GLORIOUS SUN ENTERPRISES LIMITED

(Incorporated in Bermuda with limited liability) (Stock Code:393)

# 2026 Interim Report


*Steadfast in the Pursuit of High-quality Development*


Jeanswest
RUO
NAN
JEANSWEST
章若楠
真維斯品牌全球代言人

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

*Executive Directors*
Dr. Charles Yeung, GBM, GBS, JP *(Chairman)*
Yeung Chun Fan, BBS *(Vice-chairman)*
Hui Chung Shing, Herman, GBS, MH, JP
Ms. Cheung Wai Yee
Yeung Yin Chi, Jennifer, JP

*Independent Non-executive Directors*
Lau Hon Chuen, Ambrose, GBS, JP
Dr. Chan Chung Bun, Bunny, GBM, GBS, JP
Ng Wing Ka, Jimmy, SBS, JP
Choi Tak Shing, Stanley, JP

## BOARD COMMITTEES

*Audit Committee*
Lau Hon Chuen, Ambrose, GBS, JP *(Chairman)*
Ng Wing Ka, Jimmy, SBS, JP
Choi Tak Shing, Stanley, JP

*Remuneration Committee*
Dr. Chan Chung Bun, Bunny, GBM, GBS, JP *(Chairman)*
Hui Chung Shing, Herman, GBS, MH, JP
Choi Tak Shing, Stanley, JP

*Nomination Committee*
Dr. Charles Yeung, GBM, GBS, JP *(Chairman)*
Lau Hon Chuen, Ambrose, GBS, JP
Dr. Chan Chung Bun, Bunny, GBM, GBS, JP
Ng Wing Ka, Jimmy, SBS, JP
Ms. Cheung Wai Yee

*Investment Committee*
Dr. Charles Yeung, GBM, GBS, JP *(Chairman)*
Yeung Chun Fan, BBS
Yeung Yin Chi, Jennifer, JP
Dr. Chan Chung Bun, Bunny, GBM, GBS, JP

## COMPANY SECRETARY

Ms. Cheung Kar Mun, Cindy

## AUTHORISED REPRESENTATIVES

Hui Chung Shing, Herman, GBS, MH, JP
Yeung Yin Chi, Jennifer, JP

## AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

## REGISTERED OFFICE

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

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

38/F., One Kowloon
1 Wang Yuen Street
Kowloon Bay
Hong Kong

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
UBS Group AG
Industrial and Commercial Bank of China (Asia) Limited

## WEBSITE

http://www.glorisun.com

## STOCK CODE

393

## BOARD LOT

4,000 shares

## INTERIM RESULTS

The board of directors (the "Board") of Glorious Sun Enterprises Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026, together with the comparative figures for 2025.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2026

| | Notes | **2026 (Unaudited) HK$'000** | 2025 (Unaudited) HK$'000 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from contracts with customers | | **421,885** | 432,126 |
| Revenue from other sources | | **62,494** | 57,506 |
| | (3) | **484,379** | 489,632 |
| Cost of sales | | **(379,561)** | (375,830) |
| Gross profit | | **104,818** | 113,802 |
| Other income and gains | | **24,433** | 28,258 |
| Selling and distribution expenses | | **(11,189)** | (9,734) |
| Administrative expenses | | **(58,463)** | (47,899) |
| Other expenses | | **(7,724)** | (43,835) |
| Finance costs | (4) | **(1,481)** | (827) |
| **PROFIT BEFORE TAX** | (5) | **50,394** | 39,765 |
| Income tax expense | (6) | **(8,523)** | (6,383) |
| **PROFIT FOR THE PERIOD** | | **41,871** | 33,382 |

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*(Continued)*

Six months ended 30 June 2026

| | Notes | **2026 (Unaudited) HK$'000** | 2025 (Unaudited) HK$'000 |
|---|---|---|---|
| Attributable to: | | | |
| Ordinary equity holders of the Company | | **39,996** | 32,202 |
| Non-controlling interests | | **1,875** | 1,180 |
| Profit for the period | | **41,871** | 33,382 |
| | | **HK cents** | HK cents |
| **EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY** | (8) | | |
| Basic and diluted | | **2.67** | 2.14 |
| **INTERIM DIVIDEND PER SHARE** | (7) | **4.00** | 4.00 |

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2026

| | 2026 (Unaudited) HK$'000 | 2025 (Unaudited) HK$'000 |
|---|---|---|
| **PROFIT FOR THE PERIOD** | **41,871** | 33,382 |
| **OTHER COMPREHENSIVE INCOME** | | |
| *Other comprehensive income that may be reclassified to profit or loss in subsequent periods:* | | |
| Exchange differences on translation of foreign operations | **1,170** | 3,200 |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods | **1,170** | 3,200 |
| *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:* | | |
| Changes in fair value of financial assets at fair value through other comprehensive income, net of tax | **99,322** | 333,173 |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | **99,322** | 333,173 |
| **OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX** | **100,492** | 336,373 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **142,363** | 369,755 |
| Attributable to: | | |
| Ordinary equity holders of the Company | **139,282** | 366,468 |
| Non-controlling interests | **3,081** | 3,287 |
| | **142,363** | 369,755 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

| | Notes | **30 June 2026 (Unaudited) HK$'000** | 31 December 2025 (Audited) HK$'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Financial assets at fair value through other comprehensive income | (9) | **2,143,214** | 2,044,017 |
| Deferred tax assets | | **8,044** | 4,723 |
| Other non-current assets | | **28,705** | 29,723 |
| Total non-current assets | | **2,179,963** | 2,078,463 |
| **CURRENT ASSETS** | | | |
| Inventories | | **262,485** | 244,380 |
| Trade receivables | (11) | **54,082** | 68,658 |
| Debt investments at amortised cost | (10) | **8,441** | 8,441 |
| Financial assets at fair value through profit or loss | | **59,888** | 12,029 |
| Cash and cash equivalents | | **1,154,864** | 1,204,208 |
| Other current assets | | **114,817** | 130,145 |
| Total current assets | | **1,654,577** | 1,667,861 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | (12) | **45,636** | 79,174 |
| Contract liabilities | | **282,537** | 301,418 |
| Other payables and accruals | | **359,713** | 320,864 |
| Interest-bearing bank borrowings | | **54,054** | – |
| Lease liabilities | | **5,654** | 5,860 |
| Tax payable | | **11,418** | 10,695 |
| Total current liabilities | | **759,012** | 718,011 |
| **NET CURRENT ASSETS** | | **895,565** | 949,850 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **3,075,528** | 3,028,313 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

