CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "Board") of Chinese Estates Holdings Limited (the "Company") would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2026 (the "Period") together with the comparative figures for the corresponding period in 2025:-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	**HK$'000**	HK$'000
		(Unaudited)	(Unaudited)
Revenue	3	**133,818**	134,106
Cost of goods and services provided		**(25,959)**	(21,810)
Gross profit		**107,859**	112,296
Other income	5	**4,790**	49,362
Investment income, net	6	**7,640**	108,015
Administrative expenses		**(117,012)**	(141,797)
Gain on disposals of equipment, net		**462**	181
Fair value changes on investment properties		**(175,615)**	(388,329)
Finance costs	7	**(35,871)**	(52,998)
Other gains and losses	8	**(36)**	(1,221)
Share of results of investments accounted for using the equity method		**9,314**	(91,385)
Loss before tax		**(198,469)**	(405,876)
Income tax expense	9	**(1,912)**	(4,622)
Loss for the period	10	**(200,381)**	(410,498)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)*
For the six months ended 30 June 2026

	Notes	Six months ended 30 June **2026** **HK$'000** **(Unaudited)**	 2025 HK$'000 (Unaudited)
Other comprehensive (expenses) income			
Items that will not be reclassified to profit or loss			
Gains and losses on investments in equity instruments measured at fair value through other comprehensive income		**(12,209)**	3,055
Share of other comprehensive income (expenses) of investments accounted for using the equity method		**60**	(40)
		(12,149)	3,015
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(28,386)**	465,662
Share of other comprehensive income of investments accounted for using the equity method		**6,150**	4,644
		(22,236)	470,306
Other comprehensive (expenses) income for the period (net of tax)		**(34,385)**	473,321
Total comprehensive (expenses) income for the period		**(234,766)**	62,823
(Loss) profit for the period attributable to:			
Owners of the Company		**(200,481)**	(410,671)
Non-controlling interests		**100**	173
		(200,381)	(410,498)
Total comprehensive (expenses) income for the period attributable to:			
Owners of the Company		**(234,866)**	62,650
Non-controlling interests		**100**	173
		(234,766)	62,823
Loss per share (HK$)	12		
Basic and diluted		**(0.105)**	(0.215)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2026

	Notes	**30 June 2026 HK$'000 (Unaudited)**	31 December 2025 HK$'000 (Audited)
Non-current assets			
Investment properties		**9,682,852**	9,888,156
Property, plant and equipment		**17,808**	18,965
Right-of-use assets		**72,953**	90,036
Intangible assets		**-**	-
Investments accounted for using the equity method		**1,691,351**	1,691,825
Advances to associates		**60,610**	59,864
Financial assets measured at fair value through profit or loss		**52,740**	51,740
Financial assets measured at fair value through other comprehensive income		**110,543**	122,752
Advance to an investee company		**439,914**	407,572
Pledged deposit		**4,140**	12,420
		12,132,911	12,343,330
Current assets			
Stock of properties		**23,316**	23,316
Financial assets measured at fair value through profit or loss		**393,530**	417,487
Advance to an investee company		**-**	8,205
Inventories		**1,990**	2,401
Debtors, deposits, other receivables and prepayments	13	**129,563**	142,237
Securities trading receivables and deposits		**1,446**	505
Tax recoverable		**497**	6,117
Pledged deposits		**899,418**	1,506,687
Time deposits, bank balances and cash		**243,530**	321,120
		1,693,290	2,428,075
Current liabilities			
Creditors and accruals	14	**153,062**	207,043
Securities trading payable		**289**	245
Deposits and receipts in advance		**59,830**	59,947
Lease liabilities		**29,717**	30,392
Tax liabilities		**6,636**	25,310
Borrowings		**1,377,571**	2,008,127
Derivative financial instruments		**-**	146
		1,627,105	2,331,210
Net current assets		**66,185**	96,865
Total assets less current liabilities		**12,199,096**	12,440,195

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
At 30 June 2026

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Equity attributable to owners of the Company		
Share capital	**190,762**	190,762
Property revaluation reserve	**5,862**	5,862
Financial assets measured at fair value through other comprehensive income reserve	**110,402**	122,551
Contribution reserve	**206,627**	206,627
Statutory reserve	**4,402**	4,402
Special reserve	**2,499,685**	2,499,685
Capital redemption reserve	**138,062**	138,062
Translation reserve	**(236,923)**	(214,687)
Retained profits	**8,756,769**	8,957,250
	11,675,648	11,910,514
Non-controlling interests	**24,387**	24,287
Total equity	**11,700,035**	11,934,801
Non-current liabilities		
Borrowings	**372,600**	380,880
Amounts due to associates	**20,290**	13,163
Amounts due to investee companies	**37,068**	28,443
Amounts due to non-controlling shareholders	**275**	275
Lease liabilities	**41,188**	56,000
Deferred tax liabilities	**27,640**	26,633
	499,061	505,394
	12,199,096	12,440,195

1. Basis of Preparation

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

These unaudited condensed consolidated financial statements have been prepared under the historical cost basis, except for certain properties and financial instruments, which are measured at their fair values.

