

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CAPITAL ESTATE LIMITED **冠中地產有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 193)

INTERIM RESULTS **SIX MONTHS ENDED 31 JANUARY 2026**

The directors of Capital Estate Limited (the “Company”) announce that the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 January 2026 together with the comparative figures for the six months ended 31 January 2025 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 JANUARY 2026

		Six months ended	
	<i>NOTES</i>	31.1.2026	31.1.2025
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue			
Contracts with customers	3	8,434	16,533
Interest under effective interest method	3	13,287	14,930
Cost of sales		(524)	(5,243)
Direct operating costs		(2,174)	(2,177)
Gross profit		19,023	24,043
Other income		5,379	6,973
Other gain and loss	4	11,347	(5,067)
Impairment losses under expected credit loss (“ECL”) model, net		(6,985)	(3,682)
Marketing expenses		(2,013)	(1,533)
Administrative expenses		(21,533)	(25,511)
Other hotel operating expenses		(7,234)	(7,166)
Share of profit of an associate		1,639	3,765
Finance costs		(153)	(328)
Loss before taxation		(530)	(8,506)
Income tax credit (expense)	5	360	(730)

	NOTES	Six months ended	
		31.1.2026 HK\$'000 (unaudited)	31.1.2025 HK\$'000 (unaudited)
Loss for the period	6	<u>(170)</u>	<u>(9,236)</u>
Other comprehensive income (expense):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>7,629</u>	<u>(1,783)</u>
Total comprehensive income (expense) for the period		<u><u>7,459</u></u>	<u><u>(11,019)</u></u>
Profit (loss) for the period attributable to:			
Owners of the Company		<u>1,505</u>	<u>(7,986)</u>
Non-controlling interests		<u>(1,675)</u>	<u>(1,250)</u>
		<u><u>(170)</u></u>	<u><u>(9,236)</u></u>
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		<u>7,232</u>	<u>(9,334)</u>
Non-controlling interests		<u>227</u>	<u>(1,685)</u>
		<u><u>7,459</u></u>	<u><u>(11,019)</u></u>
Earnings (loss) per share			
Basic – HK cents	7	<u><u>0.65</u></u>	<u><u>(4.11)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 JANUARY 2026

	<i>NOTES</i>	31.1.2026 HK\$'000 (unaudited)	31.7.2025 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment		210,510	210,592
Right-of-use assets		27,453	28,642
Interest in an associate		171,762	170,123
Deposit and prepayment for a life insurance policy		11,513	11,521
Receivables from customers of consumer finance service		16,313	12,102
		<hr/> 437,551	<hr/> 432,980
Current assets			
Properties held for sale		23,575	23,381
Inventories		574	608
Trade and other receivables	8	9,263	10,087
Receivables from customers of consumer finance service		47,709	46,714
Amount due from an associate		7,748	7,511
Prepaid income tax		6,230	5,988
Financial assets at fair value through profit or loss ("FVTPL")	9	192,842	256,724
Derivative financial instruments		1,257	766
Pledged bank deposit		656	655
Bank balances and cash		95,417	47,117
		<hr/> 385,271	<hr/> 399,551
Current liabilities			
Trade and other payables	10	11,336	13,281
Contract liabilities		254	246
Derivative financial instruments		10,442	22,021
Lease liabilities		2,425	2,439
Amounts due to related parties		1,034	1,034
Tax payable		6,203	5,846
Bank overdrafts		–	2,829
		<hr/> 31,694	<hr/> 47,696
Net current assets		<hr/> 353,577	<hr/> 351,855
Total assets less current liabilities		<hr/> 791,128	<hr/> 784,835

	31.1.2026 <i>HK\$'000</i> (unaudited)	31.7.2025 <i>HK\$'000</i> (audited)
Non-current liabilities		
Deferred tax liability	17,990	17,975
Lease liabilities	<u>2,249</u>	<u>3,430</u>
	<u>20,239</u>	<u>21,405</u>
Net assets	<u><u>770,889</u></u>	<u><u>763,430</u></u>
Capital and reserves		
Share capital	1,528,492	1,528,492
Reserves	<u>(700,206)</u>	<u>(707,438)</u>
Equity attributable to owners of the Company	828,286	821,054
Non-controlling interests	<u>(57,397)</u>	<u>(57,624)</u>
Total equity	<u><u>770,889</u></u>	<u><u>763,430</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 JANUARY 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Capital Estate Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as 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 financial information relating to the year ended 31 July 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 consolidated financial statements required to be disclosed in accordance with section 436 of The Hong Kong Companies Ordinance is as follows:

