中金投集团

China Financial Services Holdings Ltd

China Financial Services Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 605)

INTERIM REPORT 2026

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Ms. Cheung Amy
(appointed on 7 August 2026)
Mr. Zhang Min *(Chief Executive Officer)*

Non-executive Director

Dr. Cheung Chai Hong *(Chairman)*
(appointed on 28 May 2026)

Independent Non-executive Directors

Mr. Chan Chun Keung
Mr. Cheung Pak To
Mr. Lee Ka Wai
Mr. Zhang Kun
Madam Zhan Lili
(retired on 28 May 2026)

COMPANY SECRETARY

Mr. Chung Chin Keung FCCA, FCPA, FCA, CTA

AUDITORS

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

AUDIT COMMITTEE

Mr. Lee Ka Wai *(Chairman)*
Mr. Chan Chun Keung
Dr. Cheung Chai Hong
(appointed on 28 May 2026)
Mr. Cheung Pak To
Mr. Zhang Kun
Madam Zhan Lili
(retired on 28 May 2026)

REMUNERATION COMMITTEE

Mr. Chan Chun Keung *(Chairman)*
(redesignated on 7 August 2026)
Mr. Zhang Kun *(Chairman)*
(ceased to act on 7 August 2026)
Ms. Cheung Amy
(appointed on 7 August 2026)
Mr. Lee Ka Wai
Madam Zhan Lili
(retired on 28 May 2026)

NOMINATION COMMITTEE

Mr. Lee Ka Wai *(Chairman)*
Mr. Chan Chun Keung
Ms. Cheung Amy
(appointed on 7 August 2026)
Mr. Zhang Kun
Madam Zhan Lili
(retired on 28 May 2026)

BUSINESS RISKS COMMITTEE

Mr. Zhang Min *(Chairman)*
Mr. Chan Chun Keung
Ms. Cheung Amy
(appointed on 7 August 2026)
Dr. Cheung Chai Hong
(appointed on 28 May 2026)
Mr. Cheung Pak To
Mr. Lee Ka Wai
Mr. Zhang Kun
Madam Zhan Lili
(retired on 28 May 2026)

SHARE REGISTRAR

Tricor Investor Services Limited
17/F,
Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

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18 Harbour Road
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STOCK CODE: 605

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INVESTORS RELATION

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FINANCIAL HIGHLIGHTS

	Unaudited six months ended 30 June 2026 ***HK$'000***	Unaudited six months ended 30 June 2025 *HK$'000*	Percentage changes %
Interest and financing consultancy services income	**41,439**	39,595	4.7%
Profit/(loss) for the period attributable to owners of the Company	**125,760**	(29,599)	524.9%
	HK$	*HK$*	
Basic earnings/(loss) per share	**0.62**	(0.15)	513.3%

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

In the first half of 2026, the Chinese Mainland economy demonstrated resilience and operated within an appropriate range against pressure, continuing a steady trajectory. According to data from the National Bureau of Statistics, Gross Domestic Product (GDP) grew by 4.7% year-on-year in the first half of 2026, reaching approximately RMB69.57 trillion. The country's growth pace aligned with its annual target, driven heavily by new growth drivers – such as high-end manufacturing, the digital economy, and modern services – which contributed over 40% to overall expansion. Structural adjustments continued to pose challenges; fixed-asset investment across the nation recorded minor baseline adjustments, heavily influenced by the protracted adjustment cycle in real estate development investment. Total retail sales of consumer goods reached RMB24.87 trillion, growing by 1.3% year-on-year, reflecting a more cautious yet sustained momentum in Chinese Mainland consumption recovery.

In Hong Kong, the economy expanded robustly, with real GDP growing by 5.9% year-on-year in the first quarter of 2026, accelerating from the preceding quarters. This strong performance was primarily driven by a sustained resurgence in external trade and a notable pick-up in domestic demand. Private consumption and tourism continued to anchor the local economy, while the value of retail sales showed positive momentum, increasing by 8.6% year-on-year as of April 2026. Inflation remained well-anchored and moderate, with the Composite Consumer Price Index increasing by approximately 2.0% year-on-year by May 2026.

Within the real estate sector, the Chinese Mainland market remained under pressure as it navigated an extended stabilisation phase. In Hong Kong, the residential market maintained a cautious stance, characterised by localised price fluctuations and a prevalent wait-and-see sentiment among buyers. In the mortgage lending segment, credit demand remained subdued. According to the People's Bank of China, the five-year Loan Prime Rate (LPR) was maintained at 3.50% through the first half of 2026, sustaining a stable policy rate environment to support the broader market, though actual corporate and individual housing mortgage demand has yet to experience a robust revival. The microfinance and licensed lending industries stayed broadly stable but faced marginal scale contractions due to tight regulatory compliance and selective risk appetites.

Overall, while the macroeconomic landscape of Mainland China and Hong Kong showed clear points of resilience in the first half of 2026, property market adjustments and soft mortgage demand persisted as key variables. The Board and management of the Company will continue to closely monitor macroeconomic policy shifts, specific financial rescue measures for the property sector, domestic consumption dynamics, and external geopolitical risks. Moving forward, the Group will actively optimise its asset allocation, strengthen digital risk management controls, and prudently manage its real estate-related credit exposure while exploring high-potential alternative segments, such as consumer finance, to capture market recovery opportunities.

Business Review

Amid the ongoing complexities of the international and domestic economic and political landscape, the primary objective of the Group's management remains to ensure overall business stability while proactively pursuing new growth opportunities. Effective business risk management continues to be a critical component of operational control. Upholding stringent risk management principles is increasingly vital as economic conditions remain challenging and market credit risks escalate.

As of the end of June 2026, the Group's total loan balances reached approximately HK$981,676,000, representing an increase of about 7.3% as compared to the total loan balances as at 31 December 2025. Chengdu contributed a higher proportion of revenue compared to the other three regions, while Shenzhen and Beijing exhibited a relatively faster growth rate. Overall, the Group's business distribution and growth rates remained balanced across the regions, with the loan business demonstrating sustained stability.

Future Outlook

The global economy continues to face increasing polarisation, compounded by heightened geopolitical risks, with each country and region grappling with complex internal challenges. In Mainland China, the PRC government has outlined plans to expand fiscal expenditure and implement targeted structural measures to mitigate risks in the real estate sector, refine supportive financial policies, and foster the sustainable growth of this critical industry.

In Hong Kong, the government has sustained its support through favourable policies to bolster regional development and enhance cross-strait connectivity. The ongoing development of the Guangdong-Hong Kong-Macau Greater Bay Area continues to create significant opportunities for Hong Kong, driving deeper economic integration, strengthening the city's position as a premier offshore RMB hub, and fueling long-term commercial growth.

