Shin Hwa World Limited
神話世界有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock code: 00582)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Directors**") (the "**Board**") of Shin Hwa World Limited (the "**Company**") hereby presents the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**") together with the comparative figures for the corresponding period in 2025. The audit committee of the Company (the "**Audit Committee**") has reviewed and discussed with the management of the Company the unaudited interim financial information of the Group for the Period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	**HK$'000**	HK$'000
		(Unaudited)	(Unaudited)
REVENUE	*4*	**483,451**	410,374
Cost of properties and inventories sold		**(58,497)**	(45,434)
Other income and gains, net	*5*	**10,880**	6,085
Gaming duties and other related taxes		**(15,731)**	(11,593)
Amortisation and depreciation		**(86,014)**	(92,049)
Employee benefit expenses		**(252,163)**	(251,805)
Other operating expenses		**(208,018)**	(198,350)
Finance costs, net	*6*	**(41,093)**	(43,561)
Fair value gains/(losses) on investment properties, net		**40,256**	(22,072)
Reversal of impairment of trade and other receivables, net		**1,576**	4,034
LOSS BEFORE TAX	*7*	**(125,353)**	(244,371)
Income tax credit/(expense)	*8*	**57,064**	(24)
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**(68,289)**	(244,395)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	*10*		(Restated)
Basic		**(HK1.87) cents**	(HK14.90) cents
Diluted		**(HK1.87) cents**	(HK14.90) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(68,289)**	(244,395)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations*	**(363,327)**	549,786
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(363,327)**	549,786
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Revaluation of properties, plant and equipment upon transfer to investment properties, net	**300**	7,118
Deferred tax (debited)/credited to asset revaluation reserve	**(66)**	1,339
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**140**	202
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**374**	8,659
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(362,953)**	558,445
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**(431,242)**	314,050

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 HK$'000 (Unaudited)**	31 December 2025 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**5,718,834**	6,117,293
Investment properties		**853,142**	837,038
Right-of-use assets		**2,548**	4,218
Goodwill and other intangible assets	*12*	**114,425**	121,773
Equity investments designated at fair value through other comprehensive income		**1,500**	1,360
Prepayments, trade and other receivables	*13*	**71,081**	73,513
Total non-current assets		**6,761,530**	7,155,195
CURRENT ASSETS			
Properties under development		**88,345**	93,843
Completed properties for sale		**202,662**	288,969
Inventories		**46,200**	47,029
Prepayments, trade and other receivables	*13*	**56,320**	57,955
Tax recoverable		**353**	580
Restricted cash	*14*	**–**	54,797
Cash and cash equivalents	*14*	**156,815**	141,017
Total current assets		**550,695**	684,190
CURRENT LIABILITIES			
Trade and other payables	*15*	**249,909**	231,031
Interest-bearing bank and other borrowings	*16*	**72,376**	67,700
Lease liabilities		**1,852**	2,504
Tax payable		**173**	97
Total current liabilities		**324,310**	301,332
NET CURRENT ASSETS		**226,385**	382,858
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,987,915**	7,538,053

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2026

	Notes	**30 June 2026 HK$'000 (Unaudited)**	31 December 2025 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Trade and other payables	*15*	**20,782**	19,138
Interest-bearing bank and other borrowings	*16*	**899,920**	1,015,909
Lease liabilities		**895**	2,042
Deferred tax liabilities		**58,108**	61,512
Total non-current liabilities		**979,705**	1,098,601
Net assets		**6,008,210**	6,439,452
EQUITY			
Equity attributable to owners of the parent			
Share capital	*17*	**36,515**	36,515
Reserves		**5,971,695**	6,402,937
Total equity		**6,008,210**	6,439,452

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

2.1 BASIS OF PREPARATION

The interim financial information for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standards ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards (which also include HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The accounting policies adopted in the preparation of the interim financial information are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the new and revised HKFRS Accounting Standards as of 1 January 2026 as disclosed in note 3 below. The Group has not yet early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. In the opinion of the directors of the Company, the new and revised standard is not expected to have a significant impact on the financial position and performance of the Group.

The interim financial information for the six months ended 30 June 2026 has been prepared under the historical cost convention, except for investment properties and equity investments, which have been measured at fair value. The interim financial information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of revised HKFRS Accounting Standards effective as of 1 January 2026.

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

The adoption of the above standards is not expected to have a significant financial effect on the interim financial information and there has been no significant change to the accounting policies applied in the interim financial information.

