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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)

2026-27 INTERIM RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

In the last annual report, I wrote that we were staying laser-focused on the things we can control. This means maintaining ironclad financial discipline, grinding out recurring income, driving occupancy across every asset we own, and recycling capital whenever the market gives us great prices. That playbook hasn't changed, and the numbers show that it is working.

For the first half of the year, revenue increased by 30.3% to HK$570.9 million (2025: HK$438.2 million) and core operating profit increased by 7.8% to HK$172.0 million (2025: HK$159.5 million). You don't get these results by circumstance. They reflect real momentum in our underlying business and relentless, disciplined execution by our management team on the ground.

Performance and perspective

As always, the biggest swing factor in our reported bottom line is the revaluation of our investment properties. We recorded a net revaluation mark-down of HK$176.5 million this period, which is a meaningful improvement from the HK$285.1 million write-down we took in 2025. Property markets are still tough, no question about it, so seeing the pace of these valuation declines slowdown is a welcome sign.

More importantly, let's keep our eyes on what actually matters: these are purely non-cash accounting adjustments. They do not touch our operating cash flow, and they do not change the fundamental, long-term value of our real estate. We don't run this company for short-term accounting optics. We run it to push occupancy higher, build durable recurring cash flows, and compound the real value of our assets over decades.

What we achieved during the period

Across the portfolio, our teams delivered strong, tangible results:

- Guangzhou Residential: The Riverside continues to be a standout performer. Contracted sales have now crossed HK$1 billion, proving once again that if you build a superior product in a prime location, buyers will show up.

- Mainland Commercial Leasing: Our leasing teams in Guangzhou and Shenzhen executed exceptionally well. Occupancy rates at Hon Kwok Building, Tung Hing Fong, and Hon Kwok City Commercial Centre all moved notably higher. Great properties paired with an aggressive, smart leasing strategy win market share.

- Hong Kong Hospitality: Following their reopening earlier this year, The Bauhinia Hotel (Central) and The Bauhinia Serviced Apartment completed their first full operating period with terrific numbers. By September 2026, occupancy hit 100% at the hotel and 87% at the serviced apartments.

- Data Centre: Our Kwai Chung data centre remains a rock-solid engine of steady, recurring income.

Disciplined capital recycling

We don't fall in love with assets, instead, we manage them to maximize shareholder value. During the period, we sold three hotel properties in Japan at substantial premiums to what we paid for them. Japan's hospitality sector has had a massive recovery, and we took advantage of strong market pricing to lock in those gains. These sales injected fresh liquidity into our balance sheet and gave us even greater financial flexibility to play offense when the right opportunities arise.

The Operating environment

Looking at the broader picture, the global economy is still finding its footing. Interest rate pressures have temporarily eased up as central banks across major economies try to keep growth moving. Meanwhile, equity markets are booming on the back of the AI wave. Interestingly, the equal-weighted S&P 500 has outperformed the standard market-cap-weighted index by a wide margin, which tells you that underlying economic strength is much broader than just a handful of mega-cap tech names. Still, businesses and consumers remain cautious, which means we have to be extraordinarily selective with every dollar we deploy.

Closer to home, property markets in Hong Kong and the Chinese Mainland are stabilizing, though the recovery is still uneven across different sectors and cities. Sentiment is certainly better than the dark days of the past few years, but we aren't declaring victory. We will continue to operate with patience, grit, and strict discipline. At the same time, we are keeping a close watch on secular growth trends, specifically: tech infrastructure, data centres, and property innovation across the Greater Bay Area. The breakthroughs happening there will create tremendous long-term demand for top-tier commercial assets.

Outlook

Let's be realistic: the headwinds that have battered the property sector over the last few years aren't going to vanish overnight. Hope is not a strategy. That said, we are seeing undeniable, hard-earned improvements in our leasing numbers, our operating profits, and our valuation trends. Our marching orders remain the exact same: drive occupancy, grow recurring income, and protect the balance sheet. The results from this half-year prove we are on the right track.

Dividend

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

Appreciation

To our shareholders, directors, customers, banking partners, and business associates: thank you for standing with us and for your continued trust. And to our management team and every single employee across the company: thank you for your grit, resilience, and tireless hard work. Navigating tough markets takes character, and the progress we made this period belongs to all of you.

