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Pacific Century
Premium Developments
盈科大衍地產發展

PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED
盈科大衍地產發展有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00432)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board of directors (the "Board") of Pacific Century Premium Developments Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended June 30, 2026. This interim financial information has not been audited but has been reviewed by the Company's Audit Committee and the Company's independent auditor in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

SUMMARY

- Consolidated revenue decreased by 7 per cent to HK$593 million
- Loss attributable to equity holders of the Company amounted to HK$189 million
- Basic loss per share: 9.28 Hong Kong cents
- The Board did not declare the payment of an interim dividend

REVIEW OF OPERATIONS

Property development and investment

Property investment in Indonesia

On March 16, 2026, the Group announced the sale of its entire interest in Pacific Century Place, Jakarta ("PCP Jakarta") in Indonesia. The transaction, at a total consideration of US$400 million, was completed on June 8, 2026. Notwithstanding the disposal, the Group will continue to provide property management services in respect of PCP Jakarta.

The gross rental income amounted to HK$93 million up to the disposal date for the period ended June 30, 2026, compared to HK$100 million for the same period in 2025.

Property development and investment in Japan

In Hokkaido, Japan, 111 units of the Park Hyatt Niseko Hanazono Residences have been sold or reserved to date.

The Group had no revenue from the property development and investment in Japan for the six months ended June 30, 2026, compared to HK$102 million for the same period in 2025.

Property development and golf operation in Thailand

As of June 30, 2026, the Group had sold or reserved 40% of its Phase 1A villas in Phang Nga, Thailand. The Group had no revenue from its property development in Thailand for the six months ended June 30, 2026, as with the same period in 2025.

The Group formed a strategic alliance with Hotel Properties Limited in Singapore to bring a Four Seasons Resort and Branded Residences to Aquella, a large-scale integrated resort development in Phang Nga. The move represents a significant milestone in PCPD's long-term vision of transforming Aquella into an integrated resort destination that effortlessly blends luxury living, recreation and exceptional service.

Total revenue from our golf operations, Aquella Golf & Country Club, amounted to HK$7 million for the six months ended June 30, 2026, compared to HK$6 million for the same period in 2025.

Property development in Hong Kong

Central Residence by the Park in Hong Kong was launched for sale in January 2026. As at the end of June 2026, 90.9% of the total available units of the luxury residential project had already been sold. The project will be completed in the latter half of 2026.

Hospitality operations in Japan

During the review period, Japan's tourism industry experienced a moderation in international visitor arrivals amid shifts in travel demand and changes in the demographic profile of international travellers. Following a record-breaking March, when arrivals reached 3.6 million, visitor numbers eased modestly over the subsequent two months. Nonetheless, the sector remained broadly resilient throughout the first half of 2026, reflecting Japan's enduring appeal as a top travel destination and the effects of a relatively weak Japanese Yen.

The generally favourable environment, coupled with PCPD's focused business strategy, has contributed to the steady performance of Park Hyatt Niseko, Hanazono, our hotel operations in Hokkaido. Both the occupancy rate and the average room rate recorded a notable surge year-on-year.

On February 13, 2026, the Group announced the sale of its entire interest in Midtown Niseko. The transaction, at a total consideration of US$80 million, was completed on May 31, 2026.

The Group's all-season recreational operation is located in Niseko, Hokkaido, Japan, one of the premium ski destinations in the world. The various facilities and recreational activities operated by the Group within the resort include "Hanazono EDGE" (a restaurant and entertainment centre), ski lifts, ski equipment rental, a ski school, and snowmobile tours in the winter; and "Hanazono Zipflight", "42°N Art Hanazono — Mountain Lights", rafting tours, tree-trekking, e-bikes, and golfing in the summer.

Building on the momentum of the 2024/25 winter season, our resort maintained steady ski lift and gondola performance in the 2025/26 winter season. On the whole, our resort has continued to benefit from the strength of Japan's tourism industry during and beyond the winter months.

For the six months ended June 30, 2026, revenue from the Group's hospitality operations in Japan totalled HK$566 million, compared to HK$505 million for the corresponding period in 2025.

Property and facilities management in Hong Kong

Providing property management and facilities management services in Hong Kong, the Group generated a stable revenue of HK$14 million for the six months ended June 30, 2026, compared to HK$15 million for the corresponding period in 2025.