NOTES TO THE INTERIM FINANCIAL INFORMATION (continued)

4 REVENUE AND SEGMENT INFORMATION

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

(a) Integrated Resort Development;

(b) Gaming Business; and

(c) Property Development.

The CODM monitors the results of the operating segments separately for the purpose of allocating resources and assessing performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax for the six months ended 30 June 2026 is measured with the Group's loss before tax except that finance costs, net, as well as head office and corporate income and expenses, net are excluded from such measurement. Segment results for the six months ended 30 June 2025 have been adjusted to include changes in fair value of investment properties in Hong Kong in the Property Development segment.

The following tables represent revenue and results information regarding the Group's operating segments for the six months ended 30 June 2026 and 2025, respectively:

For the six months ended 30 June 2026

	Integrated Resort Development HK$'000 (Unaudited)	Gaming Business HK$'000 (Unaudited)	Property Development HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Segment revenue:				
Revenue from contracts with customer				
At a point in time	105,741	70,966	42,700	219,407
Over time	231,681	–	5,933	237,614
	337,422	70,966	48,633	457,021
Revenue from other sources				
Gross rental income from investment property operating leases	25,170	–	1,260	26,430
Sales to external customers	362,592	70,966	49,893	483,451
Segment results	(15,889)	(66,434)	22,045	(60,278)
Reconciliation:				
Finance costs, net (other than interest on lease liabilities)				(40,970)
Corporate and other unallocated expenses, net				(24,105)
Loss before tax				(125,353)

4 REVENUE AND SEGMENT INFORMATION (continued)

For the six months ended 30 June 2025

	Integrated Resort Development HK$'000 (Unaudited)	Gaming Business HK$'000 (Unaudited)	Property Development HK$'000 (Unaudited) (Restated)	Total HK$'000 (Unaudited) (Restated)
Segment revenue:				
Revenue from contracts with customer				
At a point in time	87,079	61,950	41,829	190,858
Over time	194,583	–	6,164	200,747
	281,662	61,950	47,993	391,605
Revenue from other sources				
Gross rental income from investment property operating leases	18,349	–	420	18,769
Sales to external customers	300,011	61,950	48,413	410,374
Segment results	(129,983)	(59,639)	12,348	(177,274)
Reconciliation:				
Finance costs, net (other than interest on lease liabilities)				(43,369)
Corporate and other unallocated expenses, net				(23,728)
Loss before tax				(244,371)

4 REVENUE AND SEGMENT INFORMATION (continued)

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
South Korea	**482,191**	409,954
Hong Kong	**1,260**	420
Total revenue	**483,451**	410,374

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

Information about major customers

During the six months ended 30 June 2026 and 2025, no single customer contributed over 10% of the Group's total revenue.

5 OTHER INCOME AND GAINS, NET

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Dividend income from equity investments at fair value through other comprehensive income	**55**	61
Gain on disposal of items of property, plant and equipment	**263**	218
Foreign exchange differences, net	**(4,217)**	5,268
Provision for withholding tax	**(4,152)**	(3,708)
Recovery of loss on the cash (Note 14)	**13,456**	–
Others	**5,475**	4,246
Other income and gains, net	**10,880**	6,085

6 FINANCE COSTS, NET

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Interest expenses:		
– Lease liabilities	**(123)**	(192)
– Bank borrowings	**(40,538)**	(41,669)
– Other borrowings	**(820)**	(2,546)
Finance costs	**(41,481)**	(44,407)
Interest income:		
– Bank interest income	**388**	846
Finance income	**388**	846
Finance costs, net	**(41,093)**	(43,561)

7 LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Cost of properties and inventories sold:		
– Cost of properties sold	**19,002**	14,338
– Cost of inventories sold	**39,591**	31,133
– Reversal of provision for inventories	**(96)**	(37)
	58,497	45,434
Amortisation and depreciation:		
– Depreciation of property, plant and equipment	**84,642**	90,678
– Depreciation of right-of-use assets	**1,151**	1,119
– Amortisation of other intangible assets	**221**	252
	86,014	92,049
Reversal of impairment of trade and other receivables, net:		
– Reversal of impairment of gaming receivables, net	**(1,578)**	(4,039)
– Impairment of other receivables, net	**2**	5
	(1,576)	(4,034)
Expenses included in "other operating expenses":		
– Repair and maintenance expenses of building, equipment and facility	**79,596**	71,275
– Utilities expenses	**49,026**	50,596
– Sales and marketing, promotion and advertising expenses	**10,500**	14,843
– Operating supplies and equipment	**14,665**	10,759
– Expenses relating to short-term leases or leases of low-value assets	**2,004**	1,915

