CASH 時富

INTERIM REPORT 2026

Celestial Asia Securities Holdings Limited
(Stock Code : 1049)

Corporate Information

BOARD OF DIRECTORS
Executive:

KWAN Pak Hoo Bankee	(Chairman, ED & CEO)
KWAN Teng Hin Jeffrey	(ED)
CHEUNG Tsz Yui Morton	(ED & CFO)
KWAN Iec Teng Janet	(ED)

Independent Non-executive:
LEUNG Ka Kui Johnny
WONG Chuk Yan
CHAN Hak Sin

AUDIT COMMITTEE
LEUNG Ka Kui Johnny (committee chairman)
WONG Chuk Yan
CHAN Hak Sin

REMUNERATION COMMITTEE
LEUNG Ka Kui Johnny (committee chairman)
WONG Chuk Yan
KWAN Pak Hoo Bankee

NOMINATION COMMITTEE
KWAN Pak Hoo Bankee (committee chairman)
LEUNG Ka Kui Johnny
CHAN Hak Sin
WONG Chuk Yan
KWAN Iec Teng Janet

COMPANY SECRETARY
CHEUNG Suet Ping Ada

AUTHORISED REPRESENTATIVES
KWAN Pak Hoo Bankee
(alternate: KWAN Teng Hin Jeffrey)
CHEUNG Tsz Yui Morton
(alternate: CHEUNG Suet Ping Ada)

PRINCIPAL BANKERS
Bank of Communications (Hong Kong) Limited
Nanyang Commercial Bank, Limited
Shanghai Commercial Bank Limited
Chong Hing Bank Limited
OCBC Bank (Hong Kong) Limited
The Hong Kong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited
Hang Seng Bank Limited

AUDITOR
Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

SOLICITORS
Sidley Austin

REGISTERED OFFICE
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS
28/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Conyers Corporate Services (Bermuda) Limited
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Investor Services Limited
17/F Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE
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STOCK CODE ON MAIN BOARD
1049

CONTACTS

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The unaudited consolidated results of Celestial Asia Securities Holdings Limited ("Company" or "CASH") and its subsidiaries ("Group") for the six months ended 30 June 2026, together with the comparative figures for the last corresponding period, are as follows:

		Unaudited Six months ended 30 June	
		2026	2025
	Notes	**HK$'000**	HK$'000
Revenue	(3)	**407,634**	351,022
Cost of inventories		**(219,120)**	(188,570)
Other income		**7,473**	8,142
Other gains and losses		**(3,924)**	6,288
Salaries, allowances and related benefits		**(71,936)**	(70,901)
Other operating, administrative and selling expenses		**(101,534)**	(100,676)
Depreciation of property and equipment		**(3,661)**	(5,327)
Depreciation of right-of-use assets		**(30,237)**	(39,300)
Finance costs		**(8,720)**	(9,505)
		(24,025)	(48,827)
Loss before taxation		**(24,025)**	(48,827)
Income tax expense	(5)	**–**	–
Loss for the period		**(24,025)**	(48,827)

	Note	Unaudited Six months ended 30 June 2026 HK$'000	 2025 HK$'000
Other comprehensive income for the period, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		3,242	108
Total other comprehensive income for the period		3,242	108
Total comprehensive expense for the period		(20,783)	(48,719)
Loss for the period attributable to:			
Owners of the Company		(11,351)	(36,666)
Non-controlling interests		(12,674)	(12,161)
		(24,025)	(48,827)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(8,648)	(36,558)
Non-controlling interests		(12,135)	(12,161)
		(20,783)	(48,719)
Loss per share attributable to owners of the Company	(6)		
– Basic (HK cents)		(14.1)	(45.4)
– Diluted (HK cents)		(14.1)	(45.4)

Condensed Consolidated Statement of Financial Position

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Non-current assets			
Property and equipment		7,866	10,821
Right-of-use assets		53,004	47,809
Goodwill		39,443	39,443
Intangible assets		47,501	47,501
Rental and utilities deposits		5,852	5,816
Financial assets at fair value through other comprehensive income		4,806	4,806
Financial assets at fair value through profit or loss ("FVTPL")		4,724	4,518
Other assets		4,518	4,819
Deferred tax assets		5,450	5,450
		173,164	170,983
Current assets			
Inventories – finished goods held for sale		31,291	20,583
Accounts receivables	(7)	82,018	95,381
Prepayments, deposits and other receivables		108,181	150,506
Contract assets		1,352	1,945
Loans receivables	(8)	8,820	16,598
Financial assets at FVTPL		21,248	22,678
Fixed deposits with original maturity over three months		436	437
Pledged bank deposits		30,000	30,000
Bank balances – trust and segregated accounts		331,263	372,550
Bank balances (general accounts) and cash		133,363	160,111
		747,972	870,879

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Current liabilities			
Accounts payables	(9)	463,664	525,159
Accrued liabilities and other payables		77,070	72,147
Contract liabilities		41,161	56,697
Taxation payable		5,140	5,140
Lease liabilities		41,334	34,442
Borrowings		123,319	156,495
		751,688	850,080
Net current liabilities		(3,716)	20,709
Total assets less current liabilities		169,448	191,692
Capital and reserves			
Share capital	(10)	16,140	16,140
Reserves		(11,098)	(1,926)
Equity attributable to owners of the Company		5,042	14,214
Non-controlling interests		23,337	34,948
Total equity		28,379	49,162
Non-current liabilities			
Borrowings		80,092	82,507
Deferred tax liabilities		14,445	14,630
Lease liabilities		15,102	15,084
Convertible bonds		31,430	30,309
		141,069	142,530
		169,448	191,692

Condensed Consolidated Statement of Changes In Equity

	Unaudited Six months ended 30 June 2026												
	Attributable to owners of the Company										Non-controlling Interests		
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	General reserve HK$'000	Other reserve HK$'000	Conversion option reserve HK$'000	Translation reserve HK$'000	Revaluation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Share of net assets of subsidiaries HK$'000	Share option reserve HK$'000	Total HK$'000
At 1 January 2026	16,140	4,117	88,926	1,160	92,241	11,228	12,586	(2,863)	(209,321)	14,214	31,548	3,400	49,162
Profit (loss) for the period	–	–	–	–	–	–	–	–	(11,351)	(11,351)	(12,674)	–	(24,025)
Acquisition of additional interest in subsidiary	–	–	–	–	(524)	–	–	–	–	(524)	524	–	-
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	2,703	–	–	2,703	539	–	3,242
Total comprehensive (expense) income for the period	–	–	–	–	(524)	–	2,703	–	(11,351)	(9,172)	(11,611)	–	(20,783)
At 30 June 2026	16,140	4,117	88,926	1,160	91,717	11,228	15,289	(2,863)	(220,672)	5,042	19,937	3,400	28,379