2. Material Accounting Policies

The accounting policies adopted in these unaudited condensed consolidated financial statements for the Period are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025 except as described below.

In the current period, the Group has applied the following amendments to HKFRS Accounting Standards ("Amendments") issued by the HKICPA for the first time, including those which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of these unaudited condensed consolidated financial statements:

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 9 and HKFRS 7 (Amendments)	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 application of the Amendments 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 unaudited condensed consolidated financial statements.

The Group has not early adopted the following new and amendments to HKFRS Accounting Standards ("New and Amended HKFRS Accounting Standards") that have been issued but are not yet effective.

HKAS 21 (Amendments)	Translation of a Hyperinflationary Presentation Currency[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[1]
HK Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]

[1] *Effective for annual periods beginning on or after 1 January 2027*
[2] *Effective for annual periods beginning on or after a date to be determined*

The directors of the Company ("Directors") are in the process of assessing the potential impact of the New and Amended HKFRS Accounting Standards but are not yet in a position to determine whether the New and Amended HKFRS Accounting Standards will have a material impact on the Group's performance and financial position and on the disclosures. The New and Amended HKFRS Accounting Standards may result in changes to how the Group's performance and financial position are prepared and presented in the future.

3. Revenue

Revenue represents the aggregate amounts of commission and settlement charges from brokerage, cosmetics goods sold less returns, building and property management services income, amounts received and receivable from property rental income, interest income from bonds, dividend income from listed and unlisted equity investments and gain on sales of investments held-for-trading. The Group ceased its brokerage business in 2025.

Revenue is analysed as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Revenue from contracts with customers:		
Recognised on a point in time basis		
Brokerage and cosmetics income	**3,261**	5,384
Recognised on over time basis		
Building and property management services income	**25,691**	25,719
	28,952	31,103
Revenue from other sources:		
Property rental income	**83,749**	82,358
Interest income from bonds *(note (i))*	**8,733**	8,118
Dividend income from		
- listed equity investments *(note (i))*	**1,768**	1,751
- unlisted equity investment *(note (ii))*	**1,050**	-
	2,818	1,751
Gain on sales of investments held-for-trading	**9,566**	10,776
	104,866	103,003
Total revenue	**133,818**	134,106

Notes:

(i) The interest income from bonds and dividend income from listed equity investments were derived from financial assets measured at fair value through profit or loss ("FVTPL").

(ii) The dividend income from unlisted equity investment was derived from financial assets measured at fair value through other comprehensive income ("FVTOCI").

4. Operating Segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has six reportable segments – (i) property development and trading; (ii) property leasing for retail; (iii) property leasing for non-retail; (iv) listed equity investments at FVTOCI; (v) investments and treasury products at FVTPL; and (vi) unlisted investments, investment holding and brokerage. The remaining businesses of the Group grouped under all other segments. The segmentations are based on the information about the operations of the Group that management of the Group uses to make decisions.

Principal activities are as follows:

Property development and trading	–	Property development and sales of trading properties
Property leasing		
- Retail	–	Property leasing from retail properties
- Non-retail	–	Property leasing from non-retail properties
Listed equity investments at FVTOCI	–	Listed equity securities at FVTOCI
Investments and treasury products at FVTPL	–	Securities investments in investments held-for-trading, over-the-counter trading and structured products
Unlisted investments, investment holding and brokerage	–	Unlisted securities investments, trading and brokerage
All other segments	–	Cosmetics distribution and trading, provision of building and property management services and others

The Group evaluates performance on the basis of profit or loss from operations after tax expense and non-controlling interests but not including the major non-cash items. The major non-cash items are unrealised fair value changes on investment properties and other properties together with, if applicable, their respective deferred tax.

No operating segments have been aggregated in arriving at the six reportable segments described above.

Unallocated corporate assets mainly comprised right-of-use assets and tax recoverable.

Unallocated corporate liabilities mainly comprised tax liabilities, borrowings, amounts due to associates, amounts due to investee companies, amounts due to non-controlling shareholders, lease liabilities and deferred tax liabilities.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business unit has different markets and requires different marketing strategies.

