申萬宏源香港
SWHYHK

SHENWAN HONGYUAN (H.K.) LIMITED
申萬宏源(香港)有限公司

(Incorporated in Hong Kong with limited liability)
(Stock code: 218)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**") of Shenwan Hongyuan (H.K.) Limited (the "**Company**") are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 together with comparative figures for the corresponding period of last year.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*3*	**308,022**	306,540
– Interest income calculated using the effective interest method		**100,867**	104,766
– Revenue from contracts with customers within the scope of HKFRS 15		**132,494**	142,597
– Revenue from other sources		**74,661**	59,177
Other gains, net	*3*	**35**	13,279
Commission expenses		**(37,048)**	(31,273)
Employee benefit expenses		**(97,804)**	(122,042)
Depreciation		**(18,941)**	(24,880)
Interest expenses		**(48,576)**	(28,501)
Net reversal/(charges) for expected credit losses		**328**	(3,607)
– from financial assets at amortized cost		**470**	(568)
– from financial assets at fair value through other comprehensive income		**(142)**	(3,039)
Other expenses		**(37,194)**	(49,025)
PROFIT BEFORE TAXATION		**68,822**	60,491
Income tax	*4*	**(8,244)**	(357)
PROFIT FOR THE PERIOD		**60,578**	60,134
Attributable to:			
Ordinary equity holders of the Company		**60,578**	60,134
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (BASIC)	*5*	**HK3.88 cent**	HK3.85 cent

Details of the proposed dividend (if any) for the period are disclosed in note 6 to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**60,578**	60,134
OTHER COMPREHENSIVE INCOME FOR THE PERIOD:		
Items that may be reclassified to the consolidated statement of profit or loss in subsequent periods:		
Financial assets at fair value through other comprehensive income:		
– Net movement in recycling revaluation reserve	**920**	824
Exchange gain on translation of financial statements of foreign operations	**–**	28
OTHER COMPREHENSIVE INCOME, NET OF TAX	**920**	852
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**61,498**	60,986

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2026 (Unaudited) *HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**10,835**	11,837
Right-of-use assets		**111,396**	124,604
Stock and Futures Exchange trading rights		**4,212**	4,212
Other assets		**34,482**	44,089
Other financial assets		**381,831**	–
Deferred tax assets		**31**	31
Total non-current assets		**542,787**	184,773
CURRENT ASSETS			
Financial assets at fair value through profit or loss		**5,042,327**	5,828,381
Accounts receivable	*7*	**1,442,703**	781,244
Loans and advances		**1,112,894**	1,497,285
Prepayments, deposits and other receivables		**164,854**	140,609
Tax recoverable		**2,443**	3,080
Bank balances held on behalf of clients		**4,647,805**	3,827,990
Cash and bank balances		**1,052,279**	889,738
Total current assets		**13,465,305**	12,968,327

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

	Notes	**As at 30 June 2026 (Unaudited)** *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
CURRENT LIABILITIES			
Financial liabilities at fair value through profit or loss		**2,500,405**	3,299,680
Accounts payable	*8*	**5,493,949**	4,035,822
Contract liabilities		**6,118**	4,457
Other payables and accruals		**145,865**	144,657
Repurchase agreements		**596,713**	684,478
Interest-bearing bank borrowings		**1,619,848**	1,855,453
Notes issued		**703,623**	233,852
Lease liabilities		**47,446**	46,412
Tax payable		**540**	2,301
Total current liabilities		**11,114,507**	10,307,112
NET CURRENT ASSETS		**2,350,798**	2,661,215
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,893,585**	2,845,988
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**–**	425
Lease liabilities		**80,953**	94,429
Total non-current liabilities		**80,953**	94,854
NET ASSETS		**2,812,632**	2,751,134
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Share capital		**2,782,477**	2,782,477
Other reserves		**30,155**	(31,343)
TOTAL EQUITY		**2,812,632**	2,751,134

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES

GENERAL INFORMATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and are in compliance with the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**the HKICPA**").

The financial information relating to the year ended 31 December 2025 that is included in this interim result announcement as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's interim financial information.