8 INCOME TAX

Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profits arising in Hong Kong for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime for the six months ended 30 June 2026. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. During the six months ended 30 June 2025, no Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong. Corporate income tax in South Korea is charged progressively from 10% to 22% (Six months ended 30 June 2025: 10% to 21%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current tax – South Korea	**21**	24
Current tax – Hong Kong	**77**	–
Withholding tax refunded (Note)	**(57,162)**	–
Total tax (credit)/charge for the period	**(57,064)**	24

Note:

During the Period, the Group received a refund of withholding tax, following the Supreme Court of Korea's ruling in April 2026 to cancel the tax imposed by the National Tax Service of Korea (the "**NTS**"). The tax related to a share transfer transaction in 2017 and was imposed by the NTS in 2021.

9 DIVIDENDS

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

10 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

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

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the parent, used in the basic and diluted loss per share calculation:	**(68,289)**	(244,395)
		(Restated)
Number of shares	**'000**	'000
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted loss per share calculation	**3,651,481**	1,640,643

The calculation of the basic and diluted loss per share amount was based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding. The weighted average number of ordinary shares of 1,640,643,000 outstanding for the six months ended 30 June 2025 was restated as if the completion of issuing 1,825,740,693 rights shares, on the basis of one rights share for every one share of the Company at the subscription price of HK$0.10 per rights share on 3 November 2025, had occurred at the beginning of 1 January 2025.

The Group had no potential dilutive ordinary shares outstanding during the respective periods.

11 PROPERTY, PLANT AND EQUIPMENT

	HK$'000
Net carrying amount as at 31 December 2025 and 1 January 2026 (Audited)	**6,117,293**
Additions	**7,678**
Depreciation provided for the period	**(84,642)**
Transfers from/to investment properties and completed properties for sale	**35,249**
Disposals/write-off	**(46)**
Exchange realignment	**(356,698)**
Net carrying amount as at 30 June 2026 (Unaudited)	**5,718,834**

12 GOODWILL AND OTHER INTANGIBLE ASSETS

		Other intangible assets		
	Goodwill HK$'000	Trademarks HK$'000	Gaming licenses HK$'000	Total HK$'000
Cost				
As at 31 December 2025 and 1 January 2026 (Audited)	4,271	4,422	695,210	703,903
Exchange realignment	**(251)**	**(259)**	**(40,732)**	**(41,242)**
As at 30 June 2026 (Unaudited)	**4,020**	**4,163**	**654,478**	**662,661**
Accumulated amortisation				
As at 31 December 2025 and 1 January 2026 (Audited)	–	2,875	–	2,875
Amortisation provided during the period	**–**	**221**	**–**	**221**
Exchange realignment	**–**	**(176)**	**–**	**(176)**
As at 30 June 2026 (Unaudited)	**–**	**2,920**	**–**	**2,920**
Accumulated impairment				
As at 31 December 2025 and 1 January 2026 (Audited)	4,271	–	574,984	579,255
Exchange realignment	**(251)**	**–**	**(33,688)**	**(33,939)**
As at 30 June 2026 (Unaudited)	**4,020**	**–**	**541,296**	**545,316**
Net carrying amount				
As at 30 June 2026 (Unaudited)	**–**	**1,243**	**113,182**	**114,425**
As at 31 December 2025 (Audited)	–	1,547	120,226	121,773

13 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade receivables (Note (i))	**24,353**	20,284
Gaming receivables	**168,777**	183,395
Less: Loss allowance for impairment of gaming receivables	**(168,047)**	(180,122)
Receivables from gaming customers, net (Note (ii))	**730**	3,273
Other receivables	**7,680**	9,612
Prepayments	**27,050**	22,879
Value-added tax recoverable	**2**	2
Deposits	**1,285**	10,353
Restricted deposit for bank borrowings	**58,677**	56,967
Restricted deposits for guarantee insurance	**7,624**	8,098
	127,401	131,468
Less: Non-current portion	**(71,081)**	(73,513)
Current portion	**56,320**	57,955

Notes:

(i) Trade receivables, net

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

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 30 days	**23,738**	19,519
31 to 60 days	**82**	762
Over 90 days	**533**	3
	24,353	20,284

13 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(ii) Receivables from gaming customers, net

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

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 30 days	**120**	1,446
31 to 60 days	**610**	1,374
61 to 90 days	**–**	450
Over 90 days	**–**	3
	730	3,273

