盛源 SHENG YUAN

盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 851

2026 INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Ms. Li Hongli
Mr. Zhao Yun

Non-Executive Directors
Mr. Zhou Quan *(Chairman)*
Mr. Huang Shuanggang

Independent Non-Executive Directors
Mr. Zhang Jinfan
Ms. Huang Qin
Mr. Guo Yaoli

AUDIT COMMITTEE
Ms. Huang Qin *(Chairman)*
Mr. Zhang Jinfan
Mr. Huang Shuanggang

REMUNERATION COMMITTEE
Mr. Zhang Jinfan *(Chairman)*
Ms. Huang Qin
Mr. Guo Yaoli

NOMINATION COMMITTEE
Mr. Guo Yaoli *(Chairman)*
Mr. Zhang Jinfan
Ms. Huang Qin

COMPANY SECRETARY
Ms. So Lai Shan *(ACG HKACG)*

STOCK CODE
851

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Hong Kong

AUDITOR
Beijing Xinghua Caplegend CPA Limited
Certified Public Accountants and Registered Public Interest Entity Auditors
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Kwun Tong
Hong Kong

PRINCIPAL BANKERS
The Hong Kong and Shanghai Banking Corporation
Bank of China (Hong Kong) Limited

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

北京兴华
BEIJINGXINGHUA

TO THE BOARD OF DIRECTORS OF SHENG YUAN HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial information set out on pages 5 to 29, which comprise the interim condensed consolidated statement of financial position of Sheng Yuan Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2026; the interim condensed consolidated statement of profit or loss and other comprehensive income for the six-month period then ended; the interim condensed consolidated statement of changes in equity for the six-month period then ended; the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review 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.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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" as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim condensed consolidated financial information consists of making inquiries, 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 condensed consolidated financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

Beijing Xinghua Caplegend CPA Limited
Certified Public Accountants
Leung Yee Keung, James
Practising Certificate Number: P07412

Hong Kong, 26 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**5,685**	12,098
Other income	*6*	**625**	1,569
Other gains and losses	*7*	**(4,076)**	1,172
Staff costs	*8*	**(9,166)**	(3,852)
Depreciation	*8*	**(813)**	(792)
Finance costs	*8*	**(19)**	(68)
Net write-back of/(provision for) impairment loss on financial assets		**246**	(27)
Other expenses		**(3,521)**	(3,116)
(Loss)/profit before income tax	*8*	**(11,039)**	6,984
Income tax expense	*9*	**(118)**	(1,652)
(Loss)/profit for the period		**(11,157)**	5,332
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
– Exchange differences on translating foreign operations		**–**	1
Other comprehensive income for the period		**–**	1
Total comprehensive (expenses)/ income for the period		**(11,157)**	5,333
		HK cents	*HK cents*
(Loss)/earnings per share	*11*		
– Basic		**(1.27)**	0.60
– Diluted		**(1.27)**	0.60

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	**30 June 2026 *HK$'000* (Unaudited)**	31 December 2025 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**92**	92
Right-of-use assets	*13*	**247**	988
Trading rights		**–**	–
Goodwill		**–**	–
Intangible assets	*14*	**2,368**	–
Other assets		**205**	205
		2,912	1,285
CURRENT ASSETS			
Accounts and other receivables, deposits and prepayments	*15*	**6,908**	37,535
Financial assets at fair value through profit or loss	*16*	**15,520**	19,806
Current tax assets		**2,401**	2,519
Trust bank balances held on behalf of clients		**35,506**	37,324
Cash and cash equivalents		**90,075**	85,874
		150,410	183,058

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
CURRENT LIABILITIES			
Accounts and other payables and accruals	*17*	**37,615**	56,626
Contract liabilities		**450**	450
Lease liabilities	*13*	**145**	998
		38,210	58,074
NET CURRENT ASSETS		**112,200**	124,984
NET ASSETS		**115,112**	126,269
EQUITY			
Share capital	*18*	**88,197**	88,197
Reserves		**26,915**	38,072
Total equity		**115,112**	126,269

On behalf of the Board

Ms. Li Hongli
Director

Mr. Zhao Yun
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company							
	Share capital	Share premium	Shareholder's contribution	Capital redemption reserves	Currency translation reserve	Contributed surplus	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2025 (Audited)	88,197	434,797	7,834	477	(1,354)	152,788	(566,153)	116,586
Profit for the period	–	–	–	–	–	–	5,332	5,332
Other comprehensive income:								
– Exchange differences on translation of financial statements of foreign operations	–	–	–	–	1	–	–	1
Total comprehensive income for the period	–	–	–	–	1	–	5,332	5,333
At 30 June 2025 (Unaudited)	88,197	434,797	7,834	477	(1,353)	152,788	(560,821)	121,919