30 June 2026

| | Note | **30 June 2026 (Unaudited) HK$'000** | 31 December 2025 (Audited) HK$'000 |
|---|---|---|---|
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | | **8,588** | 11,050 |
| Deferred tax liabilities | | **4,236** | 4,095 |
| Total non-current liabilities | | **12,824** | 15,145 |
| Net assets | | **3,062,704** | 3,013,168 |
| **EQUITY** | | | |
| **Equity attributable to ordinary equity holders of the Company** | | | |
| Issued capital | (13) | **150,000** | 150,000 |
| Treasury shares | (13) | **–** | – |
| Reserves | | **2,889,351** | 2,837,069 |
| | | **3,039,351** | 2,987,069 |
| Non-controlling interests | | **23,353** | 26,099 |
| Total equity | | **3,062,704** | 3,013,168 |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2026

| | Attributable to ordinary equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Issued capital (Unaudited) HK$'000 | Treasury shares (Unaudited) HK$'000 | Share premium account (Unaudited) HK$'000 | Other reserves (Unaudited) HK$'000 | Retained profits (Unaudited) HK$'000 | Total (Unaudited) HK$'000 | Non-controlling interests (Unaudited) HK$'000 | Total equity (Unaudited) HK$'000 |
| As at 1 January 2026 | 150,000 | - | 714,803 | 1,113,890 | 1,008,376 | 2,987,069 | 26,099 | 3,013,168 |
| Profit for the period | - | - | - | - | 39,996 | 39,996 | 1,875 | 41,871 |
| Other comprehensive income | - | - | - | 99,286 | - | 99,286 | 1,206 | 100,492 |
| Total comprehensive income | - | - | - | 99,286 | 39,996 | 139,282 | 3,081 | 142,363 |
| Dividends paid to non-controlling shareholders | - | - | - | - | - | - | (9,171) | (9,171) |
| Contributions from non-controlling shareholders | - | - | - | - | - | - | 3,344 | 3,344 |
| Dividend paid | - | - | - | - | (87,000) | (87,000) | - | (87,000) |
| As at 30 June 2026 | 150,000 | - | 714,803 | 1,213,176 | 961,372 | 3,039,351 | 23,353 | 3,062,704 |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

Six months ended 30 June 2026

| | Attributable to ordinary equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Issued capital (Unaudited) HK$'000 | Treasury shares (Unaudited) HK$'000 | Share premium account (Unaudited) HK$'000 | Other reserves (Unaudited) HK$'000 | Retained profits (Unaudited) HK$'000 | Total (Unaudited) HK$'000 | Non-controlling interests (Unaudited) HK$'000 | Total equity (Unaudited) HK$'000 |
| As at 1 January 2025 | 151,024 | (6,340) | 725,569 | 797,482 | 1,083,054 | 2,750,789 | 12,635 | 2,763,424 |
| Profit for the period | – | – | – | – | 32,202 | 32,202 | 1,180 | 33,382 |
| Other comprehensive income | – | – | – | 334,266 | – | 334,266 | 2,107 | 336,373 |
| Total comprehensive income | – | – | – | 334,266 | 32,202 | 366,468 | 3,287 | 369,755 |
| Acquisition of partial interest in a subsidiary | – | – | – | (502) | – | (502) | 502 | – |
| Shares repurchased | – | (4,300) | – | – | – | (4,300) | – | (4,300) |
| Cancellation of shares repurchased | (751) | 8,304 | (7,553) | – | – | – | – | – |
| Dividends paid to non-controlling shareholders | – | – | – | – | – | – | (5,072) | (5,072) |
| Contributions from non-controlling shareholders | – | – | – | – | – | – | 5,072 | 5,072 |
| Dividend paid | – | – | – | – | (87,069) | (87,069) | – | (87,069) |
| Transfer within reserves | – | – | – | 3 | (3) | – | – | – |
| As at 30 June 2025 | 150,273 | (2,336) | 718,016 | 1,131,249 | 1,028,184 | 3,025,386 | 16,424 | 3,041,810 |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2026

| | **2026** **(Unaudited)** **HK$'000** | 2025 (Unaudited) HK$'000 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Cash generated from operations | **29,368** | 119,475 |
| Interest paid | **(1,481)** | (827) |
| Tax paid | **(10,693)** | (13,032) |
| Net cash flows from operating activities | **17,194** | 105,616 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Bank interest received | **16,247** | 18,979 |
| Changes in financial assets at fair value through profit or loss | **(45,608)** | (77,773) |
| Other cash flows used in investing activities | **(2,699)** | (924) |
| Net cash flows used in investing activities | **(32,060)** | (59,718) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| New bank loans | **188,792** | 94,054 |
| Repayment of bank loans | **(134,738)** | (90,250) |
| Dividends paid | **(86,865)** | (98,044) |
| Other cash flows used in financing activities | **(8,983)** | (7,440) |
| Net cash flows used in financing activities | **(41,794)** | (101,680) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | **(56,660)** | (55,782) |
| Cash and cash equivalents at beginning of period | **1,204,208** | 1,201,518 |
| Effect of foreign exchange rate changes, net | **7,316** | (2,045) |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | **1,154,864** | 1,143,691 |
| **ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS** | | |
| Cash and bank balances | **270,223** | 238,605 |
| Non-pledged time deposits | **884,641** | 905,086 |
| Cash and cash equivalents as stated in the condensed consolidated statement of financial position | **1,154,864** | 1,143,691 |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## (1) BASIS OF PREPARATION

These condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard 34: *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). They have been prepared under the historical cost convention, except for certain investments which have been measured at fair value. These condensed consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

These condensed consolidated financial statements are unaudited and have been reviewed by the Audit Committee of the Company. They do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

## (2) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the Group's annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) as issued by the HKICPA, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's 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* |
| *Annual Improvements to HKFRS Accounting Standards – Volume 11* | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 |

The application of the amended standards in the current period did not have any 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) OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the "financial investments" segment engages in treasury management and consulting services;

(b) the "interior decoration and renovation" segment engages in the interior decoration and renovation, and the sale of furniture business;

(c) the "export operations" segment engages in exports of apparel; and

(d) the "retail, franchise and others" segment mainly includes retail operation in Hong Kong and franchise sales under the "Jeanswest" brand in overseas markets within the casual wear and apparel domain.