14 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Cash and bank balances	**156,815**	131,017
Short-term time deposits	**–**	10,000
Restricted cash for the Cash Incident (Note)	**–**	54,797
	156,815	195,814
Less: Restricted cash for the Cash Incident (Note)	**–**	(54,797)
Cash and cash equivalents	**156,815**	141,017

Note:

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

Based upon the Investigation Progress Notification issued by Jeju Special Self-Governing Provincial Police Agency of Korea (the "**Jeju Police**") to the Group in March 2021, the Jeju Police revealed that KRW13,400,000,000 (equivalent to retranslated amount of HK$72,343,000 as at 31 December 2025) (the "**Seized Money**") was seized by them in accordance with the due process of Korean law, and are being kept in the deposit account of a bank under the name of the Jeju Police. According to the legal opinions from independent lawyers, the Seized Money is expected to be part of the amount of the Group missed as a result of the Cash Incident and will be retained by the Jeju Police until the investigation process is complete.

Based on the report of factual findings issued by an independent external auditor in Korea in 2021, the cash balance in relation to the Cash Incident located in a premises of the Group in Korea and under the Group's possession as at 31 December 2020 was KRW10,150,000,000 (equivalent to HK$72,325,000). Accordingly, a loss of KRW4,405,000,000 (equivalent to HK$28,961,000) was recognised in the consolidated statement of profit or loss for the year ended 31 December 2020. The Seized Money, found in the premises of the Group of KRW10,150,000,000 (equivalent to HK$72,325,000) and elsewhere of KRW3,250,000,000 (equivalent to HK$23,158,000), is anticipated to be part of the missing fund. In October 2023, the police investigation was suspended. The police investigation of the Cash Incident has resumed after the primary suspect was apprehended in November 2024. The criminal trial for the primary suspect was undergone at the Jeju District Court during 2025. In February 2026, KRW12,642,500,000 (equivalent to HK$68,250,000) has been returned by the Jeju District Prosecutors' Office to the Group. Accordingly, recovery of loss of KRW2,492,500,000 (equivalent to HK$13,456,000) (Note 5) was recognised in the consolidated statement of profit or loss for the six months ended 30 June 2026.

15 TRADE AND OTHER PAYABLES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade payables (Note)	**8,233**	7,279
Deposit received	**15,745**	31,361
Accrued expenses	**44,639**	49,015
Accrued employee benefits	**46,633**	55,873
Other tax payables	**61,289**	49,520
Other payables (Note)	**13,646**	10,013
Contract liabilities	**80,506**	47,108
	270,691	250,169
Less: Non-current portion	**(20,782)**	(19,138)
Current portion	**249,909**	231,031

Note:

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

16 INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate	**Maturity**	**HK$'000 (Unaudited)**	Effective interest rate	Maturity	HK$'000 (Audited)
Current						
Bank loans – secured	**3.2%/3.29% + Korea Certificate of Deposit rate**	**2027**	**66,376**	3.2%/3.29% + Korea Certificate of Deposit rate	2026	67,700
Other borrowings – unsecured	**8%**	**2027**	**6,000**	–	–	–
			72,376			67,700
Non-current						
Bank loans – secured	**3.2%/3.29% + Korea Certificate of Deposit rate**	**2027-2028**	**701,742**	3.2%/3.29% + Korea Certificate of Deposit rate	2027-2028	809,020
Bank loans – secured	**8.2%**	**2027-2028**	**171,178**	8.2%	2027-2028	179,889
Other borrowings – unsecured	**6%**	**2032**	**27,000**	6%	2032	27,000
			899,920			1,015,909
			972,296			1,083,609

The bank borrowings are secured by the Group's property, plant and equipment amounting to HK$1,480,910,000 (31 December 2025: HK$1,742,437,000), investment properties amounting to HK$90,408,000 (31 December 2025: HK$90,339,000), properties under development amounting to HK$88,345,000 (31 December 2025: HK$93,843,000) and completed properties for sale amounting to HK$202,662,000 (31 December 2025: HK$288,969,000).

17 SHARE CAPITAL

Shares

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Authorised:		
1,000,000,000,000 (31 December 2025: 1,000,000,000,000) ordinary shares of HK$0.01 (31 December 2025: HK$0.01) each		
At 1 January 2026 and 30 June 2026	**10,000,000**	10,000,000
Issued and fully paid:		
3,651,481,386 (31 December 2025: 3,651,481,386) ordinary shares of HK$0.01 (31 December 2025: HK$0.01) each		
At 1 January 2026 and 30 June 2026	**36,515**	36,515

18 COMMITMENTS

(a) Capital commitments

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

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Contracted, but not provided for:		
Properties under development	**49,164**	54,891

18 COMMITMENTS (continued)

(b) Lease arrangements

The Group as lessor

The Group leases its investment properties consisting of several commercial properties in Korea and residential properties in Hong Kong under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. Rental income recognised by the Group during the six months ended 30 June 2026 was HK$26,430,000 (Six months ended 30 June 2025: HK$18,769,000).

