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漢國置業有限公司 Hon Kwok Land Investment Company, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 160)

2025-26 INTERIM RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Performance and Perspective

For the interim six months ended 30 September 2025, our Group delivered approximately 38.5% higher revenues of HK\$438.2 million, compared to HK\$316.4 million over the same period last year. More importantly, we had higher operating profitability of HK\$58.0 million from HK\$47.4 million a year ago. This stellar result was due to disciplined execution and strong sales at our Guangzhou residential project, “*The Riverside*”, which performed well despite a challenging property market. We are proud of the team’s achievements.

That said, we are not immune to market realities. Revaluation losses on investment properties (net of deferred tax) came in at approximately HK\$285.1 million, up sharply from HK\$86.5 million last year. As a result, we expect to report a net loss attributable to shareholders of around HK\$227.1 million for the period. These are hard numbers, and we face them head-on.

The Macro Backdrop

The global economy remains in flux. As of this Chairman’s Statement, the US government is reopening after shutting down for more than 40 days, creating uncertainty in markets around the world. Signs of unemployment levels rising are everywhere from China, to the US, to our home Hong Kong. Inflation and interest rates are still elevated. Consumer sentiment remains apprehensive ahead of the all important Christmas season. China’s property sector continues to recalibrate, with policy support stabilizing but not yet reigniting growth. Hong Kong’s real estate market is mired in high office and retail vacancies, although we are seeing green shoots in hospitality and technology sectors. Shenzhen, in particular, is emerging as a high-tech powerhouse, backed by national policy and infrastructure investment. This is a trend we are watching closely.

Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (2024: Nil).

Business review

Across our commercial and retail leasing portfolio in Mainland China—Shenzhen, Guangzhou and Chongqing—we have held steady. Our *HONKWORK* co-working spaces and *HonLink* leasing program are attracting tenants with flexible, speedy, and sustainable solutions. In Hong Kong, Hon Kwok Jordan Centre and our fully leased data centre continue to deliver reliable income, reinforcing our recurring revenue base.

Residential sales were led by “*The Riverside*”, which contributed HK\$56.6 million in operating profit. Sales have been consistent, and the retail podium “*Tung Hing Fong*” is performing well with a curated tenant mix that resonates with local demand. This proves that the mixed-use concept continues to remain resilient among consumers.

In hospitality, our Japan hotel portfolio continues to shine. Occupancy and room rates are strong in Tokyo and Osaka, validating our long-term investment thesis in the region. Back home, the Bauhinia Central Hotel is set to reopen officially in January 2026, with retail space already fully leased. We expect it to be a meaningful contributor in the second half.

Looking Ahead

While the anticipated 50 basis point drop in interest rates lowered finance charges, market sentiment has not improved significantly. Hopefully, this will manifest as greater business activity in the coming months.

As challenging economic conditions persist, we are focussed on managing the things that are fully in our control: our financial performance, our portfolio, and our people. As peers around us flounder, we are survivors. And our improvements will deliver even stronger results in the coming months.

We are cautiously optimistic. The upcoming APEC summit in Shenzhen and the city’s continued evolution into a tech hub open new doors. We will stay focused on refining our asset mix, exploring opportunities in property technology and AI infrastructure, and maintaining a disciplined approach to capital allocation. Our goal remains unchanged: build long-term value through smart investments and operational excellence.

Appreciation

To our shareholders, partners, and customers: thank you for your trust. To our team: your grit and commitment to navigating these challenges is what drives us forward. We are not chasing short-term wins. We are building something durable, and we are in this journey together.

