



瑞港建設控股有限公司

Prosper Construction Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6816



2026
INTERIM REPORT

Contents

- 2 Management Discussion and Analysis
- 10 Interim Condensed Consolidated Statement of Comprehensive Income
- 11 Interim Condensed Consolidated Balance Sheet
- 13 Interim Condensed Consolidated Statement of Changes in Equity
- 14 Interim Condensed Consolidated Statement of Cash Flows
- 15 Notes to the Condensed Consolidated Interim Financial Information



Management Discussion and Analysis

The board (the “Board”) of directors (the “Directors”) of Prosper Construction Holdings Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2026 (the “Period”), together with the comparative figures for the corresponding period in 2025 (the “Previous Period”). These information should be read in conjunction with the annual report of the Company for the year ended 31 December 2025.

Business Review

The property market recession in the PRC showed little sign of recovery during the Period and no large-scale marine projects were launched in Hong Kong and Macao recently. The Group has set up a new trading business segment and been undergoing business transformation and diversification since last year.

However, general market sentiment is hampered by geo-political tension and the continuing war in the Persian Gulf region, which not only led to surge in fuel prices but also disruption in the supply chain and rise in cost of materials, affecting all of the Group’s existing and newly established business segments. Furthermore, having just set up a business presence in the Central Asia and Middle East since last year, the Group’s strategic development plan was interrupted by the war outbreak.

Management has been working to adjust the Group’s business transformation plan to catch up with the changing market conditions. It is currently envisaged that new revenue source for our trading business segment will start to generate income in the latter of the year; but the outlook for year 2026 overall is less than optimistic.

Management Discussion and Analysis (Continued)

Financial Review

Revenue

The Group's general construction contracting business segment expanded into the Middle East and Central Asia markets in year 2025; however the development plan was disrupted by the outbreak of war in the Middle East. Prices of fuel and construction materials surged with the war outbreak and further dampened market sentiment. The Group noted the launch of potential projects were being reassessed and progress of existing projects were held back amidst market uncertainties. There were no major marine construction projects being launched in Hong Kong and Macau in the past few years, and geo-political tension hindered business opportunities in South East Asia and South Asia. Raw material and commodity prices had been volatile and global supply chains were disrupted since the war, dealing a heavy blow to the Group's newly established trading business segment.

Faced with all aforesaid unfavourable factors, the Group recorded a decline in revenue in all business segments during the Period. Revenue for the Period reduced by approximately 38.2% to HK\$521.5 million, as compared to HK\$843.2 million for the Previous Period.

Cost of sales and gross profit

Driven by the reduction in revenue, cost of sales for the Period decreased by approximately 36.8% to HK\$499.0 million while gross profit reduced by approximately 57.9% to HK\$22.5 million. Gross profit margin dropped to 4.3% for the Period from 6.3% for the Previous Period. The deterioration in profit margin was mainly attributable to rising fuel and material costs, and the reduction in scale of operation which led to lower operational efficiency and higher level of unabsorbed fixed costs.

Other gains/(losses)

The Group recorded an exchange loss of HK\$2.7 million during the Period, as compared to an exchange loss of HK\$0.2 million for the Previous Period, as Renminbi has steadily appreciated against Hong Kong Dollars during the Period.

Research and development expenses

Research and development expenses decreased by HK\$2.5 million to HK\$6.1 million for the Period and are related to the research and development of curtain wall engineering technology.

Management Discussion and Analysis (Continued)

Other administrative expenses

Other administrative expenses mainly comprised of staff costs, depreciation and amortisation and professional fees. Other administrative expenses decreased by HK\$2.8 million during the Period mainly as a result of decrease in legal and professional fee of HK\$1.9 million and rental of HK\$1.0 million.

Finance costs

Net finance costs decreased by HK\$3.1 million or approximately 7.0% to HK\$41.6 million for the Period as the Group generated a net cash inflow from operating activities during the Period and utilised less bank borrowings.

Income tax credit

Income tax expense for the Period was mainly related to the Group's operation in the PRC. No deferred tax credit was provided in respect of losses incurred by the Group on in tax jurisdictions outside of the PRC.

Loss for the period

Loss for the period deteriorated by approximately \$20.8 million or 35.7% to \$79.0 million as a result of reduction in gross profit by HK\$30.9 million, and partly offset by the reduction in (i) research and development expenses by HK\$2.5 million, (ii) other administrative expenses by HK\$2.8 million, and (iii) finance costs by HK\$3.1 million.

Property, plant and equipment

During the Period, the Group invested approximately HK\$0.5 million in the acquisition of property, plant and equipment, which mainly comprised HK\$0.4 million in vessels located in Hong Kong.

Trade, retention and notes receivables

Trade receivables reduced by HK\$246.0 million during the Period as a result of effort to negotiate settlement with debtors mainly in the general construction business segment.

Management Discussion and Analysis (Continued)

Amounts due from/(to) fellow subsidiaries

Amounts due from fellow subsidiaries increased by HK\$94.6 million during the Period as more trade related balances.

Amounts due to fellow subsidiaries increased by HK\$95.7 million, which was mainly related to progress certification on construction projects in excess of recognisable revenue.

Contract assets

Contract assets reduced by HK\$397.6 million during the Period as the amount of construction works pending certification decreased coinciding to decrease in business activities in the general construction business segment.

Liquidity, financial resources and capital structure

The Group's net current liability balance and net debt were approximately HK\$240.0 million (31 December 2025: HK\$194.8 million) and HK\$1,433.6 million (31 December 2025: HK\$1,778.8 million) respectively as at 30 June 2026. The Group's gearing ratio (calculated by dividing total debts by total equity) as at 30 June 2026 was 1,656.0% (31 December 2025: 1,205.0%). The increase in gearing during the Period was due to loss incurred during the Period which reduced the Group's equity balance. The maturity profile of the Group's borrowings is set out in note 19 to the interim condensed consolidated financial information.

Foreign exchange

Operations of the Group are mainly conducted in Chinese Renminbi ("RMB"), Hong Kong dollars ("HK\$"), Macao Patacas ("MOP"), United States dollars ("US\$") (together, the "Major Currencies"), Malaysian Ringgits ("MYR") and Indonesian Rupiahs ("IDR"). The Group did not adopt any hedging policy and the Directors consider that the exposure to foreign exchange risks can be mitigated by using the Major Currencies (i) as principal currencies in the Group's contracts with customers and (ii) to settle payments with its suppliers and operating expenses where possible. In the event that settlement from the Group's customer are received in a currency other than the Major Currencies, such currency will be retained for payment of operating expenditures only as required and the remaining foreign currency will be converted to HK\$ or US\$ promptly.