	Attributable to owners of the Company							
	Share capital	Share premium	Shareholder's contribution	Capital redemption reserves	Currency translation reserve	Contributed surplus	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2026 (Audited)	88,197	434,797	7,834	477	(1,353)	152,788	(556,471)	126,269
Loss for the period	–	–	–	–	–	–	(11,157)	(11,157)
Total comprehensive expenses for the period	–	–	–	–	–	–	(11,157)	(11,157)
At 30 June 2026 (Unaudited)	88,197	434,797	7,834	477	(1,353)	152,788	(567,628)	115,112

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before income tax for the period		**(11,039)**	6,984
Adjustments for:			
Depreciation of property, plant and equipment	*8*	**72**	51
Depreciation of right-of-use assets	*13*	**741**	741
Finance costs	*8*	**19**	68
Net (write-back of)/provision for impairment loss on financial assets		**(246)**	27
Dividend income from equity instrument	*6*	**(611)**	(482)
Fair value loss/(gain) on financial assets at fair value through profit or loss	*7*	**4,286**	(1,155)
Interest income	*6*	**(2)**	(1,087)
Operating (loss)/profit before working capital changes		**(6,780)**	5,147
Decrease/(increase) in accounts and other receivables, deposits and prepayments		**31,484**	(21,615)
Decrease in trust bank balances held on behalf of clients		**1,818**	9,627
Decrease in accounts and other payables and accruals		**(19,011)**	(11,034)
Increase in contract liabilities		**–**	100
Cash generated from/(used in) operations		**7,511**	(17,775)
Interest received from banks		**2**	380
Net generated from/(used in) operating activities		**7,513**	(17,395)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	*12*	**(72)**	–
Net cash outflow on acquisition of a subsidiary that does not constitute a business combination	*14*	**(2,368)**	–
Net cash used in investing activities		**(2,440)**	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(19)**	(68)
Repayment of lease liabilities		**(853)**	(805)
Net cash used in financing activities		**(872)**	(873)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**4,201**	(18,268)
Cash and cash equivalents at beginning of the period		**85,874**	44,043
Effect of foreign exchange rate changes on cash held		**–**	1
Cash and cash equivalents at end of the period		**90,075**	25,776

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

Sheng Yuan Holdings Limited (the "Company") is an exempted company with limited liability incorporated and domiciled in Bermuda. The address of its registered office is Richmond House, 12 Par-la-Ville Road, Hamilton HM 8, Bermuda and its principal place of business is Units 3208–9, 32/F, Grand Millennium Plaza, Cosco Tower, No. 183 Queen's Road Central, Sheung Wan, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The Company is an investment holding company. Its subsidiaries are principally engaged in provision of securities brokerage, insurance consultants and financial services, asset management services, proprietary trading and trading business.

The interim condensed consolidated financial information for the six months ended 30 June 2026 were approved for issue by the board of directors on 26 August 2026.

2. ADOPTION OF NEW OR REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has applied the new and amendments and interpretations (the "new HKFRS Accounting Standards") which are effective for the Group's interim condensed consolidated financial statements for the annual period beginning on 1 January 2026. HKFRS Accounting Standards include all applicable individual HKFRS Accounting Standards and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The adoption of the following amendments to HKFRS Accounting Standards has no material impact on the Group's interim condensed consolidated financial information:

Amendments to HKFRS 9 and HKFRS 7	Disclosures – Amendments to the classification and measurement of financial instruments
Amendments to HKFRS 9 and HKFRS 7	Disclosures – Contracts referencing nature-dependent electricity
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 regarding hedge accounting, financial instruments, de facto agents and cost method

The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

3. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in compliance with HKAS 34 "Interim Financial Reporting" as issued by the HKICPA and with the applicable disclosures required by Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. This interim condensed consolidated financial information should be read in conjunction with the 2025 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of this interim condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31 December 2025. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major service lines as follows:

(a) securities brokerage, insurance consultants and financial services – provision of discretionary and nondiscretionary dealing services for securities and futures contracts, securities placing and underwriting services, margin financing and money lending services, corporate finance advisory, insurance advisory, general advisory services and custodian services;

(b) asset management services – provision of fund management and discretionary portfolio management and investment advisory services;

(c) proprietary trading – investment holding and securities trading; and

(d) trading business – trading of commodities products.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4. SEGMENT INFORMATION *(Continued)*

During the six months ended 30 June 2026, following the acquisition of the insurance consultants business, the Group expanded the composition of its' securities brokerage and financial services' segment to include this newly acquired business. Accordingly, the segment has been renamed as 'securities brokerage, insurance consultants and financial services'. As the insurance consultants business was acquired during the current interim period, the comparative segment information for the six months ended 30 June 2025 does not include the results of this newly acquired business.