James Sing-Wai Wong
Chairman

Hong Kong, 26 November 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 September 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Revenue	3	**570,892**	438,236
Cost of sales		**(264,326)**	(190,153)
Gross profit		**306,566**	248,083
Other income	3	**13,997**	22,629
Fair value losses on investment properties, net		**(234,914)**	(316,140)
Loss on disposal of investment properties		**(23,069)**	-
Administrative expenses		**(68,439)**	(40,438)
Other operating expenses, net		**(8,694)**	(6,144)
Finance costs	4	**(138,332)**	(101,479)
Share of profits/(losses) of associates		**612**	(2,271)
Share of loss of a joint venture		**(258)**	(497)
Loss before tax	5	**(152,531)**	(196,257)
Income tax expense	6	**(935)**	(6,558)
Loss for the period		**(153,466)**	(202,815)
Attributable to:			
Owners of the Company		**(153,238)**	(227,060)
Non-controlling interests		**(228)**	24,245
		(153,466)	(202,815)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted	7	**HK$(0.21)**	HK$(0.32)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the period	**(153,466)**	(202,815)
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	**20,393**	5,916
Exchange differences on translation of foreign operations	**399,430**	166,101
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**419,823**	172,017
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	**266,357**	(31,479)
Attributable to:		
Owners of the Company	**253,497**	(57,329)
Non-controlling interests	**12,860**	25,850
	266,357	(31,479)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 September 2026 (Unaudited) HK$'000	At 31 March 2026 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**183,008**	229,346
Investment properties		**14,518,817**	14,406,086
Investments in joint ventures		**390,263**	390,521
Investments in associates		**826,035**	804,905
Financial assets at fair value through other comprehensive income		**38,361**	39,197
Total non-current assets		**15,956,484**	15,870,055
CURRENT ASSETS			
Tax recoverable		**37,273**	36,116
Properties held for sale under development and completed properties held for sale		**804,750**	851,859
Trade receivables	9	**5,467**	5,431
Contract costs		**9,571**	20,003
Prepayments, deposits and other receivables		**419,822**	408,578
Financial assets at fair value through profit or loss		**5,764**	5,860
Amount due from a joint venture		**106,866**	89,766
Cash and cash equivalents		**650,425**	764,229
		2,039,938	2,181,842
Assets held for sale	10	**-**	196,490
Total current assets		**2,039,938**	2,378,332
CURRENT LIABILITIES			
Trade payables, other payables and accrued liabilities	11	**157,316**	142,793
Interest-bearing bank borrowings		**3,876,600**	2,288,160
Lease liabilities		**27,841**	18,461
Contract liabilities		**45,623**	90,258
Customer deposits		**102,548**	88,329
Tax payable		**145,686**	114,592
Total current liabilities		**4,355,614**	2,742,593
NET CURRENT LIABILITIES		**(2,315,676)**	(364,261)
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,640,808**	15,505,794

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	At 30 September 2026 (Unaudited) *HK$'000*	At 31 March 2026 (Audited) *HK$'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**1,707,588**	3,659,843
Lease liabilities	**30,594**	14,775
Deferred tax liabilities	**985,919**	1,097,018
Total non-current liabilities	**2,724,101**	4,771,636
Net assets	**10,916,707**	10,734,158
EQUITY		
Equity attributable to owners of the Company		
Share capital	**1,519,301**	1,519,301
Reserves	**9,073,951**	8,827,658
	10,593,252	10,346,959
Non-controlling interests	**323,455**	387,199
Total equity	**10,916,707**	10,734,158

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 2026.

The financial information relating to the year ended 31 March 2026 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 September 2026 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 2026 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 2026, 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 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
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

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 2026 (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	**303,446**	**251,447**	**15,999**	**570,892**
Segment results	**145,647**	**(120,677)**	**1,383**	**26,353**
Reconciliation:				
Interest income				**3,464**
Unallocated expenses				**(22,696)**
Fair value loss on a financial asset at fair value through profit or loss				**(97)**
Loss on disposal of investment properties				**(23,069)**
Finance costs (other than interest on lease liabilities)				**(136,840)**
Share of profits of associates				**612**
Share of loss of a joint venture				**(258)**
Loss before tax				**(152,531)**