Background check	Various identification documents shall be provided by the loan applicant, which shall be reviewed and assessed. Information such as personal identification documents, corporate constitutional documents, business registrations, address proof, payroll or financial records, nature of business, type and value of collateral (for secured loan applications), and credit rating reports shall be collected. Each loan applicant shall complete a loan application form with his/her intended loan amount, term, purpose of the loan, repayment plan and proposed collateral/security to be offered.
Credit assessments and loan approval	The client's background and information such as their financial capabilities, creditworthiness, repayment capacity, availability of guarantor(s), quality, validity and title deed and liquidity of collaterals, will then be assessed by the credit committee of the respective operating region. We collect and verify relevant documentation, analyse credit scores, employment history, and financial information to ensure responsible lending practices. Furthermore, we verify the ownership of the properties owned and provided by the clients as collaterals and review the incumbrances of those properties by checking public records. If the loan amount applied exceeds the approval limit of the regional credit committee but is not more than RMB30 million, then the loan application will be assessed by the Group's loan approval committee. For any loan principal exceeding RMB30 million, the approval from the Business Risks Committee is required. The management team shall consider whether the loan applications are on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders as a whole. Whenever the loan transaction constitutes a discloseable transaction or above by assessment of size tests under Chapter 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or involves connected person(s) as defined under Chapter 14A of the Listing Rules, the loan transaction will be reported to the Board for their review and approval.

Execution of documents	Compliance procedures are in place to ensure adherence to all relevant laws and regulations such as anti-money laundering (AML), know your customer (KYC) requirements and any applicable lending regulations. All loan applications must be approved by the relevant approval committees. The proper execution of the loan documentations, contracts and agreement is under the supervision of the responsible officer, who communicates the loan terms clearly to the borrower. The finance department will be responsible for arranging for outflows of funds.
After-loan services	There will be continuous monitoring on the repayments from the borrower throughout the loan repayment period, regular communication with the borrower of its updated financial position, and regular review of the market value of the collateral(s) pledged.
Collection and recovery	Formal reminder and legal demand letter will be issued to the borrower whose payment is overdue. Legal action may be taken against the borrower for recovery of the amount due and taking possession of the collateral(s) pledged.

The Group offers secured and unsecured loans to individual and corporate clients. Most of the collaterals of secured loans are in the form of mortgages over residential and/or commercial properties owned by these clients. The total carrying amount (net of expected credit loss) of property mortgage loans accounted for approximately 90.2% of the entire loan portfolio of the Group as at 30 June 2026. For mortgage loans, the Group would consider the value of the collaterals and grants loans with a loan-to-value ratio (the "LTV Ratio") of at an acceptable level as determined by the management from time to time. Unsecured loans accounted for approximately 8.8% of the entire loan portfolio of the Group. As at 30 June 2026, the Group had 1,072 active customers, of which 1,034 of them were individual customers and the remaining 38 were corporate customers; and of which 560 of them were secured customers and 512 of them were unsecured customers. The interest and service fees charged at a range of monthly effective rates of 0.68% to 2.50% for PRC loans and the interest charged at a range of monthly effective rates of 0.35% to 3.97% for HK loans. A typical loan generally has a term of 90 days to 30 years. The Group conducts periodic reviews and evaluations of our lending procedures to assess their effectiveness and adapt them to the evolving risk landscape. This includes keeping up-to-date with industry best practices, regulatory changes, and employing advanced risk management tools and technologies.

The top five customers accounted for 17.79% of the total outstanding balances of the Group's loan portfolio as of 30 June 2026.

Interest and financing consultancy services income

During the six months ended 30 June 2026 (the "Reporting Period"), the Group's revenue was principally derived from the interest and services income from loan services.

Under the challenging operating environment, the Group conducted its loan business cautiously with strategic focus on long-term business growth. Interest and financing consultancy services income for the Reporting Period was approximately HK$41,439,000, representing an increase of about 4.7% compared to that of approximately HK$39,595,000 for the corresponding period last year. The increase was mainly due to the revenue growth attributable to Chinese Mainland and Hong Kong economic growth.

The percentage of revenue contribution from different operating regions of the Group for both periods are shown below:

	Six months ended 30 June	
	2026	2025
Beijing	**26.4%**	25.2%
Chengdu & Chongqing	**30.5%**	35.4%
Shenzhen	**17.1%**	10.8%
Hong Kong	**26.0%**	28.6%

Education service income

The Group is engaged in education service upon obtaining control of KGH Holdings Limited ("KGH") in July 2025. During the Reporting Period, income derived from education services amounted to approximately HK$20,897,000. Due to various reasons explained in details under the section headed "Events After the Reporting Period" on page 44, Thetford Grammar School Limited ("Thetford", together with KGH, the "KGH Group"), the subsidiary of KGH, will fully cease its education services operations by the end of August 2026.

Interest and handling expenses

Interest and handling expenses represent finance costs incurred for the Reporting Period. The amount decreased from approximately HK$23,907,000 for the corresponding period in 2025, to approximately HK$11,727,000 for the Reporting Period, representing a decrease of about 50.9%.

Other income and other gains and losses

Other income mainly includes bank interest income of approximately HK$345,000 and others of approximately HK$431,000. Other gains and losses mainly includes loss from changes in fair value of financial assets at FVTPL of approximately HK$342,000, recovery of bad debts of approximately HK$41,895,000, reversal of impairment losses on repossessed assets of approximately HK$694,000, loss on disposal of repossessed assets of approximately HK$258,000, loss from change in fair value of investment properties of approximately HK$2,890,000, a net exchange loss of approximately HK$739,000 and others of approximately HK$554,000 recognised in the Reporting Period.

Reversal of loan and interest payables and reversal of liabilities arising from loan guarantee contracts

There was a one-off other income from reversal of loan and interest payables and reversal of liabilities arising from loan guarantee contracts in the amounts of approximately HK$115,883,000 and HK$16,855,000 respectively during the Reporting Period. The Group, with the assistance of Zhongjin Jiasheng Investment Fund Management (Beijing) Co., Ltd* (中金佳晟投資基金管理(北京)有限公司) ("Zhongjin Jiasheng"), successfully finalised and settled with certain investors/lenders in respect of the Unauthorised Loans and Unauthorised Guarantees involved in the Incident (as defined in Note 15(c) to the condensed consolidated financial statements) and hence, the respective loan and interest payables and liabilities arising from loan guarantee contracts were reversed to profit or loss during the Reporting Period.

* The English translation of the Zhongjin Jiasheng's name is for reference only. The official name of Zhongjin Jiasheng is in Chinese.

General and administrative expenses

General and administrative expenses for the Reporting Period increased by 139.3% to approximately HK$83,456,000, which primarily comprise staff costs and related expenses, legal and professional fees, consultancy fees, depreciation of property, plant and equipment and general office expenses. The increase was primarily attributable to (i) a non-recurring service fee of approximately HK$29,944,000 (six months ended 30 June 2025: Nil) charged by Zhongjin Jiasheng in relation to the settlement with certain investors/lenders relating to the Unauthorised Loans and Unauthorised Guarantees, and (ii) upon obtaining control of KGH in July 2025, the Group recorded additional payroll expenses of approximately HK$16,575,000 and other general and administrative expenses of approximately HK$3,637,000 for the Reporting Period as a result of the consolidation of KGH Group's workforce and ongoing operational activities. The management will continue to monitor and ensure the proper implementation of its stringent measures on cost control to maintain general and administrative expenses at a reasonable level.