Management Discussion and Analysis (Continued)

Employees and Remuneration Policies

The Group had 501 staff as at 30 June 2026 (31 December 2025: 505) and the total staff costs of the Group (including Directors' emoluments, salaries to staff, direct wages and other staff benefits included provident fund contributions and other staff benefits) for the Period was approximately HK\$43.6 million (Previous Period: HK\$56.2 million). The Group determines the salary of its employees mainly based on each employee's qualifications, relevant experience, position and seniority. The Group monitors the performance of individual employee on a continuous basis and rewards outstanding performance by salary revision, bonus and promotion as suited. The Group maintains a good relationship with its employees and has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

Capital Expenditures and Commitments

The Group generally finances its capital expenditures by cash flows generated from its operation and long-term bank borrowings.

During the Period, the Group invested approximately HK\$0.5 million in the acquisition of property, plant and equipment, which mainly comprised HK\$0.4 million in vessels located in Hong Kong.

The Group had no material capital commitments as at 30 June 2026.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

Significant Investments Held

The Group had not held any significant investments during the Period.

Charges on Assets

As at 30 June 2026, deposits of not less than HK\$113.0 million (31 December 2025: HK\$113.0 million) were pledged to secure for the Group's bank borrowings.

Management Discussion and Analysis (Continued)

Contingent Liabilities

Contingent liabilities in relation to performance bonds of construction contracts

As at 30 June 2026, a performance bond amounted to HK\$8,616,000 (31 December 2025: HK\$8,616,000) was given by a subsidiary of the Group in respect of a construction contract in the ordinary course of business. The performance bond is expected to be released in accordance with the terms of the respective construction contract for the customer.

Involvement in litigation

The subsidiaries of the Group are the two of the three defendants to a litigation in which they are alleged to have caused damage to certain facilities of the plaintiff during a typhoon in previous years. The plaintiff is claiming damages for HK\$112 million subject to adjustments. The court has subsequently dismissed the plaintiff's summon to make one of the Group's subsidiary a defendant. The case now has one subsidiary involved, and is in the stage of exchanging evidence and too preliminary to give a firm evaluation of the likelihood of the outcome or estimate the possible amount of loss, if any. Consequently, no provision in relation to the litigation has been made in the consolidated financial statements as at 30 June 2026 and 31 December 2025.

Share Option Scheme

The Company adopted a share option scheme on 22 June 2016 (the "Scheme") to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. The number of options available for grant under the Scheme as at 1 January 2026 was 80,000,000 and the Scheme was subsequently terminated on 23 June 2026, being the date 10 years after its adoption. No options has been granted under Scheme since its adoption until termination.

The Company has no option or grant scheme in respect its shares as at 30 June 2026 and the date of this report.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any of the Company's listed securities during the Period.

Management Discussion and Analysis (Continued)

Disclosure of Interests

Directors' interests in the Company

As at 30 June 2026, no Directors had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Substantial shareholders' interests in the Company

So far as the Directors are aware, as at 30 June 2026, the interest and short positions of the persons, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are as follows:

Shareholder	Number of shares/Position	Percentage of shareholding	Capacity
Qingdao West Coast Holdings (Internation) Limited	498,000,000 Long position	62.25%	Beneficial owner
Qingdao Haifa Assets Investment Holding Limited* 青島海發產業投資控股有限公司 ^(Note 1)	498,000,000 Long position	62.25%	Interest of a controlled corporation
Qingdao Haifa State-owned Capital Investment and Operation Group Co. Ltd.* 青島海發國有資本投資運營集團有限公司 ^(Note 1)	498,000,000 Long position	62.25%	Interest of a controlled corporation
Qingdao State-owned Assets Supervision and Administration Commission	498,000,000 Long position	62.25%	Interest of a controlled corporation
Herofield Limited ^(Note 2)	61,200,000 Long position	7.65%	Interest of a controlled corporation
Mr. Cui Qi ^(Note 2)	61,200,000 Long position	7.65%	Interest of a controlled corporation
Ms. Mu Zhen ^(Note 3)	61,200,000 Long position	7.65%	Interest of spouse

Management Discussion and Analysis (Continued)

Notes:

1. Each of these entities was wholly owned and controlled by the Qingdao State-owned Assets Supervision and Administration Commission of the State Council and was deemed under the SFO to be interested in all the Share which are directly and beneficially owned by Qingdao West Coast Holdings (Internation) Limited.
2. Mr. Cui Qi is deemed or taken to be interested in all the Shares which are beneficially owned by Herofield Limited, which is wholly-owned and controlled by Mr. Cui Qi, under the SFO.
3. Ms. Mu Zhen is the spouse of Mr. Cui Qi and she is deemed or taken to be interested in all the Shares which are beneficially owned by Mr. Cui Qi under the SFO.

* *For identification purpose only*

Corporate Governance Practices

The Company has adopted the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules ("CG Code") has complied with the code provisions throughout the Period.

Directors' Securities Transactions

The Company has adopted the Model Code and all the Directors confirmed, upon specific enquiry made, that they complied with the Model Code during the Period and up to the date of this report.

Dividend

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend the payment of a dividend for the Period.

Events After End of the Period

No significant event has occurred subsequent to 30 June 2026 which would have material effect on the Group.