James Sing-Wai Wong
Chairman

Hong Kong, 25 November 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 September 2025		2024
	Notes	(Unaudited) HK\$'000	(Unaudited) HK\$'000	
Revenue	3	438,236	316,428	
Cost of sales		<u>(190,153)</u>	<u>(127,774)</u>	
Gross profit		248,083	188,654	
Other income	3	22,629	33,219	
Fair value losses on investment properties, net		(316,140)	(56,474)	
Administrative expenses		(40,438)	(44,056)	
Other operating income/(expenses), net		(6,144)	737	
Finance costs	4	(101,479)	(137,534)	
Share of profit/(loss) of an associate		(2,271)	29,278	
Share of loss of a joint venture		<u>(497)</u>	<u>(1,245)</u>	
Profit/(loss) before tax	5	(196,257)	12,579	
Income tax expense	6	<u>(6,558)</u>	<u>(19,026)</u>	
Loss for the period		<u>(202,815)</u>	<u>(6,447)</u>	
Attributable to:				
Owners of the Company		(227,060)	(39,094)	
Non-controlling interests		<u>24,245</u>	<u>32,647</u>	
		<u>(202,815)</u>	<u>(6,447)</u>	
Loss per share attributable to ordinary equity holders of the Company				
Basic and diluted	7	<u>HK\$(0.32)</u>	<u>HK\$(0.05)</u>	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(202,815)	(6,447)
Other comprehensive income/(loss)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income of an associate	5,916	17,879
Exchange differences on translation of foreign operations	166,101	479,105
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	172,017	496,984
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(681)	-
Total comprehensive income/(loss) for the period	(31,479)	490,537
Attributable to:		
Owners of the Company	(57,329)	448,328
Non-controlling interests	25,850	42,209
	(31,479)	490,537

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 September 2025 (Unaudited) HK\$'000	At 31 March 2025 (Audited) HK\$'000
Notes		
NON-CURRENT ASSETS		
Property, plant and equipment	243,664	232,211
Investment properties	14,740,822	14,877,026
Investments in joint ventures	390,770	391,267
Investment in an associate	779,476	775,831
Financial assets at fair value through other comprehensive income	38,918	37,790
Total non-current assets	<u>16,193,650</u>	<u>16,314,125</u>
CURRENT ASSETS		
Tax recoverable	35,106	35,614
Properties held for sale under development and completed properties held for sale	1,089,971	1,074,838
Trade receivables	23,097	11,047
Contract costs	18,447	18,401
Prepayments, deposits and other receivables	431,154	371,477
Financial assets at fair value through profit or loss	6,971	7,247
Amount due from a joint venture	81,166	56,616
Cash and cash equivalents	851,808	1,043,470
Total current assets	<u>2,537,720</u>	<u>2,618,710</u>
CURRENT LIABILITIES		
Trade payables, other payables and accrued liabilities	194,407	282,826
Derivative financial instruments	4,698	1,435
Interest-bearing bank borrowings	673,541	535,955
Lease liabilities	20,634	16,933
Contract liabilities	56,052	42,395
Customer deposits	80,352	74,932
Tax payable	98,940	81,257
Total current liabilities	<u>1,128,624</u>	<u>1,035,733</u>
NET CURRENT ASSETS	<u>1,409,096</u>	<u>1,582,977</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>17,602,746</u>	<u>17,897,102</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	5,574,329	5,779,610
Lease liabilities	23,716	11,483
Deferred tax liabilities	1,173,101	1,223,351
Total non-current liabilities	<u>6,771,146</u>	<u>7,014,444</u>
Net assets	<u>10,831,600</u>	<u>10,882,658</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	At 30 September 2025 (Unaudited) HK\$'000	At 31 March 2025 (Audited) HK\$'000
EQUITY		
Equity attributable to owners of the Company		
Share capital	1,519,301	1,519,301
Reserves	<u>8,928,325</u>	<u>9,007,267</u>
	10,447,626	10,526,568
Non-controlling interests	<u>383,974</u>	<u>356,090</u>
Total equity	<u>10,831,600</u>	<u>10,882,658</u>

Notes:

1. Basis of preparation and changes in accounting policies and disclosures

Basis of preparation

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

The unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2025.