Profit for the period

Profit for the Reporting Period attributable to owners of the Company was approximately HK$125,760,000, as compared to loss of approximately HK$29,599,000 for the first half of 2025. The turnaround from loss to profit for the Reporting Period was mainly attributable to (i) the reversal of loan and interest payables and reversal of liabilities arising from loan guarantee contracts amounting to approximately HK$115,883,000 and HK$16,855,000 respectively resulted from finalising the settlement with certain investors/lenders in respect of the Unauthorised Loans and Unauthorised Guarantees; and (ii) the reduction in interest and handling expenses by approximately 50.9% during the Reporting Period.

Liquidity and Financial Resources

The Group adopts a prudent cash and financial management policy. Funds are maintained at a sound and healthy financial resource level. The liquidity position of the Group is always closely monitored to ensure the funding requirements can be met from time to time. The Group's net current assets and equity attributable to owners of the Company as at the end of the Reporting Period were approximately HK$500,401,000 and approximately HK$902,609,000 respectively. The Group's outstanding borrowings and loan payables as at the end of the Reporting Period amounted to approximately HK$430,485,000, showing a decrease of approximately 24.4% as compared to the outstanding borrowings and loan payables and unsecured bond as at 31 December 2025, which are all due within one year. There are no funding requirements for capital expenditure commitments for the Reporting Period.

Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. All the borrowings and loan payables are at fixed interest rates. The Group actively and regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions.

Based on the Group's current and anticipated level of operation, the Group's future operations and capital requirements will be mainly financed through borrowings and share capital. There were no significant commitments for capital expenditure as at 30 June 2026.

Ratio

As at the end of the Reporting Period, the current ratio[(i)] and the gearing ratio[(ii)] of the Group are 1.70 and 0.22 respectively.

Notes:

(i) Current ratio was calculated by dividing current assets by current liabilities as at the end of the Reporting Period.

(ii) Gearing ratio was calculated by dividing interest bearing net debts (borrowings and loan payables plus unsecured bonds less cash and cash equivalents) by total equity as at the end of the Reporting Period.

Employee and Remuneration Policies

As of 30 June 2026, the Group had approximately 170 employees in the PRC, Hong Kong and the United Kingdom, of which 98 were female employees. Competitive remuneration packages and performance-based bonuses are structured to commensurate with individual responsibilities, qualifications, experience, and performance. Total staff costs for the Reporting Period were approximately HK$34,850,000, representing an increase of approximately 98.6% as compared to the figure of previous period. The significant rise was primarily attributable to the consolidation of the payroll expenses of KGH Group's workforce, amounting to approximately HK$16,575,000 for the Reporting Period, upon obtaining control of KGH in July 2025. The Group has also implemented training programs for staff training and development covering various aspects.

Charge on Assets

As of 30 June 2026, there were no charges on the assets of the Group.

Fair Value Estimation

The carrying amounts less impairment provision of the financial assets and the carrying amounts of the financial liabilities are assumed to approximate their fair values.

Capital Commitments and Contingent Liabilities

The Group had no material capital commitments or contingent liabilities as at the end of the Reporting Period.

Foreign Exchange Exposure

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB") and Hong Kong Dollars ("HKD"). The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against RMB. The Group has a net exchange exposure to RMB as the Group's assets are principally located in the PRC. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented in a timely and effective manner. As at the end of the Reporting Period, loan payables arising from the Incidents involving the Unauthorised Loans (as referred to in Note 15(c) to the condensed consolidated financial statements) amounting to approximately HK$199,286,000 are denominated in RMB and cash and cash equivalents amounting to approximately HK$201,042,000 are denominated in RMB.

The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure to fluctuations in exchange rates as of 30 June 2026.

Equity Fund Raising Activities

There was no equity fund raising activity or sale of treasury shares by the Company during the Reporting Period nor were there any unutilised proceeds brought forward from any issue of equity securities or sale of treasury shares made in previous financial years.

Significant Investments Held, Material Acquisitions and Disposals and Future Plans for Investments

The Group did not hold any significant investments representing 5% or more of the Group's total assets as at the end of the Reporting Period, and did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period. The Group does not have any detailed plans for material investments or capital assets in the near future.

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天職國際

To the board of directors of China Financial Services Holdings Limited
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information of China Financial Services Holdings Limited (the "Company") and its subsidiaries set out on pages 15 to 41 which comprises the condensed consolidated statement of financial position as at 30 June 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and notes to the interim financial information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at 30 June 2026 is not prepared, in all material respects, in accordance with HKAS 34.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 26 August 2026
Li Man Chun Jesse
Practising certificate number P08302

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Interest and financing consultancy services income	3	**41,439**	39,595
Interest and handling expenses	3	**(11,727)**	(23,907)
Net interest income and service income	3	**29,712**	15,688
Education service income	3	**20,897**	–
Other income and other gains and losses	4	**38,786**	(4,667)
Impairment losses on financial instruments, net of reversal		**(3,480)**	(3,991)
Impairment loss on goodwill	10	**(2,582)**	–
Reversal of loan and interest payables	15(c)	**115,883**	1,907
Reversal of liabilities arising from loan guarantee contracts	15(d)	**16,855**	–
General and administrative expenses		**(83,456)**	(34,880)
Share of results of associates		**(138)**	(326)
Profit/(loss) before taxation	5	**132,477**	(26,269)
Income tax	6	**(6,168)**	(2,296)
Profit/(loss) for the period		**126,309**	(28,565)
Attributable to:			
Owners of the Company		**125,760**	(29,599)
Non-controlling interests		**549**	1,034
Profit/(loss) for the period		**126,309**	(28,565)
Earnings/(loss) per share	7	***HK$***	*HK$*
– Basic		**0.62**	(0.15)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit/(loss) for the period	**126,309**	(28,565)
Other comprehensive income for the period, net of income tax		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**31,155**	14,988
Total comprehensive income/(expense) for the period	**157,464**	(13,577)
Attributable to:		
Owners of the Company	**153,792**	(15,786)
Non-controlling interests	**3,672**	2,209
Total comprehensive income/(expense) for the period	**157,464**	(13,577)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	**68,676**	68,658
Investment properties	9	**44,413**	33,228
Goodwill	10	**280,813**	272,616
Intangible assets		**4,929**	5,089
Interests in associates		**12,442**	12,446
Loan receivables	11	**95,422**	89,005
Deferred tax assets		**4,425**	4,601
		511,120	485,643
Current assets			
Loan receivables	11	**886,254**	826,073
Interest receivables	12	**1,765**	2,230
Accounts receivables		**–**	554
Repossessed assets		**47,461**	45,900
Other receivables, deposits and prepayments	13	**69,011**	72,964
Amounts due from associates		**205**	205
Other financial assets	14	**436**	2,578
Cash and cash equivalents		**213,178**	276,871
		1,218,310	1,227,375
Current liabilities			
Borrowings and loan payables	15	**430,485**	569,292
Other payables, accruals and deposit received	16	**161,791**	138,355
Liabilities arising from loan guarantee contracts	15(d)	**19,807**	35,487
Amounts due to associates		**3,356**	3,560
Unsecured bonds	17	**–**	10,000
Derivative financial instruments		**–**	217
Lease liabilities		**2,873**	3,638
Tax payables		**99,597**	96,383
		717,909	856,932
Net current assets		**500,401**	370,443
Total assets less current liabilities		**1,011,521**	856,086