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

Neither of these amendments to HKFRSs have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE PERIOD ENDED 30 JUNE 2026

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, which are not yet effective for the period ended 30 June 2026 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group:

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and Amendments to HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]

1 No mandatory effective date yet determined but available for adoption
2 Effective for annual periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2. OPERATING SEGMENT INFORMATION

The Group's unaudited segment results are as follows:

Six months ended 30 June 2026	**Enterprise finance**						
	Corporate finance *HK$'000*	**Principal investment** *HK$'000*	**Wealth management** *HK$'000*	**Institutional services and trading** *HK$'000*	**Asset management** *HK$'000*	**Others** *HK$'000*	**Segment total** *HK$'000*
Segment revenue from external customers	**29,684**	**–**	**124,655**	**149,041**	**4,642**	**–**	**308,022**
Other gains, net	**–**	**–**	**–**	**–**	**–**	**35**	**35**
Segment revenue and other gains from external customers	**29,684**	**–**	**124,655**	**149,041**	**4,642**	**35**	**308,057**
Segment results and profit before taxation	**13,983**	**–**	**24,747**	**26,950**	**3,108**	**35**	**68,823**

Six months ended 30 June 2025	Enterprise finance						
	Corporate finance *HK$'000*	Principal investment *HK$'000*	Wealth management *HK$'000*	Institutional services and trading *HK$'000*	Asset management *HK$'000*	Others *HK$'000*	Segment total *HK$'000*
Segment revenue from external customers	50,235	(17,076)	136,133	130,943	6,305	–	306,540
Other gains, net	–	10,116	–	–	–	3,163	13,279
Segment revenue and other gains from external customers	50,235	(6,960)	136,133	130,943	6,305	3,163	319,819
Segment results and profit before taxation	2,462	(7,238)	24,256	43,316	(5,468)	3,163	60,491

3. REVENUE AND OTHER GAINS, NET

An analysis of revenue, which is also the Group's turnover, and other gains net are as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Fee and commission income:		
Revenue from contracts with customers within the scope of HKFRS 15:		
Commission on securities dealing in		
– Hong Kong listed securities	**49,764**	53,257
– Other than Hong Kong listed securities	**31,996**	16,480
Commission on futures and options contracts dealing	**5,407**	3,582
Initial public offering, placing, underwriting and sub-underwriting commission	**15,744**	45,638
Financial advisory, compliance advisory, sponsorship fee income and others	**14,027**	5,136
Management fee, investment advisory fee income and performance fee income	**4,642**	6,305
Handling fee income	**3,640**	5,631
Research fee income and other service fee income	**7,274**	6,568
	132,494	142,597
Timing of revenue recognition		
At point in time	**113,825**	131,156
Over time	**18,669**	11,441
	132,494	142,597
Income from interest-bearing transactions:		
Interest income calculated using the effective interest method:		
Interest income from banks and others	**54,534**	62,783
Interest income from initial public offering loans	**795**	353
Interest income from loans to cash clients and margin clients	**45,281**	40,175
	100,610	103,311

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Income from investment business:		
Interest income calculated using the effective interest method:		
Interest income from debt securities:	**257**	1,455
Revenue from other sources:		
Net gains/(losses) on financial instruments:		
– Equities	**–**	(17,076)
– Debt securities and derivatives	**54,976**	63,152
– Structured products	**19,685**	13,101
	74,918	60,632
	308,022	306,540
Other gains, net:		
Exchange gains, net	**35**	3,163
Change in net assets value attributable to other holders of a consolidated investment fund	**–**	10,116
	35	13,279

4. INCOME TAX

Hong Kong Profits Tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in other jurisdictions have been calculated at the appropriate current rates of tax prevailing in the jurisdictions in which the Group operates.

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hong Kong. The top-up tax relates to the Group's operation in Hong Kong where the annual effective income tax rate is estimated to be below 15%. Therefore, a top-up tax is accrued in the current period using the tax rate based on the estimated adjusted covered taxes and net globe income for the period. The Group has recognised a current tax expense of HK$10,173,000 related to the top-up tax for the period ended 30 June 2026 which is expected to be levied on the immediate holding company and recharged to the Group.