Further, the business units are also managed to operate in different countries separately. Revenue and results are attributed to countries on the basis of the property or asset location.

During the Period, there was one (2025: one) major customer who individually accounted for 10% or more of the Group's revenue. Revenue of approximately HK$18,212,000 (2025: HK$16,205,000) was derived from a customer in property leasing for retail segment in the United Kingdom.

4. Operating Segments *(continued)*

Operating segment information is presented below:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Property development and trading HK$'000	Property leasing Retail HK$'000	Property leasing Non-retail HK$'000	Listed equity investments at FVTOCI HK$'000	Investments and treasury products at FVTPL HK$'000	Unlisted investments and investment holding HK$'000	All other segments HK$'000	Consolidated HK$'000
Major cash items excluding in revenue								
- Hong Kong	-	-	-	-	63,009	-	-	63,009
- Other countries	-	-	-	-	39,605	-	-	39,605
	-	-	-	-	102,614	-	-	102,614
Revenue								
Dividend and interest income and gain on sales of investments held-for-trading								
- Hong Kong	-	-	-	-	10,376	-	1,050	11,426
- Other countries	-	-	-	-	9,691	-	-	9,691
Revenue from external customers								
- Hong Kong	-	16,565	44,091	-	-	-	28,952	89,608
- United Kingdom	-	18,212	4,563	-	-	-	-	22,775
- Mainland China	-	-	318	-	-	-	-	318
	-	34,777	48,972	-	20,067	-	30,002	133,818
Revenue (excluding dividend income from segments of property development and trading and property leasing)	-	34,777	48,972	-	20,067	-	30,002	133,818
Attributable property sales from an investee company								
- Hong Kong	20	-	-	-	-	-	-	20
Attributable rental revenue from associates/investee companies								
- Hong Kong	-	7,644	22,949	-	-	-	-	30,593
- Mainland China	-	26,723	2,589	-	-	-	-	29,312
	20	69,144	74,510	-	20,067	-	30,002	193,743
Results								
Segment results								
- Hong Kong	4,070	15,035	39,980	-	534	19,343	15,640	94,602
- United Kingdom	-	13,516	3,387	-	-	888	-	17,791
- Mainland China	-	-	234	-	-	1,178	-	1,412
- Other countries	-	-	-	-	1,694	-	-	1,694
	4,070	28,551	43,601	-	2,228	21,409	15,640	115,499
Share of results of investments accounted for using the equity method								
- Attributable gross income								
- Hong Kong	-	7,243	22,778	-	-	-	1,080	31,101
- Mainland China	-	26,723	2,589	-	-	-	-	29,312
- Attributable operating cost								
- Hong Kong	-	(776)	(4,441)	-	-	-	-	(5,217)
- Mainland China	-	(9,751)	(1,869)	-	-	-	-	(11,620)
	4,070	51,990	62,658	-	2,228	21,409	16,720	159,075
Share of results of investments accounted for using the equity method								
- Income tax and others	-	(11,690)	(1,791)	-	-	-	(231)	(13,712)
	4,070	40,300	60,867	-	2,228	21,409	16,489	145,363
Unallocated items								
Unallocated corporate expenses, net								(111,796)
Finance costs								(35,871)
Income tax expense								(1,912)
Non-controlling interests								(100)
Operating loss for the period attributable to owners of the Company								(4,316)
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of investments accounted for using the equity method)								(196,165)
Loss for the period attributable to owners of the Company								(200,481)
Core loss (excluding major non-cash items)								
Operating loss for the period attributable to owners of the Company								(4,316)
Share of accumulated realised fair value changes on disposals of investment properties of an associate								
- Recognised in prior years								3,802
Core loss for the period attributable to owners of the Company								(514)

