities and art, which can fit their interests, hobbies and lifestyles. The Group has conducted large-scale marketing and promotional activities to fit and attract different kinds of customers.

There was no loss on derecognition of investment properties (2024: HK\$276,087,000) nor gain on termination of lease (2024: HK\$302,912,000) because no further rental area of the Jiachao's Shopping Mall nor the Zone C Shopping Mall was reduced during the Interim Period.

There was no gain on bargain purchase during the Interim Period. A gain on bargain purchase of HK\$10,576,000 was generated when a PRC subsidiary was acquired for less than its fair market value during the corresponding period in 2024, which resulted in a gain to the Group.

Finance costs amounted to approximately HK\$10,881,000 (2024: HK\$12,951,000), representing approximately 28.5% (2024: 27.5% (Restated)) of total revenue for the Interim Period. The decrease in finance costs was mainly due to lease termination with respect to certain areas of the Jiachao's Shopping Mall and the Zone C Shopping Mall during the year ended 30 June 2025 that involved in the litigation with several creditors of their landlords.

Loan Receivables

On 28 April 2021, an indirect wholly-owned PRC subsidiary of the Company entered into a loan agreement with Fujian Qiancheng Lujingguan Engineering Co., Ltd.* (“福建千城綠景觀工程有限公司”), an independent third party, (the “Borrower”), pursuant to which, it was agreed to lend to the Borrower a loan in the principal amount of RMB250 million for a term of 12 months from the drawdown date at an interest rate of 7.5% per annum. During the year ended 30 June 2022, the principal amount was revised to RMB210 million, as well as the interest rate of 4.785% per annum. The Group keeps focusing its resources on property operating business and has no intention to commence money lending business. The Borrower approached the Group and looked for a source of financing. The entering into of the aforesaid loan agreement was due to (i) the surplus cash position of the Group; (ii) the interest income to be received by the Group; and (iii) the credit and repayment ability of the Borrower and its guarantor. On 29 June 2022, the parties agreed to extend the repayment date of the loan to 27 April 2023 (the “Renewed Loan”). Before extending the Renewed Loan, the Company has performed certain works to assess the credit risk and repayment ability of the Borrower and the guarantors and such works included (i) obtained and reviewed the latest management accounts of the Borrower then available; (ii) understood the updated business, operation and forecast of the Borrower; (iii) obtained and reviewed certain current business contracts of the Borrower and the guarantors; and (iv) conducted updated background and corporate searches of the Borrower and the guarantors.

* For identification purpose only

During the year ended 30 June 2024, the Borrower settled RMB20 million and HK\$15 million after the maturity date on 27 April 2023. Since then, the Group had not received further payments of the remaining principal amount of approximately RMB145.7 million. Pursuant to the civil mediation agreement of the Intermediate People's Court, Zhengzhou City, Henan Province, the PRC ((2024) Yu 01 Ming Chu No. 1611*) ((2024) 豫01民初1611號《民事調解書》), the Borrower shall pay the Group the principal of RMB5 million and RMB10 million before 31 December 2025 and 30 June 2026, respectively. Then the Borrower shall pay RMB15 million each before 31 December 2026, 30 June 2027, 31 December 2027, 30 June 2028, 31 December 2028, 30 June 2029 and 31 December 2029, respectively. Before 30 June 2030, the Borrower shall pay to the Group the principal of RMB25,675,000, interest of approximately RMB39,625,000 and case handling fee of approximately RMB484,000. If the Borrower can repay the principal and the case handling fee in full and on time according to the above schedules; the interest of approximately RMB39,625,000 will be waived by the Group.

If the Borrower fails to fulfill its payment obligations in accordance with any of the deadlines and amounts agreed upon in the mediation agreement, the PRC subsidiary shall have the right to apply to the People's Court for compulsory execution of the following: (i) the principal and interest owed by the Borrower (the interest includes approximately RMB39,625,000 and that calculated based on the unpaid principal at an annual interest rate of 3.1% from 18 December 2024 (the next day of prosecution date) to the actual repayment date) and the case handling fee; (ii) the PRC subsidiary has the right to receive priority compensation for the proceeds from the discount, auction, or sale of one of the guarantors' 25% equity interest in Zhengzhou Jiachao within the scope of the Renewed Loan involved in the case; and (iii) the guarantors assume joint and several liability for the Renewed Loan involved in the case of the Borrower.

