

MAGNIFICENT HOTEL INVESTMENTS LIMITED

華大酒店投資有限公司

(Stock Code: 201)



INTERIM REPORT 2026

CORPORATE INFORMATION

Executive Directors

Mr. William CHENG Kai Man (*Chairman*)

Mr. Albert HUI Wing Ho

Madam Kimmy LAU Kam May

Madam NG Yuet Ying

Non-executive Director

Madam Mabel LUI FUNG Mei Yee

Independent Non-executive Directors

Mr. CHAN Kim Fai

Mr. LAM Kwai Cheung

Mr. Warren LIU Yuk Cho

Company Secretary

Madam KOO Ching Fan

Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

35th Floor, One Pacific Place

88 Queensway

Hong Kong

Solicitor

Withers

30th Floor

United Centre

95 Queensway

Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited

Bank of China (Hong Kong) Limited

Registered Office

22nd Floor

633 King's Road

North Point, Hong Kong

Share Registrar

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Tel: 2980 1333

Company's Website

www.magnificenthotelinv.com

INTERIM RESULTS

The board (the “Board”) of directors (the “Director(s)”) of Magnificent Hotel Investments Limited (the “Company”) (together with its subsidiaries, the “Group”) announces that the net profit after tax attributable to owners of the Company for the six months ended 30th June, 2026 was HK\$14.4 million (loss for six months ended 30th June, 2025: HK\$15.2 million).

INTERIM DIVIDEND

In deciding whether to distribute the interim dividend and its amount, the board of directors of the Company has reviewed the Company’s adopted dividend policy and resolved not to declare the payment of interim dividend for the six months ended 30th June, 2026 (six months ended 30th June, 2025: Nil) for the following reasons:

- i) Retain more cashflow under the current challenging economy and unstable hotel market condition;
- ii) Retain cash to prepare for repayment of short-term bank debt amounted to HK\$280 million (will repay about HK\$50 million on 30th September, 2026), and long-term bank debt amounted to HK\$242 million expiring in 2028; and
- iii) Retain cash for renovation of Wood Street Hotel in London of approximately HK\$400 million.

The Board will continue to monitor the Group’s financial performance, cash flow position and debt repayment, and subject to business stability, the Board looks forward to consider the distribution of a final dividend for the financial year ending 31st December, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period, the Group continued with its hotel investments, hotel management, property leasing and property development.

The net profit after tax attributable to owners of the Company for the six months ended 30th June, 2026 was HK\$14.4 million (loss for six months ended 30th June, 2025: HK\$15.2 million).

	Six months ended		
	30.6.2026	30.6.2025	Change
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Profit from operation of hotels	31,771	8,631	+268%
– Profit	100,390	77,237	
– Depreciation	(68,619)	(68,606)	
Profit from property investment	27,478	20,380	+35%
Income from securities investments	50	25	+100%
Other income and gain and losses	1,839	1,615	+14%
	61,138	30,651	+99%
Administrative expenses	(20,869)	(22,205)	-6%
Finance costs	(12,002)	(17,177)	-30%
Income tax expense	(13,306)	(6,654)	+100%
Profit (loss) after taxation	14,961	(15,385)	N/A
Non-controlling interests	(563)	187	N/A
Profit (loss) after taxation and non-controlling interests	14,398	(15,198)	N/A

The overall increase in profit for the six months ended 30th June, 2026 was mainly due to increase in revenue, and decrease in hotel operating costs, finance costs and revaluation loss.

PERFORMANCE

For the six months ended 30th June, 2026, the **GROUP'S INCOME** was mostly derived from the aggregate of income from operation of hotels and investment properties, which was analysed as follows:

Income

	Six months ended			
	30.6.2026	30.6.2025	Change	Reason
	<i>HK\$'000</i>	<i>HK\$'000</i>		
	(unaudited)	(unaudited)		
Income from operation of hotels	243,903	231,238	+5%	Increase in room rates
Income from investment properties	26,372	25,380	+4%	Rental income received in Pound Sterling appreciated against Hong Kong Dollars
Other income	1,889	1,640	+15%	Increase in interest income from bank deposits
Total	<u>272,164</u>	<u>258,258</u>	+5%	

During the period, the total income for the Group increased by 5% from approximately HK\$258 million to approximately HK\$272 million compared with last period.

HOTELS PERFORMANCES

The Group presently owns eight hotels, operates seven hotels and leases out one hotel in London. The income from operation of hotels increased by 5% to HK\$244 million (six months ended 30th June, 2025: HK\$231 million). Royal Scot Hotel in London was leased to a hotel management company, Travelodge.

	Ramada Hong Kong Harbour View	Ramada Hong Kong Grand	Best Western Plus Hotel Hong Kong	Best Western Hotel Causeway Bay	Best Western Plus Hotel Kowloon	Grand Bay View Hotel	Magnificent International Hotel, Shanghai
2026							
Jan to Jun							
Average room occupancy (%)	100	99	98	99	94	98	90

As at 30th June, 2026, an independent third-party valuation of Royal Scot Hotel, London was GBP88,700,000 (as at 31st December, 2025: GBP88,500,000). The rental income of Royal Scot Hotel, London for the period was GBP2,362,000 (six months ended 30th June, 2025: GBP2,362,000).

COST

The **HOTELS' SERVICE COST** for the period was HK\$141.3 million (six months ended 30th June, 2025: HK\$151.9 million), representing hotel operating cost.