The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the period	**459**	–
Under-provision in respect of prior period	**(1,957)**	–
Current tax – Income taxes under Pillar Two Rules		
Provision for the period	**10,173**	–
Current tax – Other	**(6)**	63
Deferred tax	**(425)**	294
	8,244	357

5. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The Group had no potentially dilutive ordinary shares in issue during these periods. As at 30 June 2026, the total number of the issued ordinary shares was 1,561,138,689 shares.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to ordinary equity holders of the Company *(HK$'000)*	**60,578**	60,134
Number of shares		
Weighted average number of ordinary shares in issue *(in thousands)*	**1,561,139**	1,561,139
Basic earnings per share (HK cents per share)	**3.88**	3.85

6. DIVIDEND

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interim – Nil (2025: Nil) per ordinary share	**–**	–

7. ACCOUNTS RECEIVABLE

	As at 30 June 2026 (Unaudited) ***HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
Accounts receivable arising from securities dealing:		
– Advances to cash clients	**43,010**	33,239
– Cash clients	**554,428**	176,731
– Brokers and dealers	**610,663**	365,136
– Clearing houses	**215,768**	182,144
	1,423,869	757,250
Accounts receivable arising from corporate finance, advisory and other services:		
– Corporate Clients	**25,650**	31,172
	1,449,519	788,422
Less: Expected credit losses	**(6,816)**	(7,178)
Total	**1,442,703**	781,244

An ageing analysis of accounts receivable from cash clients and advances to cash clients (before impairment) based on the trade date is as follows:

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Within 1 month	**581,239**	191,526
1 to 2 months	**1,433**	4,689
2 to 3 months	**393**	1,293
Over 3 months	**14,373**	12,462
	597,438	209,970

The ageing of accounts receivable from clearing houses, brokers and dealers are within one month. They represent (1) pending trades arising from business of dealing in securities, which are normally due within a few days after the trade date; (2) deposits at clearing house arising from the business of dealing in securities, futures and options contracts and (3) cash and deposits balances at brokers and dealers.

An aging analysis of accounts receivable from corporate clients for corporate finance, advisory and other services (before impairment) is as follows:

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Within 1 month	**20,854**	25,273
1 to 2 months	**–**	700
2 to 3 months	**–**	550
Over 3 months	**4,796**	4,649
	25,650	31,172

Save for the credit period allowed by the Group, the accounts receivable from cash clients shall be due on the settlement dates of the respective securities and futures contract transactions. In view of the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Although the Group does not hold any collateral or other credit enhancements over its accounts receivable from cash clients, the Group is allowed to dispose of the securities deposited by the customers with the Group to settle any overdue amounts. Advances to cash clients of HK$43,010,000 (31 December 2025: HK$33,239,000) bear interest at interest rates mainly with reference to Hong Kong dollar prime rate (31 December 2025: with reference to the Hong Kong dollar prime rate).

8. ACCOUNTS PAYABLE

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Accounts payable		
– Clients	**4,864,087**	3,857,035
– Brokers and dealers	**612,084**	116,178
– Clearing houses	**17,778**	62,609
	5,493,949	4,035,822

All of the accounts payable are aged and due within one month or on demand.

9. REVIEW OF ACCOUNTS

The audit committee has reviewed the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026.

INTERIM DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review for the First Half of 2026

In the first half of 2026, the global economy showed an exacerbated polarization pattern due to the combined effect of multiple geopolitical challenges and the technology industry cycle. The U.S. economy demonstrated better-than-expected resilience, supported by robust services consumption and investment in artificial intelligence (AI); however, inflationary pressures resurged in the second quarter, and market expectations for interest rate cuts were postponed further. In Europe, the economic recovery saw an overall slowdown hampered by volatile energy prices and sluggish manufacturing growth, with consumer confidence remaining subdued. For emerging markets, economies delivered differentiated performance, those deeply integrated into the global technology supply chain had outstanding performance, while others experienced decelerated growth due to capital outflows and imported inflation.

The Chinese Mainland economy demonstrated resilience and vitality amid challenges, with gross domestic product (GDP) rising by 4.7% year-on-year in the first half of the year. Driven by AI-boosted exports, fiscal policy-driven investment, and recovery in household consumption, GDP increased by 5.0% year-on-year in the first quarter, achieving a promising start. In the second quarter, the supply side was affected by geopolitical conflicts in the Middle East, leading to a marginal slowdown in economic growth; however, international trade or exports and high-tech manufacturing remained robust, serving as key drivers of economic growth. Underpinned by fundamentals, the RMB exchange rate exhibited a moderate appreciation trend against the backdrop of a fluctuating and strengthening U.S. dollar index, with a cumulative appreciation of approximately 2.9% from the beginning to the middle of the year.