At 30 June 2026, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within one year	**28,564**	30,728
After one year but within two years	**23,622**	28,035
After two years but within three years	**16,901**	21,122
After three years but within four years	**13,587**	14,852
After four years but within five years	**10,265**	11,889
After five years	**1,381**	6,443
	94,320	113,069

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is an investment holding company, and during the six months ended 30 June 2026 (the "**Period**"), the principal activities of the Group are (i) development and operation of the integrated leisure and entertainment resort (the "**Integrated Resort Development**"); (ii) operation of gaming and entertainment facilities (the "**Gaming Business**"); and (iii) property development (the "**Property Development**").

FINANCIAL RESULTS

For the Period, the Group's consolidated revenue was approximately HK$483,451,000 (2025 corresponding period: approximately HK$410,374,000), representing an increase of approximately 17.8% when compared to the corresponding period in 2025. During the Period, non-gaming revenue was approximately HK$412,485,000 (2025 corresponding period: approximately HK$348,424,000) while gaming revenue was approximately HK$70,966,000 (2025 corresponding period: approximately HK$61,950,000).

For the Period, the loss attributable to the owners of the parent is approximately HK$68,289,000 (2025 corresponding period: approximately HK$244,395,000). The basic and diluted loss per share attributable to owners of the parent was HK1.87 cents (2025 corresponding period: HK14.90 cents (restated)). The decrease in the consolidated net loss for the Period was mainly attributable to (i) the increase in consolidated revenue, particularly generated from the Group's Integrated Resort Development, (ii) the increase in fair value of investment properties, and (iii) tax recoverable of tax paid in prior years, compared to the corresponding period in 2025.

As at 30 June 2026, the consolidated net asset value of the Company was approximately HK$6,008,210,000 (31 December 2025: approximately HK$6,439,452,000) and the consolidated net asset value per weighted average number of ordinary shares outstanding during the Period attributable to owners of the parent was approximately HK$1.65 (31 December 2025: approximately HK$3.13).

OPERATION AND BUSINESS REVIEW

Integrated Resort Development

Jeju Shinhwa World ("**JSW**"), located on Jeju Island, South Korea, is the Group's flagship integrated resort and a premier world-class destination in Northeast Asia. It encompasses premium hotels, a convention and exhibition centre, a retail mall, diverse food and beverage outlets, leisure and entertainment facilities, a theme park, a water park, and one of Jeju's largest foreigners-only casinos.

The resort offers more than 2,000 high-quality guest rooms and suites across four hotel brands: the five-star Marriott Resort, Shinhwa Resort, Landing Resort, and the fully serviced Somerset family suites. This diversified accommodation portfolio serves luxury travellers, families, leisure tourists, and corporate and MICE ("Meetings, Incentives, Conferences and Events") guests. JSW's hotels have received strong guest satisfaction and industry recognition.

Entertainment options in JSW include bowling, arcade games, cinema, karaoke, and expansive outdoor leisure areas framed by Jeju's natural landscape. Momo Zoo, Korea's first capybara-specialized zoo opened in 2025, is integrated with Shinhwa Theme Park. The theme park features Larva characters from a popular local animation and offers more than 15 rides and attractions, including adventure games and a 4D theatre. Lifestyle amenities include healthcare facilities and the Shinsegae Simon Jeju Premium Center, offering wellness treatments and shopping options ranging from luxury brands to domestic fashion, sportswear, children's items and cosmetics.

JSW attracts both domestic and international tourists and serves as a venue for major events, including New Year's Eve countdown celebrations, live concerts, FIFA World Cup soccer event, USPGA golf tournament dining functions and more. Shinhwa Waterpark, Jeju's largest water park at 18,000 square metres, features wave pools, slides, rapids, spas, a kids' pool and private cabanas, making it a leading attraction for visitors of all ages.