	Unaudited Six months ended 30 June 2025											
	Attributable to owners of the Company									Non-controlling Interests		
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	General reserve HK$'000	Other reserve HK$'000	Translation reserve HK$'000	Revaluation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Share held for share awards scheme HK$'000	Share of net assets of subsidiaries HK$'000	Total HK$'000
At 1 January 2025	16,144	4,127	88,926	1,160	92,241	9,860	(2,863)	(156,559)	53,036	(4,405)	47,499	96,130
Profit (loss) for the period	–	–	–	–	–	–	–	(36,666)	(36,666)	–	(12,161)	(48,827)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	108	–	–	108	–	–	108
Total comprehensive (expense) income for the period	–	–	–	–	–	108	–	(36,666)	(36,558)	–	(12,161)	(48,719)
At 30 June 2025	16,144	4,127	88,926	1,160	92,241	9,968	(2,863)	(193,225)	16,478	(4,405)	35,338	47,411

Condensed Consolidated Statement of Cash Flows

	Unaudited Six months ended 30 June 2026 HK$'000	 2025 HK$'000
Net cash (used in) from operating activities	4,134	(70,103)
Net cash from (used in) investing activities	7,036	6,118
Net cash from (used in) financing activities	(37,918)	42,033
Net decrease in cash and cash equivalents	(26,748)	(21,952)
Cash and cash equivalents at beginning of period	160,111	136,038
Cash and cash equivalents at end of period	133,363	114,086
Bank balances and cash	133,363	114,086

Notes:

(1) Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and Hong Kong Accounting Standards ("HKAS") 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules") and the Hong Kong Companies Ordinance.

Apart from (2) below, the accounting policies and judgements applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2025.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

(2) Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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

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

(3) Revenue

Disaggregation of revenue from contracts with customers

	Unaudited Six months ended 30 June 2026 HK$'000	2025 HK$'000
Types of goods or service		
Sales of furniture and household goods	331,608	290,177
Sales of electrical appliances	22,875	24,382
Sales of tailor-made furniture	25,752	16,622
Revenue from retailing segment	380,235	331,181
Management fee from asset management services	7,698	1,959
Other financial services	19,701	17,882
	407,634	351,022
Timing of revenue recognition		
A point of time	348,887	309,540
Over time	58,747	41,482
	407,634	351,022
Geographical market		
Hong Kong	400,812	349,638
The People's Republic of China ("PRC")	6,822	1,384
	407,634	351,022

(4) Business and geographical segments

Business segments

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's operating and reportable segments are as follows:

Retailing	Sales of furniture and household goods and electrical appliances
Investment Management	Provision of asset management services to investors
Other Financial Services	Provision of other financial services through CASH Financial Services Group Limited ("CFSG")

Segment revenue and results

For the six months ended 30 June 2026

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Consolidated HK$'000
Revenue	380,235	7,698	19,701	407,634
Segment results	4,512	(9,801)	(11,143)	(16,432)
Corporate expenses				(3,394)
Unallocated finance costs				(4,199)
Loss before taxation				(24,025)

For the six months ended 30 June 2025

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Consolidated HK$'000
Revenue	331,181	1,959	17,882	351,022
Segment results	(20,641)	(11,175)	(8,598)	(40,414)
Corporate expenses				(6,030)
Unallocated finance costs				(2,383)
Loss before taxation				(48,827)

Segment result represents the profit earned/loss incurred by each segment without allocation of certain other income, certain other gain and losses, corporate expenses and certain finance costs. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment.

Geographical segments

The Group's operations are located in Hong Kong and the PRC. No analysis of the Group's revenue by geographical locations is disclosed because no significant portion of the revenue from external customers are derived outside Hong Kong.

(5) **Income tax expense**

	Unaudited Six months ended 30 June 2026 HK$'000	2025 HK$'000
Income tax expense	–	–

Starting from the year ended 31 December 2018, the Hong Kong profits tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

(6) **Loss per share attributable to owners of the Company**

The calculation of the basic and diluted loss per share attributable to the owners of the Company for the six months ended 30 June 2026 together with the comparative figures for the prior period are based on the following data:

	Unaudited Six months ended 30 June 2026 HK$'000	2025 HK$'000
Loss		
Loss for the purpose of basic and diluted loss per share	(11,351)	(36,666)

	Unaudited Six months ended 30 June 2026 '000	2025 '000
Number of shares		
Weight average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	80,698	80,720

(7) Accounts receivables

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Accounts receivable arising from retailing business	(a)	1,513	3,936
Accounts receivable arising from the business of dealing in securities	(b)	21,223	24,172
Accounts receivable arising from the business of margin financing	(b)	61,623	63,236
Accounts receivable arising from the business of dealing in futures and options	(b)	10,327	16,324
Accounts receivable arising from the business of investment management		453	834
Less: allowance for impairment		(13,121)	(13,121)
		82,018	95,381

Notes:

(a) The Group allows an average credit period of 30-60 days to its corporate customers on retailing business. The ageing analysis based on the invoice date, which is approximately the revenue recognition date, is as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
0 – 30 days	752	3,407
31 – 60 days	438	48
61 – 90 days	50	10
Over 90 days	273	471
	1,513	3,936

(b) Accounts receivable from clients, brokers, dealer and clearing houses arising from the business of dealing in securities are repayable on demand subsequent to settlement date. The normal settlement terms of accounts receivable arising from the business of dealing in securities are two days after trade date or at specific terms agreed with clients, brokers, dealer and accounts receivable arising from the business of dealing in futures and options are one day after trade date.

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business in margin financing.

(8) Loans receivables

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Revolving loans receivables denominated in:		
Hong Kong dollars	9,127	16,905
United State dollars	–	–
	9,127	16,905
Less: allowance for impairment	(307)	(307)
	8,820	16,598

The Group has policy for assessing the impairment of loans receivable on an individual basis. The assessment is based on a close monitoring and evaluation of collectability and on management's judgment, including the current creditworthiness, collateral value (if any), the past collection history of each client and supportive forward-looking information.

At the end of the reporting period, the Group's loans receivable were individually assessed for impairment. In determining the recoverability of the loans receivable, the Group considers any change in the credit quality of the loans receivable from the date of the credit was initially granted up to the reporting date.

All loan receivable are variable rate loan receivable, which bear interest of Hong Kong Prime Rate plus minus of HIBOR plus spread for both periods.

(9) Accounts payables

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Accounts payable arising from retailing business	(a)	112,818	113,351
Accounts payable arising from the business of dealing in securities	(b)	329,796	387,171
Accounts payable arising from the business of dealing in futures and options	(b)	21,050	24,637
		463,664	525,159

Notes:

(a) Trade creditors arising from retailing business principally comprise amount outstanding for trade purpose and ongoing cost. The credit period taken for trade purchases ranges from 15 to 90 days (2025: 15 to 90 days).

The following is an ageing analysis (from invoice date) of trade creditors arising from retailing business at the end of the reporting period:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
0 – 30 days	**73,924**	45,836
31 – 60 days	**24,860**	48,519
61 – 90 days	**11,396**	16,505
Over 90 days	**2,638**	2,491
	112,818	113,351

(b) The settlement terms of accounts payable from the business of dealing in securities are two days after trade date, and accounts payable arising from the business of dealing in futures and options contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to clients arising from the business of dealing in futures and options are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures and options position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

Accounts payable to independent financial advisors arising from business of wealth management services are generally settled within 30 days upon receipt of payments from product issuers/clients.