The Borrower failed to settle the first scheduled payment on time, i.e. to repay the principal of RMB5 million before 31 December 2025, and thus, the PRC subsidiary had applied to the People's Court for the above compulsory execution. The case has entered the property investigation and control stage. Please also refer to the announcements of the Company dated 28 April 2021, 13 May 2021, 19 November 2021, 27 May 2022, 29 June 2022, 23 February 2023, 6 December 2023 and 10 December 2024, as well as the circular of the Company dated 12 August 2022 for details.

* For identification purpose only

There was no allowance or reversal of allowance for expected credit loss on loan receivables for the Interim Period (2024: Nil). The Renewed Loan had not been settled on its maturity date, and hence, the Borrower was considered to be in default as of 28 April 2023, and therefore, relevant loan receivable was transferred to stage 3 or written-off during the year ended 30 June 2023 where lifetime expected credit loss was recognised. Moreover, there was no allowance for expected credit loss of another loan receivable of approximately HK\$5.5 million arranged in April 2024 because of its pledged securities and subsequent settlement made during the reporting period.

Dividend

The Board does not recommend the payment of an interim dividend for the Interim Period (2024: Nil).

Event after the Reporting Period

Please refer to note 24 to the condensed consolidated financial statements for details.

Save as disclosed in note 24 to the condensed consolidated financial statements, the Directors are not aware of any significant event requiring disclosure that has been taken place subsequent to 31 December 2025 and up to the date of this report.

FUTURE PLANS AND PROSPECTS

In view of achieving the best interests of the Company and its shareholders as a whole, the Group has been putting effort on developing and expanding its operations of property operating business. Substantial resources have been placed to explore prospects and develop relevant markets.

The Group targets to engage in the provision of rental, management and operating services to more tenants of different kinds of properties in various locations. Therefore, subsequent to the reporting period, a resolution proposed to approve, confirm and ratify the lease agreement in respect of the Longhu Shopping Centre in Longhu Town, Zhengzhou City, Henan Province, the PRC, with a rental period to expire in mid-2035 and with a gross floor area of approximately 62,583 square meters, was duly passed by the shareholders of the Company at an extraordinary general meeting held on 20 January 2026. The lease agreement became effective on the same day. By the end of the reporting period, the Longhu Property had been leased to 119 tenants, with approximately 96.9% of the lettable area occupied by retail shops, restaurants, and/or premises used for entertainment and leisure purposes. The Longhu Property offers a wide range of services and goods including KTV, a supermarket and a convenient store, jewelries and watches, beauty, electrical devices shops, international labels for fashion, fitness, lifestyle, casual wear/sport, maternity and baby supplies, kid's paradise, technical learning and restaurants.

Considering (i) the presence of an experienced and capable management team already operating at the Longhu Shopping Centre, (ii) the cost savings from avoiding recruitment, training, and project setup expenses, (iii) the stable rental income supported by existing tenants with medium- to long-term leases, and (iv) the improving macroeconomic conditions in the PRC – particularly the recovery in consumer spending and easing deflationary pressures, this arrangement offers financial benefits and delivers stable returns and long-term value to the Group. Please also refer to the announcements of the Company dated 29 September 2025, 13 November 2025, 28 November 2025, 9 December 2025, 31 December 2025 and 20 January 2026, as well as the circular of the Company dated 31 December 2025 for details.

The Group persists in upgrading the tenants of the leased properties by offering tenancies to more popular brands and diversifying the types of tenants to meet the needs and interests of customers from different ages and backgrounds. To achieve these aims, the Group conducts large-scale marketing and promotion activities in the eastern and western festivals to raise the popularity of the shopping malls, participates in food exchange forums every year by food and beverage suppliers of the industrial park to improve their marketability and professionalism, provides small advertising spaces and spray-painted banners in the industrial park, pays close attention to business operations, helps key merchants in time and follows closely with market trends to make appropriate management decisions in a timely manner so that a stable and constant stream of income and consistent cash flow can be continuously generated to the Group.

The world keeps changing due to geopolitical tensions, regulatory changes and movable interest rate environment, and the global economy in the coming year would still be highly variable and its pace of recovery from economic uncertainties continues to fluctuate. This poses a tremendous challenge to the Group. Nevertheless, the Group has been striving to use all its resources on hand flexibly to cope with the difficulties and remains committed to navigating the complex geopolitical and economic landscape effectively. By leveraging the Group's current strategic plan and established strengths, experience and foresight, the Group continues to seize opportunities to penetrate different areas of the property operating market, explore other new market potentials and increase profit margin.