Audit Committee

The audit committee, comprising Mr. Cheung Chi Man Dennis (chairman of the audit committee), Ms. Chen Yan and Mr. Liu Junchun, each an independent non-executive Director, has reviewed the accounting standards and policies adopted by the Group and the unaudited interim condensed consolidated financial information of the Group for the Period.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

		Unaudited Six months ended 30 June	
	Note	2026 HK\$'000	2025 HK\$'000 (restated)
Revenue	5	521,482	843,162
Cost of sales		498,991	789,776
Gross profit		22,491	53,386
Other gains, net	7	1,490	522
Provision for impairment losses on financial assets		—	—
Research and development expenses		(6,110)	(8,605)
Other administrative expenses		(55,285)	(58,099)
Operating profit		(37,414)	(12,796)
Finance income	8	635	39
Finance costs	8	(42,211)	(44,740)
Finance costs, net		(41,576)	(44,701)
Loss before income tax	6	(78,990)	(57,497)
Income tax expense	9	(28)	(741)
Loss for the period		(79,018)	(58,238)
(Loss)/profit is attributable to:			
Owner of the Company		(71,924)	(60,943)
Non-controlling interests		(7,094)	2,705
		(79,018)	(58,238)
Other comprehensive loss			
<i>Item that may be reclassified subsequently to profit of loss</i>			
Currency translation differences		3,001	3,862
Total comprehensive loss for the period		(76,017)	(54,376)
Total comprehensive (loss)/income for the period is attributable to:			
Owner of the Company		(66,625)	(56,736)
Non-controlling interests		(9,392)	2,360
		(76,017)	(54,376)
Basic and diluted loss per share (HK cents)	11	(8.99)	(7.62)

The notes on pages 15 to 40 are an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Balance Sheet

As at 30 June 2026

	Note	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	259,679	270,558
Investment properties		48,653	53,856
Right-of-use assets	13	58,536	56,814
Goodwill		40,745	39,252
Financial asset at fair value through profit or loss		–	–
Intangible assets		11,539	11,887
Deposits and prepayments		7,869	10,397
Interest in an associate		1,155	1,113
Deferred income tax assets		28,151	27,057
		456,327	470,934
Current assets			
Inventory		11,557	39,387
Trade, retention and note receivables	14	1,721,911	1,967,892
Amounts due from fellow subsidiaries	14, 21(c)	1,153,122	1,058,551
Deposits, prepayments and other receivables	15	456,480	503,995
Contract assets	16	1,013,404	1,410,956
Time deposits with maturity over 3 months		–	–
Pledged bank deposits		80,756	113,031
Restricted cash		180,003	80,239
Cash and cash equivalents		52,887	215,486
Amount due from a related party	21(c)	1,814	7,227
		4,671,934	5,396,764
Total assets		5,128,261	5,867,698
EQUITY			
Capital and reserves			
Share capital	17	8,000	8,000
Reserves		(59,422)	7,203
		(51,422)	15,203
Non-controlling interests		156,943	166,335
Total equity		105,521	181,538

Interim Condensed Consolidated Balance Sheet (Continued)

As at 30 June 2026

	Note	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	19	99,823	83,355
Lease liabilities		8	212
Deferred income tax liabilities		11,013	11,013
		110,844	94,580
Current liabilities			
Trade, retention and notes payables	18	1,901,808	2,423,894
Accruals and other payables		583,186	358,371
Contract liabilities	16	10,709	35,784
Amount due to a related company		19,858	18,321
Amounts due to fellow subsidiaries	21(c)	438,705	343,003
Loan from an intermediate holding company		179,592	178,618
Amount due to non-controlling interests		185	178
Borrowings	19	1,179,463	1,647,787
Corporate bonds		288,415	277,795
Lease liabilities		661	1,007
Income tax payable		20,793	14,351
Amount due to ultimate holding company		288,521	292,471
		4,911,896	5,591,580
Total liabilities		5,022,740	5,686,160
Total equity and liabilities		5,128,261	5,867,698

The notes on pages 15 to 40 are an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Exchange reserves HK\$'000	Statutory reserves HK\$'000	Retained earnings HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2025	8,000	214,840	23,506	(32,170)	8,835	(77,989)	160,834	305,856
Comprehensive income								
(Loss)/profit for the period	-	-	-	-	-	(60,943)	2,705	(58,238)
Exchange differences	-	-	-	4,207	-	-	(345)	3,862
Transaction with owners								
Appropriation to statutory reserves	-	-	-	-	-	-	-	-
At 30 June 2025 (unaudited)	8,000	214,840	23,506	(27,963)	8,835	(138,932)	163,194	251,480
At 1 January 2026	8,000	214,840	23,506	(19,399)	8,835	(220,579)	166,335	181,538
Comprehensive income								
(Loss)/profit for the period	-	-	-	-	-	(71,923)	(7,094)	(79,017)
Exchange differences	-	-	-	5,126	-	173	(2,298)	3,001
Transaction with owners								
Appropriation to statutory reserves	-	-	-	-	-	-	-	-
At 30 June 2026 (unaudited)	8,000	214,840	23,506	(14,273)	8,835	(292,329)	156,943	105,522

The notes on pages 15 to 40 are an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Net cash generated from/(used in) operating activities	284,544	(80,770)
Net cash generated from/(used in) investing activities	382	(703)
Net cash (used in)/generated from financing activities	(452,060)	30,885
Net decrease in cash and cash equivalents	(167,134)	(50,588)
Cash and cash equivalents at beginning of the period	215,486	129,406
Effect of foreign exchange rate changes	4,535	4,739
Cash and cash equivalents at end of the period	52,887	83,557

The notes on pages 15 to 40 are an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 6 October 2015 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are engaged in marine construction works, auxiliary marine related services, general construction contracting services, and trading. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The condensed consolidated interim financial information is presented in Hong Kong dollars ("HK\$") unless otherwise stated.

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2026 has not been audited. Certain comparative figures have been restated to conform with current period's presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those described in the annual financial statements for the year ended 31 December 2025 ("2025 Financial Statements").

2.1 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This interim condensed consolidated financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, the interim condensed consolidated financial information should be read in conjunction with the 2025 Financial Statements, which has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The preparation of this interim condensed consolidated financial information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim financial information, are disclosed in note 4 below.

2.2 Accounting policies

The accounting policies applied are consistent with those of the 2025 Financial Statements, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of new and amended standards as set out below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Accounting policies (Continued)

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(b) Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risk: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2025 Financial Statements.

There have been no changes in the risk management or any risk management policies since the year end.

3.2 Fair value estimation

The carrying amount of the Group's financial assets and liabilities, including cash and cash equivalents, pledged bank deposits, time deposits, trade and retention receivables, deposits and other receivables, amounts due from the other partner of a joint operation, and trade and retention payables, other payables, amount due to a related company and borrowings approximate their fair values, which either due to their short-term maturities, or that they are subject to floating rates.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this interim condensed consolidated financial information, the critical accounting estimates and judgments applied were consistent with those described in the 2025 Financial Statements.