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

As at 30 June 2026

	At 30 June 2026 HK$'000 (Unaudited)	At 31 December 2025 HK$'000 (Audited)
Non-current liabilities		
Lease liabilities	**2,532**	503
Deferred tax liabilities	**18,045**	21,033
	20,577	21,536
Net assets	**990,944**	834,550
Equity		
Share capital	**745,284**	745,284
Reserves	**157,325**	3,533
Total equity attributable to owners of the Company	**902,609**	748,817
Non-controlling interests	**88,335**	85,733
Total equity	**990,944**	834,550

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company								
	Share capital *HK$'000*	Shares-based compensation reserve *HK$'000*	Shares held under the share award scheme *HK$'000*	Exchange reserve *HK$'000*	Statutory surplus reserve *HK$'000*	Retained earnings/ (accumulated losses) *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 January 2026 (audited)	**745,284**	**–**	**(46,844)**	**(310,126)**	**247,051**	**113,452**	**748,817**	**85,733**	**834,550**
Changes in equity:									
Profit for the period	**–**	**–**	**–**	**–**	**–**	**125,760**	**125,760**	**549**	**126,309**
Other comprehensive income	**–**	**–**	**–**	**28,032**	**–**	**–**	**28,032**	**3,123**	**31,155**
Total comprehensive income	**–**	**–**	**–**	**28,032**	**–**	**125,760**	**153,792**	**3,672**	**157,464**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,070)**	**(1,070)**
Transfer to reserve	**–**	**–**	**–**	**–**	**1,374**	**(1,374)**	**–**	**–**	**–**
At 30 June 2026 (unaudited)	**745,284**	**–**	**(46,844)**	**(282,094)**	**248,425**	**237,838**	**902,609**	**88,335**	**990,944**
At 1 January 2025 (audited)	2,080,113	15,808	(46,844)	(330,253)	245,623	(1,307,209)	657,238	76,422	733,660
Changes in equity:									
(Loss)/profit for the period	–	–	–	–	–	(29,599)	(29,599)	1,034	(28,565)
Other comprehensive income	–	–	–	13,813	–	–	13,813	1,175	14,988
Total comprehensive income/ (expense)	–	–	–	13,813	–	(29,599)	(15,786)	2,209	(13,577)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(1,736)	(1,736)
Transfer to reserve	–	–	–	–	1,506	(1,506)	–	–	–
At 30 June 2025 (unaudited)	2,080,113	15,808	(46,844)	(316,440)	247,129	(1,338,314)	641,452	76,895	718,347

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Operating activities		
Profit/(loss) before taxation	**132,477**	(26,269)
Adjustments for		
Interest and handling expenses	**11,727**	23,907
Impairment losses on financial instruments, net of reversal	**3,480**	3,991
(Reversal of)/provision for impairment losses on repossessed assets	**(694)**	3,088
Impairment loss on goodwill	**2,582**	–
Reversal of loan and interest payables	**(115,883)**	(1,907)
Reversal of liabilities arising from loan guarantee contracts	**(16,855)**	–
Recovery of bad debts	**(41,895)**	–
Other non-cash items	**6,164**	650
	(18,897)	3,460
Changes in working capital		
(Increase)/decrease in loan receivables	**(54,183)**	61,273
Decrease in repossessed assets	**1,093**	7,737
Decrease/(increase) in other receivables, deposits and prepayments	**47,826**	(260)
Increase in other payables, accruals and other deposits received	**18,841**	13,059
Other operating cash flows	**1,692**	2,087
Cash (used in)/generated from operations	**(3,628)**	87,356
Taxation paid	**(10,003)**	(3,441)
Net cash (used in)/generated from operating activities	**(13,631)**	83,915

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Investing activities		
Purchase of other financial assets	**(435)**	(49,896)
Proceeds from disposal of other financial assets	**2,235**	67,888
Other investing cash flows	**(138)**	(246)
Net cash generated from investing activities	**1,662**	17,746
Financing activities		
Proceeds from new borrowings	**154,941**	80,980
Repayment of borrowings	**(197,114)**	(166,378)
Redemption of unsecured bonds	**(10,000)**	–
Other interest paid	**(7,907)**	(9,091)
Other financing cash flows	**(2,059)**	(3,892)
Net cash used in financing activities	**(62,139)**	(98,381)
Net (decrease)/increase in cash and cash equivalents	**(74,108)**	3,280
Effect of foreign exchange rate changes	**10,415**	3,707
Cash and cash equivalents at the beginning of the period	**276,871**	273,019
Cash and cash equivalents at the end of the period	**213,178**	280,006

1. BASIS OF PREPARATION

The interim financial information of China Financial Services Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim financial information does not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards. This unaudited condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2025. The policies of the Group on financial risk management were set out in the consolidated financial statements included in the Company's 2025 annual report and there have been no significant changes in these policies for the six months ended 30 June 2026.

The interim financial information has been prepared on the historical cost basis, except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period.

The financial information relating to the financial year ended 31 December 2025 that is included in this interim report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory consolidated financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

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

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

2. CHANGES IN ACCOUNTING POLICIES

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the interim financial information for the six months ended 30 June 2026 are the same as those presented in the annual consolidated financial statements of the Group for the year ended 31 December 2025.

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current period

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

3. REVENUE AND SEGMENT REPORTING

a) *Revenue*

The amount of each significant category of revenue during the periods is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue not within the scope of HKFRS 15		
Interest and financing consultancy services income from:		
Pawn loans, loan receivables from micro-lending and money-lending	**41,242**	39,534
Other loan receivables	**197**	61
	41,439	39,595
Interest and handling expenses from:		
Borrowings and loan payables	**(7,026)**	(8,277)
Loan payables from the Incidents (as defined in Note 15(c))	**(4,383)**	(15,164)
Lease liabilities	**(89)**	(223)
Unsecured bonds	**(223)**	(237)
Other finance costs	**(6)**	(6)
	(11,727)	(23,907)
Net interest income and service income	**29,712**	15,688
Revenue within the scope of HKFRS 15		
Recognised over time:		
Education service income	**20,897**	–

b) *Segment Information*

Operating segment information

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focused on the business units of the Group. The Group is engaged in education service upon obtaining control of KGH Holdings Limited in July 2025 and it is considered as a new separate operating and reportable segment by the CODM since then.

3. REVENUE AND SEGMENT REPORTING (Cont'd)

b) Segment Information (Cont'd)

Operating segment information (Cont'd)

Specifically, the Group's reportable segments under HKFRS 8 "Operating Segments" are (i) financing services and (ii) education service.