	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	188,689	229,283	20,264	438,236
Segment results	107,524	(169,111)	(5,586)	(67,173)
Reconciliation:				
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				(497)
Loss before tax				(196,257)

2. Operating segment information *(Continued)*

	At 30 September 2026 (Unaudited)			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment assets	**1,541,882**	**14,772,038**	**3,547,128**	**19,861,048**
Reconciliation:				
Elimination of intersegment receivables				**(3,921,335)**
Investments in joint ventures				**390,263**
Investments in associates				**826,035**
Financial assets at fair value through profit or loss				**5,764**
Financial assets at fair value through other comprehensive income				**38,361**
Corporate and other unallocated assets				**796,286**
Total assets				**17,996,422**
Segment liabilities	**1,196,141**	**2,167,611**	**921,505**	**4,285,257**
Reconciliation:				
Elimination of intersegment payables				**(3,921,335)**
Corporate and other unallocated liabilities				**6,715,793**
Total liabilities				**7,079,715**

	At 31 March 2026 (Audited)			
	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment assets	1,586,858	14,979,185	3,511,666	20,077,709
Reconciliation:				
Elimination of intersegment receivables				(3,870,150)
Investments in joint ventures				390,521
Investments in associates				804,905
Financial assets at fair value through profit or loss				5,860
Financial assets at fair value through other comprehensive income				39,197
Corporate and other unallocated assets				800,345
Total assets				18,248,387
Segment liabilities	1,283,136	2,023,799	917,831	4,224,766
Reconciliation:				
Elimination of intersegment payables				(3,870,150)
Corporate and other unallocated liabilities				7,159,613
Total liabilities				7,514,229

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 2026 (Unaudited)			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment				
Type of goods or services				
Sales of properties	**303,446**	**-**	**-**	**303,446**
Property management income	**-**	**22,201**	**2,904**	**25,105**
Total revenue from contracts with customers	**303,446**	**22,201**	**2,904**	**328,551**
Revenue from other sources				
Gross rental income	**-**	**229,246**	**13,095**	**242,341**
Revenue disclosed in the segment information	**303,446**	**251,447**	**15,999**	**570,892**
Timing of revenue recognition				
Goods transferred at a point in time	**303,446**	**-**	**-**	**303,446**
Services transferred over time	**-**	**22,201**	**2,904**	**25,105**
Total revenue from contracts with customers	**303,446**	**22,201**	**2,904**	**328,551**

	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				
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 other sources	-	207,120	16,366	223,486
Revenue disclosed in the segment information	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

3. Revenue and other income *(Continued)*

Other income

	Six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**3,464**	3,361
Others	**10,533**	19,268
	13,997	22,629

4. Finance costs

	Six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other loans	**136,840**	124,558
Interest on lease liabilities	**1,492**	1,537
Less: Interest capitalised under properties under development and investment properties	**-**	(24,616)
	138,332	101,479

5. Loss before tax

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

	Six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipments	**3,110**	3,507
Depreciation on right-of-use assets*	**14,609**	18,721
Fair value losses on derivative financial instruments	**-**	3,263
Fair value loss on financial assets at fair value through profit or loss	**97**	276
Employee benefit expenses (including directors' remuneration)	**28,146**	36,131
Less: Amounts capitalised under investment properties under development	**-**	(14,500)
	28,146	21,631

* Included in the amount are the depreciation of leased carparks of HK$9,086,000 (2025: HK$10,745,000) which are included in "Cost of sales" in the condensed consolidated statement of profit or loss.

6. Income tax

	Six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**-**	-
Elsewhere	**43,462**	29,275
Land appreciation tax in the Chinese Mainland	**26,744**	28,261
	70,206	57,536
Deferred tax	**(69,271)**	(50,978)
Total tax charge for the period	**935**	6,558

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 the Chinese Mainland 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$153,238,000 (2025: HK$227,060,000) 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 2026 and 2025 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 2026 (2025: Nil).

The final dividend of 1 Hong Kong cent per ordinary share for the year ended 31 March 2026 was approved by the Company's shareholders at the annual general meeting of the Company held on 27 August 2026 and paid on 8 October 2026.