Information regarding the Group's reportable operating segments, together with their related comparative information, is presented below:

| | Six months ended 30 June 2026 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | **Financial investments HK$'000** | **Interior decoration and renovation HK$'000** | **Export operations HK$'000** | **Retail, franchise and others HK$'000** | **Total HK$'000** |
| **Segment revenue** | | | | | |
| Revenue from external parties | **62,494** | **219,085** | **186,662** | **16,138** | **484,379** |
| Other income and gains | **97** | **2,054** | **2,557** | **2,081** | **6,789** |
| Total | **62,591** | **221,139** | **189,219** | **18,219** | **491,168** |
| **Segment results** | **40,087** | **3,154** | **2,976** | **369** | **46,586** |
| Interest income | | | | | **16,247** |
| Unallocated revenue | | | | | **1,397** |
| Corporate and other unallocated expenses | | | | | **(12,630)** |
| Finance costs (other than interest on lease liabilities) | | | | | **(1,206)** |
| Profit before tax | | | | | **50,394** |

## (3) OPERATING SEGMENT INFORMATION *(Continued)*

| | Six months ended 30 June 2025 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Financial investments HK$'000 | Interior decoration and renovation HK$'000 | Export operations HK$'000 | Retail, franchise and others HK$'000 | Total HK$'000 |
| **Segment revenue** | | | | | |
| Revenue from external parties | 57,506 | 211,181 | 196,835 | 24,110 | 489,632 |
| Other income and gains | 54 | 1,518 | 2,492 | 3,065 | 7,129 |
| Total | 57,560 | 212,699 | 199,327 | 27,175 | 496,761 |
| **Segment results** | 26,338 | 2,115 | 3,055 | 1,047 | 32,555 |
| Interest income | | | | | 18,979 |
| Unallocated revenue | | | | | 2,150 |
| Corporate and other unallocated expenses | | | | | (13,429) |
| Finance costs (other than interest on lease liabilities) | | | | | (490) |
| Profit before tax | | | | | 39,765 |

## (4) FINANCE COSTS

An analysis of finance costs is as follows:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026 (Unaudited) HK$'000** | 2025 (Unaudited) HK$'000 |
| Interest on bank loans | **1,206** | 490 |
| Interest on lease liabilities | **275** | 337 |
| | **1,481** | 827 |

## (5) PROFIT BEFORE TAX

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | **HK$'000** | HK$'000 |
| Depreciation of property, plant and equipment | **1,640** | 1,672 |
| Depreciation of right-of-use assets | **2,963** | 2,947 |
| Loss on disposal of items of property, plant and equipment, net* | **79** | 24 |
| Gain on termination of tenancy agreements, net* | **–** | (75) |
| Impairment of debt investments at amortised cost* | **–** | 26,561 |
| Impairment of other financial and contract assets, net* | **14** | 8,478 |
| Bank interest income* | **(16,274)** | (18,979) |

* These items are included in "Other income and gains" or "Other expenses" in the condensed consolidated statement of profit or loss.

## (6) INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | **HK$'000** | HK$'000 |
| Current – Hong Kong | **1,183** | 2,559 |
| Current – Elsewhere | **3,590** | 1,235 |
| Withholding tax on dividend income | **6,539** | 5,703 |
| Deferred | **(2,789)** | (3,114) |
| | **8,523** | 6,383 |

## (7) DIVIDENDS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | **HK$'000** | HK$'000 |
| Dividend paid during the period: | | |
| 2025 final dividend of HK5.80 cents per ordinary share (2024 final dividend of HK5.80 cents per ordinary share) | **87,000** | 87,158 |
| Adjustment | **–** | (89) |
| | **87,000** | 87,069 |
| Dividend declared subsequent to period end: | | |
| 2026 interim dividend of HK4.00 cents per ordinary share (2025 interim dividend of HK4.00 cents per ordinary share) | **60,000** | 60,029 |
| Adjustment | **–** | (3) |
| | **60,000** | 60,026 |

The interim dividend for the six months ended 30 June 2026 has been calculated by reference to 1,500,000,000 shares in issue on 10 August 2026.

## (8) EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the six months ended 30 June 2026 attributable to ordinary equity holders of the Company of HK$39,996,000 (2025: HK$32,202,000) and the weighted average number of ordinary shares of 1,500,000,000 (2025: 1,502,343,182) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 2025.

## (9) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 30 June 2026 (Unaudited) HK$'000 | 31 December 2025 (Audited) HK$'000 |
|---|---|---|
| Unlisted equity investment, at fair value | | |
| Hebei Jialian Industrial Group Co., Ltd. ("河北省嘉聯實業集團有限公司")* | **4,736** | 4,578 |
| Hong Kong listed equity investments, at fair value | | |
| China Construction Bank Corporation ("CCB") | **910,506** | 867,632 |
| Industrial and Commercial Bank of China Limited ("ICBC") | **844,021** | 825,644 |
| Bank of China Limited ("BOC") | **363,392** | 324,795 |
| BOC Hong Kong (Holdings) Limited ("BOC HK") | **11,103** | 10,328 |
| Other listed share in Hong Kong | **9,456** | 11,040 |
| | **2,143,214** | 2,044,017 |

* The official name of this entity is in Chinese. The English translation of the name is for identification purpose only.

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature. The investments are financed by the Group's internal financial resources.

During the six months ended 30 June 2026, the gross gains in respect of the financial assets at fair value in other comprehensive income amounted to HK$99,039,000 (2025: HK$333,173,000) and the dividend income amounted to HK$62,467,000 (2025: HK$57,479,000).

## (9) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

Movements in the carrying amount of the financial assets at fair value through other comprehensive income held by the Group were as follows:

| | HK$'000 |
|---|---:|
| Carrying amount at 1 January 2025 (Audited) | 1,679,490 |
| Acquisitions (Audited) | 49,771 |
| Gains arising from changes in fair value (Audited) | 314,578 |
| Exchange realignment (Audited) | 178 |
| Carrying amount at 31 December 2025 (Audited) | 2,044,017 |
| Gains arising from changes in fair value (Unaudited) | **99,039** |
| Exchange realignment (Unaudited) | **158** |
| Carrying amount at 30 June 2026 (Unaudited) | **2,143,214** |

Details of the financial assets at fair value through other comprehensive income as at 30 June 2026 were as follows:

| | As at 30 June 2026 (Unaudited) | | | | | As at 31 December 2025 (Audited) | Six months ended 30 June 2026 (Unaudited) | |
|---|---|---|---|---|---|---|---|---|
| Name of investee company | Number of shares held | Percentage held in the issued capital of the investee company by the Group % | Percentage to the Group's total assets % | Investment cost HK$'000 | Fair value HK$'000 | Fair value HK$'000 | Dividend received/ receivables HK$'000 | Fair value gain/(loss) recognised in other comprehensive income HK$'000 |
| CCB | 112,826,000 | 0.04313% | 23.74% | 556,845 | 910,506 | 867,632 | 26,420 | 42,874 |
| ICBC | 131,263,000 | 0.03683% | 22.01% | 538,494 | 844,021 | 825,644 | 25,511 | 18,377 |
| BOC | 72,824,000 | 0.02260% | 9.48% | 213,633 | 363,392 | 324,795 | 9,830 | 38,597 |
| BOC HK | 262,000 | 0.00248% | 0.29% | 6,459 | 11,103 | 10,328 | 405 | 775 |
| Other listed share in Hong Kong | | | 0.25% | 9,998 | 9,456 | 11,040 | 301 | (1,584) |
| **Listed shares in Hong Kong** | | | 55.77% | 1,325,429 | 2,138,478 | 2,039,439 | 62,467 | 99,039 |
| **Unlisted shares** | | | 0.12% | 8,152 | 4,736 | 4,578 | – | – |
| **Total** | | | 55.89% | 1,333,581 | 2,143,214 | 2,044,017 | 62,467 | 99,039 |

## (9) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

The principal businesses of the significant investee companies are as follows:

| Stock short name | Stock code | Principal businesses |
|---|---|---|
| CCB | 00939.HK, 601939.SH | Corporate and personal banking services, treasury and asset management services, and other financial services |
| ICBC | 01398.HK, 601398.SH | Corporate and personal financial services, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services |
| BOC | 03988.HK, 601988.SH | Corporate and personal banking, treasury operations, investment banking, insurance and other financial services |
| BOC HK | 02388.HK | Corporate and personal banking, treasury operations, insurance and other financial services |

The Group adheres to a disciplined investment philosophy that emphasises long-term sustainability as well as capital gain and preservation. Its investment strategy focuses on high-quality blue-chip stocks with strong fundamentals, primarily in the Hong Kong stock market. Investments emphasise acquiring assets at reasonable valuations for long-term holding, focusing on long-term capital preservation and stable returns rather than short-term trading.