During the six months ended 30 June 2025, the directors of the Company determined that the Group has only one reportable segment as the Group was principally engaged in providing financing services which was the basis to allocate resources and assess performance of the Group.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

	For the period ended 30 June 2026 (Unaudited)		
	Financing services *HK$'000*	Education service *HK$'000*	Total *HK$'000*
Segment revenue (from external customers)	**41,439**	**20,897**	**62,336**
Segment results	**99,841**	**739**	**100,580**
Other income and other gains and losses			**38,786**
Unallocated general and administrative expenses			**(6,751)**
Share of results of associates			**(138)**
Profit before taxation			**132,477**

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of other income and other gains and losses, certain administrative and other expenses, share of results of associates. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

3. REVENUE AND SEGMENT REPORTING (Cont'd)

b) Segment Information (Cont'd)

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong	**10,780**	11,315
The People's Republic of China (the "PRC")	**30,659**	28,280
United Kingdom ("UK")	**20,897**	–
	62,336	39,595

The geographic location of revenue from external customers is based on the location at which the services are rendered.

Information about major customers

There was no customer who individually contributed over 10% of the Group's revenue for the six months ended 30 June 2026 and 2025.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
a) Other Income		
Bank interest income	**345**	656
Others	**431**	859
	776	1,515
b) Other Gains and Losses		
(Loss)/gain from changes in fair value of financial assets at fair value through profit or loss ("FVTPL"), net	**(342)**	2,174
Net gain on derivative financial instruments	**217**	–
Recovery of bad debts (Note)	**41,895**	–
Reversal of/(provision for) impairment losses on repossessed assets	**694**	(3,088)
Loss on disposal of repossessed assets	**(258)**	(800)
Loss from changes in fair value of investment properties	**(2,890)**	(202)
Loss on disposal of intangible assets	**(104)**	–
Gain on early termination of lease contracts	**91**	–
Exchange loss, net	**(739)**	(4,266)
Others	**(554)**	–
	38,010	(6,182)
Total	**38,786**	(4,667)

Note:

Receivables of HK$41,895,000 previously written off were recovered during the six months ended 30 June 2026 as a result of management's continued recovery action. Accordingly, a bad debt recovery of HK$41,895,000 was recognised in profit or loss for the period.

5. PROFIT/(LOSS) BEFORE TAXATION

The Group's profit/(loss) before taxation is arrived at after charging:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(a) Staff costs (including directors' emoluments):		
Salaries, allowances and other benefits	**30,467**	15,354
Contributions to defined contribution retirement plans	**4,383**	2,196
	34,850	17,550
(b) Other items:		
Depreciation of property, plant and equipment		
– self-owned assets	**1,211**	660
– right-of-use assets	**2,128**	2,292

6. INCOME TAX

Taxation in the condensed consolidated statement of profit or loss represents:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax – the PRC Enterprise Income Tax		
Provision for the current period	**3,181**	2,066
(Over)/under-provision in respect of prior periods	**(7)**	65
Withholding tax on dividends		
Provision for the period	**6,205**	770
Deferred tax		
Origination and reversal of temporary differences	**(3,211)**	(605)
	6,168	2,296

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit attributable to owners of the Company of HK$125,760,000 (six months ended 30 June 2025: loss attributable to owners of the Company of HK$29,599,000) and the weighted average number of ordinary shares in issue less shares held under the Company's share award scheme during the period of 203,529,367 (six months ended 30 June 2025: 203,529,367).

The computation of diluted earnings/(loss) per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for both periods. Accordingly, the diluted earnings/(loss) per share is same as the basic earnings/(loss) per share.

8. INTERIM DIVIDEND

No dividends were paid, declared or proposed during both periods. The directors of the Company have determined that no dividend will be paid in respect of the current period.

9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Property, plant and equipment

During the six months ended 30 June 2026, the Group entered into new office lease in the PRC, right-of-use assets and lease liabilities of HK$1,003,000 and HK$1,003,000 were recognised at the commencement of the leases respectively. During the six months ended 30 June 2025, the Group did not enter into any new lease agreement.

During the six months ended 30 June 2026, the Group recognised right-of-use assets and lease liabilities of HK$3,474,000 (six months ended 30 June 2025: HK$1,226,000) and HK$3,474,000 (six months ended 30 June 2025: HK$1,226,000), respectively, in relation to lease modification.

Investment properties

During the six months ended 30 June 2026, the Group obtained formal legal title to certain properties in the PRC with an aggregate fair value of approximately RMB10,710,000 (equivalent to approximately HK$12,156,000) (six months ended 30 June 2025: RMB3,456,000, equivalent to approximately HK$3,756,000) through the repossession of collateral in settlement of certain loan and interest receivables. These properties are currently held for an undetermined future use. The Group's strategy is to hold these assets until a favourable market opportunity arises to recover the value of the original debt through disposal.

As at 30 June 2026, the Group's investment properties were stated at the fair value of RMB38,574,000 (equivalent to approximately HK$44,413,000) (31 December 2025: RMB30,012,000, equivalent to approximately HK$33,228,000).

The fair value of the Group's investment properties as at 30 June 2026 has been arrived at on the basis of a valuation determined by the management of the Company (31 December 2025: carried out by independent qualified professional valuer) using direct comparison approach, by making reference to the comparable sales evidence in the relevant locality. The decrease in fair value of investment properties of HK$2,890,000 (six months ended 30 June 2025: HK$202,000) has been recognised in profit or loss for the six months ended 30 June 2026.

10. GOODWILL

	HK$'000
At 1 January 2025 (audited)	265,961
Exchange adjustment	6,655
At 31 December 2025 (audited) and 1 January 2026 (audited)	272,616
Impairment loss on goodwill	(2,582)
Exchange adjustment	10,779
At 30 June 2026 (unaudited)	280,813

10. GOODWILL (Cont'd)

Goodwill has been allocated for impairment testing purposes to the following cash-generating units ("CGUs").

- Financing business in Beijing, the PRC ("Division A")
- Financing business in Shenzhen, the PRC ("Division B")
- Financing business in Hong Kong ("Division C")

The carrying amounts of goodwill as at 30 June 2026 and 31 December 2025 allocated to these units are as below:

	At 30 June 2026 ***HK$'000*** **(Unaudited)**	At 31 December 2025 *HK$'000* (Audited)
Division A	**280,562**	269,793
Division B	**251**	241
Division C	**–**	2,582
	280,813	272,616

For Division A and Division B, since the recoverable amounts of respective CGUs were larger than their carrying amounts, the directors considered no impairment of goodwill was recognised for the period ended 30 June 2026 (six months ended 30 June 2025: Nil).

For Division C, during the six months ended 30 June 2026, the financing business in Hong Kong was affected by intense market competition and softer credit demand, resulting in the lower estimated future revenue than previously expected. Accordingly, the estimated recoverable amount of Division C is lower than its carrying amount, hence an impairment loss of HK$2,582,000 (six months ended 30 June 2025: Nil) is recognised on the goodwill allocated to Division C during the six months ended 30 June 2026.