Other businesses

Other businesses of the Group mainly include property investment in Hong Kong. Revenue from these other businesses amounted to HK$6 million for the six months ended June 30, 2026, compared to HK$8 million for the corresponding period in 2025.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HK$ million	Note	For the six months ended June 30, **2026** **(Unaudited)**	 2025 (Unaudited)
Revenue	2	**593**	636
Cost of sales		**(212)**	(211)
Gross profit		**381**	425
General and administrative expenses		**(337)**	(337)
Gain on disposal of a subsidiary	3	**149**	—
Fair value changes on investment properties		**1,495**	—
Interest income		**18**	2
Finance costs		**(225)**	(211)
Profit/(loss) before taxation	4	**1,481**	(121)
Income tax	5	**(38)**	(42)
Profit/(loss) from continuing operations		**1,443**	(163)
Discontinued operations			
Loss from discontinued operation	12	**(1,632)**	(86)
Loss for the period		**(189)**	(249)
Other comprehensive income/(loss):			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences:			
Exchange differences on translating foreign operations			
– from continuing operations		**(122)**	351
– from discontinued operation		**(178)**	(87)
Release of currency translation reserve upon disposal of subsidiaries			
– from continuing operations		**98**	—
– from discontinued operation		**1,412**	—
Cash flow hedges:			
– effective portion of changes in fair value		**19**	—
Cost of hedge		**(4)**	—
Item that will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment:			
– Revaluation surplus		**2,708**	—
– Deferred tax		**(837)**	—
Other comprehensive income for the period		**3,096**	264

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME — CONTINUED

HK$ million	Note	For the six months ended June 30, 2026 (Unaudited)	2025 (Unaudited)
Total comprehensive income/(loss)			
– from continuing operations		**3,305**	188
– from discontinued operation		**(398)**	(173)
		2,907	15
Basic and diluted earning/(loss) per share for profit/(loss) from continuing operations			
(expressed in Hong Kong cents per share)	7	**70.76 cents**	(8.00) cents
Basic and diluted loss per share for loss from discontinued operation			
(expressed in Hong Kong cents per share)		**(80.04) cents**	(4.23) cents
Basic and diluted loss per share			
(expressed in Hong Kong cents per share)		**(9.28) cents**	(12.23) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK$ million	Note	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	8	**1,569**	56
Property, plant and equipment		**4,462**	2,056
Right-of-use assets		**49**	40
Properties held for development	9a	**475**	566
Goodwill		**3**	3
Financial assets at fair value through profit or loss		**1**	1
Derivative financial instruments		**24**	—
Prepayments and other receivables		**51**	20
Deferred income tax assets		**65**	83
		6,699	2,825
Current assets			
Properties under development/held for sale	9b	**4,914**	4,224
Inventories		**15**	19
Restricted cash		**932**	42
Trade receivables, net	10	**17**	121
Prepayments, deposits and other current assets		**75**	57
Amounts due from related companies		**2**	2
Cash and cash equivalents		**2,295**	691
		8,250	5,156
Assets of disposal group held for sale		**—**	3,368
		8,250	8,524
Total assets		**14,949**	11,349

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION — CONTINUED

HK$ million	Note	**As at June 30, 2026 (Unaudited)**	As at December 31, 2025 (audited)
Current liabilities			
Borrowings		**1,822**	7,976
Trade payables	11	**9**	127
Accruals and other payables		**457**	154
Deferred income and contract liabilities		**2,668**	442
Lease liabilities		**43**	16
Current income tax liabilities		**148**	39
		5,147	8,754
Liabilities of disposal group held for sale		**—**	1,294
		5,147	10,048
Net current assets/(liabilities)		**3,103**	(1,524)
Total assets less current liabilities		**9,802**	1,301
Non-current liabilities			
Borrowings		**5,712**	1,187
Other payables		**204**	10
Deferred income and contract liabilities		**—**	1
Lease liabilities		**69**	29
Deferred income tax liabilities		**874**	38
		6,859	1,265
Total liabilities		**12,006**	11,313
Net assets		**2,943**	36
CAPITAL AND RESERVES			
Issued equity		**3,802**	3,802
Reserves		**(992)**	(3,899)
Capital and reserves attributable to equity holders of the Company		**2,810**	(97)
Non-controlling interests		**133**	133
		2,943	36

Notes:

1. Basis of Preparation and Accounting Policies

The unaudited condensed consolidated financial information of Pacific Century Premium Developments Limited (the "Company") and its subsidiaries (the "Group") has 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"). The unaudited condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

The unaudited condensed consolidated financial information has been reviewed by the Company's Audit Committee, and the Company's independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

After considering the Group's ability to generate net operating cash inflows and raise additional debt financing, and the undrawn banking facilities available as at 30 June 2026, management considers the Group is able to meet its liabilities as and when they fall due within the next 12-month period. Accordingly, this unaudited condensed consolidated interim financial information has been prepared on a going concern basis.

The preparation of the unaudited condensed consolidated financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing these unaudited condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those which applied to the consolidated financial statements as at and for the year ended December 31, 2025, except for the critical accounting estimates and judgements required in distinction between property development projects, investment properties and owner-occupied properties in note 1(d) below.