Except for the aforementioned change in the composition of this reportable segment, there were no changes from prior periods in the measurement methods used to determine operating segments, reported segment profit or loss and reported segment assets and liabilities. No operating segments identified have been aggregated in arriving at the reportable segments of the Group. Each of these operating segments is managed separately as each of the service lines requires different resources as well as marketing approaches.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4. SEGMENT INFORMATION *(Continued)*

	Securities brokerage, insurance consultants and financial services *HK$'000*	Asset Management Service *HK$'000*	Proprietary Trading *HK$'000*	Trading Business *HK$'000*	Total *HK$'000*
Six months ended 30 June 2026 (Unaudited)					
Reportable segment revenue					
Total segment revenue	5,681	4	–	–	5,685
	5,681	4	–	–	5,685
Revenue from external customers					
– Fee and commission income	5,681	4	–	–	5,685
	5,681	4	–	–	5,685
Fee and commission income from external customers					
– Timing of revenue recognition					
At a point in time	92	–	–	–	92
Over time	5,589	4	–	–	5,593
	5,681	4	–	–	5,685
Geographical region: Hong Kong	5,681	4	–	–	5,685
Reportable segment result	2,621	(1,065)	(3,631)	145	(1,930)
At 30 June 2026 (Unaudited)					
Reportable segment assets	43,218	34	16,155	–	59,407
Reportable segment liabilities	36,396	213	–	–	36,609

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4. SEGMENT INFORMATION *(Continued)*

	Securities brokerage and financial services *HK$'000*	Asset Management Service *HK$'000*	Proprietary Trading *HK$'000*	Trading Business *HK$'000*	Total *HK$'000*
Six months ended 30 June 2025 (Unaudited)					
Reportable segment revenue					
Total segment revenue	7,427	4,671	–	–	12,098
	7,427	4,671	–	–	12,098
Revenue from external customers					
– Fee and commission income	7,427	4,671	–	–	12,098
	7,427	4,671	–	–	12,098
Fee and commission income from external customers					
– Timing of revenue recognition					
At a point in time	164	–	–	–	164
Over time	7,263	4,671	–	–	11,934
	7,427	4,671	–	–	12,098
Geographical region: Hong Kong	7,427	4,671	–	–	12,098
Reportable segment result	6,202	4,098	2,078	(3)	12,375
At 30 June 2025 (Unaudited)					
Reportable segment assets	16,662	4,771	15,872	–	37,305
Reportable segment liabilities	13,377	61	–	–	13,438

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4. SEGMENT INFORMATION *(Continued)*

The Group's reportable segment result is reconciled to the Group's (loss)/profit before income tax as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Reportable segment result	**(1,930)**	12,375
Finance costs	**(19)**	(68)
Depreciation	**(813)**	(792)
Corporate expenses*	**(8,277)**	(4,531)
Group's (loss)/profit before income tax	**(11,039)**	6,984

* Mainly staff costs, including directors' emoluments and other professional fees.

5. REVENUE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Fee and commission income		
Securities brokerage, insurance consultants and financial services segment:		
– Securities and futures brokerage	**92**	164
– Corporate finance service income	**4,000**	6,000
– Consultancy fee income	**117**	83
– Custodian fee	**1,472**	1,180
Asset management services segment:		
– Fund and portfolio management and investment advisory	**4**	4,671
	5,685	12,098

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

6. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income from banks and others	**2**	1,087
Dividend income	**611**	482
Sundry income	**12**	–
	625	1,569

7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Changes in fair value of financial assets at fair value through profit or loss	**(4,286)**	1,155
Net foreign exchange gain	**210**	17
	(4,076)	1,172

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

8. (LOSS)/PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit before income tax is arrived at after charging:		
Depreciation		
– Property, plant and equipment	**72**	51
– Right-of-use assets	**741**	741
	813	792
Finance costs		
– Interest on lease liabilities *(Note 13)*	**19**	68
	19	68
Auditor's remuneration	**200**	200
Staff costs, including directors' emoluments		
– Fees, salaries, allowances and bonuses	**9,037**	3,723
– Retirement benefit scheme contributions	**129**	129
	9,166	3,852

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

9. INCOME TAX EXPENSE

For the six months ended 30 June 2026 and 2025, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporation are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of corporation not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax – Hong Kong profits tax		
– Provision for current period	**–**	1,652
– Under-provision for prior year	**118**	–
	118	1,652

10. DIVIDENDS

No dividend was proposed or paid during the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the six months ended 30 June 2026 and 2025.

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of approximately HK$11,157,000 (six months ended 30 June 2025: profit of approximately HK$5,332,000) and the weighted average number of 881,970,541 (six months ended 30 June 2025: 881,970,541) ordinary shares in issue during the period.

For the six months ended 30 June 2026, there is no diluted potential ordinary shares and therefore the diluted earnings per share is the same as the basic earnings per share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of approximately HK$72,000 (six months ended 30 June 2025: Nil). The Group did not dispose of any property, plant and equipment during the six months ended 30 June 2026 and 30 June 2025.