The Chinese Mainland securities market accelerated structural upgrading and segmentation overhauling amid deepening reforms. Driven by the release of policy benefits and the technology industry cycle, the market focus shifted obviously towards growth segment, driving an increase of 19.82% and 35.58% in the Shenzhen Component Index and the ChiNext Index, respectively. In terms of the weighted blue-chip segment, performance remained at a relatively steady level, with the Shanghai Composite Index recording an increase of 3.16%. The vitality of the secondary market effectively transmitted to the primary market, with market issuance and fundraising functions significantly enhanced. In the first half of the year, a total of 71 companies completed their initial public offerings (IPOs), raising a total of RMB70.574 billion, representing a year-on-year increase of 39% and 88% compared to the first half of 2025, respectively.

The Hong Kong securities market was significantly divergent between the primary and secondary markets. Affected by the global macroeconomic environment and tightening external liquidity, in the first half of the year, the Hang Seng Index declined by 10.73% compared to the beginning of the year. The total of net southbound capital inflow amounted to HK$301.0 billion, representing a year-on-year decrease of 59%, but remained the largest source of incremental capital for the Hong Kong stock market. In contrast, the IPO market demonstrated strong momentum, with a total of 84 companies completing their IPOs in the first half of the year, raising a total of HK$210.2 billion, and the Hong Kong Stock Exchange ranking second globally in terms of fundraising scale. The "A+H" structure played a pivotal role, with 24 companies completing the dual listings, raising HK$121.8 billion, representing 29% of the total number of IPOs and 58% of total proceeds.

During the period, the issuance size of offshore Chinese bonds was basically comparable with that of the same period in 2025. The Ministry of Finance of the PRC initially issued RMB6 billion of sovereign green bonds in Hong Kong to attract cross-border RMB financing and trading in Hong Kong. In the first half of the year, primary issuance in the offshore Chinese USD bond market slowed down due to fluctuation in the US treasury yields at their high level and yield curve inversion, with the issuance structure gradually concentrating towards higher-credit segments.

Review of Operations

In the first half of 2026, amid global economic landscape adjustment and market challenges, the Group was committed to the high-quality development based on the finance, continuously optimised its business structure, deepened its cross-border capital market layout, strengthened the synergistic effects, and enhanced the support for the real economy horizontally and vertically. Meanwhile, the Group actively expanded its client base to include sovereign fund, overseas long-term capital, and institutional clients in emerging markets, so as to embrace the "Belt and Road" initiative and promote the implementation of multilateral cooperation. By enhancing forward-looking investment and research capabilities and optimising risk management mechanisms, the Group has progressively strengthened its professional and differentiated service capabilities, and improved its comprehensive financial service capabilities, striving to achieve long-term value growth for shareholders.

In the first half of 2026, the Group achieved revenue of HK$308 million, representing a year-on-year increase of 0.48% compared to 2025; and recorded a profit attributable to shareholders of HK$61 million, representing a year-on-year increase of 1.67% compared to 2025.

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Fee and commission income	**132,494**	142,597
Interest income	**100,610**	103,311
Income from investment business	**74,918**	60,632
	308,022	306,540

During the period under review, the Group's overall revenue was basically comparable with that of the first half of 2025. Fee and commission income slightly decreased by 7% to HK$132 million, while interest income remained stable at HK$101 million. Income from investment business improved significantly, surging 24% from HK$60.63 million in the first half of 2025 to HK$74.92 million.

Wealth Management Business

The wealth management business mainly provides a series of comprehensive financial services including securities, futures and options brokerage, the sales of financial products such as wealth management, over-the-counter, as well as securities margin financing to individual customers and non-professional institutional investors through a combination of online and offline channels.

	For the six months ended 30 June		
	2026	2025	Change
	HK$'000	*HK$'000*	
Fee and commission income	**53,393**	56,218	(5%)
Interest income	**71,262**	79,915	(11%)
– Loan to clients	**45,524**	39,787	14%
– Others	**25,738**	40,128	(36%)
	124,655	136,133	(8%)

In the first half of 2026, amid heightened volatility in the Hong Kong secondary market, the Group proactively rose to challenges by continuously optimizing its business operation systems and product structure, strengthening the development of the digital platform, and steadily enhancing its comprehensive wealth management service capabilities, so as to enable the Group to meet clients' diverse allocation needs for their global assets and provide support for their asset allocation objectives.