The accounting policies, basis of presentation and methods of computation used in preparing this unaudited condensed consolidated interim financial information are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of the following amended HKFRSs and HKASs which are first effective for accounting periods beginning on or after January 1, 2026 and the change of accounting policy for property, plant and equipment as described below.

a) Adoption of new/revised accounting standards

The following amended HKFRSs and HKASs are adopted for the financial year beginning January 1, 2026, but have no material effect on the Group's reported results and financial position for the current and prior accounting periods.

—	HKFRS 9 and HKFRS 7	*Classification and Measurement of Financial Instruments (amendments)*
—	HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	*Annual Improvements to HKFRS Accounting Standards — Volume 11*
—	HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity (amendments)*
—	HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	*Disclosures about Uncertainties in the Financial Statements (amendments)*

1. **Basis of Preparation and Accounting Policies — Continued**

b) **New standards, amendments to standards and interpretation which are not yet effective**

The Group has not early adopted any new or amended HKFRSs, HKASs and Interpretations that are not yet effective for the current accounting period.

c) **Change of accounting policy for property plant and equipment**

The Group re-assessed its accounting for property, plant and equipment with respect to measurement of certain classes of property, plant and equipment after initial recognition. The Group had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group elected to change the method of accounting for land and buildings and structures classified as property, plant and equipment from January 1, 2026, as the Group believes that the revaluation model provides more relevant information to the users of its financial statements. Specifically, given that the market value of the Group's properties has experienced significant changes over time, measuring these assets at fair value reflects their current economic value and provides a more realistic representation of the Group's net asset value and asset backing. Management believes this enhancement allows shareholders and potential investors to more accurately evaluate the Group's financial position, asset utilisation efficiency, and true financial performance. In addition, available valuation techniques provide reliable measures of the lands' revalued amounts. The Group applied the revaluation model.

After the change in method of accounting for land and buildings and structures, they are measured at revalued amounts at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Fair value measurements

The fair value of the land and buildings and structures were determined by independent professional valuers using market approach and income approach. For market approach, the valuers took into account active market prices for comparable properties and adjusted if necessary for any difference in nature, location or conditions of the specific asset. For income approach, the valuers took into account expected revenue projection, growth rate, discount rate and capitalization rate. A significant change in the expected market rental or capitalisation rate would result in a significant change in the fair value of the land and buildings and structure at the revaluation date.

Effects of change in accounting policy

The effects of change in accounting policy for land and buildings and structures on the consolidated statement of financial position for as at January 1, 2026 is as follows:

(i) **Property, plant and equipment**

HK$ million	Land	Building and structure
Net book value under cost model	245	1,617
Revaluation surplus recognised in other comprehensive income	2,708	—
Net book value under revaluation model	2,953	1,617

(ii) **Deferred tax liabilities**

The carrying amount of the land under property, plant and equipment under revaluation model were presumed to be recovered through sale, accordingly, deferred tax liabilities of HK$849 million were recognised.

1. **Basis of Preparation and Accounting Policies — Continued**

d) **Critical accounting estimates and judgements involved in distinction between property development projects, investment properties and owner-occupied properties**

When the Group determines whether a property qualifies as an investment property, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process. Properties for/under development and properties held for sale are assets under development and held for sale in the ordinary course of business. The Group shall reclassify a property when, and only when, there is evidence of a change in use. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold or leased out separately, the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

2. **Revenue and Segment Information**

The chief operating decision-maker (the "CODM") is the Group's senior executive management. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources and the segment information is reported below in accordance with this internal reporting.

The CODM considers the business from the products and services perspective and which comprise hospitality operations in Japan, property development and investment in Japan, property development and golf operation in Thailand, property and facilities management in Hong Kong and property development in Hong Kong segments.

The property investment business in Indonesia is reported as a discontinued operations in the current period and have been excluded from segment information. The segments including all-season recreational activities, hotel operations, property management in Japan are consolidated into hospitalities operations in Japan for the Group's internal reporting to the CODM. The comparative figures of segment information for the period ended June 30, 2025 were restated to follow the current year presentation accordingly.

The CODM assesses the performance of the operating segments based on each segment's operating results. The measurement of segment results excludes the effects of unallocated items (including corporate expenses, corporate financing income and corporate financing costs). In addition, taxation is not allocated to segments. Sales between segments are carried out in accordance with terms agreed by the parties involved.