## (10) DEBT INVESTMENTS AT AMORTISED COST

| | **30 June 2026 (Unaudited) HK$'000** | 31 December 2025 (Audited) HK$'000 |
|---|---|---|
| **Financial assets measured at amortised cost** | | |
| Listed debt investments | **466,006** | 466,006 |
| Impairment allowance | **(457,565)** | (457,565) |
| | **8,441** | 8,441 |
| Less: current portion | **(8,441)** | (8,441) |
| | **–** | – |

The above listed debt investments are all senior notes issued by Easy Tactic Limited ("Easy Tactic"). Easy Tactic is one of the wholly-owned subsidiaries of Guangzhou R&F Properties Co., Ltd. whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 02777. HK). Guangzhou R&F Properties Co., Ltd. and its subsidiaries ("R&F Group") are principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the People's Republic of China. As the R&F Group failed to pay cash interest as agreed on the terms of the senior notes, and its offshore debt restructuring plan has not been approved, a substantive default of the relevant debts has occurred. Up to the date of this report, the debt restructuring plan has not been approved.

The Group performed an impairment analysis by considering the probability of default of comparable companies with published credit ratings. The above mentioned debt investments did not have credit ratings. The Group applies the general approach and measures impairment allowance for listed debt investments at an amount equal to lifetime expected credit losses. Expected credit loss allowance of HK$457,565,000 (31 December 2025: HK$457,565,000) was recognised for the listed debt investments as at 30 June 2026. The Group has made sufficient impairment provision for the debt investments.

## (11) TRADE RECEIVABLES

| | 30 June 2026 (Unaudited) HK$'000 | 31 December 2025 (Audited) HK$'000 |
|---|---|---|
| Trade receivables | **73,129** | 87,092 |
| Impairment allowance | **(19,047)** | (18,434) |
| | **54,082** | 68,658 |

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

| | 30 June 2026 (Unaudited) HK$'000 | 31 December 2025 (Audited) HK$'000 |
|---|---|---|
| Within 4 months | **48,169** | 55,499 |
| 4 to 6 months | **1,051** | 7,355 |
| 6 to 12 months | **3,365** | 1,753 |
| Over 12 months | **1,497** | 4,051 |
| | **54,082** | 68,658 |

The credit period generally granted by the Group to customers is 15 days to 90 days. The trade receivables are non-interest-bearing.

## (12) TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | **30 June 2026 (Unaudited) HK$'000** | 31 December 2025 (Audited) HK$'000 |
|---|---|---|
| Within 4 months | **45,636** | 79,174 |

The trade payables are non-interest-bearing and are normally settled on 90-day (2025: 90-day) terms.

## (13) ISSUED CAPITAL AND TREASURY SHARES

| | **Number of ordinary shares** | | | |
|---|---|---|---|---|
| | **30 June 2026 (Unaudited) '000** | 31 December 2025 (Audited) '000 | **30 June 2026 (Unaudited) HK$'000** | 31 December 2025 (Audited) HK$'000 |
| Issued and fully paid: | | | | |
| Ordinary shares of HK$0.10 each | **1,500,000** | 1,500,000 | **150,000** | 150,000 |

A summary of movements in the Company's issued share capital is as follows:

| | **Number of issued shares '000** | **Issued capital HK$'000** | **Share premium account HK$'000** | **Total HK$'000** |
|---|---|---|---|---|
| At 1 January 2025 (Audited) | 1,510,240 | 151,024 | 725,569 | 876,593 |
| Cancellation of shares repurchased (Audited) | (10,240) | (1,024) | (10,766) | (11,790) |
| At 31 December 2025 (Audited) and at 30 June 2026 (Unaudited) | **1,500,000** | **150,000** | **714,803** | **864,803** |

## (13) ISSUED CAPITAL AND TREASURY SHARES *(Continued)*

A summary of movements in the Company's treasury shares is as follows:

| | Number of treasury shares '000 | HK$'000 |
|---|---|---|
| At 1 January 2025 (Audited) | 5,900 | (6,340) |
| Shares repurchased (Audited) | 4,340 | (5,450) |
| Cancellation of shares repurchased (Audited) | (10,240) | 11,790 |
| At 31 December 2025 (Audited) and at 30 June 2026 (Unaudited) | – | – |

## (14) FAIR VALUE AND FAIR VALUE HIERARCHY

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, the current portion of financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, amounts due from/to related companies, and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments are based on quoted market prices.

The Group invests in unlisted investments, which represent wealth management products issued by banks in the Chinese mainland. The Group has estimated the fair value of these unlisted investments by reference to the fair value of the corresponding issuing banks.

## (14) FAIR VALUE AND FAIR VALUE HIERARCHY *(Continued)*

The fair value of unlisted equity investment designated at fair value through other comprehensive income has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates.

### Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## (14) FAIR VALUE AND FAIR VALUE HIERARCHY *(Continued)*

### Fair value hierarchy *(Continued)*

*Assets measured at fair value:*

| | **30 June 2026 (Unaudited)** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | **HK$'000** | **HK$'000** | **HK$'000** | **HK$'000** |
| Financial assets at fair value through other comprehensive income: | | | | |
| Listed equity investments | **2,138,478** | **–** | **–** | **2,138,478** |
| Unlisted equity investment | **–** | **–** | **4,736** | **4,736** |
| Financial assets at fair value through profit or loss: | | | | |
| Listed equity investment | **884** | **–** | **–** | **884** |
| Unlisted investments | **–** | **59,004** | **–** | **59,004** |
| | **2,139,362** | **59,004** | **4,736** | **2,203,102** |

| | 31 December 2025 (Audited) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | HK$'000 | HK$'000 | HK$'000 | HK$'000 |
| Financial assets at fair value through other comprehensive income: | | | | |
| Listed equity investments | 2,039,439 | – | – | 2,039,439 |
| Unlisted equity investment | – | – | 4,578 | 4,578 |
| Financial assets at fair value through profit or loss: | | | | |
| Listed equity investment | 786 | – | – | 786 |
| Unlisted investments | – | 11,243 | – | 11,243 |
| | 2,040,225 | 11,243 | 4,578 | 2,056,046 |

## (14) FAIR VALUE AND FAIR VALUE HIERARCHY *(Continued)*

### Fair value hierarchy *(Continued)*

*Liabilities measured at fair value:*

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

During the period, there were no transfers of fair value measurement between Level 1 and Level 2 for both financial assets and financial liabilities, and no transfers into or out of Level 3 for financial assets (31 December 2025: Nil).