The financial information relating to the year ended 31 March 2025 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 September 2025 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

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

The Company’s auditor has reported on those consolidated 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 Companies Ordinance.

Changes in accounting policies and disclosures

The unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value. The accounting policies adopted in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2025, except as described below. The Group has applied, for the first time, the following amended HKFRS Accounting Standard issued by the HKICPA for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the amended HKFRS Accounting Standard does not have material impact on the Group’s unaudited condensed interim consolidated financial statements.

2. Operating segment information

The Group is principally engaged in property development, property investment and property related activities. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Operating segments are reported in a manner consistent with the internal reporting provided to key management personnel.

Six months ended 30 September 2025 (Unaudited)

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
Segment revenue:				
Sales to external customers	<u>188,689</u>	<u>229,283</u>	<u>20,264</u>	<u>438,236</u>
Segment results	<u>107,524</u>	<u>(169,111)</u>	<u>(5,586)</u>	<u>(67,173)</u>
<i>Reconciliation:</i>				
Interest income				3,361
Unallocated expenses				(26,196)
Fair value losses on derivative financial instruments				(3,263)
Fair value loss on a financial asset at fair value through profit or loss				(276)
Finance costs (other than interest on lease liabilities)				(99,942)
Share of loss of an associate				(2,271)
Share of loss of a joint venture				<u>(497)</u>
Loss before tax				<u><u>(196,257)</u></u>

Six months ended 30 September 2024 (Unaudited)

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
Segment revenue:				
Sales to external customers	<u>52,643</u>	<u>239,432</u>	<u>24,353</u>	<u>316,428</u>
Segment results	<u>36,349</u>	<u>103,971</u>	<u>(1,330)</u>	138,990
<i>Reconciliation:</i>				
Interest income				7,752
Unallocated expenses				(26,716)
Fair value gain on a financial asset at fair value through profit or loss				391
Finance costs (other than interest on lease liabilities)				(135,871)
Share of profit of an associate				29,278
Share of loss of a joint venture				<u>(1,245)</u>
Profit before tax				<u><u>12,579</u></u>

2. Operating segment information (Continued)

At 30 September 2025 (Unaudited)

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
Segment assets	1,721,527	15,390,721	3,311,518	20,423,766
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(3,798,265)
Investments in joint ventures				390,770
Investment in an associate				779,476
Financial assets at fair value through profit or loss				6,971
Financial assets at fair value through other comprehensive income				38,918
Corporate and other unallocated assets				<u>889,734</u>
Total assets				<u>18,731,370</u>
Segment liabilities	1,236,690	2,381,040	558,471	4,176,201
<i>Reconciliation:</i>				
Elimination of intersegment payables				(3,798,265)
Corporate and other unallocated liabilities				<u>7,521,834</u>
Total liabilities				<u>7,899,770</u>

At 31 March 2025 (Audited)

	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
Segment assets	1,661,920	15,507,687	3,057,864	20,227,471
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(3,585,855)
Investments in joint ventures				391,267
Investment in an associate				775,831
Financial assets at fair value through profit or loss				7,247
Financial assets at fair value through other comprehensive income				37,790
Corporate and other unallocated assets				<u>1,079,084</u>
Total assets				<u>18,932,835</u>
Segment liabilities	1,264,407	2,370,197	381,255	4,015,859
<i>Reconciliation:</i>				
Elimination of intersegment payables				(3,585,855)
Corporate and other unallocated liabilities				<u>7,620,173</u>
Total liabilities				<u>8,050,177</u>