Name of Hotel	Six months ended		Change
	30.6.2026 <i>HK\$ million</i>	30.6.2025 <i>HK\$ million</i>	
Ramada Hong Kong Harbour View	23.7	26.0	-9%
Ramada Hong Kong Grand	22.0	24.2	-9%
Best Western Plus Hotel Kowloon	18.1	18.2	-1%
Best Western Plus Hotel Hong Kong	23.6	25.7	-8%
Best Western Hotel Causeway Bay	18.3	19.3	-5%
Grand Bay View Hotel	27.1	30.5	-11%
Magnificent International Hotel, Shanghai	8.5	8.0	+6%
Total amount for the period	141.3	151.9	-7%

Cost of sale of HK\$2.2 million (six months ended 30th June, 2025: HK\$2.1 million) was from cost of food and beverage.

During the period, the **ADMINISTRATIVE EXPENSES** excluding depreciation was HK\$20 million (six months ended 30th June, 2025: HK\$21 million).

The accounting standards require hotel properties of the Group to provide **DEPRECIATION** which amounted to HK\$68.2 million (six months ended 30th June, 2025: HK\$68.2 million) for the period.

DEPRECIATION OF HOTEL PROPERTIES

Name of Hotel	Six months ended		Change HK\$ million
	30.6.2026	30.6.2025	
	HK\$ million	HK\$ million	
Ramada Hong Kong Harbour View	3.0	3.0	–
Ramada Hong Kong Grand	14.7	14.8	-0.1
Best Western Plus Hotel Kowloon	8.6	8.7	-0.1
Best Western Plus Hotel Hong Kong	2.0	1.9	+0.1
Best Western Hotel Causeway Bay	5.7	5.7	–
Grand Bay View Hotel	33.1	33.1	–
Magnificent International Hotel, Shanghai	<u>1.1</u>	<u>1.0</u>	+0.1
Total amount for the period	<u>68.2</u>	<u>68.2</u>	–

FUNDING

As at 30th June, 2026, the **OVERALL DEBTS** of the Group was HK\$527 million (31st December, 2025: HK\$582 million) (reduced by HK\$55 million), of which HK\$522 million (31st December, 2025: HK\$324 million) was assets secured bank borrowings and HK\$5 million was advance from a shareholder (31st December, 2025: HK\$258 million).

As at 30th June, 2026, the gearing ratio was 12% (31st December, 2025: 14%) in terms of overall debts of HK\$527 million (31st December, 2025: HK\$582 million) (HK\$5 million shareholder's loan and HK\$522 million bank loan) against funds employed of HK\$4,239 million before revaluation of all hotel properties (31st December, 2025: HK\$4,219 million).

The overall debts were analysed as follows:

	As at 31st December, 2025 <i>HK\$ million</i>	As at 30th June, 2026 <i>HK\$ million</i>	Change <i>HK\$ million</i>	Interest Paid As at 30th June, 2026 <i>HK\$ million</i>
Bank loans	324	522	+198	8.8
Shareholder's loan	258	5	-253	3.2
Overall debts	582	527	-55	12

FINANCE COST: Of these loans, the total interest expenses amounted to HK\$12 million (six months ended 30th June, 2025: HK\$17.2 million), the bank loans interest expenses amounted to HK\$8.8 million (six months ended 30th June, 2025: HK\$8.2 million) and the shareholders' loan interest expenses amounted to HK\$3.2 million (six months ended 30th June, 2025: HK\$9 million). The decrease in finance cost was due to decrease in interest rate.

The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong Dollar and Pound Sterling. Accordingly, the Group exposes to exchange risk and the management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

As at 30th June, 2026, the Group had a total number of 564 employees (31st December, 2025: 497 employees). Remuneration and benefit were set with reference to the market.

BUSINESS HIGHLIGHTS

During the six months ended 30th June, 2026, the number of overnight visitors in Hong Kong amounted to around 11.5 million (30th June, 2025: 11.3 million) and against 29 million in 2018, among which 66% were mainland visitors and 34% were non-mainland visitors. Per-capita spending of mainland overnight visitors remained low at HK\$5,300 as compared to HK\$6,000 in 2019 pre-pandemic year. The pace of recovery of the tourism industry continues to be affected by declining per-capita spending of mainland visitors. The percentage of tourists spending overnights in Hong Kong in first six months continues to drop from 48% last year to 43% this year. This falling trend indicates that the neighbouring Shenzhen has more advantageous attractions such as tourism hardwares, prices, and service quality that attract tourists to stay overnights.

Throughout the period, the Group achieved an average hotel occupancy rate of over 90%. Compared with last period, the hotel income of the Group increased by 5% to HK\$244 million and the total income of the Group increased by 5% to HK\$272 million.

The Group acquired Wood Street Police Headquarter building in the centre of City of London for GBP40 million on 29th January, 2020 which has a gross internal area of 117,472 s.f. on a 20,000 s.f. island site and obtained planning consents approval to refurbish a deluxe hotel of about 216 guest rooms, restaurant, bar and facilities. Initial phase of works have commenced.

LOOKING AHEAD

The Group has eight income producing hotels, six in Hong Kong, one in Shanghai, one in London, and the Wood Street Hotel refurbishment project in London.