13. LEASE

Right-of-use assets

As at 30 June 2026, the carrying amounts of right-of-use assets was approximately HK$247,000 (as at 31 December 2025: approximately HK$988,000) in respect of a leased office property which it operates.

During the six months ended 30 June 2026, the Group did not enter into nor renew any lease agreement and as of that date, none of the leases contain variable lease payments. Subsequent to the end of the reporting period, the Group renewed the lease agreement for the office property.

Lease liabilities

As at 30 June 2026, the carrying amount of lease liabilities was approximately HK$145,000 (as at 31 December 2025: approximately HK$998,000).

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation expense of right-of-use assets	**741**	741
Interest on lease liabilities *(Note 8)*	**19**	68
Expense relating to short-term lease	**54**	68

The Group has no expense relating to leases of low-value assets, excluding short-term leases of low-value assets.

The total cash outflows for lease in the six months ended 30 June 2026 was approximately HK$926,000 (six months ended 30 June 2025: approximately HK$941,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

14. INTANGIBLE ASSETS

	HK$'000 (Unaudited)
COST	
At 1 January 2026	–
Arising on acquisition of a subsidiary *(Note a)*	2,368
At 30 June 2026	2,368
Carrying amount	
At 30 June 2026	2,368

Note:

(a) On 17 April 2026, the Group completed the acquisition of the entire issued share capital of Sino Vertex Insurance Consultants Limited (Subsequently renamed to Sheng Yuan Insurance Consultants Limited) for cash consideration of approximately HK$2,662,000. Including directly attributable transaction costs of approximately HK$218,000, the total acquisition cost was approximately HK$2,880,000.

As the acquired set of activities and assets did not meet the definition of a business under HKFRS 3, the transaction was accounted for as an acquisition of assets and liabilities. The acquisition cost was allocated to the identifiable assets acquired and liabilities assumed. An insurance brokerage licence of approximately HK$2,368,000 was recognised as an intangible asset.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

15. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Accounts receivables	**18,598**	49,533
Less: provision for impairment loss recognised	**(13,517)**	(13,763)
	5,081	35,770
Prepayments	**592**	659
Other receivables and deposits	**725**	596
Rental deposit	**510**	510
	1,827	1,765
	6,908	37,535

The analysis of accounts receivables is as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Arising from business of dealing in securities and futures – HKSCC and HKCC	**–**	112
Arising from asset management services	**5,318**	5,318
Arising from underwriting and placing services	**8,000**	8,000
Arising from custodian services	**1,080**	270
Arising from corporate finance services	**4,200**	200
Arising from trading of commodities products	**–**	35,633
	18,598	49,533
Less: provision for impairment loss recognised	**(13,517)**	(13,763)
	5,081	35,770

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

15. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

(a) The normal settlement terms of accounts receivable arising from the business of dealing in securities are one to two business days after the respective trade dates. The normal settlement terms of accounts receivable arising from the business of dealing in futures contracts are one business day after the respective trade dates. The amount due from margin clients are repayable on demand subsequent to the settlement date and bear interest at Hong Kong Dollar Prime Rate plus a spread of 8% (2025: Hong Kong Dollar Prime Rate plus a spread of 8%) per annum. The amounts due from HKSCC and HKCC are repayable on demand except for the required margin deposits for the trading of futures contracts.

Settlement of amounts arising from asset management service, underwriting and placing services, corporate finance services, advisory services and custodian services is in accordance with the terms set out in respective agreements, usually within one year after the service obligation has been fulfilled. And the settlement of amounts arising from financial service are normally due immediately from date of billing with a credit period of 60 days on average to its client.

Settlement of amounts arising from trading of commodities products are normally due immediately from the date of billing with a credit period of 30 days on average to its clients.

(b) The following table provides information about the exposure to credit risk for gross amounts arising from asset management services, underwriting and placing services, custodian services and corporate finance services:

Gross amount	**30 June 2026 *HK$'000* (Unaudited)**	31 December 2025 *HK$'000* (Audited)
Not yet past due	**907**	202
0–30 days past due	**907**	90
31–60 days past due	**817**	35,723
61–90 days past due	**817**	–
91–180 days past due	**1,633**	–
181–270 days past due	**–**	8
271–365 days past due	**–**	9
Over 365 days past due	**13,517**	13,501
	18,598	49,533

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 ***HK$'000*** **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Equity securities listed in Hong Kong	**15,520**	19,806

17. ACCOUNTS AND OTHER PAYABLES AND ACCRUALS

	30 June 2026 ***HK$'000*** **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Accounts payables arising from the business of dealing in securities and futures contracts		
– Cash clients	**34,554**	36,009
– Margin clients	**951**	1,427
	35,505	37,436
Accounts payables arising from trading business of commodities products	**–**	16,383
	35,505	53,819
Other payables	**144**	961
Accruals	**1,966**	1,846
	37,615	56,626