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 2026	At 31 March 2026
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within 30 days	**1,014**	559
31 to 60 days	**717**	332
61 to 90 days	**563**	69
Over 90 days	**3,173**	4,471
Total	**5,467**	5,431

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. Assets held for sale

(a) In March 2026, the Group entered into a sale and purchase agreement with an independent third party to dispose of its property comprises land and a 10-storey hotel building situated at 1-18-2, Bakuromachi, Chuo-ku, Osaka, Japan (the "Osaka Property"), which was previously classified as investment property.

The disposal was completed on 22 May 2026.

(b) In April 2026, the Group entered into a sale and purchase agreement with an independent third party to dispose of its property comprises the land and a 9-storey hotel building situated at Kaminarimon 1, Taito-ku, Tokyo, Japan (the "Tokyo Property"), which was previously classified as investment property.

The disposal was completed on 8 July 2026.

11. Trade payables, other payables and accrued liabilities

	Notes	**At 30 September 2026 (Unaudited)** ***HK$'000***	At 31 March 2026 (Audited) *HK$'000*
Trade payables	*(a)*	**21,614**	23,156
Other payables and accrued liabilities	*(b)*	**135,702**	99,637
Amounts due to the immediate holding company	*(c)*	**-**	20,000
Total		**157,316**	142,793

Notes:

(a) As at 30 September 2026 and 31 March 2026, 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 31 March 2026, the amounts due to the immediate holding company of HK$20,000,000 are unsecured, interest-bearing at prevailing market rate and repayable on demand.

12. Contingent liabilities

(a) As at 30 September 2026, the Group has given a guarantee of HK$487,500,000 (as at 31 March 2026 (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$276,200,000 (as at 31 March 2026 (audited): HK$269,650,000).

(b) As at 30 September 2026, the Group has given guarantees of HK$7,650,000 (as at 31 March 2026 (audited): HK$21,850,000) 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group's revenues grew by 30.3% to HK$570.9 million in the six months ended 30 September 2026 (2025: HK$438.2 million), primarily derived both from the property sales of the residential project in Guangzhou "The Riverside", sales on remaining commercial property inventory and the rental income generated from investment properties in Hong Kong, the Chinese Mainland and Japan.

The Group's core operating profit, excluding finance costs and revaluation deficit on investment properties etc., increased by 7.8% to HK$172.0 million during the six months ended 30 September 2026 (2025: HK$159.5 million). The operating profit of the Group during the period under review was mainly contributed from, apart of rental income, the property sales of our Guangzhou residential project "The Riverside" and the disposal of remaining commercial property inventory of previous projects in Guangzhou which resulting in a gain of HK$41.9 million. In particular, the residential project "The Riverside" has been well received by the market given that it was launched as completed property, as well as its prime location with panoramic view over the Pearl River, featuring it as a premium and luxurious residences with high-quality interior design and finishes. Up to 26 November 2026, being the date when the interim results of the Company was announced, the total contracted sales of "The Riverside" amounted to approximately HK$1,053 million, of which HK$154.9 million was recognised in this period (HK$180.2 million in 2025/2026). It is expected that the remaining contracted sales amounting to HK$66.0 million will be recognised in the second half of financial year 2026/2027.

In line with the general decline in property market prices in Hong Kong and the Chinese Mainland, the Group recorded net revaluation losses on investment properties of HK$176.5 million (2025: HK$285.1 million), which in substance, is non-cash in nature and will not affect the overall financial position of the Group. Net revaluation losses of HK$176.5 million derived from Chinese Mainland portfolio of HK$133.8 million, Hong Kong portfolio of HK$29.2 million and Japan portfolio of HK$13.5 million.

Taking into account the net revaluation deficit on investment properties and the finance costs, net loss attributable to shareholders was HK$153.2 million (2025: HK$227.1 million). Basic loss per share was HK$0.21 (2025: HK$0.32). As at 30 September 2026, shareholders' equity was HK$10,593 million (as at 31 March 2026: HK$10,347 million) and net assets per share attributable to shareholders stood at HK$14.70 (as at 31 March 2026: HK$14.36). Gearing ratio of the Group edged down to 45.7% as at 30 September 2026 (as at 31 March 2026: 48.6%) which remains at acceptable level.