The Group will continue to deploy its resources on the property operating business including but not limited to (i) apart from the current caliber management and competent employees of its subsidiaries, recruit more candidates with high-caliber and experience in property operating business; (ii) explore suitable properties to expand the Group's property management and operating portfolio; (iii) possible merger and acquisition of asset-light property operating business in the PRC so as to further expand the Group's property management and operating portfolio; and (iv) keep implementing conservative and stringent cost control policies to maintain sufficient working capital and alleviate the financial pressure on the property operating business by imposing control over operating costs and capital expenditures and strengthening accounts receivable management.

According to the National Bureau of Statistics, gross domestic product in the year of 2025 was approximately RMB140,187.9 billion, representing an increase of approximately 5% from the corresponding period in 2024. The PRC government also gradually implemented policies to expand domestic demand for goods and services and promote consumption, which is expected to continue effectively to stimulate consumption potential, in particular household, promote the release of consumer demand, and thereby enhance merchant confidence. The shop leasing market in different cities is expected to continue to recover.

Looking forward, the Group continues to place on its property operating business by enhancing the value and economic returns of the existing leased properties, expanding the properties the Group operates and diversifying the Group's business when and where opportunities arise. By continually capturing opportunities for expansion and diversifying the Group's business with extra prudence in flexibility and efficiency in the management, decision-making and long-term strategy formulation, the market value of the Company and the return to its shareholders will be maximised in the long term.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had net current liabilities and total assets less current liabilities of approximately HK\$93,074,000 (30 June 2025: HK\$103,396,000) and HK\$356,596,000 (30 June 2025: HK\$429,745,000), respectively. The Group had maintained its financial position by financing its operations with internally generated resources and issue of bonds. As at 31 December 2025, the Group had cash and bank deposits of approximately HK\$58,344,000 (30 June 2025: HK\$44,404,000). The current ratio of the Group was approximately 51.2% (30 June 2025: 41.1%).

Total deficit of the Group as at 31 December 2025 was approximately HK\$35,710,000 (total equity as at 30 June 2025: HK\$32,529,000). As at 31 December 2025, two bonds (30 June 2025: two bonds) measured at amortised cost were approximately HK\$10,398,000 (30 June 2025: HK\$10,005,000) in aggregate, the gross debt gearing ratio (i.e. bonds/shareholders' fund) was approximately negative 29.1% (30 June 2025: positive 30.8%). The substantial shareholder of the Company has agreed to provide the Company with sufficient financial support to enable the Company to meet its obligations to third parties as and when they fall due and to continue as a going concern.

The Group still has maintained and will continue to maintain a reasonable amount of working capital on hand in order to maintain its financial position, and sufficient resources are expected to be generated from its business operations and financial support from the substantial shareholder of the Company in meeting its short-term and long-term obligations.

FINANCING

As at 31 December 2025, the Group had no banking facilities (30 June 2025: Nil). In addition, two bonds (30 June 2025: two bonds) amounted to approximately HK\$10,398,000 (30 June 2025: HK\$10,005,000) in aggregate, measured at amortised cost, were arranged with one (30 June 2025: one) independent third party.

The Board believes that the existing financial resources will be sufficient to meet future expansion plans and, if necessary, the Group will be able to obtain additional financing with favourable term.

CAPITAL STRUCTURE

As at 31 December 2025, the share capital of the Company comprised ordinary shares only.

FOREIGN EXCHANGE RISK AND INTEREST RATE RISK

During the Interim Period, the Group was not subject to any significant exposure to foreign exchange rates risk as most of its transactions were denominated in RMB. Hence, no financial instrument for hedging was employed.

The Board monitors interest rate change exposure and may consider a hedging policy should the need arise.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Interim Period, there were no significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2025, save as disclosed in this interim report, the Group did not hold any material investment. There was no specific plan for material investments or capital assets as at 31 December 2025.

CHARGE ON GROUP'S ASSETS

As at 31 December 2025, the Group did not pledge any assets to any banks or financial institutions (30 June 2025: Nil).

STAFF POLICY

The Group had 140 employees altogether in the PRC and Hong Kong as at 31 December 2025. The Group offers comprehensive and competitive remuneration, retirement schemes and benefit package to its employees. A discretionary bonus is offered to the Group's staff depending on their performance. The Group is required to make contribution to a social insurance scheme in the PRC. Moreover, the Group and its employees in the PRC are required to make respective contribution to fund the endowment insurance, unemployment insurance, medical insurance, employees' compensation insurance and birth insurance at the rates specified in the relevant PRC laws and regulations. The Group has adopted a provident fund scheme as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for its employees in Hong Kong.

The Group also provides periodic internal training to its employees. Three independent non-executive Directors are appointed by the Company for a term of one year commencing from 26 March, 25 July and 19 September each year respectively.