An analysis of revenue and information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resources allocation and assessment of segment performance for the six months ended June 30 is set out below:

2. Revenue and Segment Information — Continued

a. Business segments

HK$ million	Hospitality operations in Japan	Property development and investment in Japan	Property development and golf operation in Thailand	Property and facilities management in Hong Kong	Property development in Hong Kong	Other business	Total
	Continuing operations						
For the period ended June 30, 2026							
Total revenues	**566**	**—**	**7**	**14**	**—**	**6**	**593**
Revenues — external	**566**	**—**	**7**	**14**	**—**	**6**	**593**
Segment results	**166**	**(8)**	**(18)**	**3**	**(28)**	**1**	**116**
Gain on disposal of a subsidiary	**149**	**—**	**—**	**—**	**—**	**—**	**149**
Fair value changes on investment properties	**—**	**1,511**	**—**	**—**	**—**	**(16)**	**1,495**
	315	**1,503**	**(18)**	**3**	**(28)**	**(15)**	**1,760**
Unallocated items							
Corporate expenses							**(72)**
Interest income							**18**
Finance costs							**(225)**
Profit before taxation							**1,481**
Taxation							**(38)**
Profit after taxation							**1,443**
Additions to non-current assets	**10**	**—**	**10**	**—**	**—**	**1**	**21**
Depreciation and amortization	**(51)**	**(4)**	**(6)**	**—**	**(8)**	**(10)**	**(79)**

HK$ million	Hospitality operations in Japan	Property development and investment in Japan	Property development and golf operation in Thailand	Property and facilities management in Hong Kong	Property development in Hong Kong	Other business	Total
	Continuing operations						
For the period ended June 30, 2025							
Total revenues	505	102	6	15	—	9	637
Inter-segment	—	—	—	—	—	(1)	(1)
Revenues — external	505	102	6	15	—	8	636
Segment results	133	57	(23)	5	(23)	1	150
Unallocated items							
Corporate expenses							(62)
Interest income							2
Finance costs							(211)
Loss before taxation							(121)
Taxation							(42)
Loss after taxation							(163)
Additions to non-current assets	12	21	1	—	3	1	38
Depreciation and amortization	(56)	(4)	(5)	—	(18)	(10)	(93)

2. Revenue and Segment Information — Continued

HK$ million	Assets		Liabilities	
As at	**June 30, 2026**	December 31, 2025	**June 30, 2026**	December 31, 2025
From continuing operations				
Hospitality operations in Japan	**4,494**	2,181	**1,152**	427
Property development and investment in Japan	**2,909**	1,215	**1,319**	970
Property development and golf operation in Thailand	**1,085**	1,152	**46**	64
Property and facilities management in Hong Kong	**19**	18	**2**	2
Property development in Hong Kong	**4,455**	3,221	**2,360**	1,194
Other businesses (note b)	**42**	57	**9**	9
Total of reported segments	**13,004**	7,844	**4,888**	2,666
Unallocated (note c)	**1,945**	137	**7,118**	7,353
Consolidated	**14,949**	7,981	**12,006**	10,019

a. For the six months ended June 30, 2026 and 2025, the timing of revenue recognition is as follows:

HK$ million	**2026**	2025
External revenue from contracts with customers:		
Timing of revenue recognition		
– At a point in time	**110**	211
– Over time	**482**	424
External revenue from other sources:		
– Rental income	**1**	1
	593	636

b. Revenue from segments below the quantitative thresholds under HKFRS 8 “Operating Segments” is mainly attributable to property investment in Hong Kong. This segment has not met any of the quantitative thresholds for determining reportable segments.

c. The liabilities from the unallocated segment are mainly general borrowings of the Group.

3. Gain on disposal of a subsidiary

On May 31, 2026, the Group disposed all of its shares in Triple8 KK ("Niseko Target"). Accordingly, the Group did not hold any shares in Niseko Target and Niseko Target had ceased to be a subsidiary of the Group, following which the business operations and performance of Niseko Target would not be consolidated with and reflected in the financial information of the Group subsequent to May 31, 2026. The Group had recognised an aggregated net gain on disposal of HK$149 million for the period.

HK$ million	**As at June 30, 2026**
Consideration	**626**
Less: Net assets disposed	
Property, plant and equipment	**(195)**
Deferred tax assets	**(16)**
Trade receivables, net	**(2)**
Prepayment, deposits and other current assets	**(3)**
Cash and cash equivalents	**(1)**
Accruals and other payables	**5**
	(212)
Release of currency translation reserve upon disposal of a subsidiary	**(98)**
Right-of-use assets retained through the leaseback	**21**
Lease liabilities arising from the leaseback arrangement	**(79)**
Transaction costs and taxes	**(109)**
Net gain on disposal of a subsidiary	**149**

4. Loss Before Taxation

Loss before taxation is stated after charging the following:

	For the six months ended June 30,	
HK$ million	**2026**	2025
Cost of properties sold	**—**	34
Cost of inventories sold	**23**	19
Depreciation of property, plant and equipment	**64**	80
Depreciation of right-of-use assets		
– properties	**15**	13
Staff costs included in:		
– cost of sales	**71**	70
– general and administrative expenses	**121**	93
Contributions to defined contribution retirement schemes included in:		
– general and administrative expenses	**3**	3
Auditor's remuneration		
– audit services	**3**	3
Net foreign exchange loss	**8**	1
Variable lease payment expenses	**43**	34
Short-term leases expenses	**2**	1

5. **Income Tax**

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the period.