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000 (restated)
Rendering of services, recognised over time		
– Marine construction works	26,094	29,822
– Auxiliary marine related services	2,478	3,572
– General construction contracting services	462,301	767,262
Trading recognised at a point in time		
– Trading of materials	30,610	42,506
	521,483	843,162

(b) Segment Information

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors regard the Group's business as four operating segments of marine construction works, auxiliary marine related services, general construction contracting services and trading. They review financial information accordingly.

Segment revenue is measured in a manner consistent with that in the interim condensed consolidated statement of comprehensive income.

Segment assets mainly consist of current assets and non-current assets as disclosed in the interim condensed consolidated balance sheet except for unallocated cash and bank balances, income tax recoverable, and other corporate assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the interim condensed consolidated balance sheet except for income tax payable, deferred tax liabilities, borrowings, amounts due to related parties and certain corporate liabilities.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment Information (Continued)

Profit or loss

	Marine construction works HK\$'000	Auxiliary marine related services HK\$'000	General construction contracting services HK\$'000	Trading HK\$'000	Total HK\$'000
For the six months ended 30 June 2026 (unaudited)					
Segment revenue from external customers	26,094	2,478	462,301	30,610	521,483
Segment results	2,705	25	15,254	4,508	22,492
Unallocated expenses					(45,968)
Depreciation of investment properties					(687)
Depreciation of property, plant and equipment					(12,749)
Depreciation of right-of-use assets					(501)
Finance costs, net					(41,576)
Loss before income tax					(78,989)
Income tax expense					(28)
Loss for the period					(79,017)
Included in segment results are:					
Depreciation and amortisation	6,336	2,883	3,530	–	12,749
For the six months ended 30 June 2025 (unaudited)					
Segment revenue from external customers (restated)	29,822	3,572	767,262	42,506	843,162
Segment results	(27,889)	190	29,688	3,830	5,819
Unallocated expenses					(14,547)
Depreciation of investment properties					(540)
Depreciation of property, plant and equipment					(1,367)
Depreciation of right-of-use assets					(2,161)
Finance costs, net					(44,701)
Loss before income tax					(57,497)
Income tax expense					(741)
Loss for the period					(58,238)
Included in segment results are:					
Depreciation and amortisation	8,029	263	3,580	–	11,872

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment Information (Continued)

Assets

	Marine construction works HK\$'000	Auxiliary marine related services HK\$'000	General construction contracting services HK\$'000	Trading HK\$'000	Total HK\$'000
At 30 June 2026 (unaudited)					
Segment assets	23,455	82,444	3,976,762	23,070	4,105,731
Unallocated assets					566,203
Total assets					4,671,934
At 31 December 2025 (audited)					
Segment assets	476,620	52,554	4,681,820	165,171	5,376,165
Unallocated assets					491,533
Total assets					5,867,698
Additions to non-current assets	491	–	–	–	491
	27,720	908	51,622	–	80,250

The information provided to chief operating decision maker with respect to total assets are measured in a manner consistent with that of the interim condensed consolidated financial information. These assets are allocated based on the operations of the segment.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment Information (Continued)

Liabilities

	Marine construction works HK\$'000	Auxiliary marine related services HK\$'000	General construction contracting services HK\$'000	Trading HK\$'000	Total HK\$'000
At 30 June 2026 (unaudited)					
Segment liabilities	14,303	318	1,887,187	–	1,901,808
Borrowings					1,279,286
Corporate bonds					288,415
Loan from an intermediate holding company					179,592
Income tax payable					20,793
Deferred tax liabilities					11,013
Amounts due to fellow subsidiaries					614,607
Amount due to ultimate holding company					438,705
Unallocated liabilities					288,521
Total liabilities					5,022,740
At 31 December 2025 (audited)					
Segment liabilities	89,930	8,900	2,986,627	74,493	3,159,950
Borrowings					1,731,142
Loan from an intermediate holding company					178,618
Corporate bonds					277,795
Unallocated liabilities					338,655
Total liabilities					5,686,160

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment Information (Continued)

The Group's revenue from external customers attributable to the countries from which the Group derives revenue and information about its non-current assets excluding financial instruments and deferred income tax assets, located in the country of domicile are detailed below:

Revenue from external customers

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
		(restated)
Hong Kong	51,993	122,904
Mainland China	467,452	717,239
Indonesia	2,038	3,019
	521,483	843,162

The Group's information about its non-current assets including property, plant and equipment and investment properties located in the country of domicile are detailed below:

Non-current assets

Based on countries of domicile of companies holding the assets:

	Unaudited	Audited
	30 June	31 December
	2026	2025
	HK\$'000	HK\$'000
Hong Kong	155,371	155,481
Mainland China	295,114	159,585
Indonesia	2,667	5,754
Macao	3,175	3,594
	456,327	324,414

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment Information (Continued)

Non-current assets (Continued)

Based on physical location of the assets:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Hong Kong	141,484	131,937
Indonesia	2,667	5,754
Macao	3,175	3,594
Mainland China	295,114	169,242
Pakistan	13,887	13,887
Philippines	—	—
	456,327	324,414

6. LOSS BEFORE INCOME TAX

	Unaudited Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
Staff cost including directors' emoluments (<i>note</i>)	43,579	56,238
Auditor's remuneration	—	—
Cost of sales excluding direct staff costs	474,523	809,861
Depreciation of property, plant and equipment (<i>Note 12</i>)	12,307	12,850
Depreciation of right-of-use assets	501	2,161
Leases expenses relating to short-term leases and leases of low-value assets	1,114	10
Legal and professional fees	3,678	5,590

Notes to the Condensed Consolidated Interim Financial Information (Continued)

6. LOSS BEFORE INCOME TAX (Continued)

Note:

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Wages and salaries	34,776	43,668
Pension costs — defined contribution plans	317	3,876
Other employment benefits	8,486	8,694
	43,579	56,238
Charged to cost of sales	24,468	31,458
Charged to administrative expenses	19,111	24,780

7. OTHER GAINS/(LOSSES), NET

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Losses on disposal of property, plant and equipment	—	(260)
Foreign exchange (losses)/gains	(2,685)	(229)
Sundry gains	4,175	1,011
	1,490	522