During the period under review, the revenue from the Group's wealth management business decreased by 8% year-on-year. Amidst the volatile Hong Kong stock market and lower trading willingness of investor, fee and commission income decreased by approximately 5% to HK$53.39 million as compared to HK$56.22 million in the first half of 2025. In terms of interest income, the total income decreased by 11% to HK$71.26 million as compared to HK$79.92 million in the first half of 2025. In particular, the interest income from loan to clients increased by 14% year-on-year to HK$45.52 million, while the total of other interest income was HK$25.74 million, representing a year-on-year decrease of 36%, due to the lower deposit interest rates and decrease in deposit balances.

During the reporting period, the Group focused on consolidating the foundation of its wealth management business, continuously enriching its product matrix to enhance its comprehensive financial service capabilities, so as to further strengthen its competitive strength in the market by responding to client's needs with efficient and convenient professional services.

The Group will continue to adhere to a client-centric approach and promote the comprehensive optimization of its wealth management business in response to market changes and policy directions. On the one hand, the Group will expand and improve its product structure to offer clients diversified options for asset allocation. On the other hand, the Group will strive to enhance the capabilities of its sales team and service quality, reinforcing its brand competitiveness through prudent and pragmatic strategies. The Group is committed to sharing the results of stable appreciation of assets with its clients through professional and diversified financial solutions, thereby achieving its long-term goals.

Enterprise Finance Business

The enterprise finance business consists of corporate finance business and investment business. The corporate finance business provides corporate clients with stock underwriting sponsorship, bond underwriting and financial advisory services, while investment business mainly includes self-financing equity investment, debt investments and other investments.

	For the six months ended 30 June		
	2026	2025	Change
	HK$'000	*HK$'000*	
Fee and commission income	**29,684**	50,235	(41%)
Losses from investment business	**–**	(17,076)	100%
	29,684	33,159	(10%)

In the first half of 2026, affected by the volatility in the Hong Kong stock market, the Group's fee and commission income from the enterprise finance business decreased by 41% year-on-year to HK$29.68 million. In terms of investment business, the valuation adjustment factors for the consolidated investment funds have been eliminated, and there were no new investment projects during the period.

– ***Sponsorship and underwriting and financial advisory***

Upholding the purpose of serving national strategies, the Group focuses on supporting the development of the real economy, continuously promotes the synergy of domestic and foreign businesses, and actively carries out business leveraging on solid professional capabilities. During the reporting period, the Group actively expanded its presence in frontier sectors such as AI and new technologies, significantly enhancing the project coverage density and reserve volume in popular industries in the market. As the sponsor, the Group provided support for Beijing Haizhi Technology Group Co., Ltd. (2706.HK), a well-known company in AI sector, in completion of its Hong Kong stock IPO, and steadily expanded financial advisory businesses such as mergers and acquisitions and restructuring. The performance of the Group's corporate finance business has been recognized by the industry, winning awards such as the "Best Hong Kong IPO Investment Bank" (最佳港股IPO投行) from New Fortune (《新財富》) during the reporting period. In the future, the Group will continue to leverage the synergy advantages of domestic and foreign integration, further expand sponsorship, underwriting, and financial advisory businesses, provide more professional and efficient comprehensive financial services for enterprises, help the Group strengthen its international market layout, and promote the business to achieve new breakthroughs in high-quality development.

– ***Equity capital market***

During the reporting period, the Group strengthened its support for high-quality enterprises listing in Hong Kong, focused on key areas such as fintech and green finance, continuously improved service capabilities, provided targeted integrated solutions for enterprises, further deepened cross-border business collaboration, actively expanded domestic project resources, and participated in 7 Hong Kong stock initial public offering underwriting projects. The Group will closely monitor the regulatory policies and market dynamics of the equity capital market, actively explore potential business opportunities, further link domestic and foreign sales networks, and strive to provide clients with efficient, professional, and comprehensive financial service support.

– ***Debt capital market***

During the reporting period, the Group completed 52 offshore bond issuance projects. According to the statistics of Bloomberg Database, the Group ranked 8th among Chinese securities firms in terms of the underwriting volume of Chinese-funded offshore bonds. The Group closely followed the national strategic layout, and provided dedicated support for the construction of strategic mineral resource projects in regions along the “Belt and Road”, leveraging green finance to facilitate resource allocation during the period. The cumulative underwriting volume of green bonds increased by nearly 90% year-on-year. The Group continued to expand its product portfolio including green bonds, Magnolia bonds, and dim sum bonds, successfully completed multiple benchmark transactions, and obtained the green and sustainable bond underwriting qualification from the Hong Kong Monetary Authority. In the face of a market environment characterized by a contraction in offshore urban investment bond issuance and increasingly stringent regulation, the Group will expand its client base, strengthen internal business synergy, build its full-chain cross-border financing service capabilities, so as to achieve improvement in both scale and efficiency.