OPERATION AND BUSINESS REVIEW (continued)

Integrated Resort Development (continued)

JSW offers Jeju's most extensive selection of food and beverage options, featuring local and international cuisines such as Jeju and Korean specialties, Chinese classics, Japanese dishes and Western favourites. The Jeju Food and Wine Festival, a renowned culinary event celebrating Jeju's unique ingredients and dining culture was held at JSW. The resort's poolside bar, contemporary lounge and beer garden provide relaxed social settings. JSW's MICE capabilities are supported by Jeju's largest column-free ballroom and adjacent conference facilities. The convention centre has hosted numerous high-profile regional and international events, making it suitable for corporate conferences, weddings and family banquets.

To differentiate JSW from other hotels in Jeju, the Group continues to introduce bundled packages and event-based programmes such as Sky Pool Party, live music performances, fireworks and lighting shows, art exhibitions, children's activities and seasonal gourmet tastings. Social media engagement remains a key strategy for expanding geographic reach and strengthening connections with target customers.

For the Period, the Integrated Resort Development generated segment revenue of approximately HK$362,592,000 (2025 corresponding period: approximately HK$300,011,000), which was mainly derived from hotels, food and beverage services, MICE events, theme park attractions, water parks, merchandise sales and leases of retail spaces within the resort, representing a significant increase of approximately 20.9% as compared to the corresponding period in 2025. The improved performance was primarily attributable to the Group's refined sales and marketing strategy together with the increase in the number of tourists to Jeju in the first half of 2026. Moreover, the Group's continuous commitment to enhancing its facilities and marketing efforts enabled it to achieve revenue growth for the Period. The segment loss of the Integrated Resort Development was approximately HK$15,889,000 for the Period (2025 corresponding period: approximately HK$129,983,000).

OPERATION AND BUSINESS REVIEW (continued)

Gaming Business

Les A Casino (formerly known as Landing Casino), an integral part of JSW, is one of the largest foreigners-only casinos in South Korea with 179 gaming tables, 65 slot machines and electronic gaming devices, occupying an exclusive gaming area of approximately 5,500 square metres.

Attributable to an increase in non-rolling volumes, the Gaming Business recorded net revenue of approximately HK$70,966,000 for the Period, representing an increase of approximately 14.6% as compared to the corresponding period in 2025 of approximately HK$61,950,000; and the segment loss from the Gaming Business for the Period was approximately HK$66,434,000 (2025 corresponding period: approximately HK$59,639,000).

Based on the recoverable amount of the cash-generating unit of the Gaming Business which has been determined by value-in-use calculations using cash flow projections of financial budgets and referencing to the segment performance, no impairment was made on the other intangible assets of the Gaming Business cash generating unit for the Period (2025 corresponding period: Nil). Besides, no impairment was recorded on the relevant property, plant and equipment after the assessment.

Property Development

The sales of resort condominiums and villas in zone R of JSW remained stable during the Period. For the Period, revenue generated from sales of residential properties, rental income generated from investment properties and property management amounted to approximately HK$42,700,000 (2025 corresponding period: approximately HK$41,829,000), approximately HK$1,260,000 (2025 corresponding period: approximately HK$420,000) and approximately HK$5,933,000 (2025 corresponding period: approximately HK$6,164,000), respectively. Segment profit of the Property Development was approximately HK$22,045,000 for the Period (2025 corresponding period: approximately HK$12,348,000).

As of 30 June 2026, approximately HK$202,662,000 (31 December 2025: approximately HK$288,969,000) was classified as completed properties for sale.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

OUTLOOK

JSW provides a premium all-inclusive destination that combines adventurous entertainment with world-class relaxation, offering joy and variety under one roof.

JSW's dynamic event calendar continues to enhance its appeal. The Sky Pool Party recently transformed JSW's signature infinity pool into an exclusive evening venue featuring curated DJ performances and premium mixology. The Shinhwa Theme Park Horror Festival, "Gui-Mong," delivered a chilling experience inspired by Jeju's earthbound spirits, immersing guests in an atmosphere of darkness and suspense while showcasing JSW's vibrant nightlife. Weekends also culminate in the "Wonder Light" fireworks and laser show, illuminating Jeju's night sky with vivid colours.

Beyond these events, the Group will continue to elevate lifestyle offerings. Visitors may enjoy authentic Ningbo cuisine at Yongfu, a Michelin one-star restaurant from Shanghai, as well as JSW's premium buffet renowned for its seafood and meticulously selected dishes. In addition to the golf academy, visitors may also take part in a personalised running training program with professional coach at JSW, offering a customized running experience surrounded by beautiful natural scenery and the resort's unique views.