8. FINANCE COSTS, NET

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Finance income		
– Interest income on bank balances	635	39
Finance costs		
– Interest expenses on amount due to ultimate holding company (note 21(b))	(7,410)	(7,101)
– Interest expenses on loans from an immediate holding company (note 21(b))	(2,284)	(4,135)
– Interest expense on bank loans	(25,409)	(24,559)
– Interest expenses on corporate bonds	(7,083)	(8,756)
– Interest expense on lease liabilities	(25)	(189)
Finance costs, net	(41,576)	(44,701)

Notes to the Condensed Consolidated Interim Financial Information (Continued)

9. INCOME TAX EXPENSE

The amount of income tax charged to the interim condensed consolidated statement of comprehensive income represents:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Hong Kong profits tax over provision in prior years	–	–
Indonesia income tax		
Withholding income tax	–	–
PRC corporate income tax		
Current income tax	(28)	(741)
Over provision in prior years	–	–
	(28)	(741)

Indonesia income tax is charged through a system of withholding taxes. Companies are required to withhold final income tax for construction works performance and interest income from bank deposits. The income tax has been provided at the rate of 3% of the construction income and 20% of the interest income from bank deposits for the six months ended 30 June 2026.

PRC corporate income tax has been provided at a rate of 25% on the estimated assessable profit for the six months ended 30 June 2026, except for subsidiaries which satisfied as a High-New Technology Enterprise and is entitled to the preferential tax rate of 15%.

10. DIVIDENDS

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

Notes to the Condensed Consolidated Interim Financial Information (Continued)

11. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited Six months ended 30 June	
	2026	2025
Loss attributable to equity holders of the Company (HK\$'000)	(71,924)	(60,943)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share ('000)	800,000	800,000
Basic loss per share (HK cents)	(8.99)	(7.62)

(b) Diluted

Diluted loss per share is of the same amount as the basic loss per share as there were no potential dilutive ordinary shares outstanding at the period end.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Machinery and equipment HK\$'000	Vessels HK\$'000	Motor vehicles HK\$'000	Construction- in-progress HK\$'000	Total HK\$'000
Six months ended 30 June 2026 (unaudited)								
Opening net book amount	85,832	3	2,445	27,299	153,974	1,005	-	270,558
Additions/(disposal)	-	-	51	(76)	(2,279)	-	-	(2,304)
Depreciation	(2,548)	(1)	(367)	(3,261)	(6,336)	(236)	-	(12,749)
Exchange differences	3,569	-	78	615	(105)	17	-	4,174
Closing net book amount	86,853	2	2,207	24,577	145,254	786	-	259,679
Six months ended 30 June 2025 (unaudited)								
Opening net book amount	85,207	25	3,441	25,544	176,538	1,601	-	292,356
Additions/(disposal)	27,782	-	91	(877)	951	(59)	-	27,888
Depreciation	(1,638)	(7)	(646)	(3,711)	(6,393)	(455)	-	(12,850)
Exchange differences	(6,212)	-	45	237	43	36	-	(5,851)
Closing net book amount	105,139	18	2,931	21,193	171,139	1,123	-	301,543

Notes to the Condensed Consolidated Interim Financial Information (Continued)

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Amounts recognised in the interim condensed consolidated balance sheet

The interim condensed consolidated balance sheet shows the following amounts relating to the leases in respect of office premises and staff quarters:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Right-of-use assets		
Non-current	58,536	56,814
Lease liabilities		
Non-current	8	212
Current	661	1,007
	669	1,219

Additions to the right-of-use assets during the six months ended 30 June 2026 and 2025 were HK\$Nil and HK\$225,000 respectively.

(b) Amounts recognised in the interim condensed consolidated statement of comprehensive income

The interim condensed consolidated statement of comprehensive income shows the following amounts relating to the leases in respect of office premises and staff quarters:

	Unaudited Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
Depreciation charge of right-of-use assets	501	2,161
Interest expenses on lease liabilities (Note 8)	25	189
Leases expenses relating to short-term leases of machineries and equipment	1,104	3,128
Leases expenses relating to short-term leases of low value assets	10	10

The total cash outflow for leases excluding short-term leases and leases of low-value assets during the six months ended 30 June 2026 and 2025 were HK\$1,114,000 and HK\$1,291,000 respectively.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

14. TRADE, RETENTION AND NOTE RECEIVABLES, AND AMOUNTS DUE FROM FELLOW SUBSIDIARIES

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Trade receivables	1,671,886	1,839,875
Retention receivables	47,469	90,647
Note receivables	2,556	37,370
Trade, retention and note receivables	1,721,911	1,967,892

The aging analysis of the trade receivables based on invoice date was as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 1 year	1,030,828	1,257,618
1 to 2 years	313,714	310,401
Over 2 years	327,344	271,856
	1,671,886	1,839,875

Retention receivables were classified as current assets. The aging analysis of the retention receivables based on invoice date was as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 1 year	3,207	36,338
Between 1 and 5 years	44,260	54,309
Over 5 years	–	–
	47,467	90,647

The credit period granted to trade customers other than for retention receivables was within 30 days to 90 days for marine construction works and auxiliary marine related services whereas there is generally no credit period granted to the customers for general construction services in the PRC. The terms and conditions in relation to the release of retention vary from contract to contract, which may be subject to practical completion, the expiry of the defect liability period or a pre-agreed time period. The Group does not hold any collateral as security.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

14. TRADE, RETENTION AND NOTE RECEIVABLES, AND AMOUNTS DUE FROM FELLOW SUBSIDIARIES (Continued)

The ageing analysis of amounts due from fellow subsidiaries based on invoice dates was as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 1 year	847,489	365,485
1 to 2 years	154,337	352,545
Over 2 years	151,296	340,521
	1,153,122	1,058,551

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Deposits, prepayments and other receivables (note)	464,349	514,392
Less: non-current deposits	7,869	10,397
Current	456,480	503,995

Note: The balance mainly represents rental tendering, deposits for property, plant and equipment and other miscellaneous receivables.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

16. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Contract assets		
Provision of construction services – third parties	368,462	1,109,419
Provision of construction services – fellow subsidiaries	694,283	390,635
Less: loss allowance	(49,341)	(89,098)
	1,013,404	1,410,956
Contract liabilities		
Provision of construction services	(10,709)	(35,784)

17. SHARE CAPITAL

The Company's share capital as at 30 June 2026 and 31 December 2025 was as follows:

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised	4,000,000,000	40,000
Issued and fully paid	800,000,000	8,000

Notes to the Condensed Consolidated Interim Financial Information (Continued)

18. TRADE AND RETENTION PAYABLES

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Trade payables	1,702,680	2,367,792
Notes payables	191,058	36,571
Retention payables	8,070	19,531
	1,901,808	2,423,894

The credit period granted for trade payables and other payables was within 30 to 90 days.