Institutional Services and Trading Business

The institutional services and trading business mainly provides one-stop integrated financial services for institutional and professional individual clients, such as brokerage and trading of global markets, research consulting, fixed income bonds, foreign exchange, over-the-counter derivatives and other trading investments, and investment and financing solutions.

	For the six months ended 30 June								
	Fee and commission income		Interest income		Income from investment business		Total		
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	Change
Fixed income, currencies and commodities	**–**	–	**–**	–	**55,232**	65,971	**55,232**	65,971	(16%)
Structured products	**–**	–	**–**	–	**19,686**	11,737	**19,686**	11,737	68%
Stock business	**44,775**	29,839	**29,348**	23,396	**–**	–	**74,123**	53,235	39%
	44,775	29,839	**29,348**	23,396	**74,918**	77,708	**149,041**	130,943	14%

In the first half of 2026, influenced by the international high interest rate environment, the market value of bond holdings experienced heightened volatility, posing challenges to the fixed income, currencies and commodities (FICC) business. In response to business development pressures, the Group proactively addressed market challenges, made precise assessments on market fluctuations, and adopted a defensive strategy by implementing defensive allocation plans, dynamically reducing risk exposure, and steadily advancing business operations. During the reporting period, the fixed income, currencies and commodities business realised revenue of HK$55.23 million, representing a year-on-year decrease of 16%.

The financial innovation team implemented a dual-drive development strategy of "deepening existing client relationships and expanding the new client base " (存量深耕、增量拓展). In terms of existing client management, the team established a tiered and refined client servicing mechanism, providing high-standard bespoke services to core clients, which significantly enhanced client stickiness and satisfaction in cooperation. In terms of new client development, the team delved into the options allocation needs of various institutional investors and high-net-worth clients, and continued to intensify efforts in developing new clients, thereby supporting steady growth in business revenue. Meanwhile, the team actively cultivated new growth drivers through facilitating cross-departmental collaboration and leveraging business synergies, closely monitored changes in regulatory policies, and flexibly adjusted business operational priorities and client development strategies. With comprehensive financial solutions characterized by high professionalism and execution efficiency, the Group realised revenue from the structured products business of HK$19.69 million during the reporting period, representing a year-on-year increase of 68%.

The institutional sales, institutional trading and corporate relations teams remained committed to improving the global business layout and enhancing service quality, and strengthened support for key clients. The teams also actively expanded their outreach to sovereign wealth fund clients and institutional clients in Southeast Asia, South America and other regions, and collaborated with the corporate finance business team to assist Chinese enterprises in developing the Japanese and South Korean markets. During the reporting period, the stock business achieved total revenue of HK$74.12 million, representing a year-on-year increase of 39%, of which the fee and commission income amounted to HK$44.78 million, representing a year-on-year increase of 50%.

Asset Management Business

The asset management business mainly provides public fund management, private fund management, investment advisory and discretionary managed account services.

	For the six months ended 30 June		
	2026	2025	Change
	HK$'000	*HK$'000*	
Fee and commission income	**4,642**	6,305	(26%)

During the reporting period, in the face of multiple pressures including tightening regulatory policies and restructuring of RMB asset pricing, for the asset management business, the Group adhered to the development philosophy of "seeking change amid stability and pursuing progress through transformation" (穩中求變、變中求進), and deepened its deployment in public funds, private funds, discretionary managed account and investment advisory services. Affected by product iteration and short-term market fluctuations, the fee and commission income of the asset management business decreased by 26% year-on-year to HK$46.42 million. Despite the apparent short-term revenue pressure, the Group will remain firm on the path of business transformation, further focusing on clients' long-term interests and the development of sustainable investment capabilities, so as to address market uncertainties with greater resilience.

Looking forward, for the asset management business, the Group will uphold the development concept of balancing stability and innovation, promote cross-border asset management cooperation and product innovation, proactively respond to national strategic initiatives, and continuously explore and launch strategic products with market competitiveness, so as to constantly improve service quality and professional standards, and deliver steady and sustainable long-term returns for investors.