11. LOAN RECEIVABLES

	At 30 June 2026 *HK$'000* **(Unaudited)**	At 31 December 2025 *HK$'000* (Audited)
Pawn loan receivables	**172,747**	207,163
Loan receivables arising from:		
– Micro-lending	**729,113**	643,858
– Money-lending	**187,694**	139,099
Loan receivables from the Incidents	**810,431**	779,324
Other loan receivables	**97,877**	124,449
	1,997,862	1,893,893
Less: Impairment	**(1,016,186)**	(978,815)
	981,676	915,078
Amounts due within one year	**886,254**	826,073
Amounts due after one year	**95,422**	89,005
	981,676	915,078

The loan receivables in the PRC carry interest plus service charge at a range of monthly effective rates of 0.68% to 2.50% (31 December 2025: 0.68% to 2.50%), and the loan receivables in Hong Kong carry interest at a range of monthly effective rates of 0.35% to 3.97% (31 December 2025: 0.35% to 3.82%).

A typical loan generally has a term of 90 days to 30 years (31 December 2025: 90 days to 30 years).

As at 30 June 2026, included in the Group's loan receivables balance are debtors with aggregate carrying amount (net of expected credit loss ("ECL")) of HK$394,620,000 (31 December 2025: HK$402,218,000) which are past due. Out of the past due balances, HK$384,554,000 (31 December 2025: HK$389,900,000) has been past due 90 days or more. The directors consider credit risks have increased significantly for those past due more than 30 days and those past due more than 90 days are considered as credit-impaired. During the six months ended 30 June 2026, after considering the fair value of the collateral securing the relevant loans, impairment allowance of HK$5,091,000 (six months ended 30 June 2025: HK$6,167,000) was made on credit-impaired debtors.

11. LOAN RECEIVABLES (Cont'd)

As at 30 June 2026, loan receivables of RMB53,658,000 (equivalent to approximately HK$61,779,000) (31 December 2025: RMB80,371,000 (equivalent to approximately HK$88,983,000)) are due from Zhongjin Jiasheng Investment Fund Management (Beijing) Co. Ltd.* (中金佳晟投資基金管理(北京)有限公司)("Zhongjin Jiasheng"), who also acts as an agent to assist the Group to negotiate for one-off settlement arrangements directly with the investors/lenders related to the Incidents. Service fee of HK$29,944,000 (six months ended 30 June 2025: Nil) was charged by Zhongjin Jiasheng which was set off against part of the above loan receivables during the period. Included in other payables, there is an outstanding balance of RMB17,500,000 (equivalent to approximately HK$20,149,000) payable to Zhongjin Jiasheng as at 30 June 2026 (31 December 2025: Nil).

* The English translation of the Zhongjin Jiasheng's name is for reference only. The official name of Zhongjin Jiasheng is in Chinese.

Maturity profile

As at the end of the reporting period, the maturity profile of loan receivables, based on maturity date, is as follows:

As at 30 June 2026 (Unaudited)

	Pawn loan receivables *HK$'000*	Loan receivables arising from micro-lending *HK$'000*	Loan receivables arising from money-lending *HK$'000*	Loan receivables from the Incidents *HK$'000*	Other loan receivables *HK$'000*	Total *HK$'000*
Due within 1 month or on demand	**172,747**	**336,588**	**7,066**	**810,431**	**97,877**	**1,424,709**
Due after 1 month but within 3 months	**–**	**76,037**	**15,433**	**–**	**–**	**91,470**
Due after 3 months but within 6 months	**–**	**91,762**	**39,574**	**–**	**–**	**131,336**
Due after 6 months but within 12 months	**–**	**194,452**	**59,252**	**–**	**–**	**253,704**
Due after 12 months	**–**	**30,274**	**66,369**	**–**	**–**	**96,643**
Impairment	**(73,631)**	**(102,876)**	**(2,742)**	**(810,431)**	**(26,506)**	**(1,016,186)**
	99,116	**626,237**	**184,952**	**–**	**71,371**	**981,676**

As at 31 December 2025 (Audited)

	Pawn loan receivables *HK$'000*	Loan receivables arising from micro-lending *HK$'000*	Loan receivables arising from money-lending *HK$'000*	Loan receivables from the Incidents *HK$'000*	Other loan receivables *HK$'000*	Total *HK$'000*
Due within 1 month or on demand	166,199	378,514	11,226	779,324	124,449	1,459,712
Due after 1 month but within 3 months	9,964	35,754	2,528	–	–	48,246
Due after 3 months but within 6 months	9,134	89,506	38,648	–	–	137,288
Due after 6 months but within 12 months	21,866	105,639	31,001	–	–	158,506
Due after 12 months	–	34,445	55,696	–	–	90,141
Impairment	(71,724)	(98,642)	(3,540)	(779,324)	(25,585)	(978,815)
	135,439	545,216	135,559	–	98,864	915,078

12. INTEREST RECEIVABLES

	At 30 June 2026 *HK$'000* **(Unaudited)**	At 31 December 2025 *HK$'000* (Audited)
Interest receivables	**1,765**	2,230

Ageing analysis

As at the end of the reporting period, the ageing analysis of interest receivables, based on the revenue recognition date, is as follows:

	At 30 June 2026 *HK$'000* **(Unaudited)**	At 31 December 2025 *HK$'000* (Audited)
Within 1 month	**1,180**	1,295
1 to 3 months	**21**	59
3 to 6 months	**32**	183
Over 6 months	**532**	693
	1,765	2,230

Interest receivables are due on the date of billing (or on maturity date corresponding to the loan receivables according to the relevant loan agreements).

As at 30 June 2026, included in the Group's interest receivables balance are debtors with aggregate carrying amount (net of ECL) of HK$607,000 (31 December 2025: HK$994,000) which are past due. Out of the past due balances, HK$82,000 (31 December 2025: HK$885,000) has been past due 90 days or more. The directors consider credit risks have increased significantly for those past due more than 30 days and those past due more than 90 days are considered as credit-impaired. During the six months ended 30 June 2026, reversal of impairment allowance of HK$611,000 (six months ended 30 June 2025: impairment allowance of HK$247,000) was made on credit-impaired debtors.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2026 *HK$'000* (Unaudited)	At 31 December 2025 *HK$'000* (Audited)
Other receivables	**60,965**	55,357
Prepayments	**1,364**	2,031
Deposit placed with brokers	**86**	8,878
Utility and sundry deposits	**6,596**	6,698
Total	**69,011**	72,964

All of the other receivables, deposits and prepayments are expected to be recovered or recognised as expense within one year.

14. OTHER FINANCIAL ASSETS

	At 30 June 2026 *HK$'000* (Unaudited)	At 31 December 2025 *HK$'000* (Audited)
Financial assets mandatorily measured at FVTPL		
– Equity securities listed in Hong Kong	**436**	2,578

15. BORROWINGS AND LOAN PAYABLES

	Notes	At 30 June 2026 *HK$'000* (Unaudited)	At 31 December 2025 *HK$'000* (Audited)
Borrowings from independent third parties	*(a)*	**22,315**	38,201
Borrowings from shareholders	*19(b)*	**51,659**	88,673
Borrowings from related parties	*(b)*	**157,225**	141,819
Loan payables arising from the Incidents	*(c)*	**199,286**	300,599
		430,485	569,292
Amounts due within one year		**430,485**	569,292

15. BORROWINGS AND LOAN PAYABLES (Cont'd)

Notes:

(a) The borrowings from independent third parties of HK$22,315,000 (31 December 2025: HK$32,701,000) bore finance costs measured at a range of annualised rates of 7% to 8.5% (31 December 2025: 7.5% to 9.5%), were repayable within one year and not secured by any assets or guarantees of the Group.