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 January 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 July 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 August 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current 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 AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended	
	31.1.2026 <i>HK\$'000</i>	31.1.2025 <i>HK\$'000</i>
Type of goods or service		
Revenue from hotel operations		
– Room rentals	6,350	5,231
– Food and beverage sales	815	796
– Rendering of ancillary services	46	35
Revenue from sale of properties	1,223	10,471
	<u>8,434</u>	<u>16,533</u>
Geographical market		
Mainland China	<u>8,434</u>	<u>16,533</u>
Timing of revenue recognition		
A point in time	2,084	11,302
Overtime	6,350	5,231
	<u>8,434</u>	<u>16,533</u>

Interest under effective interest method

	Six months ended	
	31.1.2026 <i>HK\$'000</i>	31.1.2025 <i>HK\$'000</i>
Interest income from receivables from customers of consumer finance service	<u>13,287</u>	<u>14,930</u>

Segment information

The Group's reportable and operating segments, based on information reported to the chief operating decision maker ("CODM"), representing the executive directors of the Company, for the purpose of allocating resource to segments and assessing their performance are as follows:

Hotel operations	–	hotel business and its related services
Financial investment	–	trading of listed securities and other financial instruments
Property	–	sale of properties held for sale
Consumer finance	–	provision of consumer finance service

Information regarding these segments is reported below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 31 January 2026

	Hotel operations <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Property <i>HK\$'000</i>	Consumer finance <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gross proceeds	<u>7,211</u>	<u>304,348</u>	<u>1,223</u>	<u>13,287</u>	<u>326,069</u>
Segment revenue	<u>7,211</u>	<u>–</u>	<u>1,223</u>	<u>13,287</u>	<u>21,721</u>
Segment (loss) profit	<u>(7,662)</u>	<u>14,766</u>	<u>603</u>	<u>(2,452)</u>	5,255
Unallocated income					2
Unallocated expenses					(7,273)
Finance costs					(153)
Share of profit of an associate					<u>1,639</u>
Loss before taxation					<u>(530)</u>

Six months ended 31 January 2025

	Hotel operations <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Property <i>HK\$'000</i>	Consumer finance <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gross proceeds	<u>6,062</u>	<u>62,788</u>	<u>10,471</u>	<u>14,930</u>	<u>94,251</u>
Segment revenue	<u>6,062</u>	<u>–</u>	<u>10,471</u>	<u>14,930</u>	<u>31,463</u>
Segment (loss) profit	<u>(9,342)</u>	<u>(1,224)</u>	<u>5,074</u>	<u>(99)</u>	(5,591)
Unallocated income					1,166
Unallocated expenses					(7,518)
Finance costs					(328)
Share of profit of an associate					<u>3,765</u>
Loss before taxation					<u>(8,506)</u>

Segment (loss) profit represents the (loss incurred) profit earned by each segment without allocation of certain other income, central administration costs, directors' salaries, finance cost and share of profit of an associate. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Other segment information

The following other segment information is included in the measure of segment (loss) profit:

For the six months ended 31 January 2026

	Hotel operations <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Property <i>HK\$'000</i>	Consumer finance <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Segment total <i>HK\$'000</i>
Depreciation of property, plant and equipment	(6,514)	–	–	(29)	(79)	(6,622)
Depreciation of right-of-use assets	(719)	–	–	(184)	(996)	(1,899)
Bank and other interest income	2	200	–	231	2	435
Interest income from financial assets at FVTPL	–	3,289	–	–	–	3,289
	<u>–</u>	<u>3,289</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,289</u>