*Assets for which fair value are disclosed:*

| | **30 June 2026 (Unaudited)** | | | |
|---|---|---|---|---|
| | **Level 1 HK$'000** | **Level 2 HK$'000** | **Level 3 HK$'000** | **Total HK$'000** |
| Debt investments at amortised cost | **20,473** | **–** | **–** | **20,473** |

| | 31 December 2025 (Audited) | | | |
|---|---|---|---|---|
| | Level 1 HK$'000 | Level 2 HK$'000 | Level 3 HK$'000 | Total HK$'000 |
| Debt investments at amortised cost | 15,460 | – | – | 15,460 |

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

Looking back at the first half of 2026, geopolitics stood as the biggest destabilising factor for global macroeconomics. Tensions persisted across the Middle East. Although the US and Iran signed a Memorandum of Understanding on 17 June 2026, shipping risks in the Strait of Hormuz and uncertainties over energy supplies pushed up international energy prices throughout the second quarter. Elevated oil prices drove up global transportation costs, fuelling inflationary pressures across numerous economies and weighing on their economic growth outlooks. This imported inflation eroded consumers' purchasing power, exposing the global recovery to significant stagflation risks.

From the global perspective, performance diverged sharply among different economies and industries. The US economy remained remarkably resilient, sustaining solid growth alongside positive corporate earnings prospects, driven primarily by a surge in capital expenditure across the artificial intelligence industrial chain. Business fixed investment emerged as a key pillar underpinning economic activity. Heightened global inflation stemming from expensive oil is expected to prompt the Federal Reserve either to increase interest rates or hold them steady for the second half of the year. Markets have recalibrated their expectations for the year's rate trajectory, with traditional manufacturing and certain consumer sectors set to bear the lagged impacts of high interest rates. On the other hand, the European Central Bank, Bank of England and Bank of Japan have all signalled further rate hikes or prolonged monetary tightening. This "higher-for-longer" interest rate environment continues to test financing costs and exchange rate stability across Asia-Pacific markets.

China's economy remains in a phase of structural adjustment, posting 5.0% year-on-year growth in the first quarter of this year. Despite headwinds in the external environment, robust manufacturing and export performance delivered a strong start to the year. Internally, the real estate sector is still undergoing a bottoming-out transformation. Macroeconomic policies have maintained the core stance of "destocking and stabilising market expectations", steering the industry toward an accelerated shift to a new development model. On domestic demand, the structural imbalance of "strong supply against weak demand" remains unresolved. For the full year 2026, under the 15th Five-Year Plan, the country prioritises high-quality development, with a core focus on fostering new quality productive forces, deepening comprehensive reforms and expanding domestic demand as the bedrock of stable growth. With risk prevention at the forefront, China is projected to mitigate external uncertainties effectively.

In Hong Kong, imports & exports, and real estate are the two major economic pillars that drove the recovery. Hong Kong economy surged 5.9% year-on-year in the first quarter of the year, hitting a five-year quarterly high. On the trade front, Hong Kong continuously expanded its reach into emerging markets including ASEAN and the Middle East. Boosted by an explosive global demand for artificial intelligence, technology products became the mainstay of re-exports, sustaining a buoyant trade sector. The real estate market was building on last year's bottoming and stabilisation trend. Supported by local housing demand, sustained inflows of talent fuelling rigid residential demand, and a rebound in corporate operational confidence, market forecasts sustained growth in residential property prices for the full year. Launches of new residential projects and secondary market transactions stayed brisk, and rental rates for Grade A office space in prime districts halted their decline. At the same time, retail properties demonstrated mixed yet positive momentum amid a rebound in tourism and local consumption, marking a gradual improvement in property investment sentiment. Driven by Hong Kong's real estate and import and export sectors, Hong Kong's economy is expected to maintain a steady upward trajectory this year.

The Group adhered to the strategy set at the beginning of the year, persisted in implementing the "high-quality development remains unwavering" strategy, focused on core businesses, and consistently maintained and enhanced its competitiveness. Faced with uncertainties surrounding the US-Iran conflict and China-US relations, the Group adopted the strategy of "coping with shifting circumstances by sticking to a fixed principle", concentrating human resources, financial resources, and energy on the most profitable companies and the most important projects. It remained committed to "high-quality development" and firmly pursued "effectivism", "independent accounting, full responsibility for profits and losses". Its approach was twofold, "expanding revenue" and "reducing expenditure", by scaling or even closing down loss-making companies and businesses, while scaling up profitable ones to pursue the goals set at the beginning of the year. The Group conducted reviews and follow-ups, item by item, week after week, and month after month, and delivered satisfactory results. Attributing to management's ability to "think of potential perils and plan forward while currently on safe ground", the Group's operations were not significantly affected by geopolitical risks and achieved sustainable and steady development.

During the period under review, the Group recorded a turnover of HK$484,379,000 (2025: HK$489,632,000). The Group's investments in high-quality, high-yield blue-chip stocks and fixed-term deposits delivered reasonable returns during the first half of the year. In addition, impairment provisions against its holdings of mainland real estate bonds decreased. As a result, the profit attributable to shareholders was HK$39,996,000 (2025: HK$32,202,000), up 24.20% from the same period of the previous year.

The following are the main operating data of the Group during the first half of the year under review:

| | **2026 1st half** | 2025 1st half | Change |
|---|---|---|---|
| (Unit: HK$'000) | | | |
| Consolidated revenue | **484,379** | 489,632 | -1.07% |
| of which: | | | |
| (i) Financial investments | **62,494** | 57,506 | +8.67% |
| (ii) Interior decoration and renovation | **219,085** | 211,181 | +3.74% |
| (iii) Export operations | **186,662** | 196,835 | -5.17% |
| (iv) Hong Kong retailing and overseas franchising | **15,668** | 23,396 | -33.03% |
| Profit attributable to ordinary equity holders of the Company | **39,996** | 32,202 | +24.20% |
| (Unit: HK cents) | | | |
| Interim earnings per share (basic) | **2.67** | 2.14 | +24.77% |
| Interim dividend per share | **4.00** | 4.00 | – |

| | **As at 30 June 2026** | As at 31 December 2025 | Change |
|---|---|---|---|
| (Unit: HK$'000) | | | |
| Net cash and near cash in hand* | **3,307,617** | 3,264,117 | +1.33% |

* "Net cash and near cash in hand" consists of debt investments at amortised cost after impairment provision, listed equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss, cash and cash equivalents, net of interest-bearing bank borrowings.