The normal settlement terms of accounts payables arising from the business of dealing in securities are one to two business days after the respective trade dates. The normal settlement terms of accounts payables arising from the business of dealing in futures contracts are one business day after the respective trade dates. The amounts payable to cash and margin clients are repayable on demand except for the required margin deposits for the trading of futures contracts. No ageing analysis in respect of accounts payables is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of the business nature.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

18. SHARE CAPITAL

	Number of ordinary shares of HK$0.1 each	Nominal value *HK$'000*
Authorised: At 1 January 2026 (audited) and 30 June 2026 (unaudited)	**6,000,000,000**	**600,000**
Issued and fully paid: At 1 January 2026 (audited) and 30 June 2026 (unaudited)	**881,970,541**	**88,197**
Authorised: At 1 January 2025 (audited) and 30 June 2025 (unaudited)	6,000,000,000	600,000
Issued and fully paid: At 1 January 2025 (audited) and 30 June 2025 (unaudited)	881,970,541	88,197

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

19. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in this interim condensed consolidated financial information, the Group had the following material transactions with related parties during the period:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Yuanyin Finance Limited		
– Custodian fee income *(Note a)*	**900**	900
– Corporate finance service fee income *(Note b)*	**4,000**	6,000

Notes:

(a) Custodian fee income of HK$900,000 (2025: HK$900,000) for the six months ended 30 June 2026 was in connection with the custodian service agreement with Yuanyin Finance Limited, which is a wholly-owned subsidiary of Yuanyin Holdings Limited, the ultimate holding company of the Company.

(b) Corporate finance service income of HK$4,000,000 (2025: HK$6,000,000) for the six months ended 30 June 2026 was in connection with the financial advisory services agreement with Yuanyin Finance Limited, which is a wholly-owned subsidiary of Yuanyin Holdings Limited, the ultimate holding company of the Company.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

19. RELATED PARTY TRANSACTIONS *(Continued)*

In addition to the balances detailed elsewhere in this interim condensed consolidated financial information, the Group had the following balances outstanding with related parties who are not members of the Group as below:

	30 June 2026 *HK$'000* (Unaudited)	31 December 2025 *HK$'000* (Audited)
Amount owed to the Group included in accounts receivable *(Note 15)*		
– Yuanyin Holdings Limited *(Note (i))*	**4,900**	3,000

Note:

(i) The amount owed to the Group is unsecured, non-interest bearing and without any credit period.

Compensation of key management personnel

	Six months ended 30 June	
	2026 *HK$'000* (Unaudited)	2025 *HK$'000* (Unaudited)
Salaries and allowances	**3,840**	840
Retirement benefit scheme contributions	**27**	18
	3,867	858

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

20. FAIR VALUE MEASUREMENT

Financial instruments measured at fair value

The following table presents the Group's financial instruments measured at fair value on a recurring basis in the condensed consolidated statement of financial position according to the fair value hierarchy. The hierarchy groups financial instruments into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial instruments. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 *HK$'000* *Note (a)*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
At 30 June 2026 (Unaudited)				
Financial assets at FVTPL				
– Listed equity securities	**15,520**	**–**	**–**	**15,520**
At 31 December 2025 (Audited)				
Financial assets at FVTPL				
– Listed equity securities	19,806	–	–	19,806

20. FAIR VALUE MEASUREMENT *(Continued)*

Financial instruments measured at fair value *(Continued)*

The levels in the fair value hierarchy within which the financial instruments are categorised in its entirety are based on the lowest level of input that is significant to the fair value measurement. There were no transfers between levels 1 and 2 or transfers into or out of level 3 in the reporting periods. The Group's policy is to recognise transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

(a) Financial instruments in Level 1

The fair value of the listed equity securities is based on the quoted market prices at the reporting date. The quoted market price used for the listed equity securities held by the Group is the current bid price.

Financial instruments measured at amortised cost

The fair value of the financial assets and financial liabilities at amortised cost under current assets and current liabilities, respectively, is not materially different from their carrying amount as they are all short term in nature.

21. EVENTS AFTER THE REPORTING PERIOD

Except for the lease renewal of the office property as disclosed in Note 13, there are no material events in relation to the Group occurred after 30 June 2026 and up to the date of issue of the interim condensed consolidated financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The directors of the Company (the "Directors") do not recommend the payment of interim dividend for the six months ended 30 June 2026 (the "Reporting Period") (six months ended 30 June 2025: Nil).

BUSINESS AND FINANCIAL REVIEW

Financial Summary

For the six months ended 30 June 2026, the Group recorded fee and commission income of approximately HK$5.7 million, representing a decrease of 52.9% as compared with approximately HK$12.1 million for the six months ended 30 June 2025. The decrease was mainly due to decrease in financial advisory income for the six months ended 30 June 2026.