3. Revenue and other income

Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Six months ended 30 September 2025 (Unaudited)				
Segment	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
Type of goods or services				
Sales of properties	188,689	-	-	188,689
Property management income	-	22,163	3,898	26,061
Total revenue from contracts with customers	188,689	22,163	3,898	214,750
Revenue from other sources				
Gross rental income	-	207,120	16,366	223,486
Total revenue from contracts with customers	188,689	229,283	20,264	438,236
Timing of revenue recognition				
Goods transferred at a point in time	188,689	-	-	188,689
Services transferred over time	-	22,163	3,898	26,061
Total revenue from contracts with customers	188,689	22,163	3,898	214,750
Six months ended 30 September 2024 (Unaudited)				
Segment	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
Type of goods or services				
Sales of properties	52,643	-	-	52,643
Property management income	-	20,066	1,262	21,328
Total revenue from contracts with customers	52,643	20,066	1,262	73,971
Revenue from other sources				
Gross rental income	-	219,366	23,091	242,457
Total revenue from other sources	-	219,366	23,091	242,457
Revenue disclosed in the segment information	52,643	239,432	24,353	316,428
Timing of revenue recognition				
Goods transferred at a point in time	52,643	-	-	52,643
Services transferred over time	-	20,066	1,262	21,328
Total revenue from contracts with customers	52,643	20,066	1,262	73,971

3. Revenue and other income *(Continued)*

Other income

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Bank interest income	3,361	7,752
Others	19,268	25,467
	<u>22,629</u>	<u>33,219</u>

4. Finance costs

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank and other loans	124,558	190,054
Interest on lease liabilities	1,537	1,663
Less: Interest capitalised under properties under development and investment properties	(24,616)	(54,183)
	<u>101,479</u>	<u>137,534</u>

5. Profit/(loss) before tax

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

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipments	3,507	3,195
Depreciation on right-of-use assets*	18,721	20,705
Fair value losses on derivative financial instruments	3,263	-
Fair value loss/(gain) on financial assets at fair value through profit or loss	276	(391)
Employee benefit expenses (including directors' remuneration)	36,131	36,513
Less: Amounts capitalised under investment properties under development	(14,500)	(18,800)
	<u>21,631</u>	<u>17,713</u>

* Included in the amount are the depreciation of leased carparks of HK\$10,745,000 (2024: HK\$14,421,000) which are included in "Cost of sales" in the condensed consolidated statement of profit or loss.

6. Income tax

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong	-	-
Elsewhere	29,275	18,293
Land appreciation tax in Mainland China	28,261	-
	57,536	18,293
Deferred tax	(50,978)	733
Total tax charge for the period	6,558	19,026

No Hong Kong profits tax has been provided as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Land appreciation tax has been calculated in conformity with the prevailing rules and practices on the Group's completed projects in Mainland China at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

7. Loss per share attributable to ordinary equity holders of the Company

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company of HK\$227,060,000 (2024: HK\$39,094,000) and the number of 720,429,301 ordinary shares in issue during both periods.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 September 2025 and 2024 in respect of a dilution as the Group has no potential dilutive ordinary shares in issue during both periods.

8. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (2024: Nil).

The final dividend of 3 Hong Kong cents per ordinary share for the year ended 31 March 2025 was approved by the Company's shareholders at the annual general meeting of the Company held on 29 August 2025 and paid on 6 October 2025.

9. Trade receivables

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

	At 30 September 2025 (Unaudited) HK\$'000	At 31 March 2025 (Audited) HK\$'000
Within 30 days	9,922	1,349
31 to 60 days	2,209	402
61 to 90 days	433	430
Over 90 days	10,533	8,866
Total	23,097	11,047

9. Trade receivables (Continued)

Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of the sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Overdue trade debts are closely monitored by management and are provided for in full in case of non-recoverability. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate to their fair values.