During the period under review, the finance costs before capitalization increased by 9.7% to HK$138 million (2025: HK$126 million) which was mainly due to increase in HIBOR. Nevertheless, the Group has implemented cost control strategy and has successfully reduced the staff costs (before capitalization under development projects) by 22% to HK$28 million (2025: HK$36 million). In parallel with driving asset enhancement and revenue growth, the Group will continue to take various measures in cost management, optimizing resource allocation, and improving operational efficiency to strengthen the operating cash flow position for the Group.

(1) Property Development

During the six months ended 30 September 2026, the property development segment revenue increased by 60.8% to HK$303.4 million (2025: HK$188.7 million) with operating profit increased by 35.4% to HK$145.6 million (2025: HK$107.5 million). This was generated from the property sales of "The Riverside" as well as the remaining car parking spaces and commercial property inventory in Guangzhou. The significant increase in revenue was due to the sales of the remaining commercial property inventory and car parking spaces which contributed HK$148.6 million.

(i) Property Development – Chinese Mainland

The Group's property development projects located in the Chinese Mainland consist of (i) The Riverside, a wholly-owned residential project on Beijing Road in the Yue Xiu District of Guangzhou; (ii) the Botanica, a 60% owned residential project in Guangzhou; and (iii) the Enterprise Square in the Nanshan District of Shenzhen in which the Group owns a 20% interest.

The Riverside offers 148 units for sale and was first launched for sale in late 2023. Up to 26 November 2026, 97 residential units were sold contributing contracted sales of approximately HK$1,053 million.

All residential units in Guangzhou Botanica 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$113 million (2025: HK$120 million). Net profit attributable to the Group in respect of its 20% interest in Enterprise Square amounted to HK$1.1 million (2025: net loss of HK$2.3 million), which included the net revaluation losses of the investment properties of HK$5.0 million (2025: HK$10.7 million).

(ii) Property Development – Hong Kong

The Group holds 50% equity 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 and is expected to be completed in 2028.

(2) Property Investment

During the six months ended 30 September 2026, rental income from the Group's investment properties increased by 9.7% to HK$251.4 million (2025: HK$229.2 million), with operating loss of HK$120.7 million (2025: HK$169.1 million) booked, which is attributable to the changes in fair market valuations losses of HK$234.9 million (2025: HK$316.1 million).

(i) Property Investment – Chinese Mainland

Our Group's Chinese Mainland portfolio of investment properties consists of seven key projects with an aggregate gross floor area of approximately 486,000 square meters. These include (i) Hon Kwok City Commercial Centre, a commercial/office building at the Fu Tian District of Shenzhen, (ii) City Square, 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 in Liangjiang New Area of Chongqing and (vii) Chongqing Jinshan Shangye Zhongxin, an office tower and a hotel/office tower adjacent to Chongqing Hon Kwok Centre.

For the period under review, despite the leasing market in Shenzhen and Guangzhou being under pressure, our two investment properties achieved remarkable rental performance.

Hon Kwok Building and the commercial podium Tung Hing Fong at Guangzhou Beijing Road, a 32-storey commercial and office tower completed in late 2024. The occupancy rate for Hon Kwok Building surged from 54% in March 2026 to 90% as of September 2026 while for Tung Hing Fong, its occupancy rate surged from 71% in March 2026 to 100% as of September 2026.

Hon Kwok City Commercial Centre, as of September 2026, the occupancy rate rose to 81%, up from 75% in March 2026.

As a result, the portfolio's average occupancy rate improved to 79% for the period under review (2025: 67%).

(ii) Property Investment – Hong Kong

Our Hong Kong portfolio covers office, hotel and data centre properties, with an aggregate gross floor area of approximately 413,000 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; and (iii) Digital Realty Kin Chuen (HKG11), the data centre at Kin Chuen Street, Kwai Chung.

The property portfolio achieved an average occupancy of around 95% for the period under review (2025: 98%).

Both the Bauhinia Hotel (Central) and the Bauhinia Serviced Apartment, re-opened officially in January 2026, delivered an impressive result with the occupancy rates of 100% and 87% respectively as of September 2026.