Loss for the six months ended 30 June 2026 was approximately HK$11.2 million, as compared with profit of approximately HK$5.3 million for the same period in 2025. The net loss for the six months ended 30 June 2026 was primarily attributable to the decrease in financial advisory income and increase in operation expenses due to the staff restructuring for potential new business. Both basic and diluted loss per share for the first half of 2026 were approximately HK$1.27 cents as compared with HK$0.6 cents of both basic and diluted earnings per share for the same period in 2025.

Operation of Business Segments – Securities Brokerage and Financial Services

The Group provides securities brokerage, financial services and insurance consultant services via three of its subsidiaries, Sheng Yuan Securities Limited ("SYS"), Sheng Yuan Capital (Hong Kong) Limited ("SYC") and Sheng Yuan Insurance Consultants Limited ("SYIC").

SYS is licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance ("SFO"). Through SYS, the Group provides underwriting and placing services in equity and debt capital transactions, securities and futures brokerage services for securities, futures and options contracts, margin financing services, and custodian and handling services for client accounts on securities, futures, and options contracts. The fee and commission are based on certain percentage of the total transaction amounts.

As at 30 June 2026, SYS had a total of 8 employees, out of which 1 employee is licensed as responsible officer to conduct Type 1, Type 2, and Type 4 regulated activities, 1 employee is licensed as responsible officer to conduct Type 1 regulated activity, 1 employee is licensed as responsible officers to conduct Type 2 regulated activity and 2 employees are licensed as responsible officer to conduct Type 1 and 4 regulated activities. As at 30 June 2026, SYS maintained 195 client accounts, a decrease from 202 client accounts as at 30 June 2025, due to attrition. There was approximately HK$35.5 million in client trust bank accounts, representing a decrease of 4.8% from HK$37.3 million as at 31 December 2025. Such decrease was mainly due to clients withdrawing part of the funds from their accounts.

SYC is licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO. SYC provides corporate advisory services, for a fee, to corporate clients for their corporate actions to ensure clients' compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Codes on Takeovers and Mergers and Share Buy-backs. Such corporate actions include IPO, placing of shares and other securities, mergers and acquisitions, and business restructuring, etc.

As at 30 June 2026, SYC had 3 employees, out of which 2 employees are licensed as responsible officers to conduct Type 6 (advising on corporate finance) regulated activities under the SFO.

SYIC is licensed to conduct insurance consultants services regulated activity under Insurance Authority ("IA"). The line of business of SYIC is on long-term business (excluding linked long-term business). SYIC receives commissions from insurance companies as per signed agreement.

As at 30 June 2026, SYIC had 2 employees, out of which 1 employee is licensed as responsible officer.

Operation of Business Segments – Asset Management

The Group provides asset management services through the Group's subsidiary, Sheng Yuan Asset Management Limited ("SYAM"). SYAM is licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Via SYAM, the Group provides investment recommendations to clients on securities trading or portfolio management as an investment advisor, as well as investment management services for funds or discretionary accounts. The Group would charge a fixed rate management fee calculated based on value of the net assets within the funds or discretionary accounts, as well as a performance fee calculated based on increase in value of the net assets within the funds or discretionary accounts. The Group would also charge an investment advisory fee based on the scope and complexity of investment advisory services provided.

As at 30 June 2026, the asset management segment had 6 employees, out of which 3 of them are licensed as responsible officers.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2026, SYAM did not act as fund manager or investment adviser for any advisory client (as at 30 June 2025: 1 discretionary account and 1 advisory client). The total assets under management (the "AUM") of SYAM were HK$Nil as at 30 June 2026 (as at 30 June 2025: HK$0.15 million).

The decrease was mainly due to the decrease in performance fee and management fee.

Operation of Business Segments – Proprietary Trading

For proprietary trading business, Sheng Yuan Financial Services Group Limited ("SYFS") and Kingwell Management Limited ("KW") mainly invest in the listed shares, corporate bonds, and private funds in Hong Kong market. During the six months ended 30 June 2026, the Group reported loss of approximately HK$3.6 million on proprietary trading (six months ended 30 June 2025: reported profit of approximately HK$2.1 million).

PROSPECTS AND FUTURE PLANS FOR SIX MONTHS ENDED 30 JUNE 2026

In the first half of 2026, Hong Kong's financial markets delivered a robust performance, with multiple indicators reaching historic highs, reflecting the market's strong vitality and the sustained confidence of international investors in Hong Kong.

In the spot market, average daily turnover for the first half reached HK$283.0 billion, representing an increase of 17.8% compared to HK$240.2 billion in the same period of 2025. Notably, average daily turnover in the second quarter of 2026 reached HK$289.5 billion, setting a new quarterly record. In June, average daily turnover climbed further to HK$319.1 billion, representing an increase of 38.6% compared with same period of last year. The surge in turnover was primarily driven by strong capital inflows into the technology and artificial intelligence sectors, record-high Stock Connect turnover, and increasingly active initial public offering activities.