For the six months ended 31 January 2025

	Hotel operations <i>HK\$'000</i>	Financial investment <i>HK\$'000</i>	Property <i>HK\$'000</i>	Consumer finance <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Segment total <i>HK\$'000</i>
Depreciation of property, plant and equipment	(6,479)	–	–	(28)	(2)	(6,509)
Depreciation of right-of-use assets	(687)	–	–	–	(61)	(748)
Bank and other interest income	5	138	–	255	1,167	1,565
Interest income from financial assets at FVTPL	–	3,601	–	–	–	3,601
	<u>–</u>	<u>3,601</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,601</u>

4. OTHER GAIN AND LOSS

	Six months ended	
	31.1.2026 <i>HK\$'000</i>	31.1.2025 <i>HK\$'000</i>
Decrease in fair value of financial assets at FVTPL	(1,617)	(3,291)
Increase (decrease) in fair value of derivative financial instruments	12,070	(3,072)
Dividend income from financial assets at FVTPL	894	1,296
	<u>11,347</u>	<u>(5,067)</u>

5. INCOME TAX CREDIT (EXPENSE)

	Six months ended	
	31.1.2026	31.1.2025
	HK\$'000	HK\$'000
Income tax credit (expense) comprises:		
Current tax		
PRC land appreciation tax	(177)	(1,520)
Deferred taxation	537	790
	<u>360</u>	<u>(730)</u>

No provision for Hong Kong Profits Tax has been made for both periods as the Company and its subsidiaries did not generate any assessable profits for the periods or have available tax losses brought forward from prior years to offset against assessable profits for both periods.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the PRC is 25% for both periods.

The provision for PRC land appreciation tax is estimated according to the requirements set forth in the relevant PRC tax laws and regulations which is charged at progressive rates ranging from 30% to 60% of the appreciation value, with certain allowable deductions.

No provision for PRC enterprise income tax has been made for both periods as the subsidiary in the PRC did not generate any assessable profit for both periods.

6. LOSS FOR THE PERIOD

	Six months ended	
	31.1.2026	31.1.2025
	HK\$'000	HK\$'000
Loss for the period has been arrived at after charging (crediting):		
Depreciation included in:		
– other hotel operating expenses	6,514	6,479
– administrative expenses	108	30
Depreciation of right-of-use assets	1,899	748
Included in other income:		
– Bank and other interest income	(435)	(1,565)
– Interest income from financial assets at FVTPL	(3,289)	(3,601)
	<u>(3,289)</u>	<u>(3,601)</u>

7. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the following data:

	Six months ended	
	31.1.2026	31.1.2025
	HK\$'000	HK\$'000
Profit (loss) for the period attributable to owners of the Company for the purposes of basic earnings (loss) per share	<u>1,505</u>	<u>(7,986)</u>
	Number of shares	Number of shares
Number of ordinary shares for the purposes of basic earnings (loss) per share	<u>233,202,559</u>	<u>194,337,559</u>

No diluted earnings (loss) per share is presented for both interim periods as there are no dilutive potential ordinary shares during both periods.

8. TRADE AND OTHER RECEIVABLES

The hotel revenue is normally settled by cash or credit card. The Group allows an average credit period of 30 days to its trade customers of hotel business. The following is an analysis of trade receivables, presented based on invoice date.

	31.1.2026	31.7.2025
	HK\$'000	HK\$'000
0 to 30 days	224	243
31 to 60 days	12	9
61 to 90 days	8	2
91 days or above	<u>408</u>	<u>390</u>
	<u>652</u>	<u>644</u>

As part of the Group's credit risk management, the Group uses debtors' past due status to assess the impairment for its customers because these customers consist of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure that relevant information about specific debtors is updated.

No impairment allowance was recognised for trade receivables based on the provision matrix for both periods.

9. FINANCIAL ASSETS AT FVTPL

	31.1.2026 HK\$'000	31.7.2025 <i>HK\$'000</i>
Listed debt securities overseas	115,770	107,256
Listed equity securities in Hong Kong	58,894	108,243
Listed equity securities overseas	14,746	26,193
Exchange-traded fund in Hong Kong	3,432	–
Money market fund in Hong Kong	–	15,032
	<hr/>	<hr/>
	192,842	256,724
	<hr/> <hr/>	<hr/> <hr/>

The fair values of the above investments were determined based on the quoted market bid prices at the close of business at the end of the reporting period.

10. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables, presented based on invoice date.

	31.1.2026 HK\$'000	31.7.2025 <i>HK\$'000</i>
0 to 30 days	92	57
31 to 60 days	65	21
61 to 90 days	18	15
91 days or above	53	35
	<hr/>	<hr/>
	228	128
	<hr/> <hr/>	<hr/> <hr/>

INTERIM DIVIDEND

The directors do not recommend the payment of any dividends for the six months ended 31 January 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE RESULTS

The Group reported revenue of HK\$21.7 million for the six months ended 31 January 2026 (six months ended 31 January 2025: HK\$31.5 million), which comprised mainly income from consumer finance service of HK\$13.3 million (six months ended 31 January 2025: HK\$14.9 million); hotel operations of HK\$7.2 million (six months ended 31 January 2025: HK\$6.1 million); and sale of properties of HK\$1.2 million (six months ended 31 January 2025: HK\$10.5 million).

Net profit attributable to owners of the Company for the six months ended 31 January 2026 was HK\$1.5 million, as compared to net loss of HK\$8.0 million for the same period last year.

The turnaround from loss to profit in the six-month period ended 31 January 2026 was mainly attributable to the combined effect of (i) the fair value gain from the Group's financial investment portfolio of HK\$10.5 million in compared to a fair value loss of HK\$6.4 million in the six months period ended 31 January 2025; (ii) the slowdown of sale of properties by HK\$9.2 million; and (iii) increase in impairment losses under expected credit loss model by HK\$3.3 million due to expansion in the loan portfolio and rise in default rate.

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to maintain a liquid position. At 31 January 2026, the Group had bank balances and cash of HK\$96.1 million (31 July 2025: HK\$47.8 million) mainly in Hong Kong dollars and Renminbi and marketable securities totalling HK\$192.8 million (31 July 2025: HK\$256.7 million).

Other than corporate credit card payable classified as "other payable" (31 July 2025: corporate credit card payable and overdraft on brokers' account of approximately HK\$2.8 million that were secured by marketable securities under margin financing), there were no bank and other borrowings outstanding at 31 January 2026 (31 July 2025: Nil).

The Group's gearing ratio, expressed as a percentage of the Group's total liabilities over the shareholders' funds was 6.3% at 31 January 2026 (31 July 2025: 8.4%).

EXCHANGE RATE EXPOSURE

The assets and liabilities and transactions of several major subsidiaries of the Group are principally denominated in Renminbi or Hong Kong dollars pegged currencies, which expose the Group to foreign currency risk and such risk has not been hedged. It is the Group's policy to monitor such exposure and to use appropriate hedging measures when required.

BUSINESS REVIEW

For the six months ended 31 January 2026, the principal activities of the Group are property development, hotel operation, consumer finance, financial investment and related activities.

PROPERTY INVESTMENT AND DEVELOPMENT

Sales activities of the residential project alongside Hotel Fortuna, Foshan, the People's Republic of China ("PRC") continue and revenue from sales of property amounting to HK\$1.2 million has been recognised for the six months ended 31 January 2026 (six months ended 31 January 2025: HK\$10.5 million). The unsold saleable floor area of approximately 4.2% of this highrise residential development, which mainly attributable to approximately 140 car park space, is expected to further contribute to the Group's revenue in the near term.

HOTEL OPERATION

The Group has a 75% effective interest in Hotel Fortuna, Foshan with over 400 rooms located at Le Cong Zhen, Shun De District, Foshan, the PRC. Renovation works to refresh the hotel facilities completed during the last financial year has brought positive impact to the hotel operation. Average room rate has increased by approximately 11.0% to HK\$381 per night as compared to HK\$343 per night during the six months ended 31 January 2025. During the six months ended 31 January 2026, the hotel recorded occupancy rate of approximately 23.3% and turnover of approximately HK\$7.2 million (six months ended 31 January 2025: HK\$6.1 million).

The Group also holds a 32.5% interest in Hotel Fortuna, Macau through Tin Fok Holding Company Limited, an associated company of the Group. The hotel's recorded occupancy rate of approximately 96.3% and turnover of approximately HK\$84.0 million during the period in compared to approximately HK\$101.2 million in the six months ended 31 January 2025.