At 31 December 2025, the borrowings from independent third parties of HK$5,500,000 bore finance costs measured at an annualised rate of 9.25%, were repayable within one year and secured by loan receivables of the Group of HK$6,500,000.

(b) The borrowings from Mr. Zhang Min, an executive director and chief executive officer of the Company, of HK$10,198,000 (31 December 2025: HK$24,447,000) bore finance costs measured at a range of annualised rates of 7% to 7.6% (31 December 2025: 7.6%), and were repayable within one year and not secured by any assets or guarantees of the Group.

The borrowings from 北京嘉林國際諮詢管理有限公司 ("嘉林國際"), a company that is indirectly controlled by Madam Lo Wan ("Madam Lo"), a substantial shareholder of the Company, of HK$147,027,000 (31 December 2025: HK$117,372,000) bore finance costs measured at a range of annualised rates of 5% to 7% (31 December 2025: 7%) were repayable within one year and not secured by any assets or guarantees of the Group.

(c) As fully explained in Note 4 to the consolidated financial statements of the Group for the year ended 31 December 2020, the Unauthorised Guarantees, Unauthorised Loans, and Unauthorised Loan Receivables including the interest income, interest expenses and related handling charges had not been fully recorded in the books and records of those relevant subsidiaries accordingly under the instructions of the two former executive directors of the Company. These fraudulent activities are referred to as the "Incidents" and those misstatements resulted from the Incidents were corrected and presented in the Group's consolidated financial statements for the year ended 31 December 2020.

During the six months ended 30 June 2026, the Group, with the assistance of Zhongjin Jiasheng, had successfully finalised and settled with certain investors/lenders in respect of the Unauthorised Loans, and hence, the respective loan and interest payables of HK$115,883,000 (six months ended 30 June 2025: HK$1,907,000) were reversed to profit or loss during the six months ended 30 June 2026. There were no Unauthorised Loans concluded through court decision during the six months ended 30 June 2026 and 2025.

As at 30 June 2026, unsettled Unauthorised Loans and related interest payables amounted to HK$84,471,000 (31 December 2025: HK$92,737,000) and HK$41,557,000 (31 December 2025: HK$35,926,000) respectively. Interest expenses of HK$4,383,000 (six months ended 30 June 2025: HK$15,164,000) in relation to those unsettled Unauthorised Loans were recognised in profit or loss during the six months ended 30 June 2026.

15. BORROWINGS AND LOAN PAYABLES (Cont'd)

Notes: (Cont'd)

(d) As at 30 June 2026, the liabilities arising from loan guarantee contracts represent the outstanding balance of Unauthorised Guarantees of HK$19,807,000 (31 December 2025: HK$35,487,000) if the guarantees were called upon in their entirety.

During the six months ended 30 June 2026, the Group, with the assistance of Zhongjin Jiasheng, had successfully finalised and settled with certain investors/ lenders in respect of the Unauthorised Guarantees, and hence, the respective liabilities arising from loan guarantee contracts of HK$16,855,000 (six months ended 30 June 2025: Nil) were reversed to profit or loss during the six months ended 30 June 2026.

16. OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED

	At 30 June 2026 ***HK$'000*** **(Unaudited)**	At 31 December 2025 *HK$'000* (Audited)
Other payables	**150,698**	119,786
Accrued salaries and other benefits	**1,131**	1,628
Other accrued expenses	**5,268**	4,520
Contract liabilities	**–**	7,540
Deposit received	**101**	97
Other tax payables	**4,593**	4,784
	161,791	138,355

All of the other payables, accruals and deposit received are expected to be settled within one year or are repayable on demand.

Contract liabilities include deposit received from students in relation to the proportionate service not yet provided. The Group receives tuition fees from students in advance prior to the beginning of each academic term. Tuition fees are recognised proportionately over the relevant period of the applicable program.

All contract liabilities are expected to be recognised as revenue within one year.

17. UNSECURED BONDS

The Company issued unlisted and unsecured bonds. All unsecured bonds were carried at amortised cost.

	Coupon rate per annum	**At 30 June 2026** ***HK$'000*** **(Unaudited)**	At 31 December 2025 *HK$'000* (Audited)
Unsecured bonds of HK$10,000,000 due 2026 (renewed in 2025)	4.50%	**–**	10,000

18. SHARE-BASED PAYMENTS

a) *Share options*

The Company adopted a share option scheme (the "2014 Scheme") on 20 May 2014, and it was expired on 19 May 2024. Subsequent to the expiry of the 2014 Scheme, no share options would be granted or issued. As at 30 June 2026, there were no outstanding share options under the 2014 Scheme.

For the six months ended 30 June 2025, no share options were granted, exercised or lapsed.

b) *Share award scheme*

The Company adopted a share award scheme (the "Share Award Scheme") on 14 January 2019 and it was terminated on 7 October 2024. No award shares have been granted since the adoption of the Share Award Scheme.

The movements of share held under share award scheme recognised in equity are as follows:

	No. of shares	*HK$'000*
At 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	**5,756,000**	**46,844**

19. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in this interim financial information, the Group had the following significant transactions with its related parties during the period:

a) *Remuneration of key management personnel of the Group*

Remuneration for key management personnel of the Group, including amounts paid to the directors is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Short-term employee benefits	**2,541**	3,002
Post-employment benefits	**163**	157
	2,704	3,159

b) *Financing arrangements*

In addition to the financing arrangements with related parties disclosed elsewhere in the interim financial information, the details of the borrowings from shareholders included in borrowings and loan payables are as follows:

	Notes	**At 30 June 2026** ***HK$'000*** **(Unaudited)**	At 31 December 2025 *HK$'000* (Audited)
Short-term borrowings			
Ms. Cheung Siu Hung ("Ms. Cheung")	*(1)*	**8,659**	8,673
Mr. Cheung Siu Lam ("Mr. Cheung")	*(2)*	**43,000**	80,000
		51,659	88,673

19. MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

b) *Financing arrangements (Cont'd)*

Notes:

(1) The loans from Ms. Cheung, a shareholder of the Company and sister of Mr. Cheung, are unsecured, bears interest at 7% (31 December 2025: 8%) and are repayable on demand.

(2) The loan from Mr. Cheung, the Company's ultimate controlling party, is unsecured, bears interest at 7% (31 December 2025: 9%) per annum and is repayable on demand.

c) *Transactions with related parties*

During the six months ended 30 June 2026, the Group paid office rental of approximately HK$25,000 (six months ended 30 June 2025: HK$25,000), HK$167,000 (six months ended 30 June 2025: HK$319,000) and HK$97,000 (six months ended 30 June 2025: Nil) to 北京元長厚茶葉有限公司, 北京達隆鼎業管理諮詢有限公司 and 北京達隆興業管理諮詢有限公司, respectively, of which Madam Lo Wan, a substantial shareholder of the Company, is the beneficial owner.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table provides an analysis of financial instruments measured at fair value. The classification is based on the degree to which the key inputs used in the fair value measurements are observable and the significance of adjustments to the key inputs used in the fair value measurements.