10. Trade payables, other payables and accrued liabilities

		At 30 September 2025 (Unaudited) HK\$'000	At 31 March 2025 (Audited) HK\$'000
	Notes		
Trade payables	(a)	8,485	16,672
Other payables and accrued liabilities	(b)	165,959	224,154
Amounts due to the immediate holding company	(c)	19,963	42,000
Total		194,407	282,826

Notes:

- (a) As at 30 September 2025 and 31 March 2025, the trade payables as at the end of the reporting period, based on the invoice date are within 30 days. The trade payables are non-interest-bearing and are normally settled on 30-day terms.
- (b) Other payables and accrued liabilities are non-interest-bearing and there are generally no credit terms.
- (c) As at 30 September 2025, the amounts due to the immediate holding company of HK\$19,963,000 (as at 31 March 2025: HK\$42,000,000) are unsecured, interest-bearing at Hong Kong Interbank Offered Rate ("HIBOR") + 2.67% per annum and repayable on demand.

11. Contingent liabilities

- (a) As at 30 September 2025, the Group has given a guarantee of HK\$487,500,000 (as at 31 March 2025 (audited): HK\$487,500,000) to a bank in connection with a facility granted to a joint venture and such banking facility guaranteed by the Group to the joint venture was utilised to the extent of HK\$255,300,000 (as at 31 March 2025 (audited): HK\$237,500,000).
- (b) As at 30 September 2025, the Group has given guarantees of HK\$21,930,000 (as at 31 March 2025 (audited): HK\$178,200,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property ownership certificates to the purchasers.

12. Event after reporting period

On 28 October 2025, HKL Holdings (BVI) Limited ("HKL Holdings (BVI)", a direct wholly-owned subsidiary of the Company) entered into the Provisional Sale and Purchase Agreement with an independent third party to dispose of its interests in the hotel property located at Knutsford Place, Hong Kong via sale of share together with assignment of shareholder's loans in Oseling Investments Limited, a direct wholly-owned subsidiary of HKL Holdings (BVI), and its subsidiaries (altogether the "Target Group"), at a cash consideration based on agreed property value of HK\$338,000,000 plus net asset value of the Target Group. The loss on disposal, estimated to be HK\$14,000,000, will be recognised in the Group upon completion of the transaction.

The transaction constituted a major transaction to the Group under the Listing Rules. Details of the transaction was set out in the announcement of the Company dated 28 October 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group's revenues grew by 38.5% to HK\$438.2 million in the six months ended 30 September 2025 (2024: HK\$316.4 million), primarily derived both from the property sales of the only residential project in Guangzhou "The Riverside" and the rental income generated from investment properties in Hong Kong, Mainland China and Japan.

Despite subdued property market condition, the Group's core operating profit increased by 22.4% to HK\$58.0 million during the six months ended 30 September 2025 (2024: HK\$47.4 million). Since our Guangzhou residential project "The Riverside" was launched to market for sale as completed units, it has been well received by the market given its prime location and attractive design and product quality. Up to the date of this results announcement, total contracted sales of "The Riverside" amounted to approximately HK\$640 million, of which, property sales of HK\$180.2 million was recognised in this period (HK\$399.4 million in 2024/2025). It is expected that the contracted but not yet recognised sales amounting to HK\$60.4 million will be booked in the second half of financial year 2025/2026.

In light of the general decline in property market prices in Hong Kong and Mainland China, the Group recorded net revaluation losses on investment properties of HK\$285.1 million (2024: HK\$86.5 million), which in substance, is non-cash in nature and will not affect the overall financial position of the Group.

Taking into account the net revaluation deficit on investment properties, net loss attributable to shareholders was HK\$227.1 million (2024: HK\$39.1 million). Basic loss per share was HK\$0.32 (2024: HK\$0.05). As at 30 September 2025, shareholders' equity was HK\$10,448 million (as at 31 March 2025: HK\$10,527 million) and net assets per share attributable to shareholders stood at HK\$14.50 (as at 31 March 2025: HK\$14.61). Gearing ratio of the Group edged up slightly to 50.2% as at 30 September 2025 (as at 31 March 2025: 48.7%) which remains at acceptable level.