The aging analysis of the trade payables based on invoice dates was as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 1 year	321,809	1,373,267
Over 1 year	1,380,871	994,525
	1,702,680	2,367,792

The aging analysis of the notes payables based on invoice date was as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 1 year	191,058	36,571

Notes to the Condensed Consolidated Interim Financial Information (Continued)

18. TRADE AND RETENTION PAYABLES (Continued)

In the interim condensed consolidated balance sheet, retention payables were classified as current liabilities. The aging analysis of the retention payables based on invoice date was as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 1 year	958	12,419
Between 1 year and 2 years	1,175	1,175
Between 2 years and 5 years	5,937	5,937
	8,070	19,531

19. BORROWINGS

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Non-current:		
Long-term bank loans	99,823	83,355
Current:		
Long-term bank loans due for repayment within one year (secured)	252,966	321,986
Short-term bank borrowings		
– secured	926,496	1,207,977
– unsecured	–	117,824
Other borrowings	–	–
	1,179,462	1,647,787
Total borrowings	1,279,285	1,731,142

Notes to the Condensed Consolidated Interim Financial Information (Continued)

19. BORROWINGS (Continued)

- (a) Borrowings due for repayment after one year which contain repayment on demand clause were classified as current liabilities.

Based on the scheduled repayment terms set out in the loan agreements and ignoring the effect of any repayment on demand clause, the maturity of bank loans would be as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Within 1 year	1,428,653	1,579,048
Between 1 year and 2 years	40,493	97,636
Between 2 years and 5 years	63,105	32,230
Over 5 years	–	22,228
	1,532,251	1,731,142

- (b) The carrying amounts of the Group's borrowings were denominated in the following currencies:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
HK\$	72,000	88,000
MOP	–	–
RMB	1,460,251	1,643,142
	1,532,251	1,731,142

- (c) The carrying amounts of the Group's borrowings approximated their fair value as the impact of discounting is not significant.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

19. BORROWINGS (Continued)

- (d) The Group's loan facilities are subject to annual review and secured or guaranteed by:
- (i) Project contracts executed by a subsidiary, guarantees of HK\$228,000,000 (31 December 2025: HK\$228,000,000) from the Company, pledged deposits of HK\$10,000,000 (31 December 2025: HK\$14,063,000) from the subsidiaries for a bank facility which covers loans of HK\$72,000,000 (31 December 2025: HK\$68,000,000).
 - (ii) Unlimited guarantees provided by the Company for bank facilities and pledged deposits of HK\$10,000,000 (31 December 2025: HK\$10,003,000) which covers loans of HK\$20,000,000 (31 December 2025: HK\$20,000,000) as at 30 June 2026.
 - (iii) Group's properties, plant and equipment and right-of-use assets with carrying amounts of HK\$90,026,000 (31 December 2025: HK\$82,130,000) and of HK\$35,851,000 (31 December 2025: HK\$24,400,000) for a bank facility which covers loans of HK\$12,029,160 (31 December 2025: HK\$86,987,000) as at 30 June 2026.
 - (iv) Guarantees of HK\$198,900,000 (31 December 2025: HK\$164,164,000) provided by a subsidiary for bank facilities which covers loans of HK\$192,660,000 (31 December 2025: HK\$129,824,000) as at 30 June 2026.
 - (v) Unlimited guarantees provided by the ultimate holding company for bank facilities which covers loans of HK\$1,890,122,000 (31 December 2025: HK\$1,158,865,000) as at 30 June 2026.
 - (vi) Unlimited guarantees provided by the ultimate holding company together with a subsidiary for bank facilities which covers loans of HK\$991,590,000 (31 December 2025: HK\$1,191,699,000) as at 30 June 2026.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

20. CONTINGENT LIABILITIES AND DISPUTES

Contingent Liabilities

Contingent liabilities in relation to performance bonds of construction contracts

As at 30 June 2026, a performance bond amounted to HK\$8,616,000 (31 December 2025: HK\$8,616,000) was given by a subsidiary of the Group in respect of a construction contract in the ordinary course of business. The performance bond is expected to be released in accordance with the terms of the respective construction contract for the customer.

Involvement in litigation

The subsidiaries of the Group are the two of the three defendants to a litigation in which they are alleged to have caused damage to certain facilities of the plaintiff during a typhoon in 2018. The plaintiff is claiming damages for HK\$112 million subject to adjustments. As advised by the Group's independent legal advisor, the case is at the stage of exchanging evidences and it is not possible to give a firm evaluation of the likelihood of the outcome or estimate the possible amount of loss, if any. Consequently, no provision in relation to the litigation has been made in the consolidated financial statements as at 30 June 2026 and 31 December 2025.

21. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The directors of the Company are of the view that the following companies were related parties that had transactions or balances with the Group during the six months ended 30 June 2026 and 2025:

Name of the related party	Relationship with the Group
Concentric-Hong Kong River Joint Venture ("CHKRJV")	A joint operation
香港瑞沃(澳門)工程有限公司 — 中基基礎工程 有限公司合作經營("MCJO")	A joint operation
Shenzhen Changsheng Marine Engineering Limited ("Shenzhen Changsheng")	A related company controlled by Mr. Cui Qi
West Coast Investment (Hong Kong) Limited	A fellow subsidiary
Qingdao Dongqisheng Information Consulting Co., Ltd. (青島東祺晟資訊諮詢有限公司) ("Dongqisheng Information Consulting")	A related company controlled by non-controlling interests
Qingdao Haifa Environmental Protection Energy Investment Co., Ltd. (青島海發環保能源投資有限公司) ("Haifa Environmental Protection")	A fellow subsidiary
Qingdao Haifa Financial Leasing Co., Ltd. (青島海發融資租賃有限公司) ("Haifa Financial Leasing")	A fellow subsidiary

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21. RELATED PARTY TRANSACTIONS (Continued)