Taxation for subsidiaries outside Hong Kong which mainly in Japan, Indonesia and Thailand has been calculated on the estimated assessable profits for the period at the rates prevailing in the respective jurisdictions.

	For the six months ended June 30,	
HK$ million	**2026**	2025
Hong Kong profits tax		
– Provision for current period	**—**	1
Income tax outside Hong Kong		
– Provision for current period	**37**	24
Deferred income tax	**1**	17
	38	42

6. **Dividend**

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

7. **Earning/(loss) per Share**

The calculations of basic and diluted earning/(loss) per share based on the share capital of the Company are as follows:

	For the six months ended June 30,	
Profit/(loss) from continuing operations (HK$ million)	**2026**	2025
Profit/(loss) for the purpose of calculating the basic and diluted earning/(loss) per share	**1,443**	(163)
Number of shares (million)		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted earning/(loss) per share	**2,038**	2,038

Pursuant to the terms of the applicable deed poll, the bonus convertible notes confer upon the holders the same economic interests attached to the bonus shares.

As at June 30, 2026, bonus convertible notes in an aggregated amount of HK$592,552,133.20 (June 30, 2025: HK$592,552,133.20) have been converted into 1,185,104,266 shares of the Company (June 30, 2025: 1,185,104,266 shares). The outstanding bonus convertible notes in an aggregated amount of HK$20,021.20 (June 30, 2025: HK$20,021.20) at the conversion price of HK$0.50 per share convertible into 40,042 shares (June 30, 2025: 40,042 shares) have been included in the weighted average number of ordinary shares for calculating the basic earning/(loss) per share for the six months ended June 30, 2026 and June 30, 2025.

8. **Investment Properties**

The movements of investment properties during the first six-month period are stated as below.

HK$ million	**2026**	2025
At January 1,	**56**	3,277
Additions	**—**	3
Transfer from properties under development (note)	**18**	—
Change in fair value	**1,495**	(81)
Exchange differences	**—**	13
At June 30,	**1,569**	3,212

Note:

The Group reclassified a portion of the freehold land under development in Japan from properties under development to investment properties under development during the period ended June 30, 2026. This reclassification reflects a strategic change in intention made prior to June 30, 2026 to earn rental income and capture the future capital appreciation.

9. Properties under development/held for sale/held for development

a. Properties held for development

HK$ million	**2026**	2025
At January 1,	**566**	454
Additions	**—**	1
Transfer to property, plant and equipment	**—**	(6)
Transfer to properties under development	**(54)**	—
Exchange differences	**(37)**	26
At June 30,	**475**	475

Properties held for development as at June 30, 2026 represent the freehold land in Thailand which the Group intends to hold for future development projects.

b. Properties under development/held for sale

HK$ million	**2026**	2025
At January 1,	**4,224**	3,724
Additions	**689**	207
Properties sold	**—**	(29)
Transfer to investment properties	**(18)**	—
Transfer from properties held for development	**54**	—
Exchange differences	**(35)**	61
At June 30,	**4,914**	3,963
Less: Properties under development classified as non-current assets	**—**	(201)
Properties under development/held for sale classified as current assets	**4,914**	3,762

(i) Properties under development classified as non-current assets as at June 30, 2025 consists of the freehold land under development in Japan which is held by an indirect wholly-owned subsidiary amounted to HK$201 million.

(ii) Properties under development, which have either been pre-sold or are intended for sale, are classified under current assets.

10. Trade Receivables, net

An aging analysis of trade receivables, based on invoice date, is set out below:

HK$ million	**As at June 30, 2026**	As at December 31, 2025
1–30 days	**17**	121

Trade receivables have a normal credit period which ranges up to 30 days from the date of the invoice unless there is separate mutual agreement on extension of the credit period.

11. Trade Payables

An aging analysis of trade payables, based on invoice date, is set out below:

HK$ million	**As at June 30, 2026**	As at December 31, 2025
1–30 days	**9**	127

12. Discontinued Operation

On June 8, 2026, the Group disposed its property investment business in Indonesia by disposing all of its shares in Rafflesia Investment Limited ("Jakarta Target") and its subsidiaries (collectively, "Jakarta Target Group"). Accordingly, the Group did not hold any shares in Jakarta Target and Jakarta Target had ceased to be a subsidiary of the Group, following which the business operations and performance of Jakarta Target Group would not be consolidated with and reflected in the financial information of the Group subsequent to June 8, 2026. The Group had recognised an aggregated net loss from discontinued operation of HK$1,632 million for the period.