		Fair value measurements as at 30 June 2026 categorised into		
	Fair value at 30 June 2026 *HK$'000*	**Level 1** *HK$'000*	**Level 2** *HK$'000*	**Level 3** *HK$'000*
Recurring fair value measurement				
Assets:				
Other financial assets				
– Equity securities, listed	**436**	**436**	**–**	**–**

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)

Financial assets and liabilities measured at fair value (Cont'd)

Fair value hierarchy (Cont'd)

	Fair value at 31 December 2025 *HK$'000*	Fair value measurements as at 31 December 2025 categorised into Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*
Recurring fair value measurement				
Assets:				
Other financial assets				
– Equity securities, listed	2,578	2,578	–	–
Liabilities:				
Decumulator contracts	217	–	217	–

During the six months ended 30 June 2026 and year ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 June 2026 and 31 December 2025.

21. EVENTS AFTER REPORTING PERIOD

Thetford Grammar School Limited, a non-wholly owned subsidiary of the Company and the principal operating entity of the Group's education services segment, will cease its school operations upon completion of the 2025/26 academic year by the end of August 2026. No adjustment has been made in the interim financial information in this regard.

22. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the Board on 26 August 2026.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, none of the directors (the "Director(s)") and the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") contained in Appendix C3 to the Listing Rules.

PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, so far as is known to the Directors, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long Positions in Shares and Underlying Shares of the Company

Name	**Capacity**	**Number of Ordinary Shares held**	**Aggregate Long Position in Shares and Underlying Shares to Issued Share Capital** *(Note 4)*
Cheung Siu Lam	Beneficial owner of 86,003,712 ordinary shares, interest of spouse of 29,685,300 ordinary shares *(Note 1)*	115,689,012	55.28%
Lo Wan	Beneficial owner of 25,365,300 ordinary shares, interest in controlled corporation of 4,320,000 ordinary shares *(Note 3)* and interest of spouse of 86,003,712 ordinary shares *(Note 2)*	115,689,012	55.28%

Notes:

1. By virtue of the SFO, Cheung Siu Lam is deemed to be interested in 29,685,300 ordinary shares held by his spouse, Lo Wan.

2. By virtue of the SFO, Lo Wan, being spouse of Cheung Siu Lam, is deemed to be interested in 86,003,712 ordinary shares held by Cheung Siu Lam.

3. Arbalice Holdings Limited is beneficially owned by Lo Wan. By virtue of the SFO, Lo Wan is deemed to be interested in 4,320,000 ordinary shares held by Arbalice Holdings Limited.

4. The percentage is calculated based on the total number of issued shares as at 30 June 2026.

Save as disclosed above, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of its securities (including the sale of treasury shares) during the Reporting Period. As at 30 June 2026, there were no treasury shares held by the Company.

INTERIM DIVIDEND

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

EVENTS AFTER THE REPORTING PERIOD

Following the retirement of Madam Zhan Lili on 28 May 2026, the Board comprised only male Directors until Ms. Cheung Amy was appointed as an executive Director with effect from 7 August 2026. Ms. Cheung Amy has also been appointed as a member of each of the Remuneration Committee, the Nomination Committee, and the Business Risks Committee of the Company.

Following the appointment of Ms. Cheung Amy, the Board comprises members of different genders. Accordingly, the Company has fully re-complied with the board diversity requirement under Rule 13.92 of the Listing Rules after the Reporting Period.

Besides, Thetford, a non-wholly owned subsidiary of the Company, has experienced unsustainable financial pressure driven by the cumulative impact of several recent regulatory and macroeconomic changes in the United Kingdom. These include the imposition of VAT at 20% on private school fees, the removal of business rates relief, increased employer pension contributions, and rising minimum wage and operating costs.

As a result of such strenuous operating environment, coupled with a steady decline in pupil enrollment over the past two years, the management of Thetford has made the difficult decision to fully cease all operations by the end of August 2026 as formally and publicly communicated in April 2026. In response to the closure, the management of Thetford has initiated and executed a comprehensive redundancy plan in strict compliance with all relevant regulations and statutory ordinances in the United Kingdom.

CORPORATE GOVERNANCE

The Company has met the relevant code provisions set out in the Corporate Governance Code (the "CG Code") in Part 2 of Appendix C1 to the Listing Rules throughout the Reporting Period, except for code provisions B.3.5 and C.1.6:

Code Provision B.3.5

Code provision B.3.5 of the CG Code stipulates that issuers should appoint at least one director of a different gender to the nomination committee.

Following the retirement of Madam Zhan Lili on 28 May 2026, the Nomination Committee temporarily comprised members of a single gender until Ms. Cheung Amy was appointed as a member of the Nomination Committee with effect from 7 August 2026. The temporary deviation arose solely as a result of transitional changes to the composition of the Board. The Board considered that the Nomination Committee continued to operate effectively during this period.

Following the appointment of Ms. Cheung Amy, the Nomination Committee comprises members of different genders, thereby fully re-complied with code provision B.3.5 under the CG Code.

Code Provision C.1.6

Code provision C.1.6 of the CG Code stipulates that independent non-executive directors and other non-executive directors generally should attend general meetings.

Mr. Zhang Kun and Madam Zhan Lili were unable to attend the annual general meeting held on 28 May 2026 due to their other work commitment.

The Board will continue to review the corporate governance status of the Company from time to time and make any necessary changes to comply with the relevant code provisions in the CG Code.

DISCLOSURE UNDER RULE 13.51B(1) OF THE LISTING RULES

The changes in information of the Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Dr. Cheung Chai Hong, a non-executive Director and the chairman of the Board, has retired as a non-executive director of Grace Wine Holdings Limited (stock code: 8146) with effect from the conclusion of its annual general meeting held on 5 June 2026.

Mr. Cheung Pak To, an independent non-executive Director, has tendered his resignation as an independent non-executive director of Minshang Creative Technology Holdings Limited (stock code: 1632) on 25 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "Company Code") on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Company Code throughout the Reporting Period.

The Company has also established written guidelines (the "Employees Written Guidelines") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF UNAUDITED INTERIM RESULTS

The audit committee of the Company (the "Audit Committee"), which comprises four independent non-executive Directors and one non-executive Director, has reviewed the interim results for the six months ended 30 June 2026. The Audit Committee considered that the unaudited condensed consolidated interim financial information for the Reporting Period is in compliance with the relevant financial reporting standards, requirement on the Listing Rules and the laws of Hong Kong, and the Company has made appropriate disclosures thereof. In addition, the independent auditor of the Company, Baker Tilly Hong Kong Limited, has reviewed the unaudited interim financial information for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 "Reviews of Interim Financial Information Performed by the Independent Auditor of the Entity" ("HKSRE 2410") issued by the Hong Kong Institute of Certified Public Accountants. Please refer to pages 13 and 14 of this report for the report on review of interim financial information by the independent auditor of the Company.

The primary duties of the Audit Committee include providing an independent view of the effectiveness of the Group's financial reporting process, internal control and risk management system of the Group.

On behalf of the Board
Zhang Min
Executive Director & Chief Executive Officer

Hong Kong, 26 August 2026