- (a) The directors of the Company are of the view that the following companies were related parties that had transactions or balances with the Group during the six months ended 30 June 2026 and 2025: (Continued)

Name of the related party	Relationship with the Group
Qingdao Linli Wanjia Investment Development Co., Ltd. (青島鄰里萬家投資發展有限公司) ("Linli Wanjia Investment Development")	A fellow subsidiary
Qingdao Rongchuang Xifa Cultural Development Limited (青島融創西發文化發展有限公司) ("Rongchuang Xifa")	A fellow subsidiary
Qingdao Xifa Cangmashan Infrastructure Investment Limited (青島西發藏馬山基礎設施建設投資有限公司) ("Xifa Cangmashan Infrastructure")	A fellow subsidiary
Qingdao Xifa Cangmashan Construction Limited (青島西發藏馬山建設開發集團有限公司) ("Xifa Cangmashan Construction")	A fellow subsidiary
Qingdao Xifa Properties Limited (青島西發置業有限公司) ("Xifa Properties")	A fellow subsidiary
Qingdao West Coast New Village Development Limited (青島西海岸新農村社區建設有限公司) ("West Coast New Village District")	A fellow subsidiary
Qingdao West Coast New District Development Limited (青島西海岸新區開發建設有限公司) ("West Coast New District")	A fellow subsidiary
Qingdao West Coast Sky Construction Development Limited (青島西海岸天業建設發展有限公司) ("West Coast Sky")	A fellow subsidiary
Qingdao West Coast Technology Innovation Development Co. Limited (青島西海岸科創投資開發有限公司) ("West Coast Technology Innovation")	A fellow subsidiary
Qingdao Xifa Cangmashan Agricultural Development Limited (青島西發藏馬山農業發展有限公司) ("Xifa Cangmashan Agricultural")	A fellow subsidiary
Qingdao Oriental Fashion Development Construction Limited (青島東方時尚開發建設有限公司) ("Oriental Fashion")	A fellow subsidiary
Qingdao Blue Valley Medical Management Limited (青島藍色醫谷醫療管理有限責任公司) ("Blue Valley Medical Management")	A fellow subsidiary
Qingdao Xifa Healthcare Limited (青島西發康養醫療有限公司) ("Xifa Healthcare")	A fellow subsidiary

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21. RELATED PARTY TRANSACTIONS (Continued)

- (a) The directors of the Company are of the view that the following companies were related parties that had transactions or balances with the Group during the six months ended 30 June 2026 and 2025: (Continued)

Name of the related party	Relationship with the Group
Qingdao Big Data Technology Development Limited (青島大數據科技發展有限公司) ("Big Data Technology Development")	A fellow subsidiary
Beijing Film Academy Modern Creative Media College (北京電影學院現代創意媒體學院) ("Beijing Film Academy")	A fellow subsidiary
Oriental Movie Metropolis Rongchuang Investment Limited (東方影都融創投資有限公司) ("Oriental Movie Metropolis")	A fellow subsidiary
Qingdao West Coast Tianze Construction Development Limited (青島西海岸天澤建設發展有限公司) ("West Coast Tianze")	A fellow subsidiary
Qingdao Haifa Tianqing Construction Limited (青島海發天清建設有限公司) ("Haifa Tianqing")	A fellow subsidiary
Qingdao Aucma Refrigeration Appliance Co. Limited (青島澳柯瑪製冷電器有限公司) ("Aucma Refrigeration Appliance")	A fellow subsidiary
Qingdao West Coast Financing Guarantee Limited (青島西海岸融資擔保有限公司) ("West Coast Financing")	A fellow subsidiary
Qingdao Haifa Cultural (Group) Limited (青島海發文化(集團)有限公司) ("Haifa Cultural")	A fellow subsidiary
Qingdao Xifa Zangmashan Agricultural Trade Co., Ltd. (青島西發藏馬山農貿有限公司) ("Xifa Agricultural Trade")	A fellow subsidiary
Qingdao Haifa Hongrui Property Management Co., Ltd. (青島海發弘睿物業管理有限公司) ("Haifa Hongrui Property")	A fellow subsidiary
China Haifa (Qingdao) Investment Co., Ltd. (中交海發(青島)投資有限公司) ("Haifa Investment")	A fellow subsidiary
Qingdao Haifa City Investment & Development (Group) Limited (青島海發產城投資開發(集團)有限公司) ("Haifa City Investment")	A fellow subsidiary
Qingdao Oceanec Valley Investment & Development Group Limited (青島藍谷投資發展集團有限公司) ("Qingdao Oceanec Valley")	A fellow subsidiary

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21. RELATED PARTY TRANSACTIONS (Continued)

- (a) The directors of the Company are of the view that the following companies were related parties that had transactions or balances with the Group during the six months ended 30 June 2026 and 2025: (Continued)

Name of the related party	Relationship with the Group
Qingdao Yingdu Film Museum Co. Limited (青島影都電影博物館有限公司) ("Yingdu Film Museum")	A fellow subsidiary
Qingdao Film Academy (青島電影學院)	A fellow subsidiary
Qingdao Rongchuang Haifa Cultural Development Limited (青島融創海發文化發展有限公司) ("Rongchuang Haifa")	A fellow subsidiary
Qingdao Dongfang Film and Television Industry Co., Ltd (青島東方影都影視產業管理有限公司) ("Dongfang Film and Television Industry")	A fellow subsidiary
Qingdao Haifa Commercial Management Co. Ltd Xingguang Island Commercial Operation Management Branch (青島海發商業管理有限公司星光島商業運營管理分公司) ("Haifa Commercial Management (Branch)")	A fellow subsidiary
Qingdao Xifa Commercial Factoring Co. Limited (青島西發商業保理有限公司) ("Xifa Commercial Factoring")	A fellow subsidiary
Qingdao Haifa Tianging Construction Co., Ltd. (青島海發天清建設有限公司) ("Qingdao Haifa Tianging")	A fellow subsidiary
Qingdao Sino-German Ecological Park Administration Committee (青島中德生態園管理委員會) ("Qingdao Sino-German Ecological Park")	A fellow subsidiary
Qingdao Yibo Hospital Co., Ltd. (青島壹博醫院有限公司) ("Qingdao Yibo Hospital")	A fellow subsidiary
Qingdao Haiwen Xinghui Exhibition Co., Ltd. (青島海文星滙會展有限公司) ("Qingdao Haiwen Xinghui Exhibition")	A fellow subsidiary
Qingdao Sunac Haifa Cultural Development Co., Ltd. (青島海熙文化發展有限公司) ("Qingdao Sunac Haifa Cultural")	A fellow subsidiary
Qingdao Haichenghe Trading Co., Ltd. (青島海誠和商貿有限公司) ("Qingdao Haichenghe")	A fellow subsidiary
Li Xiao	A related party
Zhao Chunliang	A related party