Except for the accounts payable to clients arising from the business of dealing in securities which bear interest at a fixed rate, all other accounts payable are non-interest bearing.

Accounts payable amounting to HK$331,263,000 (2025: HK$372,550,000) are payable to external clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

(10) Share capital

	Par value of each ordinary share HK$	Number of shares '000	Amount HK$'000
Ordinary shares			
Authorised:			
At 1 January 2026 and 30 June 2026	0.20	150,000	30,000
Issued and fully paid:			
At 1 January 2026 and 30 June 2026	0.20	80,698	16,140

(11) Related party transactions

In addition to the transactions and balances detailed in note (8), the Group had the following transactions with related parties during the period:

	Unaudited Six months ended 30 June	
	2026 **HK$'000**	2025 HK$'000
Commission income and interest income received from the following directors of the Company or CFSG:		
Dr Kwan Pak Hoo Bankee	–	15
Mr Cheung Tsz Yui Morton	–	40
	–	55
Interest expense paid to a related party	**2,361**	3,186

(12) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt which includes the lease liabilities and borrowings, and equity attributable to owners of the Company, comprising share capital, reserves and accumulated losses as disclosed in consolidated statement of changes in equity. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the issue of new shares as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the period.

Certain subsidiaries of the Group are regulated by the Hong Kong Securities and Futures Commission ("SFC") and are required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules ("SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management of the Group closely monitors, on a daily basis, the liquid capital level of the entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout both periods.

Dividend

The Board does not recommend the payment of any dividend for the six months ended 30 June 2026 (2025: nil).

Review and Outlook

Financial Review

Financial Performance

The first half of 2026 (H1 2026) was marked by a gradual stabilisation in global macroeconomic conditions, as markets adapted to evolving trade dynamics and broader fiscal adjustments. For the six months ended 30 June 2026, the Group recorded revenue and net loss for the period of HK$408.0 million and HK$24.0 million, respectively, as compared to revenue of HK$351.0 million and net loss of HK$48.8 million, respectively, for the corresponding period in 2025.

Retailing Business – PRICERITE GROUP

During the first half of 2026, Hong Kong's retail market remained challenging amid a subdued economic backdrop, cautious consumer spending, and sustained outbound travel by residents. Consumers continued to favour value-driven purchases and adopt a prudent spending approach, which kept pressure on the local retail industry.

According to the Census and Statistics Department, Hong Kong's retail sector showed steady improvement in the first half of 2026, highlighted by a 9.6% year-on-year increase in total retail sales value. Even amidst a competitive landscape and discerning consumer spending, operating conditions demonstrated encouraging resilience, laying a solid foundation for sustainable market growth. Reflecting this positive momentum, the home furnishing and furniture sector recorded a gradual turnaround, with retail sales value for furniture and fixtures rising 7.0% compared with the same period last year. Consumer engagement in this segment remained strong, underpinned by healthy dynamics in the residential property market and a stabilising economic environment that continues to foster broader demand in home-related consumption.

Data from the Land Registry further reinforces this upward trajectory, with residential property market activity demonstrating clear signs of momentum. The total number of sale and purchase agreements for all building units reached 49,955 cases in the first half of 2026 – a notable 35.6% year-on-year surge that reflects growing confidence among buyers. While buyers naturally remain strategic amidst prevailing interest rate levels, this expanding transaction activity highlights the core strength of underlying market demand and provides a strong foundation for future housing-related consumption.

With the gradual recovery of Hong Kong's economic environment, Pricerite Group continued to focus on operational efficiency, disciplined cost management, and enhancing its product mix to adapt to the evolving retail landscape. For the six months ended 30 June 2026, Pricerite Group recorded revenue of approximately HK$380 million – up from HK$331 million last year. This performance outpaced the overall retail market, spearheaded by a standout 14.8% year-on-year increase. Despite prevailing market headwinds, Pricerite Group achieved a profit of HK$4.5 million for the first half of 2026, compared with a segment loss in the same period last year. This turnaround was mainly driven by improved enhanced inventory management and tighter control of operating expenses.

Looking ahead, management remains cautiously optimistic about the retail market. While consumer sentiment is expected to remain sensitive to macroeconomic developments and housing market conditions, the Group will continue to strengthen its value proposition, optimise its store portfolio, accelerate digital and omni-channel initiatives, and pursue operational excellence. With its established market position and flexible business model, Pricerite Group is well positioned to capture opportunities should consumer demand and overall market conditions improve.

Investment Management Business – CAFG

While financial market conditions began to stabilise, ongoing geopolitical considerations and shifting interest rate dynamics continued to impact overall portfolio performance. Driven by an increase in assets under management (AUM), our asset management business recorded revenue of HK$7.7 million and a segment loss of HK$9.8 million as compared to revenue of HK$2.0 million and a segment loss of HK$11.2 million for the corresponding period in 2025.

Other Financial Services Business – CFSG (excluding investment management business through CAFG)

For the six months ended 30 June 2026, the Group's other financial services business recorded revenue of approximately HK$20.0 million and a segment loss of HK$11.1 million as compared to revenue of HK$17.9 million and a segment loss of HK$8.6 million for the corresponding period of 2025.

Impairment Allowances

Impairment allowance consisted of provision for credit losses on accounts receivables arising from margin financing and loans receivables, the Group performs impairment assessment on these financial assets under the impairment framework and methodology of expected credit loss ("ECL") model established by the Group in accordance with HKFRS 9 "Financial instruments". To minimise the credit risk on accounts receivables arising from margin financing and loans receivables, the Credit and Risk Management Committee is responsible for reviewing credit and risk management policies, approving credit limits and to determining any debt recovery actions on delinquent receivables. The assessment is based on close monitoring, evaluation of collectability and on management's judgement, including but not limited to ageing analysis of receivables, the current creditworthiness, account executives concentration analysis, collateral distribution and concentration analysis and the past collection history of each client, and consideration of forward looking factors. In this regard, the directors of the Company consider that the Group's credit risk is maintained at an acceptable level.

Liquidity and Financial Resources

The Group's equity attributable to owners of the Company amounted to HK$5.0 million as at 30 June 2026 as compared to HK$14.2 million at the end of the last year. The decrease in the total equity was mainly due to net loss reported for the year.

As at 30 June 2026, the Group had total outstanding borrowings of approximately HK$234.8 million as compared to HK$269.3 million as at 31 December 2025. The decrease in borrowings was mainly due to repayment of bank borrowings as at 30 June 2026. The borrowings were mostly denominated in Hong Kong dollars comprising unsecured loans of approximately HK$80.1 million and secured loans of approximately HK$154.7 million. The above bank loans of approximately HK$123.3 million were secured by the Group's pledged deposits of HK$30.0 million and corporate guarantees. As at 30 June 2026, our cash and bank balances totalled HK$163.8 million as compared to HK$190.5 million as at 31 December 2025. The decrease in cash and bank balances was mainly due to bank balances operation loss incurred during the period.