CONSUMER FINANCE

The Group has involved in consumer finance sector in Hong Kong through self-developed online platform with AI credit risk modeling serving approximately 3,000 active users as at the period end date (31 July 2025: approximately 2,900 users). The service maintained a net loan portfolio of HK\$64.0 million (31 July 2025: HK\$58.8 million) with loans to individual users ranging from HK\$2,000 to HK\$109,000 (31 July 2025: HK\$2,000 to HK\$300,000) with credit period up to 40 months (31 July 2025: 43 months). The receivables are unsecured and carry interest at fixed rate ranged from 33% to 47% (31 July 2025: 4% to 47%) per annum which is determined based on factors including loan term, principal amount and credit history of individual customer. Loan granted to approximately 70% (31 July 2025: 72%) of the customers are with principal amount of HK\$40,000 or below and approximately 70% (31 July 2025: 72%) with credit period of 18 months or less. Gross receivable from the largest borrower and the five largest borrowers in aggregate, are below 1% of the net loan portfolio as at 31 January 2026 and 31 July 2025.

During the period, the loans recorded interest income of HK\$13.3 million (six-month period ended 31 January 2025: HK\$14.9 million) and impairment losses under expected credit loss model on receivables amounting to HK\$7.0 million (six-month period ended 31 January 2025: HK\$3.7 million).

FINANCIAL INVESTMENTS

The Group continues its securities investment, and its strategy is to maintain a diversified portfolio of marketable securities for effective treasury and risk management. The Group continues to invest its surplus funds in marketable securities with attractive return and satisfactory rating, including debt securities, money market fund and derivatives instruments. The investment portfolio, under close monitoring by the management, is expected to generate stable income and can be liquidated swiftly to support the Group's operations and cash requirements when needed.

As at 31 January 2026, the Group's investment portfolio of financial assets at fair value through profit and loss consisted of listed equity securities of HK\$73.6 million (31 July 2025: HK\$134.4 million), debt securities of HK\$115.8 million (31 July 2025: HK\$107.3 million), exchange-traded fund of HK\$3.4 million (31 July 2025: Nil) and no money market fund (31 July 2025: HK\$15.0 million).

Listed equity securities of HK\$73.6 million (31 July 2025: HK\$134.4 million), representing approximately 38.2% (31 July 2025: 52.4%) of the investment portfolio, consist of 8 (31 July 2025: 8) equity securities of which 6 (31 July 2025: 6) equity securities are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and 2 (31 July 2025: 2) equity securities on the New York Stock Exchange. The mark to market valuation of the largest single equity security within the portfolio represents approximately 4.0% (31 July 2025: 4.3%) of the Group's total assets, and that of the five largest equity securities held represents approximately 8.0% (31 July 2025: 13.2%). The remaining 3 (31 July 2025: 3) equity securities represent 1.0% (31 July 2025: 2.9%) of the Group's total assets, each ranging from 0.1% to 0.5% (31 July 2025: 0.7% to 1.2%). Approximately 74.8% (31 July 2025: 61.2%) of the equity securities are constituents of the Hang Seng Index.

During the period, the equity portfolio gave rise to a net fair value loss of HK\$1.5 million (six months ended 31 January 2025: fair value gain of HK\$1.8 million) and dividend income of HK\$0.8 million (six months ended 31 January 2025: HK\$1.3 million).

As at 31 January 2026, the Group had 9 (31 July 2025: 8) listed and 1 (31 July 2025: 1) unlisted debt securities representing approximately 60.0% (31 July 2025: 41.8%) of the investment portfolio. The mark to market valuation of the largest single debt security within the portfolio represents approximately 2.9% (31 July 2025: 2.9%) of the Group's total assets, and that of the five largest debt securities held represents approximately 10.8% (31 July 2025: 10.3%) of the Group's total assets. The remaining 5 (31 July 2025: 4) debt securities represent 3.2% (31 July 2025: 2.6%) of the Group's total assets, each ranging from 0.0% to 1.5% (31 July 2025: 0.0% to 1.32%). Approximately 72.7% (31 July 2025: 73.7%) of these debt securities are related to the banking industry.