(iii) Property Investment – Japan

The Group's portfolio in Japan consisted of hotel properties located in Tokyo, Osaka and Okinawa, with the first one acquired in June 2023. Since the early of 2026, the Group has decided to offload some of the properties in Japan and during the period under review, the disposal of three hotels was completed with a total consideration of approximately HK$291 million, representing a significant premium over the initial acquisition cost of approximately HK$160 million. Nevertheless, as the book costs of these three investment properties had been marked to market in prior years, after taking into account of the relevant local taxes and transaction costs involved, the Group recorded a loss on disposal of approximately HK$ 23.1 million for the disposal of these three properties during the period under review, and a loss of approximately HK$2.6 million after reversal of the deferred tax provided in prior years.

(iv) Property Investment – Valuation

The Group's investment property portfolio is measured on a fair value basis, marked at HK$14,519 million as at 30 September 2026 (as at 31 March 2026: HK$14,406 million), comprised of Chinese Mainland portfolio of HK$9,587 million, Hong Kong portfolio of HK$4,648 million and Japan portfolio of HK$284 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$176.5 million during the period (2025: HK$285.1 million).

(3) Property, carpark management and others

The property management and carpark management business, together with the catering business, contributed revenue of HK$16.0 million (2025: HK$20.3 million) and operating profit of HK$1.4 million (2025: operating loss of HK$5.6 million) for the period under review.

Financial review

Liquidity and financial resources

The total interest-bearing debts of the Group amounted to approximately HK$5,643 million as at 30 September 2026 (as at 31 March 2026: HK$5,981 million), of which approximately 69% (as at 31 March 2026: 38%) was classified as current liabilities. Included therein were debts of HK$3,693 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 dropped to approximately 4%. HK$3,693 million mainly included: i) an unsecured club loan and a secured syndication loan with a total amount of HK$1,773 million, of which vast majority of approvals from participating banks have been obtained; ii) a loan secured by a property in Shenzhen of HK$722 million whereas the approval process is in progress and scheduled to be completed before the end of 2026; and iii) a term loan and a renovation loan secured by a property in Central of HK$902 million whereas the terms for the refinancing have been agreed and the approval process will be commenced in early 2027.

Should the aforesaid refinancing being completed on schedule, the net current liabilities position of the Group of HK$2,316 million as at 30 September 2026 will be improved to net current assets of HK$1,377 million, and the current ratio will be improved to 3.08.

Total cash and cash equivalents including time deposits were approximately HK$650 million as at 30 September 2026 (as at 31 March 2026: HK$764 million), and were mainly denominated in Hong Kong dollars and Renminbi. Included in cash and cash equivalents are restricted bank deposits of HK$145 million (as at 31 March 2026: HK$134 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$103 million at period end available for its working capital purpose.

Total shareholders' funds as at 30 September 2026 were approximately HK$10,593 million (as at 31 March 2026: HK$10,347 million). The increase was primarily resulting from current period's loss attributable to shareholders, which was partially offset by the appreciation of Renminbi against the net assets held in the Chinese Mainland.

The gearing ratio of the Group, as measured by the net interest-bearing debts of approximately HK$4,993 million (as at 31 March 2026: HK$5,217 million) over the shareholders' funds plus non-controlling interests totalling of approximately HK$10,917 million (as at 31 March 2026: HK$10,734 million), was 45.7% as at 30 September 2026 (as at 31 March 2026: 48.6%).

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.

Foreign currency exposure is closely monitored by management and hedged to the extent desirable. As at 30 September 2026, 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$14,849 million as at 30 September 2026 were pledged to secure certain banking facilities of the Group.

Employees and remuneration policies

The Group, not including its joint ventures and associates, employed approximately 330 employees as at 30 September 2026 (as at 31 March 2026: approximately 300). 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 ("SC Building Services"), 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 SC Building Services 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 their respective general meetings held 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 2026, HK$ Nil was paid to Chinney Construction and HK$276,000 was paid to SC Building Services, respectively in respect of the transactions. Up to 30 September 2026, the total amounts paid to each of Chinney Construction and SC Building Services were within the respective contract sums as set out in the framework agreements described above.

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 2026.

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 2026, except for the following deviation:

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.

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 2026 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 2026.

By Order of the Board
James Sing-Wai Wong
Chairman

Hong Kong, 26 November 2026

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, Mr. Philip Bing-Lun Lam and Mr. Raymond Ming-Joe Chow as non-executive directors; and Ms. Janie Fong, Mr. James C. Chen and Ms. Rui-Hua Chang as independent non-executive directors.