(1) Property Development

During the six months ended 30 September 2025, the property development segment revenue surged by 258.7% to HK\$188.7 million (2024: HK\$52.6 million) with operating profit increased by 196.1% to HK\$107.5 million (2024: HK\$36.3 million). This was generated from the property sales of "The Riverside" as well as the remaining car parking spaces in Metropolitan Oasis and Botanica. The significant increase in revenue was due to the property sales recognised from "The Riverside".

(i) Property Development – Mainland China

The Group's property development projects located in Mainland China consist of (i) The Riverside, a wholly-owned residential project on Beijing Road in the Yue Xiu District of Guangzhou; (ii) the Metropolitan Oasis, a wholly-owned residential project in Nanhai; and (iii) the Enterprise Square in the Nanshan District of Shenzhen in which the Group owns a 20% interest.

The Riverside offers 144 units for sale and was first launched for sale in late 2023. Up to the date of this announcement, 68 residential units were sold contributing contracted sales of approximately HK\$640 million.

All residential units in Metropolitan Oasis have been sold in prior years, whereas the remaining car parking spaces were left in inventory for continuing sale.

Enterprise Square, of which the Group owns a 20% interest, reported revenue of HK\$120 million (2024: HK\$102 million). Net loss attributable to the Group in respect of its 20% interest in Enterprise Square amounted to HK\$2.3 million (2024: net profit of HK\$29.3 million), which included the fair value losses of the investment properties of HK\$10.7 million (2024: HK\$4 million).

(ii) Property Development – Hong Kong

The Group holds 50% interest in a development project at South Bay Road, Repulse Bay. This project is being developed into luxury residences with panoramic sea view. Construction works are progressing well according to development schedule.

(2) Property Investment

During the six months ended 30 September 2025, rental income from the Group's investment properties slipped by 4.3% only to HK\$229.2 million (2024: HK\$239.4 million), with operating loss of HK\$169.1 million (2024: operating profit of HK\$104.0 million) booked, which is attributable to the changes in fair market valuations of losses HK\$316.1 million (2024: HK\$56.5 million).

(i) Property Investment – Mainland China

Our Group's Mainland China portfolio of investment properties consists of seven key projects with an aggregate gross floor area of approximately 488,000 square meters. These include (i) Hon Kwok City Commercial Centre, a commercial/office building at the Fu Tian District of Shenzhen, (ii) City Square/The Bauhinia Hotel (Shenzhen), a commercial podium comprising shops and hotel rooms at the Luo Hu District of Shenzhen, (iii) City Suites, serviced apartment units atop of City Square, (iv) Ganghui Dasha, a commercial/office building at Beijing Road of the Yue Xiu District of Guangzhou, (v) Hon Kwok Building and Tung Hing Fong, an office building and the commercial podium adjacent to Ganghui Dasha, (vi) Chongqing Hon Kwok Centre, a twin-tower office building at the Bei Bu Xin Qu of Chongqing and (vii) Chongqing Jinshan Shangye Zhongxin, an office tower and a hotel/office tower adjacent to Chongqing Hon Kwok Centre.

The newly completed "Hon Kwok Building" and the commercial podium "Tong Hing Fong" at Beijing Road exhibited satisfactory occupancy rates since they were launched for leasing in 2025, achieving occupancy rates of 21% and 53% respectively.

The portfolio achieved an average occupancy rate of 67% for the period under review (2024: 72%) due to newly completed properties included during the year.

(ii) Property Investment – Hong Kong

Our Hong Kong portfolio covers office, hotel and data centre properties, with an aggregate gross floor area of approximately 474,000 square feet. These include (i) Hon Kwok Jordan Centre, a commercial/office building at Hillwood Road, Tsim Sha Tsui; (ii) The Bauhinia Hotel (Central), a hotel cum serviced apartment property at Connaught Road Central; (iii) The Bauhinia Hotel (TST), a hotel property at Observatory Court, Tsim Sha Tsui; and (iv) Digital Realty Kin Chuen (HKG11), the data centre at Kin Chuen Street, Kwai Chung.