During the period, the debts portfolio gave rise to a net fair value loss of HK\$0.1 million (six-month period ended 31 January 2025: HK\$5.1 million) and interest income of HK\$3.3 million (six-month period ended 31 January 2025: HK\$3.6 million).

As at 31 January 2026, the Group held exchange-traded fund of HK\$3.4 million (31 July 2025: Nil), approximately 1.8% of the investment portfolio and the mark to market valuation approximately 0.4% of the Group's total assets. During the period, the exchange-traded fund portfolio gave rise to a fair value loss of HK\$0.1 million (six-month period ended 31 January 2025: Nil) and dividend income of HK\$0.1 million (six months ended 31 January 2025: Nil).

The Group held no money market fund as at 31 January 2026 (31 July 2025: HK\$15.0 million, approximately 5.9% of the investment portfolio and the mark to market valuation approximately 1.8% of the Group's total assets). During the period, the money market fund portfolio gave rise to a fair value gain of HK\$0.1 million (six-month period ended 31 January 2025: HK\$0.1 million).

The Group also entered into certain derivative contracts in relation to the listed equity securities held by the Group. As at 31 January 2026, the Group has derivative assets of HK\$1.3 million (31 July 2025: HK\$0.8 million) and derivative liabilities of HK\$10.4 million (31 July 2025: HK\$22.0 million), and recorded a fair value gain of HK\$12.1 million for the period (six months ended 31 January 2025: fair value loss of HK\$3.1 million).

PROSPECTS

The Group maintained a healthy financial position and the management will continue to closely monitor market developments and evaluate opportunities to enhance the Group's performance. The management will allocate resources as appropriate to support further development and expansion of the existing business with a view to generating sustainable value for the shareholders.

The renovation project completed during the last financial year at Hotel Fortuna, Foshan has enhanced the hotel's competitiveness. The management will continue to strive to expand the customers base as to achieve sustained growth in occupancy rate. The management remains cautiously optimistic towards the hotel business and will strive for growth in this area.

The Group also actively preparing to participate in the Multiple Credit Reference Agencies ("MCRA") framework. As part of this initiative, the operation plans to utilise the credit reference services provided by selected credit reference agencies under the MCRA model. This collaboration is expected to enhance credit assessment capabilities, strengthen risk management practices, optimize lending decisions and support the sustainable growth of the Group's consumer finance business.

The Board will continue to closely monitor the global economies development, formulate strategies and plans to utilise its resources effectively and capture viable business opportunities to maintain sustainable long term growth of the Group.

CONTINGENT LIABILITY

At 31 January 2026, the Group provided guarantees of approximately HK\$3.2 million (31 July 2025: HK\$3.1 million) to banks in respect of mortgage loans provided by the banks to purchasers of the Group's developed properties. These guarantees will be released when the building ownership certificates are issued and pledged by the purchasers with the banks for the mortgage loans granted. The Directors consider that the fair value of such guarantees on initial recognition was insignificant. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loans generated by the Group in the event the purchasers default payments to the banks.

PLEDGE OF ASSETS

Bank deposit of HK\$656,000 (31 July 2025: HK\$655,000) was pledged to banks to secure credit facilities to the extent of HK\$600,000 (31 July 2025: HK\$600,000) granted to the Group, none (31 July 2025: none) of which were utilised by the Group.

EMPLOYEES

The Group offers its employees competitive remuneration packages to commensurate with their experience, performance and job nature, which include basic salary, bonuses, share options, medical scheme, retirement and other benefits.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim accounts for the six months ended 31 January 2026.

CORPORATE GOVERNANCE

The Company complied throughout the six months ended 31 January 2026 with all applicable provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard as set out in the Model Code for the six months ended 31 January 2026.

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

During the six months ended 31 January 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
CAPITAL ESTATE LIMITED
Sio Lai Na
Chairman

Hong Kong, 30 March 2026

As at the date hereof, the Board comprises Ms. Sio Lai Na, Mr. Chu Nin Yiu, Stephen as executive directors, Ms. Sio Lai Nga as non-executive director and Mr. Hung Ka Hai, Clement, Mr. Yeung Wai Hung, Peter and Mr. Wong Kwong Fat as independent non-executive directors.