With the weak economy of the PRC, more PRC tourists choose to stay in the Greater Bay area and visit Hong Kong on day trips. In addition, the negative effects of the ongoing Gulf War, which are causing travellers to cancel trips, together with the slowdown of the global economy and inflation driven by high energy prices, are expected to further dampen travel demand.

Future prospects of the hotel business and rental incomes may continue to be challenging and unstable. The management will keep its effort to increase incomes and control costs.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 15th June, 2026, an ordinary resolution was passed by the shareholders of the Company to grant a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue, and deal with additional shares (including any sale or transfer of treasury shares out of treasury) representing up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) as at the date of passing the resolution.

Based on 8,947,051,324 shares in issue on the date of passing the resolution, the Directors were authorized to issue up to 894,705,132 new shares under the general mandate. This mandate provides the Company with the flexibility to enhance the liquidity and public float of its shares when appropriate.

During the reporting period, no new shares had been issued or held in treasury pursuant to this general mandate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2026.

DIRECTORS' INTERESTS IN LISTED SECURITIES

As at 30th June, 2026, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required (a) to be entered in the register required to be kept by the Company under section 352 of the SFO; or (b) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

The Company

Name of director	Capacity	Nature of interests	Number of Shares/ underlying Shares held	Approximate % of shareholding
William Cheng Kai Man	Interest of controlled corporations	Corporate	6,360,585,437 (Note)	71.09

Note:

Shun Ho Property Investments Limited (“Shun Ho Property”) beneficially owned 2,709,650,873 shares of the Company (the “Shares”) (30.29%) and was taken to be interested in 395,656,000 Shares (4.42%) held by Good Taylor Limited, 273,579,983 Shares (3.06%) held by South Point Investments Limited, 3,500,000 Shares (0.04%) held by Shun Ho Technology Developments Limited and 2,978,198,581 Shares (33.29%) held by Fastgrow Engineering & Construction Company Limited (“Fastgrow”), representing a total of 6,360,585,437 Shares (71.09%). Mr. William Cheng Kai Man had controlling interest in the above-mentioned companies. All the above interests in the Shares are long position.

Associated Corporations

Name of director	Name of associated corporation	Capacity	Nature of interests	Number of Shares/ underlying Shares held	Approximate % of shareholding
William Cheng Kai Man	Shun Ho Property (Note 1)	Beneficial owner and interest of controlled corporations	Personal and corporate	385,395,999	66.48
William Cheng Kai Man	Shun Ho Holdings Limited ("Shun Ho Holdings") (Note 2)	Beneficial owner and interest of controlled corporations	Personal and corporate	226,454,825	74.40
William Cheng Kai Man	Magnificent Assets Holdings Limited ("Magnificent Assets Holdings (BVI)") (Note 3)	Beneficial owner	Personal	2	100.00

Notes:

1. Shun Ho Property, the Company's immediate holding company, is a public limited company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange.
2. Shun Ho Holdings, the Company's intermediate holding company, is a public limited company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange.
3. Magnificent Assets Holdings (BVI), the Company's ultimate holding company, is a company incorporated in the British Virgin Islands.
4. All the above interests in the shares of the associated corporations are long position.

Save as disclosed above and save for shares in subsidiaries held by a director in trust for their immediate holding companies, as at 30th June, 2026, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be entered in the register required to be kept by the Company under section 352 of the SFO; or (b) to be notified to the Company and the Stock Exchange pursuant to the Model Code and none of the directors or their associates or their spouse or children under the age of 18, had any right to subscribe for the securities of the Company or associated corporations, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2026, the following persons (not being directors or chief executive of the Company) had interests in the Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity	Number of Shares/ underlying Shares held	Approximate % of shareholding
Shun Ho Property (Note 1)	Beneficial owner and interest of controlled corporations	6,360,585,437 (L)	71.09
Omnico Company Inc. ("Omnico") (Note 2)	Interest of controlled corporations	6,360,585,437 (L)	71.09
Shun Ho Holdings (Note 2)	Interest of controlled corporations	6,360,585,437 (L)	71.09
Magnificent Assets Holdings (BVI) (Note 2)	Interest of controlled corporations	6,360,585,437 (L)	71.09
Liza Lee Pui Ling (Note 3)	Interest of spouse	6,360,585,437 (L)	71.09
Fastgrow	Beneficial owner	2,978,198,581 (L)	33.29
Hashim Majed Hashim A. (Note 4)	Interest of controlled corporations	882,698,524 (L)	9.87
North Salomon Limited (Note 4)	Interest of controlled corporations	882,698,524 (L)	9.87
Saray Capital Limited (Note 4)	Interest of controlled corporations	882,698,524 (L)	9.87
Saray Value Fund SPC (Note 4)	Beneficial owner	882,698,524 (L)	9.87
Alef United Holdings Limited (Note 5)	Beneficial owner	448,080,000 (L)	5.00
Shobokshi Hussam Ali H. (Note 5)	Interest of controlled corporations	448,080,000 (L)	5.00

Notes:

1. Shun Ho Property beneficially owned 2,709,650,873 Shares (30.29%) and was taken to be interested in 395,656,000 Shares (4.42%) held by Good Taylor Limited, 273,579,983 Shares (3.06%) held by South Point Investments Limited, 3,500,000 Shares (0.04%) held by Shun Ho Technology Developments Limited and 2,978,198,581 Shares (33.29%) held by Fastgrow, representing a total of 6,360,585,437 Shares (71.09%). The above-mentioned companies were wholly-owned subsidiaries of Shun Ho Property.
2. Shun Ho Property is directly and indirectly owned as to 60.38% by Omnico, which was in turn owned as to 100% by Shun Ho Holdings, which was in turn directly owned as to 50.60% by Magnificent Assets Holdings (BVI), which was in turn wholly-owned by Mr. William Cheng Kai Man. Therefore, Omnico, Shun Ho Holdings and Magnificent Assets Holdings (BVI) were taken to be interested in 6,360,585,437 Shares (71.09%) by virtue of their direct or indirect interests in Shun Ho Property.
3. Madam Liza Lee Pui Ling was deemed to be interested in 6,360,585,437 Shares (71.09%) by virtue of the interest in such Shares of her spouse, Mr. William Cheng Kai Man, a director of the Company.
4. According to the notice filed by Saray Value Fund SPC ("Saray Value Fund") of event dated 6th April, 2022, Saray Value Fund beneficially held 882,698,524 Shares (9.87%). Saray Value Fund was indirectly controlled by Saray Capital Limited as to 100% and directly controlled by North Salomon Limited as to 67.4%. Saray Capital Limited was controlled by Hashim Majed Hashim A. as to 50%. Therefore Saray Capital Limited, North Salomon Limited and Hashim Majed Hashim A. were taken to be interested in 882,698,524 Shares (9.87%) by virtue of their direct or indirect interests in Saray Value Fund. And according to the filed notices, Shobokshi Hussam Ali H. and Alef United Holdings Limited ceased to be concert parties since 20th February, 2023 and Saray Value SPV Asia I disposed of 8,517,976 Shares and ceased to be a concert party on 14th April, 2022.
5. Alef United Holdings Limited, which was 98.21% controlled by Shobokshi Hussam Ali H., beneficially owned 448,080,000 Shares (5.00%).
6. All the above interests are long position.

Save as disclosed above, there was no person, other than a director or chief executive of the Company, who has an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

INDEPENDENT REVIEW

The interim results for the six months ended 30th June, 2026 are unaudited, but have been reviewed 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, by Deloitte Touche Tohmatsu, whose independent review report is included on page 14 of this interim report. The interim results and the interim report 2026 have also been reviewed by the Group’s Audit Committee.

CORPORATE GOVERNANCE

(a) Compliance with the Corporate Governance Code

During the six months ended 30th June, 2026, the Company has complied with all applicable code provisions of the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange with the exception of the following deviation:

Code Provision C.2.1: chairman and chief executive should not be performed by the same individual

The Company does not have separate appointments for the Chairman and the Chief Executive Officer. Mr. William Cheng Kai Man holds both positions. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It also facilitates planning and execution of the Company’s strategy and is hence, for the interests of the Company and its shareholders. It is also significantly cost-saving for Mr. Cheng, the Chairman to also serve as the Chief Executive Officer, which would have otherwise been recruited from the market at a heavy cost.

(b) Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code throughout the period.

By Order of the Board

William CHENG Kai Man
Chairman

Hong Kong, 26th August, 2026

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF MAGNIFICENT HOTEL INVESTMENTS LIMITED

華大酒店投資有限公司

(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Magnificent Hotel Investments Limited (the “Company”) and its subsidiaries set out on pages 15 to 40, which comprise the condensed consolidated statement of financial position as of 30th June, 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of total 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 condensed consolidated financial statements. 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 “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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.

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 HKICPA. A review of these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26th August, 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

		Six months ended 30th June,	
		2026	2025
	<i>NOTES</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3		
Contracts with customers		243,903	231,238
Leases		26,372	25,380
Dividend income		50	25
Total revenue		270,325	256,643
Cost of sales		(2,195)	(2,105)
Other service costs		(141,318)	(151,896)
Depreciation of property, plant and equipment		(68,206)	(68,222)
Depreciation of right-of-use asset		(413)	(384)
Gross profit		58,193	34,036
Net increase (decrease) in fair value of investment properties	10	1,106	(5,000)
Other income and gains and losses		1,839	1,615
Administrative expenses		(20,869)	(22,205)
– Depreciation		(880)	(887)
– Others		(19,989)	(21,318)
Finance costs	5	(12,002)	(17,177)
Profit (loss) before taxation		28,267	(8,731)
Income tax expense	6	(13,306)	(6,654)
Profit (loss) for the period	7	14,961	(15,385)
Profit (loss) for the period attributable to:			
Owners of the Company		14,398	(15,198)
Non-controlling interests		563	(187)
		14,961	(15,385)
		HK cents	HK cents
Earnings (loss) per share	9		
Basic		0.16	(0.17)

CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

	Six months ended 30th June,	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit (loss) for the period	<u>14,961</u>	<u>(15,385)</u>
Other comprehensive income (expense)		
Item that will not be reclassified to profit or loss		
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	10,516	(12,292)
Item that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	<u>(6,313)</u>	<u>121,222</u>
Other comprehensive income for the period	<u>4,203</u>	<u>108,930</u>
Total comprehensive income for the period	<u>19,164</u>	<u>93,545</u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	18,601	93,732
Non-controlling interests	<u>563</u>	<u>(187)</u>
	<u>19,164</u>	<u>93,545</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE, 2026