The property portfolio achieved an average occupancy of around 98% for the period under review (2024: 95%).

The revamp project of The Bauhinia Hotel (Central) has been completed and this hotel/serviced apartment is scheduled to reopen officially in January 2026. The building has been rebranded with stylish and luxury lifestyle together with green and sustainability features.

(iii) Property Investment – Japan

The Group's Japan portfolio of hotel properties located in Tokyo, Osaka and Okinawa. Benefited from the booming tourism market in Japan, the property portfolio achieved excellent occupancy rate with growing rental income.

(iv) Property Investment – Valuation

The Group's investment property portfolio is measured on a fair value basis, marked at HK\$14,741 million as at 30 September 2025 (as at 31 March 2025: HK\$14,877 million), comprised of Mainland China portfolio of HK\$9,224 million, Hong Kong portfolio of HK\$4,871 million and Japan portfolio of HK\$646 million. Taking into account the additions to investment properties and the effect of exchange rates differences, the Group recorded a decrease in fair value (net of deferred taxation) of HK\$285.1 million during the period (2024: HK\$86.5 million). The Group's Hong Kong and Mainland property portfolio exhibited revaluation losses, whereas its Japan property portfolio showed revaluation gains.

(3) Property, carpark management and others

The property management and carpark management business contributed revenue of HK\$20.3 million (2024: HK\$24.4 million) and operating loss of HK\$5.6 million (2024: HK\$1.3 million) for the period under review. It is expected to achieve a monthly breakeven by the end of 2025 as a result of market re-positioning and cost control.

Financial review

Liquidity and financial resources

The total interest-bearing debts of the Group amounted to approximately HK\$6,292 million as at 30 September 2025 (as at 31 March 2025: HK\$6,344 million), of which approximately 11% (as at 31 March 2025: 9%) of the debts were classified as current liabilities. Included therein were debts of HK\$238 million related to project loans which will be refinanced during the forthcoming twelve months. Assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts would be approximately 7%.

Total cash and cash equivalents including time deposits were approximately HK\$852 million as at 30 September 2025 (as at 31 March 2025: HK\$1,043 million), and were mainly denominated in Hong Kong dollars and Renminbi. Included in cash and cash equivalents are restricted bank deposits of HK\$169 million (as at 31 March 2025: HK\$252 million) which can only be applied in the designated property development projects. The Group had committed but undrawn banking facilities of a total of approximately HK\$190 million at period end available for its working capital purpose.

Total shareholders' funds as at 30 September 2025 were approximately HK\$10,448 million (as at 31 March 2025: HK\$10,527 million). The decrease was primarily resulting from current period's loss attributable to shareholders less the appreciation in value of assets less liabilities denominated in Renminbi.

The gearing ratio of the Group, as measured by the net interest-bearing debts of approximately HK\$5,440 million (as at 31 March 2025: HK\$5,301 million) over the shareholders' funds plus non-controlling interests totalling of approximately HK\$10,832 million (as at 31 March 2025: HK\$10,883 million), was 50.2% as at 30 September 2025 (as at 31 March 2025: 48.7%).

Funding and treasury policies

The Group adopts prudent funding and treasury policies. Surplus funds are primarily maintained in the form of cash deposits with leading banks. The Group manages its funding requirements primarily on a short-to-medium term basis and refinances the maturing borrowings at appropriate time.

Acquisition and development of properties are financed partly by internal resources and partly by bank loans. Repayments of bank loans are scheduled to match asset lives and project completion dates. Bank loans are mainly denominated in Hong Kong dollars and Renminbi and bear interest at floating rates. The Group entered into cross currency interest swap agreements with financial institutions for the purpose of hedging interest rate risk of certain bank borrowings. As at 30 September 2025, the notional principal amount of the cross currency interest rate swap contracts was approximately HK\$170 million (as at 31 March 2025: HK\$170 million).