An analysis of the results, total comprehensive loss and cash flows relating to the discontinued operation is set out below:

a) Results and total comprehensive income from discontinued operation

		For the six months ended June 30,	
HK$ million	Note	**2026**	2025
Revenue		**93**	100
Cost of sales		**(3)**	(3)
Gross profit		**90**	97
General and administrative expenses		**(94)**	(53)
Other loss		**—**	(81)
Finance costs		**(24)**	(28)
Loss before taxation		**(28)**	(65)
Income tax		**(11)**	(21)
Loss after taxation		**(39)**	(86)
Loss on disposal of discontinued operation	12b	**(1,593)**	—
Loss from discontinued operation		**(1,632)**	(86)
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences:			
Exchange differences on translating foreign operation		**(178)**	(87)
Release of currency translation reserve upon disposal of subsidiaries		**1,412**	—
Total comprehensive loss from discontinued operation		**(398)**	(173)
Basic and diluted loss per share from discontinued operation			
(expressed in Hong Kong cents per share)		**(80.04) cents**	(4.23) cents

12. Discontinued Operation — Continued

b) Loss on disposal of discontinued operation

HK$ million	As at June 30, 2026
Consideration	**3,137**
Less: Net assets disposed	
Investment properties	**(2,885)**
Property, plant and equipment	**(65)**
Prepayments and other receivables	**(108)**
Inventories	**(2)**
Trade receivables, net	**(10)**
Prepayments, deposits and other current assets	**(46)**
Accruals and other payables	**54**
Deferred income and contract liabilities	**47**
	(3,015)
Release of reserves upon disposal of subsidiaries	**(1,412)**
Transaction costs and taxes	**(27)**
Estimated payment obligations (note)	**(276)**
Net loss on disposal of subsidiaries	**(1,593)**

Note:

The estimated payment obligations of HK$276 million, calculated as the estimated net cash flow generated from the Jakarta Target Group, minus the cash yield requirement under the income guarantee by the Group.

c) Cash flows from discontinued operation

	For the six months ended June 30,	
HK$ million	**2026**	2025
Net cash outflow from operating activities	**(60)**	(16)
Net cash inflow/(outflow) from investing activities	**3,135**	(4)
Net cash inflow/(outflow) from financing activities	**15**	(32)
Net cash from discontinued operation	**3,090**	(52)

FINANCIAL REVIEW

The consolidated revenue of the Group was HK$593 million for the six months ended June 30, 2026, representing a decrease of 7% from HK$636 million for the corresponding period in 2025. The decrease is entirely attributable to the sale of a duplex unit at the Park Hyatt Branded Residence in May 2025. Excluding this prior year sales, revenue from our other core businesses recorded 11% year-on-year growth. This growth was primarily driven by the sustained strong performance of our Japan operations, including hotels, ski resorts, and property management.

The consolidated gross profit for the six months ended June 30, 2026 was HK$381 million, representing a decrease of 10% from HK$425 million for the corresponding period in 2025. The gross profit margin for the six months ended June 30, 2026 was 64% as compared to 67% for the corresponding period in 2025.

The general and administrative expenses were HK$337 million for the six months ended June 30, 2026, same as the corresponding period in 2025.

The Group recorded higher finance costs of HK$225 million for the six months ended June 30, 2026, as compared to HK$211 million for the same period in 2025. The increase was mainly due to the rebound in interest rate. The consolidated net loss after taxation was HK$189 million for the six months ended June 30, 2026, as compared to HK$249 million for the corresponding period in 2025. Such decrease was mainly due to gain on disposal of a subsidiary. Basic loss per share during the period under review was 9.28 Hong Kong cents, compared to a basic loss per share of 12.23 Hong Kong cents for the corresponding period in 2025.

Assets and liabilities

The Group reclassified a portion of the freehold land under development in Japan from properties under development to investment properties under development during the period ended June 30, 2026 with the intention to earn rental income and capture the future capital appreciation.

As at June 30, 2026, the Group held current assets of HK$8,250 million (December 31, 2025: HK$5,156 million), mainly comprising properties under development/held for sale, cash and cash equivalents and prepayments, deposits and other current assets. The increase in current assets is mainly attributable to addition in restricted cash, cash and cash equivalents. The level of restricted cash in current assets increased to HK$932 million as at June 30, 2026 (December 31, 2025: HK$42 million) mainly due to the pre-sales proceeds of Central Residence by the Park in Hong Kong.

As at June 30, 2026, the Group's total current liabilities amounted to HK$5,147 million, as compared to HK$8,754 million as at December 31, 2025. As at June 30, 2026, the current ratio was 1.60 (December 31, 2025: 0.59).