## Financial Investments

In the first half of 2026, the global market saw a divergent landscape marked by "dominant technology sector performance amid geopolitical turbulence". US stock markets were led by the artificial intelligence boom, with technology giants such as Nvidia driving the S&P 500 Index to new record highs. On the other hand, the US-Iran conflict pushed up energy prices. Elevated oil prices subjected the world to inflationary pressures and reversed market expectations of global interest rate cuts. The management was cautious about investment and decided to hold on to profits, maintain a certain level of cash reserves, and wait for another good investment opportunity. In the first half of 2026, the total income of the financial investment business increased to HK$62,494,000 (2025: HK$57,506,000), up 8.67% from the same period last year.

## Interior Decoration and Renovation

The interior design and renovation business adhered to the “high-quality development remains unwavering” policy and implemented the Group’s strategy of brand empowerment, industrial ecosystem development and technological innovation. The Group built core competitiveness through technological innovation, fulfilled clients’ visions through industrial ecosystem development, delivered specialised store fit-out services for premium brands with differentiated value propositions, provided all-round operations and management solutions for the industry through our digital management platform, and fuelled industrial advancement with brand empowerment. Focusing on the commercial store and exhibition display sectors, we continued to consolidate the “one body with two wings” development strategy, advance the “Three Transformations” to promote digitalised design, industrialised manufacturing and intelligent applications, deepen cooperation with other leading brands to co-build an industrial ecosystem, to enhance brand influence and market share. The total turnover for the first half of 2026 was HK$219,085,000 (2025: HK$211,181,000), representing an increase of 3.74% from the same period last year.

## Export Operations

The Group’s export business was mainly composed of “design centres” and “import and export trading”. The main market of “design centres” was the United States. Since consumers responded positively to the newly launched apparel styles, forward orders showed signs of stabilisation. The management considered potential perils and planned forward while on safe ground, taking early strategic action by shifting procurement from China to South America three years ago to mitigate exposure to policy-related risks. As for the import and export trading, it continued to roll out a big data management system and optimise processes and mechanisms for quality control and supply chain operations. Such measures effectively drove the brand’s advancement toward high-technology standards and superior quality. In the first half of 2026, the total export turnover dropped from HK$196,835,000 in the same period last year to HK$186,662,000, representing a decrease of 5.17%.

## Hong Kong Retailing and Overseas Franchising

Amid continued growth in tourism, the market generally perceived that Hong Kong’s retail market had bottomed out. However, due to competition from online platforms and changes in customer spending patterns, local retail businesses faced a challenging operation environment. There are still reasonable room for negotiation on physical store rents. Our Hong Kong retail business stood fast a prudent operating strategy, using flexible lease terms to maintain store size. Regarding overseas franchise businesses, the global situation remained volatile, and global inflationary pressures further increased uncertainty and affected the business plans and deployments of franchisees. A cautious business development strategy was expected to continue for some time. In the first half of 2026, the total turnover was HK$15,668,000 (2025: HK$23,396,000), representing a decrease of 33.03%.

## FINANCIAL POSITION

### Liquidity and Financial Resources

During the period, the Group's financial position was solid. As of 30 June 2026, the Group held net cash and near cash in hand of HK$3,307,617,000 (31 December 2025: HK$3,264,117,000), representing an increase of 1.33%.

As at 30 June 2026, the Group held cash and cash equivalents of HK$1,154,864,000 (31 December 2025: HK$1,204,208,000), of which US dollars accounted for 79.30%, Hong Kong dollars accounted for 4.72%, and RMB accounted for 15.98% (31 December 2025: US dollars accounted for 79.06%, Hong Kong dollars accounted for 3.33%, and RMB accounted for 17.61%). The Group's bank borrowings denominated in RMB and USD were HK$17,241,000 and HK$36,813,000 (31 December 2025: Nil), respectively, all of which were fixed-interest-rate bank loans. The Group's gearing ratio (total interest-bearing bank borrowings divided by the sum of the equity attributable to shareholders of the Company and total interest-bearing bank borrowings) is 1.75% (31 December 2025: Nil).

The Group had neither material capital commitment nor contingent liabilities as of 30 June 2026.

The treasury policy, capital structure, foreign exchange and interest rate exposure did not change materially from the information disclosed in the Group's consolidated financial statements for the year ended 31 December 2025.

### Financial Investments Held

As at 30 June 2026, the Group held (i) financial assets at fair value through other comprehensive income of HK$2,143,214,000 (31 December 2025: HK$2,044,017,000), (ii) financial assets at fair value through profit or loss of HK$59,888,000 (31 December 2025: HK$12,029,000), and (iii) debt investments at amortised cost of HK$8,441,000 (31 December 2025: HK$8,441,000), amounting to an aggregate balance of HK$2,211,543,000 (31 December 2025: HK$2,064,487,000). The changes in above investments were mainly due to the fair value gains on the stock investments of HK$99,137,000 and net increase of wealth management products of HK$47,761,000.

Source of Funding of Investment Portfolio

All the aforementioned investments were financed by the Group's internal resources. The Group maintains sufficient liquidity to support the independent operations of its investment activities and to mitigate financial risks associated with leverage.

Investment Policy and Objectives

The financial investments segment constitutes one of the core business segments of the Group. Details of the investment policy and objectives are as follows:

*Investment objectives*
The Group adheres to a disciplined investment philosophy that emphasises long-term sustainability as well as capital gain and preservation. Its investment strategy focuses on high-quality blue-chip stocks with strong fundamentals, primarily in the Hong Kong stock market. Investments emphasise acquiring assets at reasonable valuations for long-term holding, focusing on long-term capital preservation and stable returns rather than short-term trading.

This approach enables the Group to maintain a steady income stream through reliable dividend distributions while also seeking to generate attractive returns over time. Most importantly, the investment returns contribute to rewarding the Group's shareholders.

*Scope of investment*
The Group focuses on building strategic positions in quality assets, including high-quality listed equity securities in Hong Kong and the Chinese mainland (particularly high-quality, solid and high-dividend payout blue-chip stocks), fixed-income products (such as bonds and listed debt securities), monetary and structured deposits, and low-risk wealth management products issued by recognised financial institutions. As there are no established rating standards for listed equity securities in the market, the Group's investment in listed equity securities generally focuses on selecting high-quality blue-chip stocks. In terms of bonds, when considering bond investments, the Group makes reference to market credit ratings and concludes investment decisions after conducting a comprehensive risk analysis. However, over the past three years, the Group has made no further investments in bonds. Transactions involving high-leverage financial derivatives, speculative commodity trading, or unlisted high-risk equity investments lacking fundamental support are generally prohibited by the Group.

*Alignment with corporate strategy and principal businesses*
The financial investment business, as one of the Group's core businesses, aims to capture high-quality, solid and high-dividend payout investments to generate stable, predictable cash flows and dividend income, safeguarding shareholder funds and providing a solid financial foundation for the Group to sustain its strong dividend payout policy.