		As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
	NOTES		
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,472,172	3,534,235
Right-of-use asset		22,410	21,842
Investment properties	10	1,081,593	1,088,480
Equity instruments at FVTOCI	18	86,491	75,975
		<u>4,662,666</u>	<u>4,720,532</u>
CURRENT ASSETS			
Inventories		1,147	1,156
Trade and other receivables	11	9,494	13,452
Other deposits and prepayments		9,573	10,083
Bank balances and cash		253,150	232,260
		<u>273,364</u>	<u>256,951</u>
CURRENT LIABILITIES			
Trade and other payables and accruals	12	39,885	50,856
Rental and other deposits received		1,282	1,366
Contract liabilities		8,025	9,299
Amount due to immediate holding company	15	–	253,356
Amount due to a shareholder	15	5,088	5,088
Tax liabilities		13,230	6,828
Bank loans	13	280,000	80,000
		<u>347,510</u>	<u>406,793</u>
NET CURRENT LIABILITIES		<u>(74,146)</u>	<u>(149,842)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>4,588,520</u></u>	<u><u>4,570,690</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

AT 30TH JUNE, 2026

		As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
	<i>NOTES</i>		
CAPITAL AND RESERVES			
Share capital	<i>14</i>	841,926	841,926
Reserves		3,389,626	3,371,025
Equity attributable to owners of the Company		4,231,552	4,212,951
Non-controlling interests		7,075	6,512
TOTAL EQUITY		4,238,627	4,219,463
NON-CURRENT LIABILITIES			
Bank loans	<i>13</i>	241,941	243,914
Rental deposits received		1,126	1,126
Deferred tax liabilities		106,826	106,187
		349,893	351,227
		4,588,520	4,570,690

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

	Attributable to owners of the Company								Non-controlling interest HK\$'000	Total HK\$'000
	Share capital HK\$'000	Special capital reserve HK\$'000 (Note a)	Property revaluation reserve HK\$'000 (Note b)	Securities revaluation reserve HK\$'000	Foreign currency translation reserve HK\$'000	Other reserve HK\$'000 (Note c)	Retained profits HK\$'000	Sub-total HK\$'000		
At 1st January, 2025 (audited)	841,926	612,477	1,089	15,847	(100,760)	3,561	2,756,186	4,130,326	6,636	4,136,962
Loss for the period	-	-	-	-	-	-	(15,198)	(15,198)	(187)	(15,385)
Exchange differences arising on translation of foreign operations	-	-	-	-	121,222	-	-	121,222	-	121,222
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	(12,292)	-	-	-	(12,292)	-	(12,292)
Total comprehensive (expense) income for the period	-	-	-	(12,292)	121,222	-	(15,198)	93,732	(187)	93,545
At 30th June, 2025 (unaudited)	<u>841,926</u>	<u>612,477</u>	<u>1,089</u>	<u>3,555</u>	<u>20,462</u>	<u>3,561</u>	<u>2,740,988</u>	<u>4,224,058</u>	<u>6,449</u>	<u>4,230,507</u>
At 1st January, 2026 (audited)	841,926	612,477	1,089	(382)	(10,106)	3,561	2,764,386	4,212,951	6,512	4,219,463
Profit for the period	-	-	-	-	-	-	14,398	14,398	563	14,961
Exchange differences arising on translation of foreign operations	-	-	-	-	(6,313)	-	-	(6,313)	-	(6,313)
Fair value gain on investments in equity instruments at FVTOCI	-	-	-	10,516	-	-	-	10,516	-	10,516
Total comprehensive income (expense) for the period	-	-	-	10,516	(6,313)	-	14,398	18,601	563	19,164
At 30th June, 2026 (unaudited)	<u>841,926</u>	<u>612,477</u>	<u>1,089</u>	<u>10,134</u>	<u>(16,419)</u>	<u>3,561</u>	<u>2,778,784</u>	<u>4,231,552</u>	<u>7,075</u>	<u>4,238,627</u>

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

FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

Notes:

- (a) The special capital reserve represents the difference arising from the reduction of the nominal value of the Company's shares in year 1999.
- (b) The property revaluation reserve arises from the transfer of properties from property, plant and equipment to investment properties and will be transferred to retained profits when the relevant properties are disposed of.
- (c) The other reserve represents the difference between the sales proceeds from the disposal of partial interest in a subsidiary and the reduction of interest in the carrying amounts of assets and liabilities of the subsidiary in previous years.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

	Six months ended 30th June,	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Operating activities		
Profit (loss) before taxation	28,267	(8,731)
Adjustments for:		
Net (increase) decrease in fair value of investment properties	(1,106)	5,000
Loss on disposal of property, plant and equipment	1	12
Depreciation of property, plant and equipment	69,086	69,109
Depreciation of right-of-use asset	413	384
Other non-cash items	10,454	15,947
Operating cash flows before movements in working capital	107,115	81,721
Decrease in trade and other payables and accruals	(10,777)	(7,654)
Decrease (increase) in other deposits and prepayments	510	(635)
Decrease in contract liabilities	(1,274)	(401)
Decrease in rental and other deposits received	(84)	(94)
Decrease in trade and other receivables	4,146	2,105
Decrease in inventories	9	44
Cash generated from operations	99,645	75,086
Hong Kong Profits Tax paid	(1,034)	(111)
Income tax paid in other jurisdictions	(5,441)	(4,881)
Net cash from operating activities	93,170	70,094
Investing activities		
Addition of property, plant and equipment	(9,888)	(3,017)
Proceeds from disposal of property, plant and equipment	6	–
Interest received	1,360	1,190
Net cash used in investing activities	(8,522)	(1,827)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Continued)
FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