Foreign currency exposure is closely monitored by management and hedged to the extent desirable. As at 30 September 2025, the Group had no material exposure under foreign exchange contracts or any other hedging instruments.

Pledge of assets

Properties with an aggregate carrying value of approximately HK\$15,439 million as at 30 September 2025 were pledged to secure certain banking facilities of the Group.

Employees and remuneration policies

The Group, not including its joint ventures and associate, employed approximately 290 employees as at 30 September 2025 (as at 31 March 2025: approximately 320). There have been no significant changes in the remuneration policies and benefits to the employees of the Group.

CONNECTED TRANSACTIONS

On 26 September 2022, Honour Well Development Limited (“Honour Well”), an indirect wholly-owned subsidiary of the Company and an indirect non wholly-owned subsidiary of Chinney Investments, Limited (“Chinney Investments”) (Stock Code: 216), entered into a framework agreement with each of Chinney Construction Company, Limited (“Chinney Construction”) and Shun Cheong Building Services Limited (“Shun Cheong”), both being indirect wholly-owned subsidiaries of Chinney Alliance Group Limited (“Chinney Alliance”) (Stock Code: 385), pursuant to which, Chinney Construction was appointed by Honour Well as the contractor for the builder’s works at the contract sum of not exceeding HK\$96,300,000 and Shun Cheong was appointed by Honour Well as the contractor for the mechanical and electrical engineering works and façade works at the contract sum of not exceeding HK\$141,000,000 relating to the revamp project of the building located at 119-121 Connaught Road Central, Sheung Wan, Hong Kong. The related transactions constituted connected transactions for each of Chinney Investments, the Company and Chinney Alliance under the Listing Rules. The transactions were approved by independent shareholders of Chinney Investments, the Company and Chinney Alliance at the respective general meetings held by each of the companies on 28 November 2022.

Details of the transactions were set out in the joint announcement of Chinney Investments, the Company and Chinney Alliance dated 26 September 2022 and the Company’s circular dated 8 November 2022. During the six months ended 30 September 2025, HK\$3,202,000 was paid to Shun Cheong and HK\$400,000 was paid to Chinney Construction, respectively in respect of the transactions.

CORPORATE GOVERNANCE

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for directors’ securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 September 2025.

Compliance with the Corporate Governance Code

In the Board’s opinion, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules for the six months ended 30 September 2025, except for the following deviations:

1. CG Code provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Article 109(A) of the articles of association of the Company require that at each annual general meeting of the Company, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that no director holding office as an executive chairman and/or a managing director of the Company shall be subject to

retirement by rotation or taken into account in determining the number of directors to retire. The Board will ensure the retirement of each director, other than the one who holds the office as executive chairman and/or managing director, by rotation at least once every three years in order to comply with the CG Code provisions.

The Chairman and the Managing Director will not be subject to retirement by rotation; which deviates from CG Code provision B.2.2 as the Board considers that the continuity of office of the Chairman and the Managing Director provides the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

2. CG Code provision E.1.2 stipulates that the remuneration committee should review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives.

The remuneration of the Company's management is currently attended by the executive directors of the Company. The management report to the executive directors who therefore have a clear understanding of the management's performance, enabling a more objective review of the management remuneration. In the Board's opinion, it is more appropriate for the executive directors, instead of the Remuneration Committee, to perform these responsibilities.

Audit Committee

Regular meetings have been held by the Audit Committee of the Company since its establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 September 2025 have not been audited, but have been reviewed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2025.

By Order of the Board
James Sing-Wai Wong
Chairman

Hong Kong, 25 November 2025

At the date of this announcement, the directors of the Company are Mr. James Sing-Wai Wong (Chairman) and Mr. Donald Yin-Shing Lam (Managing Director) as executive directors; Dr. Emily Yen Wong and Mr. Philip Bing-Lun Lam as non-executive directors; and Ms. Janie Fong, Mr. James C. Chen and Ms. Rui-Hua Chang as independent non-executive directors.