The liquidity ratio as at 30 June 2026 was at 1.0 times, as compare to 1.0 times as at 31 December 2025. The gearing ratio, which represents the ratio of interest bearing borrowings excluding lease liabilities of the Group divided by the total equity, was 827.5% as at 30 June 2026 as compared to 547.8% as at 31 December 2025. The increase in gearing ratio was mainly due to the loss incurred during the year. On the other hand, we have no material contingent liabilities at the end of the year. The Group's treasury policies are to secure healthy liquidity for running its operations smoothly and to maintain a sound financial position at all time throughout the year. Besides meeting its working capital requirements, cash balances and bank borrowings are maintained at healthy levels to meet its customers' investments needs while making sure all relevant financial regulations have been duly complied.

Foreign Exchange Risks

The Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches at the end of the period.

Material Acquisition and Disposals

The Group did not have any material acquisition and disposal during the period.

Fund Raising Activities

The Group did not have any fund raising activity during the period under review.

Capital Commitments

The Group did not have any material outstanding capital commitment at the end of the period.

Litigation and Contingent Liabilities

The Group did not have any material outstanding litigation and contingent liabilities as at 30 June 2026.

Material Investments

The market value of financial assets at FVTPL decreased from HK$27.2 million as at 31 December 2025 to approximately HK$26.0 million as at 30 June 2026. A net loss on financial asset at FVTPL of HK$3.9 million (2025 net profit HK$6.3 million) was recorded for the period. We do not any future plans for material investments, or addition of capital assets.

Save as disclosed above, the Group did not have any material investments during the six months ended 30 June 2026.

Financial and Operational Highlights

Revenue

(HK$'000)	Unaudited Six months ended 30 June **2026**	 2025	 % change
Retail	**380,235**	331,181	14.8%
Investment management	**7,698**	1,959	293.0%
Other financial services	**19,701**	17,882	10.2%
Group total	**407,634**	351,022	16.1%

Key Financial Metrics

	Unaudited Six months ended 30 June **2026**	 2025	 % change
The Group			
Loss for the period attributable to owners of the Company (HK$'m)	**11.4**	36.7	(68.9%)
Loss per share (HK cents)	**14.1**	45.4	(68.9%)
Total assets (HK$'m)	**921.1**	1,104.7	(16.6%)
Bank balances and cash (HK$'m)	**163.8**	147.3	11.2%
Borrowings (HK$'m)	**234.8**	277.7	(15.4%)
Retailing			
Revenue per sq. ft. (HK$)	**340**	278	22.3%
Growth for same stores (vs last period)	**15.0%**	(19.3%)	N/A
Inventory turnover days	**21.6**	25.0	(13.6%)
Investment management			
Net loss on financial assets at FVTPL (HK$'m)	**(3.9)**	(4.7)	(17.0%)
Other Financial Services Business			
Annualised average fee income from broking per active client (HK$'000)	**0.7**	0.8	(12.5%)

Industry and Business Review

Retail Management Business – Pricerite Group

Economic and Industry Review

Hong Kong's economy grew 5.1% year-on-year during the period under review, supported by the buoyant external trade and a 13% increase in visitor arrivals. Total retail sales rebounded and increased 9.6% year-on-year, versus 1.0% growth for full-year 2025.

The furniture segment recovered with 7.0% sales growth, driven by a property market rebound – residential prices rose 7.9% in the first half of 2026 to a 2.5-year high, and new home sales hit a seven-year peak at 11,500 transactions. However, sustained consumer caution on discretionary spending, amid geopolitical and cost-of-living pressures, tempered the segment's growth.

Business Review

The first half of 2026 has been a pivotal period for the Group. In the face of a challenging economic landscape and subdued consumer sentiment, we have demonstrated resilience, agility, and a clear strategic vision. By staying true to our core DNA of excellent customer service and executing targeted business strategies, we have not only weathered the economic headwinds but also gained market share and positioned ourselves for sustainable growth.

Market Outperformance

Our performance has consistently outpaced the broader Hong Kong retail market. During the period under review, while the total retail market grew by 9.6%, Pricerite achieved a 15.1% growth in sales. This momentum was even more pronounced in the Furniture & Fixtures sector, where our growth of 15.3% significantly outpaced the sector average of 7.0% for the same period. Decisive action was taken to optimise our store portfolio, including the closure of an underperforming location and the right-sizing of others, allowing us to improve operational efficiency and achieve a measurable increase in sales per square foot.

A Commitment to Service Excellence

A cornerstone of our success has been an unwavering commitment to customer service. Our efforts have been validated by three prestigious awards: the HKRMA's "Best Quality Service Retailer – Home & Living Products" award, the HKTB's Outstanding QTS Merchant Awards – Gold Award, and the Jockey Club's "Age-friendly Innovation Award" for our growing Silver Living business.

These recognitions serve as powerful proof points that our strategy of building a competitive edge through superior service is working. We have reinforced our training and operational guidelines to ensure every customer interaction reflects our brand promise, particularly in our high-value renovation and custom furniture services, where trust is paramount.

Strategic Focus

Strategically, the first half of 2026 was defined by several key initiatives. We have sharpened our focus on our core growth drivers, particularly our TMF & Creations business. Recognising the solid demand in both the new housing and second-hand property markets, we have proactively developed service offerings that address key customer pain points, such as project delays and unforeseen costs. Services like free on-site measurement and inspection have been rolled out to build customer confidence and differentiate our offering.

In addition, we have strengthened our product mix, with a particular focus on expanding our furniture and household items, and introducing higher-margin new items. We are also enhancing the store experience through digitalisation, gradually replacing static promotional materials with dynamic digital screens and planning for a new unified e-commerce platform that seamlessly integrates our online and offline operations.

Embracing Innovation and Efficiency

The Group has embraced artificial intelligence across all departments. From using AI for marketing content creation to exploring AI-enabled data analytics for better decision-making, we are ensuring the Group stays at the forefront of retail technology. These initiatives are designed to improve efficiency, reduce manual processes, and deliver a more personalised and responsive experience for our customers.

We have also been proactive in building our brand identity. We are developing signature product lines that reinforce our brand DNA, while continuing to develop our supplier network to improve our value chain and enhance product quality. Our marketing efforts have evolved to include more diverse channels, engaging with customers through both traditional media and newer social platforms such as Xiaohongshu, to better connect with both local consumers and visitors from the mainland.

Outlook

Looking ahead, we maintain a cautiously optimistic outlook. While the retail market appears to have stabilised and is showing early signs of recovery, we remain mindful of the competitive landscape and potential external uncertainties. The Group will continue to pursue market share aggressively, building on the momentum established in the first half.

With the market anticipating a sustained uptick in property transactions, we see a clear tailwind for our TMF & Creations business. Our strategy is to deepen our penetration in this segment by offering service-oriented, value-added packages that help homeowners improve their living environments and enhance property value. Additionally, with a significant number of new housing completions scheduled for the second half, we are well-prepared to capture demand through targeted outreach and partnerships.