	Six months ended 30th June,	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Financing activities		
Repayment of bank loans	(31,877)	(99,882)
Repayment to immediate holding company	(256,563)	(26,831)
Interest paid	(8,989)	(8,272)
Repayment to a shareholder	–	(2,399)
New bank loan raised	<u>232,000</u>	<u>32,000</u>
Net cash used in financing activities	<u>(65,429)</u>	<u>(105,384)</u>
Net increase (decrease) in cash and cash equivalents	19,219	(37,117)
Cash and cash equivalents at the beginning of the period	232,260	203,139
Effect of foreign exchange rate changes	<u>1,671</u>	<u>8,332</u>
Cash and cash equivalents at the end of the period, represented by bank balances and cash	<u>253,150</u>	<u>174,354</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

1. BASIS OF PREPARATION

Magnificent Hotel Investments Limited (the “Company”) is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The Company’s immediate and intermediate holding company are Shun Ho Property Investments Limited and Shun Ho Holdings Limited, respectively, both are public limited companies incorporated in Hong Kong whose shares are listed on the Hong Kong Stock Exchange. The directors of the Company consider the Company’s ultimate holding company to be Magnificent Assets Holdings Limited, an international business company incorporated in the British Virgin Islands.

The condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are the investment and operation of hotels, property investment and securities investment.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The financial information relating to the year ended 31st December, 2025 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2025 to the Register 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 those financial statements. 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 sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

1. BASIS OF PREPARATION (*Continued*)

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31st December, 2025.

The application of all amendments to HKFRS Accounting Standards issued by the HKICPA are disclosed below.

Application of amendments to HKFRS Accounting Standards

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

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

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

3. REVENUE

Revenue represents the aggregate of income from operation of hotels, property rental and dividend income, and is analysed as follows:

	Six months ended 30th June,	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Income from operation of hotels	243,903	231,238
Income from property rental	26,372	25,380
Dividend income	50	25
	<u>270,325</u>	<u>256,643</u>

Disaggregation of revenue for operation of hotels:

Types of goods or services (time of revenue recognition):		
Room revenue and other ancillary services (recognised over time)	234,469	223,334
Food and beverage (recognised at a point in time)	9,434	7,904
	<u>243,903</u>	<u>231,238</u>

Geographical markets:

Hong Kong	230,322	218,879
The People's Republic of China (the "PRC")	13,581	12,359
	<u>243,903</u>	<u>231,238</u>

4. SEGMENT INFORMATION

The Group's operating and reportable segments, based on information reported to the chief operating decision maker (the "CODM"), being the Chairman of the Company, for the purpose of resources allocation and performance assessment are as follows:

1. Hospitality services – Best Western Plus Hotel Kowloon
2. Hospitality services – Best Western Plus Hotel Hong Kong
3. Hospitality services – Magnificent International Hotel, Shanghai
4. Hospitality services – Best Western Hotel Causeway Bay
5. Hospitality services – Ramada Hong Kong Harbour View
6. Hospitality services – Ramada Hong Kong Grand
7. Hospitality services – Wood Street Hotel
8. Hospitality services – Grand Bay View Hotel
9. Property investment – Shops, hotel and residential properties
10. Securities investment

Information regarding the above segments is reported below.

4. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment for both periods:

	Segment revenue		Segment results	
	Six months		Six months	
	ended 30th June,		ended 30th June,	
	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hospitality services	243,903	231,238	31,771	8,631
– Best Western Plus Hotel Kowloon	27,710	26,944	912	(99)
– Best Western Plus Hotel Hong Kong	42,683	40,828	16,879	13,093
– Magnificent International Hotel, Shanghai	13,581	12,359	3,271	2,882
– Best Western Hotel Causeway Bay	26,033	24,526	2,026	(542)
– Ramada Hong Kong Harbour View	44,509	41,567	17,443	12,242
– Ramada Hong Kong Grand	43,256	40,515	6,217	1,181
– Grand Bay View Hotel	46,131	44,499	(14,977)	(20,126)
Property investment	26,372	25,380	27,478	20,380
Securities investment	50	25	50	25
	<u>270,325</u>	<u>256,643</u>	<u>59,299</u>	<u>29,036</u>
Other income and gains and losses			1,839	1,615
Administrative expenses			(20,869)	(22,205)
Finance costs			(12,002)	(17,177)
Profit (loss) before taxation			<u>28,267</u>	<u>(8,731)</u>

Segment profit/loss represents the profit earned by/loss from each segment without allocation of administrative costs, other income and gains and losses and finance costs. This is the measure reported to the CODM, for the purposes of resources allocation and performance assessment.

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales for both periods.

4. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

	As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
Segment assets		
Hospitality services	3,440,516	3,506,291
– Best Western Plus Hotel Kowloon	182,252	190,795
– Best Western Plus Hotel Hong Kong	296,079	298,002
– Magnificent International Hotel, Shanghai	55,280	54,617
– Best Western Hotel Causeway Bay	241,977	248,311
– Ramada Hong Kong Harbour View	461,857	465,685
– Ramada Hong Kong Grand	505,068	519,792
– Wood Street Hotel	439,361	435,987
– Grand Bay View Hotel	1,258,642	1,293,102
Property investment	1,081,593	1,088,480
Securities investment	86,491	75,975
Total segment assets	4,608,600	4,670,746
Unallocated assets	327,430	306,737
Consolidated assets	4,936,030	4,977,483

4. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

The following is an analysis of the Group's assets and liabilities by operating and reportable segment: *(Continued)*

	As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
Segment liabilities		
Hospitality services	31,476	42,719
– Best Western Plus Hotel Kowloon	4,346	5,615
– Best Western Plus Hotel Hong Kong	4,031	5,931
– Magnificent International Hotel, Shanghai	2,117	1,555
– Best Western Hotel Causeway Bay	3,609	6,297
– Ramada Hong Kong Harbour View	4,210	6,084
– Ramada Hong Kong Grand	4,561	7,204
– Grand Bay View Hotel	8,602	10,033
Property investment	15,536	15,560
Securities investment	<u>1</u>	<u>1</u>
Total segment liabilities	47,013	58,280
Unallocated liabilities	<u>650,390</u>	<u>699,740</u>
Consolidated liabilities	<u>697,403</u>	<u>758,020</u>

4. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than the Group's head office corporate assets (including certain property, plant and equipment), all bank balances and cash and certain other receivables and deposits; and
- all liabilities are allocated to operating and reportable segments other than the Group's head office corporate liabilities, amount due to immediate holding company, amount due to a shareholder, bank loans, tax liabilities and deferred tax liabilities.

5. FINANCE COSTS

	Six months ended 30th June,	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interests on:		
Bank loans	8,795	8,195
Amount due to immediate holding company (<i>note 15(a)</i>)	<u>3,207</u>	<u>8,982</u>
	<u>12,002</u>	<u>17,177</u>

6. INCOME TAX EXPENSE

	Six months ended 30th June, 2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
--	---	---------------------------------

The taxation expense comprises:

Current tax:

Hong Kong	6,888	3,933
The PRC	788	–
The United Kingdom (the “UK”)	4,626	4,231
	12,302	8,164

Underprovision in prior years:

Hong Kong	–	111
The PRC	365	–
	365	111

	12,667	8,275
--	---------------	-------

Deferred tax

	639	(1,621)
	13,306	6,654

Hong Kong Profits Tax is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The annual tax rate used is 16.5% for the six months ended 30th June, 2026 (six months ended 30th June, 2025: 16.5%).

Taxation arising in the PRC and the UK are recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year prevailing in the relevant jurisdictions.

Deferred tax liabilities on the temporary differences attributable to the undistributed retained profit earned by the Company’s PRC subsidiary amounted to HK\$200,000 (six months ended 30th June, 2025: HK\$275,000) were charged to profit or loss for the six months ended 30th June, 2026.

The Group is operating in certain jurisdictions where the Pillar Two Rules is enacted but not effective. However, as the Group’s consolidated annual revenue is expected to be less than EUR750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

7. PROFIT (LOSS) FOR THE PERIOD

Six months ended 30th June,	
2026	2025
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

Profit (loss) for the period has been arrived at
after charging (crediting) the following items:

Depreciation of right-of-use asset	413	384
Depreciation of property, plant and equipment	69,086	69,109
Interest income from bank deposits (<i>Note</i>)	(1,548)	(1,230)
Loss on disposal of property, plant and equipment (<i>Note</i>)	<u>1</u>	<u>12</u>

Note: The amounts are included in other income and gains and losses.

8. DIVIDEND

During the six months ended 30th June, 2026 and 30th June, 2025, no dividend was declared and paid to shareholders for the year ended 31st December, 2025 and 31st December, 2024.

The directors have resolved not to declare an interim dividend for the six months ended 30th June, 2026 and 30th June, 2025.

9. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share is based on the profit for the period attributable to owners of the Company of HK\$14,398,000 (loss for six months ended 30th June, 2025: HK\$15,198,000) and on 8,947,051,000 shares (six months ended 30th June, 2025: 8,947,051,000 shares) in issue during the period.

Diluted earnings (loss) per share for both periods are not presented as there are no potential ordinary shares outstanding during both periods.

10. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six months ended 30th June, 2026, the Group acquired property, plant and equipment of HK\$9,888,000 (six months ended 30th June, 2025: HK\$3,017,000).

The Group has disposed of property, plant and equipment with carrying amount of HK\$7,000 (six months ended 30th June, 2025: HK\$12,000), resulting in a loss on disposal of HK\$1,000 (six months ended 30th June, 2025: HK\$12,000).

Investment properties are stated at fair value based on the valuations performed by independent professional valuers which are not connected with the Group. The fair value is derived by using income approach to assess the market value of the investment properties. During the assessment of the fair values of investment properties, the valuers and the Directors of the Company have exercised their judgement and are satisfied that the method of valuation and the key inputs, including term yield, reversionary yield and market rent, are reflective of the current market conditions. If there are changes in the assumptions used for the valuations, the fair value of the investment properties will change in the future.