Risk Management and Control Measures

To safeguard shareholder funds, the Group has established a rigorous risk management framework and control mechanisms:

*Defined risk limits and specific metrics*
The Group invests in assets of high liquidity, high quality and solidity and the Group will not consider any investment that fails to meet these criteria. In general, investments are not made with leverage, and equity investments must be of high-quality blue-chip stocks.

*Defined counterparty risk*
The Group manages counterparty risk associated with financial institutions and prime brokers through an extensive framework of institutional due diligence. The Group executes trades and holds assets exclusively with 'Tier-1' financial institutions and prime brokers that maintain high credit ratings and robust regulatory standing in Hong Kong and the Chinese mainland. The Group also conducts periodic reviews of each counterparty's financial health, focusing on capital adequacy ratios and any significant regulatory disclosures.

*Liquidity risk management mechanism*
The investment portfolio consists primarily of highly liquid blue-chip equities. Supported by substantial cash reserves and robust cash flow generated from operational activities, the Group possesses exceptional financial flexibility. Even when facing extreme market liquidity challenges or sudden market volatility, the Group is fully equipped to manage liquidity risks, maintaining its full financial integrity without needing to compromise investment performance.

Approval and Oversight Mechanisms

The Board has established an Investment Committee to directly supervise and approve the execution of investment activities, operating under the following framework:

*Roles and authority of the investment committee*

The Investment Committee, comprising directors and senior financial investment professionals with deep insight into the market economy and extensive experience in financial markets and investment management, is primarily responsible for formulating and reviewing the Group's investment strategies and policies, as well as selecting, approving and supervising the execution of investment activities by the investment department.

*Delegated authority and approval thresholds*

All investments are approved and executed by the Investment Committee within the investment policy framework. To balance efficiency and risk governance, the Group has established clear tiered thresholds to ensure the safety and smooth execution of investments, while maintaining strict risk management.

In order to ensure investment activities of the Group are in strict compliance with Chapter 14 or Chapter 14A of the Listing Rules, the professionals of the investment department have full knowledge of the relevant percentage ratio requirements. Before the approval of the investment plan and before the execution of each intended investment transaction, the head of investment department and the head of finance department will always be responsible for checking and approving the calculation of the applicable percentage ratios based on the latest applicable financial data in accordance with the Listing Rules. Based on the result of the percentage ratio calculation, if the investment plan or the intended investment transaction will be subject to disclosure and/or shareholders' approval requirements under relevant parts of the Listing Rules, both the Investment Committee and the Company Secretary will be informed. Further approval from the Board of Directors and/or shareholders, together with applicable disclosures, will be arranged by the Company Secretary depending on the classification of the transactions under the Listing Rules. The above ongoing procedures, combined with the daily investment transaction report to be delivered to the Company Secretary for listing rules implications monitoring purposes, provide a dual-control mechanism to ensure the investment activities of the Group are in strict compliance with the applicable Listing Rules.

*Ongoing monitoring and compliance review*

The Group's governance framework also incorporates ongoing monitoring by dedicated compliance and internal audit functions to ensure the integrity of execution, risk mitigation, and adherence to internal policies and regulatory requirements. This comprehensive structure fosters transparency, accountability, and prudent risk management. The Group remains firmly committed to safeguarding corporate assets, supporting sustainable development, and delivering long-term value to its shareholders.

## HUMAN RESOURCES

As of 30 June 2026, the Group employed 382 members of staff (31 December 2025: 398). Incentives were granted to employees depending on the Group's overall and individual performance.

## SOCIAL RESPONSIBILITY

It was the commitment of the management that while maximising returns for shareholders, the Group would take up its social responsibilities. The Group adhered to the tenet of "Keep personal virtues when in distress and benefit the public when in power". It focused on implementing "helping people in crisis". Therefore, we required our sub-contractors to adhere strictly to stringent environmental protection policies and regulations throughout their production processes. We also supported and sponsored charitable activities to serve our society.

## PROSPECTS

In the second half of the year, geopolitical tensions and trade protectionism will remain the main downside risks. The policy direction following the US midterm elections, the evolving situation in the Middle East and the impact of the energy crisis may exacerbate supply chain volatility. The China economy is expected to maintain a stable recovery with policy support. Still, adjustments in the real estate market and the resolution of local government debt issues will take time. Against this backdrop, the Group will closely monitor interest rate changes and geopolitical developments, maintain a flexible and prudent financial strategy to cope with external uncertainties and seize opportunities arising from market adjustments.

Taking into account the domestic and international situation, the Group will continue to adhere to the strategy of "high-quality development remains unwavering". In a rapidly changing environment, we adopted the approach of "coping with shifting circumstances by sticking to a fixed principle" to maintain steady operations, and we will continue to "think of potential perils while in a secure environment and plan ahead". We will firmly pursue "effectivism", focus on our core businesses, seek truth from facts, and act within our capabilities. We will concentrate our resources, including talent, capital, time, and energy on the most promising and profitable businesses, while scaling down or closing underperforming companies and operations. We will constantly maintain and enhance our competitiveness so as to strive for comprehensive and sustainable high-quality development.

In terms of financial and wealth management, as the Group holds a considerable portfolio of domestic bank stocks as long-term investments, the annual dividend payouts from these holdings secure a source of profit and dividends. The Group will continue to adopt the successful business strategies of recent years in maintaining a certain level of cash reserves to enable well-timed decisions that generate higher returns, thereby maximising benefits for shareholders.

# OTHER INFORMATION

## INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of HK4.00 cents (2025: HK4.00 cents) per share for the six months ended 30 June 2026 to shareholders whose names appear on the register of members of the Company on Thursday, 27 August 2026. It is expected that the interim dividend will be paid to shareholders on Wednesday, 23 September 2026.

## CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from Tuesday, 25 August 2026 to Thursday, 27 August 2026, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 24 August 2026. The record date for determining the entitlement of the shareholders to the interim dividend is Thursday, 27 August 2026.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES OF THE COMPANY

As at 30 June 2026, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules were as follows:

## Long positions in the shares of the Company

| Name of Director | Capacity | Number of shares held |
|---|---|---|
| Dr. Charles Yeung, GBM, GBS, JP (1) | – interest held through Glorious Sun Holdings (BVI) Limited (51.934% of the share capital was held by Dr. Charles Yeung) | 622,263,000 |
| | – interest held through Advancetex Holdings (BVI) Limited (51.934% of the share capital was held by Dr. Charles Yeung) | 207,810,000 |
| Yeung Chun Fan, BBS (2) | – interest held through Glorious Sun Holdings (BVI) Limited (48.066% of the share capital was held by Mr. Yeung Chun Fan) | 622,263,000 |
| | – interest held through Advancetex Holdings (BVI) Limited (48.066% of the share capital was held by Mr. Yeung Chun Fan) | 207,810,000 |
| Dr. Charles Yeung, GBM, GBS, JP (1) and Yeung Chun Fan, BBS (2) | – beneficial owner (50% of the interest was held by each of Dr. Charles Yeung and Mr. Yeung Chun Fan) | 124,893,499 |
| Dr. Charles Yeung, GBM, GBS, JP (1) | – beneficial owner | 5,928,000 |
| Yeung Chun Fan, BBS (2) | – beneficial owner | 75,000,000 |
| Ms. Cheung Wai Yee (3) | – beneficial owner | 10,095,000 |
| Hui Chung Shing, Herman, GBS, MH, JP (4) | – beneficial owner | 6,250,000 |
| Lau Hon Chuen, Ambrose, GBS, JP (5) | – beneficial owner | 1,492,402 |

*Notes:*

Calculations of the interests in shares disclosed pursuant to the SFO were as follows:

(1) Dr. Charles Yeung's total interests held were 960,894,499 shares, which represented 64.060% of the Company's issued share capital as at 30 June 2026.