Capital structure, liquidity and financial resources

As at June 30, 2026, the Group's borrowings amounted to HK$7,534 million (December 31, 2025: HK$9,163 million). The balance as at June 30, 2026 represented the amortised cost of financial liabilities in respect of the 7.5% guaranteed notes of US$500 million (equivalent to HK$3,801 million), Japanese Yen ("JPY") 18,861 million (equivalent to HK$915 million) under all JPY loan facilities, together with HK$2,818 million under the Hong Kong dollar loan facilities.

On June 18, 2021, PCPD Capital Limited ("PCPD Capital"), an indirect wholly-owned subsidiary of the Company, issued in an aggregate principal amount of US$800 million 5.125 per cent guaranteed notes due 2026 ("Notes"), which are listed on the Singapore Exchange Securities Trading Limited. The estimated fair value of the option of the early redemption and repurchase rights are recognised as financial assets at fair value through profit or loss. The Notes are irrevocably and unconditionally guaranteed by the Company. The Notes rank pari passu among themselves and with all other present and future unsecured and unsubordinated obligations of PCPD Capital and the Company. The Notes have been redeemed in full on maturity on June 18, 2026.

On December 24, 2024, an indirect wholly-owned subsidiary of the Company entered into the term loan facility agreement under which the lender agreed to make available a term loan facility up to an aggregate amount of HK$500 million. The maturity of the term loan facility is in June 2028. Such facility is secured by corporate guarantee of the Company and subject to certain financial ratios covenants. As of June 30, 2026, none of the covenants were breached and the carrying value of the borrowing represents the loan drawdown of HK$500 million (December 31, 2025: HK$500 million) offset by the deferred loan arrangement costs of HK$2 million (December 31, 2025: HK$3 million).

On July 23, 2025, an indirect wholly-owned subsidiary of the Company entered into the term loan facility agreement under which the lender agreed to make available a term loan facility up to an aggregate amount of JPY23,500 million (equivalent to HK$1,271 million) with a maturity in July 2030. Such facility is secured by certain lands and properties, bank accounts, shares and other assets of certain indirect wholly-owned subsidiary of the Company and subject to certain financial ratios covenants. As of June 30, 2026, none of the covenants were breached and the carrying value of the borrowing represents the outstanding principal amount of JPY19,500 million (equivalent to HK$946 million) (December 31, 2025: JPY14,500 million (equivalent to HK$724 million) offset by the deferred loan arrangement costs of JPY639 million (equivalent to HK$31 million) (December 31, 2025: JPY681 million (equivalent to HK$34 million)).

On December 24, 2025, an indirect wholly-owned subsidiary of the Company entered into the term loan facility agreement under which the lender agreed to make available a term loan facility up to an aggregate amount of HK$780 million. The maturity of the term loan facility is in June 2030. Such facility is secured by corporate guarantee of the Company and subject to certain financial ratios covenants. As of June 30, 2026, none of the covenants were breached and the carrying value of the borrowing represents the loan drawdown of HK$780 million (December 31, 2025: nil) offset by the deferred loan arrangement costs of HK$6 million (December 31, 2025: nil).

On March 19, 2026, a subsidiary of the Company entered into an amendment agreement to the project development loan facility agreement up to an aggregate amount of HK$1,382 million. The facility was renewed with a maturity of April 2027 or twelve months after occupation permit of the development project in Hong Kong being issued by the building authority, whichever is earlier. Such facility is secured by certain land and property, bank accounts, shares and other assets of the indirect non-wholly owned subsidiaries of the Company and subject to certain financial ratios covenants. As of June 30, 2026, none of the covenants were breached and the carrying value of the borrowing represents the outstanding principal amount of HK$1 million (December 31, 2025: HK$1,191 million offset by the deferred loan arrangement costs of HK$2 million).

On May 11, 2026, an indirect wholly-owned subsidiary of the Company entered into the term loan facility agreement under which the lender agreed to make available a term loan facility up to an aggregate amount of HK$1,560 million. The maturity of the term loan facility is in January 2027. Such facility is secured by corporate guarantees of the Company and an indirect wholly-owned subsidiary of the Company, other assets of certain indirect wholly-owned subsidiaries of the Company and subject to certain financial ratios covenants. As of June 30, 2026, none of the covenants were breached and the carrying value of the borrowing represents the loan drawdown of HK$1,560 million (December 31, 2025: nil) offset by the deferred loan arrangement costs of HK$13 million (December 31, 2025: nil).