These attractions have strengthened the overall customer satisfaction, and it is anticipated that continuous facility enhancements and strategic marketing programmes will contribute positively to our operating performance. Moreover, the Group will continue to monitor the residential property market for opportunities to develop its unutilised land assets, enabling further expansion when market conditions are favorable.

Looking ahead, the Group remains committed to advancing JSW as a distinguished, sustainable and internationally competitive integrated resort destination.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2026, the Group had non-current assets of approximately HK$6,761,530,000 (31 December 2025: approximately HK$7,155,195,000) and net current assets of approximately HK$226,385,000 (31 December 2025: approximately HK$382,858,000). The current ratio, expressed as the ratio of the current assets over the current liabilities, was 1.70 as at 30 June 2026 (31 December 2025: 2.27). The slight decrease in the current ratio was mainly due to the continuous repayment of bank borrowings during the Period.

For the Period, the reversal of impairment of trade and other receivables (net) amounted to approximately HK$1,576,000 (2025 corresponding period: approximately HK$4,034,000). The provisions mainly consisted of overdue receivables with long aging periods. As at 30 June 2026, the Group had prepayments, trade and other receivables of approximately HK$127,401,000 (31 December 2025: approximately HK$131,468,000). As at 30 June 2026, the Group had cash and bank balances of approximately HK$156,815,000, with approximately HK$2,819,000, HK$151,401,000, HK$2,187,000, HK$66,000 and HK$199,000 held in Hong Kong dollars ("**HKD**"), Korean Won ("**KRW**"), Japanese Yen ("**JPY**"), Great British Pound ("**GBP**") and United States dollars ("**USD**"), respectively, and the remaining balances were mainly held in Philippine Pesos ("**PHP**") and Singapore dollars ("**SGD**") (31 December 2025: approximately HK$141,017,000, with approximately HK$35,045,000, HK$100,349,000, HK$35,000 and HK$4,845,000 held in HKD, KRW, SGD and USD, respectively, and the remaining balances were mainly held in JPY).

As at 30 June 2026, the Group had trade and other payables of approximately HK$270,691,000 (31 December 2025: approximately HK$250,169,000) and bank borrowings in KRW with a floating rate of approximately HK$768,118,000 (31 December 2025: approximately HK$876,720,000), bank borrowings in KRW with a fixed interest rate of approximately HK$171,178,000 (31 December 2025: approximately HK$179,889,000) and other borrowings in HKD with a fixed interest rate of approximately HK$33,000,000 (31 December 2025: approximately HK$27,000,000) while total liabilities of the Group amounted to approximately HK$1,304,015,000 (31 December 2025: approximately HK$1,399,933,000). The Group's gearing ratio, which was measured on the basis of the Group's total liabilities divided by total assets, was 17.8% (31 December 2025: 17.9%).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Investments

Equity investments designated at fair value through other comprehensive income

As at 30 June 2026, the Group held a listed equity investment at a fair value of approximately HK$1,500,000 (representing approximately 0.1% of consolidated total assets of the Group), which was classified as an equity investment designated at fair value through other comprehensive income (31 December 2025: approximately HK$1,360,000). Net fair value gain in respect of this investment of approximately HK$140,000 resulted from the upward movement in the stock price of the equity investment in China Resources Land Limited (the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), stock code: 1109) and it was recognised in the consolidated statement of comprehensive income during the Period. There was no single equity investment representing more than 0.1% of the consolidated total assets of the Group as at 30 June 2026.

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

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

CAPITAL STRUCTURE

As at 30 June 2026 and the date of this announcement, the total number of issued ordinary shares of the Company was 3,651,481,386 shares, with a nominal value of HK$0.01 each.

Rights Issue

On 3 November 2025, upon completion of the rights issue on the basis of one (1) rights share for every share at a subscription price of HK$0.10 per rights share, the Company allotted and issued 1,825,740,693 rights shares and raised the net proceeds of approximately HK$178.75 million (the "**Net Proceeds**"). Details of the right issue are set out in the prospectus of the Company dated 2 October 2025 (the "**Prospectus**").