In the IPO market, total funds raised in the first half amounted to HK$210.2 billion, representing a significant year-on-year increase of 92.1%, underscoring Hong Kong's enduring strength as a leading global fund-raising hub.

Trading through the connecting markets remained highly active, average daily turnover of Southbound Stock Connect reached HK$123.1 billion in the first half, up 10.9% year-on-year, while average daily turnover of Northbound Stock Connect reached RMB345.3 billion, representing a substantial year-on-year increase of 101.6%. Both figures set new historical highs, highlighting the strong momentum of two-way cross-border capital flows.

Against this favourable market backdrop, the Group remains optimistic about its prospects for the second half of 2026 and beyond, while maintaining its prudent and pragmatic approach. We will continue to capitalise on market opportunities and execute the following strategic priorities.

Firstly, to capitalise on opportunities arising from the active spot market, the Group will further strengthen its securities brokerage capabilities, enhance trading platform efficiency, and expand services for institutional and high-net-worth clients, thereby capturing business growth driven by increased market activity.

Secondly, the Group will strengthen its position in the IPO market by expanding its corporate finance and underwriting capabilities, focusing on high-growth industries including technology, artificial intelligence, new energy, and sustainable development, while pursuing additional sponsorship and joint bookrunner opportunities.

Thirdly, leveraging the robust growth in Stock Connect activity, which reflects increasing demand for cross-border investment opportunities, the Group will continue to enhance its cross-border financial service capabilities. It will expand the range of products and services related to Wealth Management Connect and the Greater Bay Area, enabling clients to benefit from investment opportunities generated by northbound and southbound capital flows.

Management will continue to strengthen the Group's wealth and asset management platform by expanding its fund management and discretionary account services. In addition, leveraging active market turnover, a recovering IPO market and growing cross-border investment demand. The Group will also actively pursue additional corporate finance, underwriting and financial advisory mandates. These initiatives are expected to further diversify the Group's revenue streams, enhance earnings resilience and create sustainable long-term value for shareholders.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

There were no significant investments or material acquisitions or disposals of subsidiaries, associates, or joint ventures during the six months ended 30 June 2026.

On 17 April 2026, the Group completed the acquisition of the entire issued share capital of Sino Vertex Insurance Consultants Limited ("Sino Vertex"), which was renamed as Sheng Yuan Insurance Consultants Limited ("SYIC") on 20 April 2026, for a cash consideration of approximately HK$2.88 million. SYIC is a company incorporated in Hong Kong and is a licensed insurance broker registered with the Insurance Authority of Hong Kong (Licence No. FB1278).

The acquisition did not constitute a material acquisition of a subsidiary.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, cash and cash equivalents in general accounts maintained by the Group were approximately HK$90.1 million, representing an increase of approximately HK$4.2 million from approximately HK$85.9 million as at 31 December 2025. This increase was driven by the reallocation of funds placed in deposits with maturities exceeding three months, together with the balance of trading receivables from trading business as at 30 June 2025. Such cash and cash equivalents are mainly held in Hong Kong dollars, United States dollars ("USD") and Renminbi ("RMB"). Balances in trust and segregated accounts as at 30 June 2026 were approximately HK$35.5 million (31 December 2025: HK$37.3 million).

Accounts and other receivables, deposits and prepayments, and trust bank balances held on behalf of clients were approximately HK$42.4 million as at 30 June 2026 (31 December 2025: HK$74.9 million), such decrease was due to account receivable from trading business of commodities products received. Accounts and other payables and accruals were approximately HK$37.6 million as at 30 June 2026 (31 December 2025: HK$56.6 million), as a result of repayment of amount due to account payables arising from trading business of commodities products.

The Group's current assets and current liabilities as at 30 June 2026 were approximately HK$150.4 million (31 December 2025: HK$183.1 million) and approximately HK$38.2 million (31 December 2025: HK$58.1 million), respectively. The gearing ratio of the Group, measured by total liabilities to total assets, was not applicable as at 30 June 2026 because the Group has no debts such as borrowings (31 December 2025: not applicable). As at 30 June 2026, the Group recorded net assets of approximately HK$115.1 million (31 December 2025: net assets of approximately HK$126.3 million). During the six months ended 30 June 2026, the Group financed its operations with internally generated cash flow.

FOREIGN EXCHANGE EXPOSURE

The Group's transactions are mainly denominated in Hong Kong dollars, USD and RMB. The Group has not implemented any foreign currencies hedging policies. However, the Group's management will closely monitor exchange rate movement and will take appropriate actions to reduce the risks.