Future Plans & Prospects

Looking ahead to the second half of 2026, the global economic momentum is expected to gradually strengthen as geopolitical conflicts de-escalate and crude oil prices retreat. The U.S. economy, supported by capital investment in the AI sector, is expected to maintain its resilience; however, policy uncertainties may arise from the mid-term elections. The Eurozone is expected to continue its expansionary fiscal policy, and the pressure of "stagflation" is anticipated to be alleviated. In terms of monetary policy, the Federal Reserve is likely to maintain the benchmark interest rate unchanged under the pressure of persistent inflation, and there is even a possibility of phased interest rate hikes. Global capital markets will continue to adopt a cautious and defensive asset allocation strategy, with overall performance becoming more prudent.

In the second half of the year, the Chinese Mainland economy demonstrated a trend of steady growth with positive momentum and structural transformation, and this trend is expected to continue. The total volume of exports will continue to maintain robust growth, macroeconomic policies will further focus on expanding domestic demand and boosting consumption, and service consumption is expected to be further improved. The driving effect of policy-based financial instruments on investment recovery is likely to manifest in the fourth quarter, and the investment momentum in infrastructure and manufacturing sector is expected to strengthen. It is expected that in the second half of the year, the overall situation will be characterised by strong external demand, marginal recovery in domestic demand, and reduced pressure from production shocks, leading to a moderate economic recovery.

In Hong Kong, the growth momentum of listed companies is closely aligned with the pace of economic recovery in the Chinese Mainland. With the advancement of policies in the first year of the "15th Five-Year Plan" and the accelerated implementation of investments in innovative industries, the market is expected to embrace structural recovery opportunities amid divergence. In terms of liquidity, the Hong Kong stock market will face pressure from the lifting of restrictions on shares with a market capitalisation exceeding HK$1.1 trillion in the second half of the year; however, Southbound capital is expected to continue flowing in, providing a strong support to the market.

In the second half of 2026, the Group will base itself on the "15th Five-Year Plan" strategy and Hong Kong's first "Five-Year Plan", promote high-quality development through business synergy, and respond flexibly to market changes and investor needs on the basis of prudent operations. In response to the "Belt and Road" Initiative, the Group will further deepen cooperation with sovereign fund and financial institutions in emerging markets and countries along the "Belt and Road". The Group will continue to enhance its precise services to key client segments, advance technology-driven empowerment and digital transformation, strengthen service effectiveness and market responsiveness, uphold a bottom line mindset, and strive to achieve win-win development with shareholders and clients.

Capital Structure

During the period under review, there was no change to the share capital of the Company. As at 30 June 2026, the total number of the issued ordinary shares was 1,561,138,689 shares and total equity attributable to ordinary equity holders was approximately HK$2,813 million (as at 31 December 2025: HK$2,751 million).

Treasury Policies

The Group generally finances its business operations with internally generated cash flow and bank borrowings. The majority of Group's banking facilities is renewable on a yearly basis and is on floating interest rates basis. In addition, it has been the policy of the Group to maintain adequate liquidity at all times to meet its liabilities as and when they fall due.

Liquidity, Financial Resources and Gearing Ratio

As at 30 June 2026, the Group had cash and bank balances of HK$1,052 million (31 December 2025: HK$890 million) and investments at fair value through profit or loss of HK$5,042 million (31 December 2025: HK$5,828 million). As at 30 June 2026, the Group's total unutilised banking facilities amounted to approximately HK$6,242 million (31 December 2025: approximately HK$5,999 million), of which approximately HK$5,942 million (31 December 2025: approximately HK$5,699 million) could be drawn down without the need of notice or completion of condition precedent.

As at 30 June 2026, the Group had outstanding short-term bank borrowings and notes issued amounting to HK$1,620 million (31 December 2025: HK$1,855 million) and HK$704 million (31 December 2025: HK$234 million), respectively. The liquidity ratio (i.e., current assets to current liabilities) and gearing ratio (i.e., borrowings to net asset value) amounted to 121% (31 December 2025: 126%) and 83% (31 December 2025: 76%), respectively.

The Group has sufficient financial resources for its day to day operations as well as spare capacity to take advantage of any investment opportunities when they arise.

Significant Investment Held, Material Acquisition and Disposal

During the period under review, the Group did not hold any significant investment and did not have any material acquisition or disposal.

Charges on the Group's Asset

No asset of the Group was subject to any charge as at 30 June 2026.