On May 15, 2026, PCPD Capital issued in an aggregate principal amount of US$500 million 7.5 per cent guaranteed notes due 2029 ("New Notes"), which are listed on the Singapore Exchange Securities Trading Limited. The estimated fair value of the option of the early redemption and repurchase rights are recognised as financial assets at fair value through profit or loss. The New Notes are irrevocably and unconditionally guaranteed by the Company. The New Notes rank pari passu among themselves and with all other present and future unsecured and unsubordinated obligations of PCPD Capital and the Company.

The Group's borrowings are denominated in US dollars, Hong Kong dollars and Japanese Yen while the cash and bank deposits are also held mainly in US dollars, Hong Kong dollars and Japanese Yen. The Group has foreign operations, and some of its net assets are exposed to the risk of foreign currency exchange rate fluctuations. As at June 30, 2026, the assets of the Group in Japan and Thailand represented 50 per cent and 7 per cent of the Group's total assets respectively. The Group's currency exposure with respect to these operations is subject to fluctuations in the exchange rates of Japanese Yen and Thai Baht.

Cash generated from operating activities for the six months ended June 30, 2026 was HK$1,820 million, as compared to cash used in operating activities in the amount of HK$61 million for the corresponding period in 2025.

Income tax

The Group's income tax for the six months ended June 30, 2026 was HK$38 million, as compared to HK$42 million for the corresponding period in 2025.

Security on assets

As at June 30, 2026, certain assets of the Group with an aggregated carrying value of HK$8,531 million (December 31, 2025: HK$4,669 million) were mortgaged and pledged to the banks as security for the loan facilities.

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2026, the Group employed a total number of 977 staff in Hong Kong and overseas (inclusive of property management staff borne by owners' account and seasonal staff employed overseas). The remuneration policies of the Group are in line with prevailing industry practices. Bonuses are paid on a discretionary basis taking into account factors such as performance of individual employees and the Group's performance as a whole. The Group provides comprehensive employee benefits, including medical insurance, a choice of provident fund or mandatory provident fund as well as training programs. The Group is also a participating member of the PCCW employee share incentive award schemes.

The Company operates a share option scheme which was adopted by its shareholders at the Company's annual general meeting held on May 14, 2025 ("2025 Scheme"). Under the 2025 Scheme, the Board shall be entitled to offer to grant share options to any eligible participant (including employee of the Group) whom the Board may, at its absolute discretion, select.

DIVIDENDS AND DISTRIBUTION

The Board did not declare an interim dividend to shareholders nor an interim distribution to bonus convertible noteholders for the six months ended June 30, 2026 (2025: Nil).

The Board did not recommend the payment of a final dividend to shareholders nor a final distribution to bonus convertible noteholders for the year ended December 31, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2026, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the listed securities of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's unaudited condensed consolidated interim financial information for the six months ended June 30, 2026 and has held one meeting during the period under review.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business and to ensure that its affairs are conducted in accordance with applicable laws and regulations.

The Company has applied the principles and complied with all applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended June 30, 2026.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Company (www.pcpd.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2026 interim report will be despatched to shareholders of the Company and available on the above websites in due course.

OUTLOOK

The first half of 2026 presented a challenging global environment, characterised by geopolitical tensions including the conflict in the Middle East, inflation, trade uncertainties and concerns over monetary policies. In the months to come, the global outlook is expected to remain uncertain. While recent geopolitical developments have helped ease some market concerns, the situation remains fluid and unpredictable. Meanwhile, factors such as trade uncertainties and evolving monetary policies may cloud the outlook. We will remain vigilant and responsive to changes in market conditions as needed.

Despite the headwinds, global growth was relatively resilient, while international tourism in many parts of Asia continued to perform steadily.

The Group's core markets in Asia generally remained solid during the period. Tourism demand continued to support Japan and Thailand despite a slightly more measured pace of growth. Improving sentiment in Hong Kong's property market also provided a more favourable backdrop for our luxury residential development.

As we look ahead to the remainder of the year, we will continue to execute our business strategies with a clear focus on long-term value creation. We will stay committed to driving business growth and identifying new opportunities with growth potential. We are cautiously optimistic about the long-term outlook for the property sectors in Hong Kong, Japan and Thailand. We will harness our diversified portfolio and strong business fundamentals, as well as positive market dynamics, to strengthen our business performance, and create value for our shareholders and stakeholders.

By Order of the Board
Pacific Century Premium Developments Limited
Cheung Kwok Kuen Alan
General Counsel and Company Secretary

Hong Kong, July 29, 2026

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:
Li Tzar Kai, Richard; and Benjamin Lam Yu Yee (Deputy Chairman and Group Managing Director)

Non-Executive Director:
Dr Allan Zeman, GBM, GBS, JP

Independent Non-Executive Directors:
Prof Wong Yue Chim, Richard, SBS, JP (Independent Non-Executive Chairman); Chiang Yun; and Dr Vince Feng

* *For identification only*