Marketing will remain a priority, with a focus on building brand awareness and reinforcing the emotional connection with our customers. We will continue to emphasise our brand values of quality, trust, and care for the Hong Kong community. Promotional campaigns will be designed to drive both traffic and conversion, leveraging insights gained from our first-half activities.

We will also continue to invest in our people. Talent recruitment and development remain a priority, particularly in our TMF and Creations teams, to ensure we have the capacity and expertise to meet growing demand. We are also committed to fostering a strong internal culture, one that encourages innovation, accountability, and a shared sense of purpose.

Finally, we are closely monitoring the broader economic and geopolitical environment. We have strengthened our contingency planning to ensure we can respond swiftly to market changes. Our financial position remains solid, and we are confident in our ability to navigate the months ahead.

In closing, the momentum we have built in the first half proves that we are on the right path. We remain focused on executing our proven strategy, delivering value to our customers, and generating sustainable returns for our stakeholders.

Algo Trading Business – CAFG

Market Summary

The Hang Seng Index declined by approximately 11% during the first six months of 2026 as tighter global liquidity conditions, elevated interest rate expectations, and capital rotation toward AI-related markets weighed on Hong Kong equities. Investor sentiment remained cautious throughout the period, reflecting concerns over earnings growth, capital outflows, and the limited participation of Hong Kong-listed companies in the global AI-driven market rally.

Despite weaker secondary market performance, Hong Kong continued to reinforce its position as a leading international fundraising centre, supported by a robust pipeline of new listings and sustained demand from Mainland Chinese issuers. Ongoing geopolitical and regulatory uncertainties also strengthened Hong Kong's role as a preferred capital-raising platform for Chinese enterprises.

Commodity markets remained highly volatile during the period. Gold and silver reached record highs above US$5,500 and US$120 per ounce, respectively, early in the year before correcting sharply as higher bond yields and expectations of prolonged tight monetary policies reduced demand for non-yielding assets. Nevertheless, investor sentiment toward precious metals remained broadly constructive, supported by geopolitical tensions, continued central bank purchases, and demand for safe-haven assets. Silver also benefited from its dual role as both an investment and industrial metal.

Across the broader commodities complex, crude oil prices remained elevated amid concerns over potential supply disruptions in the Middle East, trading within 3% of their 2022 peak. Copper prices were supported by strong structural demand arising from investment in AI infrastructure and renewable energy. Volatility across commodity and financial futures markets reflected an investment environment shaped by inflation concerns, evolving monetary policy expectations, and heightened geopolitical uncertainty.

Business Review

Fund management remained a key strategic focus of the Group in the first half of 2026. Together with the Group's asset management division, the team manages two derivatives-based funds and one equity fund.

The CASH Multi Strategy Fund, a predominantly dollar-neutral derivatives strategy, continued to experience performance pressure amid persistent market dislocations stemming from trade tensions and tariff retaliation that began in 2025. Major trading instruments, including gold, silver, and crude oil, experienced significant price swings amid intensified geopolitical developments in the Middle East. Against this backdrop, the Fund's trading models struggled to adapt to the unusually volatile and dislocated market environment, resulting in a loss of approximately 2% during the first half of the year.

The team serves as technical advisor to the Qunbo Multi Strategy Select Fund, which employs both directional and arbitrage-based derivatives strategies. The Fund maintained strong fundraising momentum into 2026, attracting capital from institutional investors seeking diversified return streams and portfolio enhancement opportunities. During the period under review, however, market conditions were characterised by choppy and range-bound price movements that diverged significantly from historical patterns. As a result, the trading models experienced a drawdown of approximately 6% during the first half of the year.

The CASH Prime Value Equity Fund, a long-only equity strategy that combines fundamental analysis with quantitative research, delivered a 0.5% gain during the period, outperforming the HSI index by approximately 11%. Performance was driven primarily by concentrated exposure to selected high-growth consumer, technology, and financial stocks. In addition, the expansion of the Fund's investment mandate enabled the introduction of a single-stock futures long-short strategy in the first quarter of 2026, enhancing diversification across investment styles and contributing positively to overall portfolio returns. Since its inception in September 2022, the Fund has achieved a cumulative return of 59%.

Business Development

We remain committed to product innovation and operational enhancement as financial markets, investment products, and technology continue to evolve rapidly.

Leveraging our quantitative research capabilities and AI-assisted analytics, we have been developing a thematic investment strategy focused on virtual assets. Subject to the lifting of current restrictions on virtual asset investments within the wealth management division's advisory and portfolio management framework, closer collaboration with the wealth management team will enable CASH Algo Finance Group to expand its product suite to include virtual asset-related investment strategies. This initiative aligns with the Group's long-term objective of broadening its product offerings and capturing emerging growth opportunities within the alternative investment landscape.

On the distribution front, the team further strengthened collaboration with the Group's sales force through structured training programs, product workshops, and joint client engagement initiatives. We also enhanced partnerships with external distribution channels and continued to explore digital platforms to broaden our investor base, particularly among family offices and high-net-worth individuals.

Outlook

Looking ahead to the second half of 2026, we expect global financial markets to remain resilient despite an increasingly complex macroeconomic environment. Continued advancements in artificial intelligence, digital infrastructure, and innovation-driven industries are expected to support investment activity and corporate earnings growth. Hong Kong is well positioned to benefit from these developments, supported by a healthy IPO pipeline, ongoing market reforms, and deepening connectivity with both Mainland China and international investors. While market volatility may persist amid evolving geopolitical and trade developments, Hong Kong's status as a leading international financial centre is expected to continue supporting capital market activity and investment flows.

Hong Kong equities are expected to maintain a constructive outlook for the remainder of 2026, underpinned by improving corporate fundamentals, stable liquidity conditions, and sustained investor interest in technology, advanced manufacturing, and consumption-related sectors. The CASH Prime Value Equity Fund will continue to leverage its quantamental investment framework to capture attractive opportunities while maintaining disciplined risk management.

Against a backdrop of geopolitical fragmentation and shifts in the global economic landscape, diversified exposure across geographies, currencies, and asset classes is becoming increasingly important. The CASH Multi Strategy Fund and the Qunbo Multi Strategy Select Fund, with their relatively low correlation to traditional asset classes, continue to offer attractive diversification benefits and the potential for more stable risk-adjusted returns.

In 2026, we aim to further expand the integration of virtual assets within our portfolio strategies while advancing the development of a dedicated virtual asset fund. Operationally, we will continue to incorporate AI technologies into research, strategy development, and risk management processes. This dual focus on innovation and disciplined execution positions the Group to strengthen its competitive advantage and deliver sustainable value to investors over the long term.

Financial Services Business – CFSG

Economic and Industry Review

In the first half of 2026, Hong Kong's economy demonstrated robust resilience amid ongoing global geopolitical tensions and persistent U.S. monetary restraint. Driven by surging global demand for AI-related electronic products, Hong Kong's real GDP grew 5.1% year-on-year — its strongest half-yearly performance in nearly five years — prompting the government to raise its full-year growth forecast to 3.5–4.5%.