Risk Management

The Group has properly put in place credit management policies which cover the examination of the approval of clients' trading and credit limits, regular reviews of facilities granted, monitoring of credit exposures and the follow-up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

The management closely monitors the market condition so that precautionary measures will be taken to eliminate any risk that the Group may encounter. As at 30 June 2026, the advances to customers were overdue accounts receivable from cash clients and margin financing.

28% (31 December 2025: 34%) of margin financing was attributable to corporate customers with the rest attributable to individual customers.

Exposure to Fluctuations in Exchange Rates and Any Related Hedges

The Group's principal operations are transacted and recorded in Hong Kong dollar and US dollar. The Group is not exposed to material foreign exchange risk because Hong Kong dollar is pegged with US dollar. Other foreign currency exposure is relatively minimal to its total assets and liabilities. The Group has endeavored to closely monitor its foreign currency positions and take measures when necessary.

Contingent Liabilities

There were no material contingent liabilities as at 30 June 2026.

Future Plans for Material Investments or Capital Assets

Except for the future plans as disclosed in the paragraph headed "Future Plans & Prospects", the Group had no other future plans for material investments or capital assets as at 30 June 2026.

Events after the Reporting Period

There were no important events affecting the Group from 30 June 2026 to the date of this interim results announcement.

Employees

As at 30 June 2026, the total number of full-time employees was 254 (as at 31 December 2025: 244). The total staff costs for the period under review amounted to approximately HK$98 million (for the period ended 30 June 2025: HK$122 million).

The Group has established policies and regulations concerning staff recruitment, remuneration, promotion, and training. To maintain the Group's market competitiveness, independent consultants appointed by the Group conduct regular remuneration surveys. In response to market conditions, the Group formulates relevant and appropriate remuneration and incentive schemes to attract and retain talent. The Group advocates equal opportunities and recruits competent personnel globally.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the period under review. As at the end of the reporting period, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE CODE

To improve the Company's transparency and accountability to it's shareholders, the Company is, so far as practicable, committed to maintaining high standard of corporate governance. The Company has adopted the principles and code provisions of the Corporate Governance Code (the **CG Code**") as set out in Appendix C1 of the Listing Rules as the basis of the Company's corporate governance practices. Throughout the six months ended 30 June 2026, the Company has met all applicable code provisions set out in part 2 of the CG Code, save and except for code provision C.2.1 of the CG Code since 20 May 2026.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As disclosed in the announcement of the Company dated 20 May 2026, Mr. Ma Xiaoyong was appointed as the Company's Chairman and Chief Executive Officer, there has been a deviation from the relevant code provision. After assessing the current status of the Company and considering the experience and past performance of Mr. Ma Xiaoyong, the Board believes that it is appropriate for Mr. Ma Xiaoyong to concurrently serve as the Chairman of the Board and the Chief Executive Officer of the Company at this stage, which is in the best interests of the Company and its Shareholders, providing consistent leadership for the Company and ensuring a high degree of consistency between the formulation and implementation of the Group's long-term strategies and daily operational execution. Given the diversity of the Board members and the inclusion of Independent Non-executive Directors in all core committees, the operation of the Board still maintains a sufficient balance of power and authority. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance. The Board will nevertheless review the structure from time to time and consider taking appropriate action in appropriate circumstances.

The Board will continue to review and monitor the corporate governance practices of the Company to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on replies from the Company's directors on specific enquiry, all the directors complied with required standard set out in the Model Code throughout the period under review.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive directors of the Company. The audit committee has reviewed the interim results announcement and interim report of the Company for the six months ended 30 June 2026. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited ("**HKEx**") at http://www.hkexnews.hk and on the Company's website at http://www.swhyhk.com. The 2026 interim report of the Company will be dispatched to the shareholders if so requested and will be available on the websites of HKEx and the Company in due course.

DIRECTORS

As at the date of this interim report, the Board of the Company comprises nine directors, of which Mr. Ma Xiaoyong, Mr. Li Shouwei, Mr. Liang Jun and Ms. Huang Rong are Executive Directors, Mr. Zhang Lei and Ms. Zhang Ying are Non-executive Directors; Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna are Independent Non-executive Directors.

By Order of the Board
Shenwan Hongyuan (H.K.) Limited
Ma Xiaoyong
Chairman & Chief Executive Officer

Hong Kong, 25 August 2026