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions

Save as disclosed elsewhere in the interim condensed consolidated interim financial information, the following transactions were carried out with related parties at terms mutually agreed by both parties pursuant to the agreements entered into between the Group and the respective related parties:

	Unaudited	
	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Interest expenses to Qingdao Haifa State-owned Capital Investment and Operation Group Co., Ltd.	7,410	7,101
Interest expenses to West Coast Investment (Hong Kong) Limited	2,284	4,135
Construction project income from related parties:		
West Coast New District	628	6,444
Xifa Cangmashan Construction	85	–
West Coast Technology Innovation	38,679	35,245
Haifa Investment	225	–
Qingdao Film Academy	13,550	5,215
Dongfang Film and Television Industry	555	–
Rongchuang Haifa	–	477
Haifa Environmental Protection	8,673	49,543
Haifa Financial Leasing	295	74
Linli Wanjia Investment Development	–	2,207
Haifa Hotel Management	84	–
Qingdao Haifa Tianging	771	–

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000	Nature
Amounts due from fellow subsidiaries (<i>note (i)</i>)	1,152,147	1,057,138	Trade
	975	1,413	Non-trade
	1,153,122	1,058,551	
Amount due from a related party (<i>note (ii)</i>)			
– Wang Yonghong	1,814	7,227	Non-trade
Amount due to ultimate holding company (<i>note (ii)</i>)	288,521	292,471	Non-trade
Amounts due to fellow subsidiaries			
– Big Data Technology Development (<i>note (iii)</i>)	15,871	13,491	Trade
– Xifa Cangmashan Agricultural (<i>note (iii)</i>)	150	46	Trade
– Haifa Hongrui Property (<i>note (iii)</i>)	277	267	Trade
– Xifa Agricultural Trade (<i>note (iii)</i>)	48	–	Trade
– Haiwenxinghui Exhibition (<i>note (iii)</i>)	–	13	Trade
– Xifa Commercial Factoring (<i>note (iv)</i>)	240,866	328,980	Non-trade
– Haifa Environmental Protection	–	–	Trade
– Haifa Financial Leasing	–	–	Trade
– Haifa Commercial Management (Branch)	–	–	Trade
– Cangmashan Rural Charm Agricultural (<i>note (iv)</i>)	–	146	Trade
– Haifa Consulting Management (<i>note (v)</i>)	–	60	Non-trade
– Qingdao Sino-German Ecological Park	8	–	Non-trade
– Qingdao Yibo Hospital	231	–	Non-trade
– Qingdao Haiwen Xinghui Exhibition	14	–	Trade
– Qingdao Haichenghe	21,164	–	Trade
– Qingdao Sunac Haifa Cultural	3,509	–	Trade
– Haifa Commercial Factoring	156,567	–	Trade
Carrying amounts	438,705	343,003	
Amounts due to related companies			
– Shenzhen Changsheng (<i>note (v)</i>)	187	186	Non-trade
– Dongqisheng Information Consulting (<i>note (v)</i>)	14,760	14,220	Non-trade
– Li Xiao (<i>note (vi)</i>)	3,007	2,726	Non-trade
– Zhao Chunliang (<i>note (vi)</i>)	1,904	1,189	Non-trade
Carrying amounts	19,858	18,321	
Loans from an intermediate holding company			
– West Coast Investment (Hong Kong) Limited (<i>note (vi)</i>)	179,592	178,618	Non-trade

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances (Continued)

Notes:

- (i) The amounts due from fellow subsidiaries were unsecured, interest-free and generally has no credit period granted. The carrying amounts of amounts due from fellow subsidiaries approximated their fair values and were denominated in RMB.
- (ii) The amount due to ultimate holding company was unsecured, interest-free and generally has no credit period granted. The ageing of amount due to ultimate holding company was within one year. The carrying amounts of amount due to ultimate holding company approximated their fair values and were denominated in RMB.
- (iii) The amounts due to fellow subsidiaries were unsecured, interest-free and no credit period was granted generally. The ageing of amounts due to fellow subsidiaries were within one year. The carrying amounts of amounts due to fellow subsidiaries approximated their fair values and were denominated in RMB.
- (iv) The amount due to Haifa and Xifa Commercial Factoring of HK\$397,433,000 (31 December 2025: HK\$328,980,000) represented the suppliers invoices factoring arrangement among the Group's suppliers and Haifa and Xifa Commercial Factoring. The amount due to Haifa Commercial Factoring are unsecured, interest free and repayable within one year. The carrying amount of amount due to Haifa and Xifa Commercial Factoring approximated its fair value and was denominated in RMB.
- (v) The amounts due to related parties were unsecured, interest free and repayable within one year. The carrying amount of amounts due to related parties approximated its fair value and were denominated in RMB.
- (vi) Loan from an intermediate holding company of HK\$130,000,000 (31 December 2025: HK\$130,000,000) were guaranteed by the Company with fixed interest rate at 5.70% per annum (31 December 2025: 5.70% per annum), approximated their fair values, denominated in HK\$ and are repayable in July 2026 and refinance on July 2026 and repayable in 2029.

Loan from an intermediate holding company of HK\$49,592,000 (31 December 2025: HK\$48,618,000) was guaranteed by the Company with fixed rate at 5.70% per annum (31 December 2025: 5.70% per annum), approximated its fair value, denominated in RMB and is repayable in 2026.

(d) Transactions with key management personnel

Key management include directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown below:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Salaries, bonus and other allowances and benefits in kind	389	460
Pension costs — defined contribution plans	—	5
	389	465

22. ULTIMATE HOLDING COMPANY

Management considers Qingdao Haifa State-owned Capital Investment and Operation Group Co., Ltd as the ultimate holding company of the Group, which is a company incorporated in the PRC and controlled by the State-owned Asset Supervision and Administration Commission of Qingdao.