This economic vigour propelled financial markets to new heights. Securities market average daily turnover jumped 17.8% year-on-year to HK$283 billion, while IPO fundraising more than doubled to HK$210.2 billion, reinforcing Hong Kong's status as the world's top listing destination. Meanwhile, asset and wealth management continued its upward trajectory, with sustained net fund inflows underscoring the city's enduring appeal as a premier international investment gateway amid global uncertainty.

Business Review

The first half of 2026 has been a period of meaningful progress for CFSG, as we continued to advance our technological capabilities, optimise internal operations, and deepen client relationships across key markets. Against a backdrop of evolving financial landscapes and growing client demand for intelligent, accessible solutions, we have maintained our focus on innovation, service excellence, and strategic expansion.

Technology and Infrastructure

Significant enhancements have been made to our trading infrastructure this half-year, with particular attention to system performance and user experience. Upgrades to our futures trading platform have improved front-end functionality and overall responsiveness. Concurrently, we have initiated efforts to consolidate our back-end systems into a more unified and streamlined architecture. This integration is expected to enhance system stability, simplify maintenance, and deliver greater operational efficiency upon completion in the coming months.

AI-Driven Content and Marketing

Our marketing function has embraced artificial intelligence to elevate content creation and audience engagement. The adoption of AI technologies has streamlined our content generation and distribution processes, enabling faster execution and more timely engagement with clients in response to market opportunities and emerging trends. Looking ahead, we plan to explore the use of digital avatars and AI-generated video content to further enrich our brand storytelling and expand our digital presence.

Operational Knowledge Management

Internally, we are developing an AI-enabled knowledge hub that will centralise essential information on our products, services, and operational procedures. This intelligent platform is designed to support real-time querying and continuous learning, enabling our teams to access accurate information efficiently and maintain high standards of service consistency. Once fully deployed, this initiative is expected to shorten onboarding time and enhance overall productivity.

Client Engagement and Market Outreach

Strengthening client connections remains a core priority. We have continued to organise a variety of online and offline events to foster meaningful dialogue and trust with our clients. To broaden our footprint in Chinese Mainland, we have hosted a series of wealth management seminars in several regional cities, delivering practical insights and timely market perspectives to help clients navigate complex financial environments with confidence.

In parallel, we have introduced an educational initiative aimed at nurturing young talent interested in the financial sector. This programme offers university students from leading institutions around the world an immersive exposure to the fundamentals of private wealth management. Through interactive sessions and direct engagement with industry practitioners, we are contributing to the development of future financial professionals while reinforcing our commitment to education and community engagement.

Outlook

Looking ahead to the second half of 2026, CFSG remains focused on executing its strategic priorities with discipline and agility. We will continue to refine our technological infrastructure, expand our AI applications, and enhance service delivery, while deepening engagement with clients and communities across Greater China to ensure we remain a trusted partner in their financial journeys. By balancing innovation with a human-centred approach, we are confident in our ability to deliver sustainable value for all stakeholders.

This confidence is reinforced by a clear and actionable strategic plan that fully leverages our unique position at the intersection of global capital and China's high-tech ecosystem.

Our strategy is playing directly into China's national strategic planning toward developing "new quality productive forces," unlocking a significant and long-term market opportunity that demands sophisticated, patient, and on-the-ground financial intermediation. Our unrivalled foothold in Hong Kong — reinforced by the city's deepening role as a "super connector" and its resurgence as a premier capital markets hub — places us at the epicentre of this transformation.

We are devising a comprehensive, full-cycle approach that spans the entire corporate lifecycle, from early-stage growth through to public markets and beyond. By systematically strengthening our on-the-ground presence in Mainland China and forging deeper alliances with global institutional investors, we are building a sustainable and scalable partnership model that generates durable, high-quality revenue streams.

While we remain vigilant to geopolitical and market volatility, our diversified investor base, rigorous compliance framework, and Hong Kong-centric regulatory foundation provide inherent resilience.

Employee Information

At 30 June 2026, the Group had 494 employees. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the period under review was approximately HK$71.9 million.

Benefits

The Company and some of its subsidiaries provide employee benefits including mandatory provident fund scheme, medical insurance scheme, discretionary share options, performance bonus and sales commission for their staff. The Company also provides its employees in the PRC with medical and other subsidies, and contributes to the retirement benefit plans.

Training

The Group has implemented various training policies and organised a number of training programs aimed specifically at improving the skills of its employees and generally to increase the competitiveness, productivity and efficiency of the Group including training in areas such as product knowledge, customer service, selling techniques, presentation, communication, quality management, graduate development, and also professional regulatory training programs as required by regulatory bodies. The Group also arranges for relevant staff, who are licensed persons under the Securities and Futures Ordinance ("SFO"), to attend the requisite training courses to fulfil/comply with the continuous professional training as prescribed in the SFO.

The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures and rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee's concerns; and by removing any potential barriers for job effectiveness and continuous learning.

Directors' Interests in Securities

As at 30 June 2026, the interests or short positions of each Director and chief executive of the Company in the shares of the Company ("Shares"), underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept under section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

A. The Company

Long positions in the Shares and underlying Shares of the Company

Name of Director	Nature of interest	Number of Shares held	Number of underlying Shares held	Total number of Shares and underlying Shares held	Approximately % of shareholding (Note 2)
Kwan Pak Hoo Bankee	Personal	622,501	–	622,501	0.77
("Dr Kwan")	Corporate (Note 1)	39,599,098	16,000,000	55,599,098	68.89
		40,221,599	16,000,000	56,221,599	69.66

Notes:

1. The Shares and the underlying Shares were held by Cash Guardian Limited ("Cash Guardian") (a wholly-owned subsidiary of Hobart Assets Limited ("Hobart Assets"), which in turn was 100% beneficially owned by Dr Kwan. The underlying Shares, represents the convertible bonds in the principal amount of HK$20,000,000 issued by the Company ("Convertible Bonds"), pursuant to which 16,000,000 Shares would be issued upon full conversion of the Convertible Bonds at conversion price of HK$1.25 per Share. Pursuant to the SFO, Dr Kwan and Hobart Assets were deemed to be interested in such Shares and underlying Shares held by Cash Guardian as disclosed in the "Substantial Shareholders" below.

2. The percentage was calculated based on 80,698,181 shares of the Company in issue as at 30 June 2026.

B. The subsidiary

CASH Financial Services Group Limited ("CFSG")

Long positions in the ordinary shares and underlying shares of CFSG

Name of Director	Nature of interest	Number of shares held	Number of underlying shares held under the CFSG share option scheme	Total number of shares held and/or underlying shares held under the CFSG share option scheme	Approximately % of shareholding (Note 6)
Kwan Pak Hoo Bankee ("Dr Kwan")	Personal	28,224,000	4,000,000 (Note 1)	312,949,563	72.58
	Corporate	280,725,563 (Note 2)			
Kwan Teng Hin Jeffrey	Personal	6,576,000	4,000,000 (Note 3)	10,576,000	2.45
Cheung Tsz Yui Morton	Personal	4,098,000	4,000,000 (Note 4)	8,098,000	1.87
Kwan Iec Teng Janet	Personal	–	2,000,000 (Note 5)	2,000,000	0.46

Notes:

1. The 4,000,000 underlying shares represents the outstanding share options under the CFSG share option scheme. Details of the share options of CFSG granted to this director are set out below under "Share Option Schemes".