CAPITAL STRUCTURE

The Directors monitor the Group's capital structure by reviewing cash flow requirements, taking into account of its future financial obligations and commitments. The capital structure of the Group comprises of issued share capital and reserves attributable to shareholders of the Company. The Directors review the Group's capital structure regularly. There were no changes in capital structure during the six months ended 30 June 2026.

FUNDING AND TREASURY POLICIES

The Group adopts a conservative approach for cash management and investment on uncommitted funds. We place cash and cash equivalents (which are mostly held in Hong Kong dollars, USD and RMB) in short term deposits with authorized institutions in Hong Kong.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

There have been no material events in relation to the Group occurring after the Reporting Period and up to the date of this report.

PLEDGE OF ASSETS

As at 30 June 2026, the Group did not have any pledged assets.

HUMAN RESOURCES

As at 30 June 2026, the Group employed 27 employees. The remuneration policy and package of the Group's employees are maintained at market level and are reviewed annually by management. In addition to basic salary, discretionary bonuses, mandatory pension fund and medical insurance scheme, share options may also be granted to eligible employees at the discretion of the Board and are subject to the performance of the individual employees as well as the Group.

The Group regards our staff as the most important asset and resource and provides regular training courses and a variety of development programs and has developed relevant training policies and procedures to enhance the effectiveness of such training programs.

During the Reporting Period, the Group has organized both internal and external training courses for employees. Such training courses covered topics including but not limited to industrial updates, compliance matters, occupational health and safety, etc.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2026, none of the Directors or chief executive had any interests in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 (the "Model Code") of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2026, so far as the Directors are aware and as shown in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, other than interest disclosed above in respect of certain Directors and chief executive, the following shareholders had notified the Company of their relevant interests in the shares and underlying shares of the Company.

LONG POSITION – ORDINARY SHARES OF HK$0.1 EACH OF THE COMPANY

Name of Shareholder	Capacity	Number of shares held	Percentage of the issued Share capital of the Company
Yuanyin Holdings Limited	Beneficial owner	601,100,000	68.15%
	Interest of corporation controlled *(Note (1))*	1,917,000	0.22%

Note:

(1) Yuanyin Holdings Limited is deemed to be interested in 1,917,000 shares of the Company beneficially owned by Yuanyin International Limited, a wholly owned subsidiary of Yuanyin Holdings Limited.

Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no other person (other than the Directors or chief executive of the Company) as having a notifiable interest or short position in the shares and underlying shares of the Company as at 30 June 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTIONS

The Company adopted a share option scheme on 24 September 2004 (the "2004 Scheme"). Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 15 October 2014, the Company adopted a new share option scheme (the "2014 Scheme"), the purpose of which is to enable the Group to grant share options to the eligible participants as incentives or rewards for their contribution to the Group. No further option shall be granted under the 2004 Scheme, but the options granted under the 2004 Scheme prior to its expiry shall remain valid and exercisable in accordance with the terms of the respective grants. During the six months ended 30 June 2025, no share option has been granted under 2014 Scheme. At 30 June 2026, there were no shares in respect of which options has been granted and remained outstanding under the 2014 Scheme. For further details of the 2014 Scheme (including the principal terms of the 2014 Scheme), please refer to the circular dated 26 September 2014.

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

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

REVIEW OF INTERIM REPORT

The interim report, including the unaudited interim condensed consolidated financial information of the Group, for the six months ended 30 June 2026 have been reviewed by Beijing Xinghua Caplegend CPA Limited, 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. The Company's interim report for the six months ended 30 June 2026 containing all the relevant information required by Appendix D2 of the Listing Rules will be published on the websites of the Company and the Stock Exchange and dispatched to shareholders in due course.

AUDIT COMMITTEE

The audit committee of the Company currently comprises Ms. Huang Qin (Chairman), Mr. Zhang Jinfan and Mr. Huang Shuanggang, all of whom are non-executive Directors (Ms. Huang and Mr. Zhang as independent non-executive Directors) with appropriate professional qualifications and experience in financial matters. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters. The interim results and the unaudited financial statements for the six months ended 30 June 2026 have been reviewed by the audit committee.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is committed to maintaining high standard of corporate governance standards and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company has complied with the code on corporate governance practices (the "Code") as set out in Appendix C1 of the Listing Rules during the six months ended 30 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as a code of conduct of the Company for Directors' securities transactions. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the six months ended 30 June 2026.

BOARD OF DIRECTORS

As at the date of this report, the Board consists of Ms. Li Hongli and Mr. Zhao Yun (both being executive Directors), Mr. Zhou Quan and Mr. Huang Shuanggang (both being non-executive Directors), Mr. Zhang Jinfan, Ms. Huang Qin and Mr. Guo Yaoli (all being independent non-executive Directors).

By order of the Board
Sheng Yuan Holdings Limited
Zhou Quan
Chairman of the Board and Non-executive Director

Hong Kong, 26 August 2026