The resulting net increase in fair value of investment properties of HK\$1,106,000 (net decrease for six months ended 30 June, 2025: HK\$5,000,000) has been recognised directly in profit or loss for the six months ended 30th June, 2026.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The income approach estimates the values of the properties on an open market basis by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancies and potential future reversionary income at the market level. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease and is capitalised on a fully leased basis. In this approach, the Valuers have considered the term yield and reversionary yield. The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income.

11. TRADE AND OTHER RECEIVABLES

	As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
Trade receivables from contracts with customers	4,267	9,163
Other receivables	5,227	4,289
	9,494	13,452

Except for a credit period of 30 to 60 days granted to travel agencies and certain customers of the hotels, the Group does not allow any credit period to customers. The following is an aged analysis of the Group's trade receivables from contracts with customers presented based on the invoice date at the end of the reporting period:

	As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
Not yet due	4,158	8,805
Overdue:		
0 – 30 days	79	272
31 – 60 days	23	73
61 – 90 days	7	13
	4,267	9,163

12. TRADE AND OTHER PAYABLES AND ACCRUALS

	As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
Trade payables	4,156	3,989
Interest payables	188	382
Other payables	6,169	4,914
Legal and professional fee payables	2,436	2,522
Rental receipt in advance	11,477	11,506
Accrued staff costs	7,405	15,013
Other accruals	8,054	12,530
	<u>39,885</u>	<u>50,856</u>

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
0 – 30 days	4,148	3,977
31 – 60 days	8	5
61 – 90 days	–	7
	<u>4,156</u>	<u>3,989</u>

13. BANK LOANS

	As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
Secured bank loans	<u>521,941</u>	<u>323,914</u>
The carrying amounts of bank loans are repayable (based on scheduled repayment dates set out in the loan agreements):		
Within a period of more than two years but not exceeding five years	<u>241,941</u>	<u>243,914</u>
The carrying amounts of bank loans that contain a repayable on demand clause (shown under current liabilities) but repayable:		
Within one year	<u>280,000</u>	<u>80,000</u>
	<u>521,941</u>	<u>323,914</u>
Amounts shown under current liabilities	280,000	80,000
Amounts shown under non-current liabilities	<u>241,941</u>	<u>243,914</u>
	<u>521,941</u>	<u>323,914</u>

All the Group's bank loans are floating rate borrowings. The bank loans are secured over certain of the Group's assets as disclosed in note 17. Effective interest rate is 4.16% per annum (31st December, 2025: 4.76% per annum).

14. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares		
Issued and fully paid:		
At 1st January, 2025 (audited),		
30th June, 2025 (unaudited),		
31st December, 2025 (audited) and		
30th June, 2026 (unaudited)	<u>8,947,051</u>	<u>841,926</u>

15. RELATED PARTY TRANSACTIONS AND BALANCES

Other than those disclosed in the condensed consolidated financial statements, the Group had the following transactions and balances with related parties during the periods and as at period/year ends:

	Six months ended 30th June, 2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Transactions during the period:		
Shun Ho Property Investments Limited (the Company's immediate holding company) and its subsidiaries*		
Expense related to short term leases	520	520
Interest expenses (<i>Note a</i>)	3,207	8,982
Corporate management fee income for administrative facilities provided	2,327	2,323
Shun Ho Holdings Limited (the Company's intermediate holding company)		
Corporate management fee income for administrative facilities provided	75	75
Rental income from Mr. William Cheng Kai Man	420	420
Compensation of key management personnel (<i>Note c</i>)	<u>6,675</u>	<u>6,651</u>

15. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

	As at 30th June, 2026 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2025 <i>HK\$'000</i> (Audited)
Balances as at period/year end:		
Amount due to immediate holding company <i>(Note a)</i>	–	253,356
Amount due to Mr. William Cheng Kai Man <i>(Note b)</i>	<u>5,088</u>	<u>5,088</u>

* exclude the Company and its subsidiaries

Notes:

- (a) During the six months ended 30th June 2026, the amount due to immediate holding company was unsecured, carried interest at 4.13% per annum (31st December, 2025: 4.62% per annum) and repayable on demand. The amount was fully settled during the period.
- (b) The amount due to a shareholder which is non-trade related, unsecured, interest-free and repayable on demand.
- (c) The compensation of key management personnel comprised short-term and post-employment benefits attributable to such personnel.

16. CAPITAL COMMITMENTS

As at 30th June, 2026, the Group had commitments contracted for but not provided in the condensed consolidated financial statements in respect of expenditure on construction in progress amounting to HK\$16,851,000.

17. PLEDGE OF ASSETS

At the end of the reporting period, the bank loan facilities of the Group were secured by the followings:

- (a) investment properties and hotel properties of the Group with carrying amounts as at 30th June, 2026 of approximately HK\$1,005 million (31st December, 2025: HK\$1,014 million), and HK\$1,416 million (31st December, 2025: HK\$1,442 million), respectively;
- (b) pledge of shares in certain subsidiaries of the Company with an aggregate net asset value as at 30th June, 2026 of approximately HK\$724 million (31st December, 2025: HK\$706 million);
- (c) assignment of property rental of certain subsidiaries of the Company; and
- (d) assignment of insurance on an investment property.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and key inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique and key input
	30th June, 2026 <i>HK\$'000</i> (Unaudited)	31st December, 2025 <i>HK\$'000</i> (Audited)		
Equity instruments at FVTOCI	<u>86,491</u>	<u>75,975</u>	Level 1	Quoted bid prices in an active market

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.