PENDING LITIGATION

Please refer to note 23 to the condensed consolidated financial statements for details.

CONTINGENT LIABILITIES

Save as disclosed in note 14 to the condensed consolidated financial statements, the Group and the Company did not have any significant contingent liabilities.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, none of the Directors and their associates have any interests in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

None of the Directors, chief executives or their associates had any interest or short positions in any shares or underlying shares of the Company or any of its associated corporations as at 31 December 2025.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share options" below, at no time during the Interim Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Interim Period or at any time during the Interim Period.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions – Ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares interested in	Percentage of the issued share capital of the Company
Ms. Lin Lin	Beneficial owner and interest in a controlled corporation (Note 1)	369,100,000	13.73%
Mr. Chen Jindong	Interest of spouse (Note 2)	369,100,000	13.73%
SPR Trust Limited	Trustee of a trust	683,280,000	25.41%
Dresdner VPV N.V.	Investment manager	139,755,200	5.20%

Notes:

- (1) Among the 369,100,000 shares, 324,340,000 shares are held by Jinjie Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Ms. Lin Lin and 44,760,000 shares are held by Ms. Lin Lin. Ms. Lin Lin is the sister-in-law of Mr. Chen Jinyan, who resigned as an executive Director with effect from 23 January 2026.
- (2) Mr. Chen Jindong, being the spouse of Ms. Lin Lin, is deemed to be interested in 369,100,000 shares in which Ms. Lin Lin is interested by virtue of the SFO.

Other than disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2025.

SHARE OPTIONS

At the annual general meeting of the Company held on 22 November 2013, a share option scheme of the Company (the “Previous Share Option Scheme”) was adopted and was effective for a period for 10 years. The Previous Share Option Scheme expired on 22 November 2023 and no further options could be granted under the Previous Share Option Scheme thereafter. However, share options granted under the Previous Share Option Scheme before its expiry date will remain valid, subject to the same terms and conditions.

At the annual general meeting held on 23 November 2023, a new share option scheme of the Company (the “New Share Option Scheme”) was adopted upon expiry of the Previous Share Option Scheme, and effective for a period for 10 years commencing on 23 November 2023. Particulars of the New Share Option Scheme are set out in note 32 to the consolidated financial statements and under the same section in the directors’ report of the Company’s annual report for the year ended 30 June 2025.

The following table disclosed movements in the Company's share options during the Interim Period:

Grantee	Date of grant	Exercise Period	Exercise Price	Outstanding as at 1.7.2025	Granted	Exercised	Forfeited	Lapsed/ cancelled	Outstanding as at 31.12.2025
					during the Interim Period	during the Interim Period	during the Interim Period	during the Interim Period	
Employees (Note)	15.1.2018	15.1.2018 to 14.1.2028	0.430	26,850,000	-	-	-	-	26,850,000
Granted Total				26,850,000	-	-	-	-	26,850,000

Note: After the Interim Period, the employee voluntarily and irrevocably surrendered all his rights to, title of, and interest in 26,850,000 share options previously granted to him under the Previous Share Option Scheme.

As at the beginning of the Interim Period (i.e. 1 July 2025), the number of share options available for grant pursuant to the scheme mandate limit under the New Share Option Scheme, was 268,880,516 shares, representing approximately 10.0% of the issued shares of the Company (excluding treasury shares) as at the date of this report.

As at the end of the Interim Period (i.e. 31 December 2025), the number of share options available for grant pursuant to the scheme mandate limit under the New Share Option Scheme was 268,880,516 shares, representing approximately 10.0% of the issued shares of the Company (excluding treasury shares) as at the date of this report.

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

During the Interim Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As of 31 December 2025, the Company did not hold any of treasury shares.

CODE ON CORPORATE GOVERNANCE

The Company is committed to achieving the best corporate governance practices as a listed company. The Board believes that high standards and rigorous corporate governance practices can improve the accountability and transparency of the Company. Consequently, during the Interim Period, the Company complied with the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Group has adopted the Model Code set out in Appendix C3 of the Listing Rules as the code of conduct regarding directors’ securities transactions. Specific enquiry had been made to all Directors and all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Interim Period.

The Company has also established written guidelines (the “Employees Written Guidelines”) no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the Interim Period.

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors. The principal duties of the audit committee include the review of the Group’s financial reporting procedures, risk management and internal control and financial results. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the Interim Period.

INDEPENDENT REVIEW

The results for the Interim Period are unaudited, but have been reviewed by the independent auditors of the Company 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 Hong Kong Institute of Certified Public Accountants.

By order of the Board

Su Peixin
Chairman

Hong Kong

27 February 2026