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

CAPITAL STRUCTURE (continued)

Rights Issue (continued)

As at 30 June 2026, the Net Proceeds had been fully utilised as follows:

Use of Net Proceeds	Intended use of Net Proceeds as disclosed in the Prospectus HK$'000	Actual amount utilised in 2025 HK$'000	Actual amount utilised during the Period HK$'000	Total amount utilised as at 30 June 2026 HK$'000
(a) repayment of a loan of HK$50 million and a bond of HK$50 million	100,000	100,000	—	100,000
(b) payment of interest expenses	45,000	21,758	23,242	45,000
(c) maintenance of the existing aging infrastructure and development of new facilities in JSW	20,000	1,600	18,400	20,000
(d) sales and marketing expenses	9,000	3,315	5,685	9,000
(e) general working capital such as staff costs and operating supplies and equipment	4,750	4,750	—	4,750
Total	178,750	131,423	47,327	178,750

Issue of Bonds

In 2024, the Board approved the issue of the unlisted and unsecured bonds in the aggregate principal amount of not more than HK$200 million in one or more series. The maturity date of the bonds is up to 96 months from the date(s) of issue of the relevant bonds with an interest rate expected to be 5% to 8% per annum.

On 15 November 2024, the Company issued a bond with principal amount of HK$27,000,000 which bears interest at 6% per annum and due in November 2032 (unless otherwise extended for a further term of 24 months at the sole discretion of the Company) (the "**Bond 2024**"). As of 30 June 2026, the Bond 2024 remained outstanding.

CAPITAL COMMITMENTS

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

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Contracted, but not provided for:		
Properties under development	**49,164**	54,891

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

CONTINGENT LIABILITY

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: Nil).

PLEDGE OF ASSETS

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

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Property, plant and equipment	**1,480,910**	1,742,437
Investment properties	**90,408**	90,339
Properties under development	**88,345**	93,843
Completed properties for sale	**202,662**	288,969

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

SEGMENT INFORMATION

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

CASH FLOW MANAGEMENT AND LIQUIDITY RISK

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

CURRENCY AND INTEREST RATE STRUCTURE

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

The Group's exposure to interest rate risk results from fluctuations in interest rate. As the Group's bank borrowing consists of a floating-rate debt obligation, an increase in interest rates would raise the interest expenses. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of the debt obligation. On 30 June 2026, the Group had outstanding a bank borrowing that bear floating interest linked to the Korea Certificate of Deposit rate ("**CD rate**"). Currently, the Group does not hold any derivative financial instrument that is linked to interest rates. In view of the trend of the CD rate, the Group continues to monitor closely its exposure to interest rate risk and may deploy derivative financial instruments to hedge against risk, if appropriate.

CASH INCIDENT

As previously disclosed, the Group reported to Jeju Special Self-Governing Provincial Police Agency of Korea (the "**Jeju Police**") in Jeju, South Korea in early January 2021 in relation to the missing fund of approximately KRW14,555,000,000 (equivalent to approximately HK$103,713,000 as of 31 December 2020) cash (the "**Incident**"). Criminal trial took place in 2025, and the Board is not aware of any judgement relating thereto having been handed down as at the date of this announcement. To the best knowledge of the Board, none of the suspect is or is related to, any director of the Company. Loss incurred by the Incident in an amount of approximately HK$28,961,000 was recorded in the consolidated statement of profit or loss of the Group for the year ended 31 December 2020. The cash found amounting to approximately KRW10,150,000,000 (equivalent to approximately HK$54,797,000) was classified as a current asset as at 31 December 2025. For the Period, recovery of loss of KRW2,492,500,000 (equivalent to HK$13,456,000) was recognised in the consolidated statement of profit or loss as KRW12,642,500,000 (equivalent to approximately HK$68,250,000) has been returned by the Jeju District Prosecutors' Office to the Group in February 2026. Save for the aforesaid, there was no further adjustment or loss made for the Period.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had approximately 1,579 (31 December 2025: approximately 1,541) employees with total staff costs (including directors' remuneration) amounting to approximately HK$252,163,000 (2025 corresponding period: approximately HK$251,805,000), including the costs of management and administrative staff. The employees were mainly stationed in South Korea and Hong Kong. The remuneration, promotion and salary increments of employees are assessed according to individual performance, as well as professional and working experience, and in accordance with prevailing industry practices. The Group also offers a variety of training schemes to its employees.

OTHER INFORMATION

DIVIDEND

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

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE

Throughout the Period, the Company has applied the principles and adopted and complied with all the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, except that Mr. Li Chun Kei, an independent non-executive Director, was unable to attend the annual general meeting of the Company held on 27 May 2026 since he had other business engagement, which deviated from code provision C.1.5.

BYE-LAWS

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE REVIEW

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

OTHER INFORMATION (continued)

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company (www.shw.com.hk) and the Stock Exchange (www.hkexnews.hk). The 2026 interim report containing all the information required by the Listing Rules will be published on the websites of the Company and Stock Exchange and dispatched to the Shareholders in due course.

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

Hong Kong, 28 August 2026

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

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