2. The shares were held by Celestial Investment Group Limited ("CIGL"), a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by the Company. The Company was beneficially owned as to approximately 49.84% by Dr Kwan, details of which are disclosed in the heading of "Substantial Shareholders" below. Pursuant to the SFO, Dr Kwan was deemed to be interested in all these shares held by CIGL in CFSG as a result of his interest in the Company.

3. The 4,000,000 underlying shares represents the outstanding share options under the CFSG share option scheme. Details of the share options of CFSG granted to this director are set out below under "Share Option Schemes".

4. The 4,000,000 underlying shares represents the outstanding share options under the CFSG share option scheme. Details of the share options of CFSG granted to this director are set out below under "Share Option Schemes".

5. The 2,000,000 underlying shares represents the outstanding share options under the CFSG share option scheme. Details of the share options of CFSG granted to this director are set out below under "Share Option Schemes".

6. The percentage was calculated based on 431,174,779 shares of CFSG in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Share Option Schemes

A. The Company

The share option scheme ("Share Option Scheme") was adopted pursuant to an ordinary resolution passed at the special general meeting of the Company held on 30 September 2021. The Share Option Scheme was adopted before the new Chapter 17 of the Listing Rules which came into effect on 1 January 2023. The Company will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the Share Option Scheme.

No share option has been granted by the Company and no share options were outstanding, lapsed, cancelled or exercised under the Share Option Scheme for the period ended 30 June 2026.

The total number of options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2026 and 30 June 2026 was 8,072,018.

The total number of Shares available for issue under the Share Option Scheme as at the date of this report is 8,072,018, representing approximately 10.00% of the weighted average number of issued shares of the Company as at the date of this report.

B. The subsidiary

CFSG

The CFSG share option scheme ("CFSG Share Option Scheme") was adopted pursuant to an ordinary resolution passed at the annual general meeting of CFSG held on 8 June 2018. The CFSG Share Option Scheme was adopted before the new Chapter 17 of the Listing Rules which came into effect on 1 January 2023. CFSG will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the CFSG Share Option Scheme.

Details of the movements in the share options to subscribe for shares of HK$0.04 each in CFSG granted under the CFSG Share Option Scheme during the period ended 30 June 2026 are set out below:

					Number of options		
Name	Date of grant	Exercise Period	Exercise price per share (HK$)	Notes	As at 1 January 2026	Lapsed/ cancelled during the period (Note 6)	As at 30 June 2026
Directors:							
Kwan Pak Hoo Bankee	14/07/2025	14/07/2025 – 13/07/2027	0.440	1	4,000,000	–	4,000,000
Kwan Teng Hin Jeffrey	14/07/2025	14/07/2025 – 13/07/2027	0.440	1	4,000,000	–	4,000,000
Cheung Tsz Yui Morton	14/07/2025	14/07/2025 – 13/07/2027	0.440	1	4,000,000	–	4,000,000
Kwan Iec Teng Janet	14/07/2025	14/07/2025 – 13/07/2027	0.440	1	2,000,000	–	2,000,000
Employee Participants (Note 8)	14/07/2025	14/07/2025 – 13/07/2027	0.440	1	3,000,000	–	3,000,000
	14/07/2025	14/07/2025 – 13/07/2027	0.440	2	9,000,000	(500,000)	8,500,000
					26,000,000	(500,000)	25,500,000

Notes:

1. The options are vested and exercisable on the first date of the exercise period. There is no performance target attached to the options granted.

2. The vesting period of the options shall be 12 months from the date of grant (both days inclusive). These options shall be vested on the day of fulfillment of the performance target (the "Performance Target") by the relevant grantees to be appraised and confirmed by the CFSG board. The Performance Target is subject to (a) satisfaction of performance targets to be determined by the CFSG board with reference to, including but not limited to, the budget achievement of the CFSG Group as a whole, the individual performance appraisal of the grantees; and other key performance indicators as determined by the CFSG board; or (b) at the CFSG board's sole discretion.

3. The closing price immediately before the date on which the options were granted on 14 July 2025 was HK$0.455 per Share.

4. The fair value of the options granted on 14 July 2025 was HK$0.20 per share of CFSG at the date of grant.

5. No options was granted, exercised or cancelled during the period ended 30 June 2026.

6. The lapsed options were due to expiry of the options in accordance with the terms of the share options.

7. None of the participants has been granted with options in excess of the 1% individual limit.

8. Employee Participants include directors and employees of the Company and its subsidiaries.

9. The total number of options available for grant under the scheme mandate of the CFSG Share Option Scheme as at 1 January 2026 and 30 June 2026 were 117,477.

10. The total number of shares available for issue under the CFSG Share Option Scheme as at the date of this report is 26,117,477, representing approximately 6.06% of the issued shares of CFSG as at the date of this report.

11. The total number of shares that may be issued in respect of options granted under all shares scheme of CFSG during the period ended 30 June 2026 divided by the weighted average number of CFSG shares in issue as at the date of this report is 6.05%.

Share Award Scheme

The subsidiary

CFSG

CFSG has adopted a share award scheme on 1 December 2022 (the "Share Award Scheme"). The Share Award Scheme, which is funded by the existing shares of CFSG, does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules. The total number of share awards available for grant under the scheme mandate of the Share Award Scheme as at 1 January 2026 and 30 June 2026 were 7,835,477.

No share awards has been granted under the Share Award Scheme during the six months ended 30 June 2026. As at 30 June 2026, CFSG did not have any outstanding share awards under the Share Award Scheme and no trustee is holding any unvested shares under the Share Award Scheme.

Substantial Shareholders

As at 30 June 2026, so far as is known to the Directors and chief executive of the Company, the persons/companies (other than a director or chief executive of the Company) who had, or were deemed or taken to have an interest or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Name	Capacity	Number of Shares	Number of underlying Shares	Total number of Shares and/or underlying Shares	Approximately % Shareholding (Note 8)
Hobart Assets Limited (Notes 1 & 2)	Interest in a controlled corporation	39,599,098	16,000,000	55,599,098	68.89
Cash Guardian Limited (Notes 1 & 2)	Beneficial owner	39,599,098	16,000,000	55,599,098	68.89
Mr Wang Shui Ming (Note 3)	Beneficial owner, interest in a controlled corporation and other interest	4,110,245	–	4,110,245	5.09
Mr Lai Wing Hung (Note 4)	Beneficial owner, interest in a controlled corporation and other interest	4,847,405	–	4,847,405	6.00
Ms Leung Ka May Liza (Note 5)	Beneficial owner and other interest	4,847,405	–	4,847,405	6.00
Mr Tam Cheuk Ho (Note 6)	Interest in controlled corporations	3,163,817	3,200,000	6,363,817	7.88
Mr Law Ping Wah (Note 7)	Beneficial owner	2,441,166	3,200,000	5,641,166	6.99

Notes:

1. The Shares and the underlying Shares were held by Cash Guardian Limited, a wholly-owned subsidiary of Hobart Assets Limited ("Hobart Assets"), which in turn was 100% beneficially owned by Dr Kwan. The underlying Shares, represents 16,000,000 Shares would be issued upon the full conversion of the convertible bonds. Pursuant to the SFO, Dr Kwan and Hobart Assets were deemed to be interested in such Shares and underlying Shares held by Cash Guardian Limited.