(2) Mr. Yeung Chun Fan's interest includes interest of his spouse (Ms. Cheung Wai Yee) of 10,095,000 shares. Therefore, the total interests held by him were 1,040,061,499 shares, which represented 69.337% of the Company's issued share capital as at 30 June 2026.

(3) Ms. Cheung Wai Yee's interest includes interest of her spouse (Mr. Yeung Chun Fan) of 1,029,966,499 shares. Therefore, the total interests held by her were 1,040,061,499 shares, which represented 69.337% of the Company's issued share capital as at 30 June 2026.

(4) Mr. Hui Chung Shing, Herman's total interests held were 6,250,000 shares, which represented 0.417% of the Company's issued share capital as at 30 June 2026.

(5) Mr. Lau Hon Chuen, Ambrose's total interests held were 1,492,402 shares, which represented 0.099% of the Company's issued share capital as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company 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, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, the register of substantial shareholders required to be kept by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of their interests or short positions in the Company's shares or related shares:

## Long positions in the shares of the Company

| Name of shareholder | Capacity | Number of shares held |
|---|---|---|
| Glorious Sun Holdings (BVI) Limited (1) (51.934% of the share capital was held by Dr. Charles Yeung and 48.066% of the share capital was held by Mr. Yeung Chun Fan) | – beneficial owner | 622,263,000 |
| Advancetex Holdings (BVI) Limited (2) (51.934% of the share capital was held by Dr. Charles Yeung and 48.066% of the share capital was held by Mr. Yeung Chun Fan) | – beneficial owner | 207,810,000 |
| Dr. Charles Yeung, GBM, GBS, JP (3) | – 50% of the interest was held by each of Dr. Charles Yeung and Mr. Yeung Chun Fan | 124,893,499 |
| | – beneficial owner | 5,928,000 |
| Yeung Chun Fan, BBS (4) | – 50% of the interest was held by each of Dr. Charles Yeung and Mr. Yeung Chun Fan | 124,893,499 |
| | – beneficial owner | 75,000,000 |
| Ms. Cheung Wai Yee (5) | – beneficial owner | 10,095,000 |

*Notes:*

Calculations of the interests in shares disclosed pursuant to the SFO were as follows:

(1) Glorious Sun Holdings (BVI) Limited's total interests held were 622,263,000 shares, which represented 41.484% of the Company's issued share capital as at 30 June 2026.

(2) Advancetex Holdings (BVI) Limited's total interests held were 207,810,000 shares, which represented 13.854% of the Company's issued share capital as at 30 June 2026.

(3) Dr. Charles Yeung's interest includes the interests of controlled corporations (Glorious Sun Holdings (BVI) Limited and Advancetex Holdings (BVI) Limited) of a total of 830,073,000 shares. Therefore, the total interests held by him were 960,894,499 shares, which represented 64.060% of the Company's issued share capital as at 30 June 2026.

(4) Mr. Yeung Chun Fan's interest includes the interests of controlled corporations (Glorious Sun Holdings (BVI) Limited and Advancetex Holdings (BVI) Limited) of a total of 830,073,000 shares and the interest of his spouse (Ms. Cheung Wai Yee) of 10,095,000 shares. Therefore, the total interests held by him were 1,040,061,499 shares, which represented 69.337% of the Company's issued share capital as at 30 June 2026.

(5) Ms. Cheung Wai Yee's interest includes the interest of her spouse (Mr. Yeung Chun Fan) of 1,029,966,499 shares. Therefore, the total interests held by her were 1,040,061,499 shares, which represented 69.337% of the Company's issued share capital as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Company has not been notified of any other relevant interests or short positions held by any other person in the issued share capital of the Company as at 30 June 2026, which were required to be recorded in the register maintained by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury share, if any) during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct for Directors' securities transactions.

The Board confirms that, having made specific enquiry of all Directors, the Directors have complied with the requirements set out in the Model Code throughout the six months ended 30 June 2026.

## CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2026, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules.

## AUDIT COMMITTEE

The Audit Committee of the Company currently consists of three Independent Non-executive Directors, namely Mr. Lau Hon Chuen, Ambrose (Committee Chairman), Mr. Ng Wing Ka, Jimmy and Mr. Choi Tak Shing, Stanley. The Audit Committee has reviewed the Group's condensed consolidated financial statements for the six months ended 30 June 2026, including the accounting principles adopted by the Group, with the Company's management. The Audit Committee has also assisted the Board to fulfill the functions of reviewing and monitoring the financial reporting procedures, risk management and internal control systems of the Group.

## DISCLOSURE OF INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the 2025 annual report are set out below:

1. Mr. Lau Hon Chuen, Ambrose, an Independent Non-executive Director of the Company, resigned as an independent non-executive director of Joy City Property Limited (which was delisted from the Stock Exchange on 27 November 2025) on 30 June 2026.

2. The Remuneration Committee of the Company performs regular review on the remuneration of Directors and makes recommendations to the Board. Upon completion of the annual review, the remuneration of the following Directors was adjusted, effective from 1 January 2026, as below:

   (i) The fixed portion of the annual salary of the Executive Directors, namely Mr. Yeung Chun Fan, Ms. Cheung Wai Yee and Ms. Yeung Yin Chi, Jennifer, has been adjusted to HK$681,000, HK$745,200, and HK$261,600 respectively.

   (ii) The annual fees of all Independent Non-executive Directors, namely Mr. Lau Hon Chuen, Ambrose, Dr. Chan Chung Bun, Bunny, Mr. Ng Wing Ka, Jimmy and Mr. Choi Tak Shing, Stanley, have been adjusted to HK$300,000.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

On behalf of the Board
**Glorious Sun Enterprises Limited**
**Dr. Charles Yeung, GBM, GBS, JP**
*Chairman*

Hong Kong Special Administrative Region of
the People's Republic of China

10 August 2026

Our export business offers a total value-added package to serve customers' needs

常宏為「華為上海浦東國際機場臻選店」提供建店服務

*Changhong provided interior construction services to Huawei Collection Store at Shanghai Pudong International Airport*