2. Dr Kwan (a director whose interests is not shown in the above table) was interested and/or deemed be interested in a total of (i) 40,221,599 Shares (approximately 49.84%), which were held as to 39,599,098 Shares by Cash Guardian Limited and as to 622,501 Shares in his personal name; and (ii) 16,000,000 underlying Shares held by Cash Guardian Limited, which represents 16,000,000 Shares would be issued upon full conversion of the Convertible Bonds. Detail of his interest is set out in the section "Directors Interests in Securities" above.

3. The shareholding interest of Mr Wang Shui Ming was based on the notice dated 7 September 2020 (filed by him on 9 September 2020) pursuant to Divisions 2 and 3 of Part XV of the SFO after adjusting the number of Shares held by him due to the 20-to-1 share consolidation of the Company which took effect on 7 September 2020. Based on the said notice filed by Mr Wang Shui Ming, the Shares were held as to 1,022,061 in his personal name, as to 2,223,607 held by Mingtak Holdings Limited (a 100%-owned controlled corporation of Mr Wang Shui Ming), and 864,577 held by him as nominee under a power of attorney. Pursuant to the SFO, Mr Wang Shui Ming was deemed to be interested in all these Shares.

4. The shareholding interest of Mr Lai Wing Hung ("Mr Lai") was based on a notice filed by him on 3 March 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Mr Lai, the Shares were held as to 3,697,000 in his personal name, as to 414,405 held by Grimsby Consultants Limited (a 100%-owned controlled corporation of Mr Lai) and as to 736,000 held by Ms Leung Ka May Liza, spouse of Mr Lai. Pursuant to the SFO, Mr Lai was deemed to be interested in all these Shares.

5. The shareholding interest of Ms Leung Ka May ("Ms Leung") was based on a notice filed by her on 3 March 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Ms Leung, the Shares were held as to 736,000 in her personal name, as to 4,111,405 held by Mr Lai Wing Hung, spouse of Ms Leung. Pursuant to the SFO, Ms Leung was deemed to be interested in all these Shares.

6. The shareholding interest of Mr Tam Cheuk Ho ("Mr Tam") was based on a notice filed by him on 12 June 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. The interests comprises 3,163,817 Shares and 3,200,000 underlying Shares. Based on the said notice filed by Mr Tam, he is deemed to be interested in (i) 304,519 Shares held by Anka Capital Limited ("Anka Capital") (a 50%-owned controlled corporation of Mr Tam) of which 177,889 Shares were held beneficially and 126,630 Shares were held through Elrond Limited (a wholly-owned subsidiary of Anka Capital); and (ii) 2,859,298 Shares held by Suncraft Limited (a 100%-owned controlled corporation of Mr Tam). The underlying Shares were held by Anka Capital and represents 3,200,000 Shares would be issued upon full conversion of the convertible bonds. Pursuant to the SFO, Mr Tam was deemed to be interested in all such Shares and underlying Shares held by Anka Capital, Elrond Limited and Suncraft Limited.

7. The shareholding interest of Mr Law Ping Wah ("Mr Law") was based on a notice filed by him on 24 July 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. The interests comprises 2,441,166 Shares and 3,200,000 underlying Shares which were held in his personal name. The underlying Shares, represents 3,200,000 Shares would be issued upon the full conversion of the convertible bonds.

8. The percentage was calculated based on 80,698,181 shares of the Company in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the directors and chief executive of the Company were not aware of any other parties or corporation (other than a director or chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

Corporate Governance

During the accounting period from 1 January 2026 to 30 June 2026, the Company had duly complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules, except for the following deviations:

(1) Pursuant to code provision C.2.1, the role of chairman and chief executive should be separate and should not be performed by the same individual. Dr Kwan (Chairman & Executive Director of the Board) also acted as CEO of the Company. The dual role of Dr Kwan provides a strong and consistent leadership to the Board and is critical for efficient business planning and decisions of the Group. The respective CEOs of each business units of the Group assisted Dr Kwan in performing the CEO's responsibilities and are responsible for formulating business plans and monitoring the business operation and development of the Group, and report regularly to the Chairman. The balance of power and authorities is also ensured by the operation of the Board and the senior management, which comprise experienced and high calibre individuals.

(2) Pursuant to code provision B.2.4 where all the independent non-executive directors of the Company have served more than nine years on the Board, the Company should appoint a new independent non-executive director on the board. Each of Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin had served the Company as an independent non-executive Director for more than nine years and the Company did not appoint a new independent non-executive Director. Mr Leung Ka Kui Johnny has served the Board for 25 years, Mr Wong Chuk Yan has served the Board for 28 years and Dr Chan Hak Sin has served the Board for 25 years. The Board considers that each of the three independent non-executive Directors have a thorough understanding of the Company's operations, do not involve in the Company's daily operations and have expressed independent advices to the Company in the past. The Board is also of the view that these three independent non-executive Directors are firmly committed to their responsibilities and ongoing role, and that the long service of these three independent non-executive Directors will not affect their independent judgements. The Board considers these three independent non-executive Directors to remain independent under the Listing Rules despite the fact that they have served the Company for more than nine years. The Board believes that the continued tenure of these independent non-executive Directors will help to maintain the stability of the Board as they have, over time, gained valuable insights into the business strategy and policies of the Group. Therefore, the Company did not appoint a new independent non-executive Director, which despite deviate from code provision B.2.4, would not be detrimental to the Company.

We will periodically review and improve our corporate governance practices with reference to the latest corporate governance developments.

Compliance with the Model Code

The Company has adopted a code of conduct regarding securities transactions by directors as set out in Appendix C3 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard of dealings set out therein throughout the review period.

Review of Results

The Group's unaudited consolidated results for the six months ended 30 June 2026 have not been reviewed by the auditors of the Company, but have been reviewed by the audit committee of the Company.

Purchase, Sale or Redemption of the Company's Securities

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board
Bankee P. Kwan
Chairman and Chief Executive Officer

Hong Kong, 28 August 2026

As at the date hereof, the directors of the Company are:–

Executive directors:

Dr Kwan Pak Hoo Bankee, *BBS, JP*
Mr Kwan Teng Hin Jeffrey
Mr Cheung Tsz Yui Morton
Ms Kwan Iec Teng Janet

Independent non-executive directors:

Mr Leung Ka Kui Johnny
Mr Wong Chuk Yan
Dr Chan Hak Sin

If there is any inconsistency in this report between the Chinese and English versions, the English version shall prevail.