4. Operating Segments *(continued)*

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Property development and trading HK$'000	Property leasing Retail HK$'000	Property leasing Non-retail HK$'000	Listed equity investments at FVTOCI HK$'000	Investments and treasury products at FVTPL HK$'000	Unlisted investments and investment holding HK$'000	All other segments HK$'000	Consolidated HK$'000
Assets								
Segment assets								
- Hong Kong	**540,713**	**828,731**	**4,918,821**	**-**	**338,036**	**913,038**	**57,556**	**7,596,895**
- United Kingdom	**-**	**858,983**	**3,359,462**	**-**	**-**	**-**	**-**	**4,218,445**
- Mainland China	**84,731**	**-**	**41,232**	**-**	**-**	**-**	**-**	**125,963**
- Other countries	**-**	**-**	**-**	**-**	**59,487**	**-**	**-**	**59,487**
Investments accounted for using the equity method								
- Hong Kong	**54,536**	**303,493**	**1,155,177**	**-**	**-**	**1,198**	**4,177**	**1,518,581**
- Mainland China	**-**	**91,216**	**81,554**	**-**	**-**	**-**	**-**	**172,770**
Advances to associates								
- Hong Kong	**1,924**	**-**	**96**	**-**	**-**	**1**	**1**	**2,022**
- Mainland China	**-**	**30,932**	**27,656**	**-**	**-**	**-**	**-**	**58,588**
Reportable segment assets	**681,904**	**2,113,355**	**9,583,998**	**-**	**397,523**	**914,237**	**61,734**	**13,752,751**
Unallocated corporate assets								**73,450**
Consolidated total assets								**13,826,201**
Liabilities								
Segment liabilities								
- Hong Kong	**7,184**	**11,967**	**146,171**	**-**	**350**	**7**	**9,774**	**175,453**
- United Kingdom	**-**	**19,328**	**18,199**	**-**	**-**	**-**	**-**	**37,527**
- Mainland China	**-**	**-**	**201**	**-**	**-**	**-**	**-**	**201**
Reportable segment liabilities	**7,184**	**31,295**	**164,571**	**-**	**350**	**7**	**9,774**	**213,181**
Unallocated corporate liabilities								**1,912,985**
Consolidated total liabilities								**2,126,166**
Additions to non-current assets (other than financial instruments)	**-**	**1,508**	**6,698**	**-**	**-**	**-**	**871**	

Other Material Items

For the six months ended 30 June 2026

	Reportable segments HK$'000	Adjustments for unallocated items HK$'000	Adjustments for major non-cash items HK$'000	Condensed consolidated statement of comprehensive income HK$'000
Interest income	**33,212**	**-**	**-**	**33,212**
Finance costs	**-**	**(35,871)**	**-**	**(35,871)**
Net income (expenses)	**33,212**	**(35,871)**	**-**	**(2,659)**
Depreciation of:				
- Property, plant and equipment	**-**	**(3,902)**	**-**	**(3,902)**
- Right-of-use assets	**-**	**(17,083)**	**-**	**(17,083)**
Fair value changes on investment properties	**-**	**-**	**(175,615)**	**(175,615)**
Share of results of investments accounted for using the equity method	**29,864**	**-**	**(20,550)**	**9,314**
Income tax expense	**-**	**(1,912)**	**-**	**(1,912)**
Non-controlling interests	**-**	**(100)**	**-**	**(100)**

4. Operating Segments *(continued)*

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Property development and trading HK$'000	Property leasing Retail HK$'000	Property leasing Non-retail HK$'000	Listed equity investments at FVTOCI HK$'000	Investments and treasury products at FVTPL HK$'000	Unlisted investments, investment holding and brokerage HK$'000	All other segments HK$'000	Consolidated HK$'000
Major cash items excluding in revenue								
- Hong Kong	-	-	-	-	48,244	-	-	48,244
- Other countries	-	-	-	-	26,066	-	-	26,066
	-	-	-	-	74,310	-	-	74,310
Revenue								
Dividend and interest income and gain on sales of investments held-for-trading								
- Hong Kong	-	-	-	-	16,303	-	-	16,303
- Other countries	-	-	-	-	4,342	-	-	4,342
Revenue from external customers								
- Hong Kong	-	15,591	43,207	-	-	962	30,141	89,901
- United Kingdom	-	16,205	7,046	-	-	-	-	23,251
- Mainland China	-	-	309	-	-	-	-	309
	-	31,796	50,562	-	20,645	962	30,141	134,106
Revenue (excluding dividend income from segments of property development and trading and property leasing)	-	31,796	50,562	-	20,645	962	30,141	134,106
Attributable property sales from an investee company								
- Hong Kong	288	-	-	-	-	-	-	288
Attributable rental revenue from associates/investee companies								
- Hong Kong	-	7,002	23,328	-	-	-	-	30,330
- Mainland China	-	23,310	2,682	-	-	-	-	25,992
	288	62,108	76,572	-	20,645	962	30,141	190,716
Results								
Segment results								
- Hong Kong	3,472	14,263	39,066	-	37,360	67,691	17,799	179,651
- United Kingdom	-	14,580	6,339	-	-	3,952	-	24,871
- Mainland China	-	-	221	-	-	1,565	-	1,786
- Other countries	-	-	-	-	13,997	-	-	13,997
	3,472	28,843	45,626	-	51,357	73,208	17,799	220,305
Share of results of investments accounted for using the equity method								
- Attributable gross income								
- Hong Kong	-	6,749	23,162	-	-	-	1,149	31,060
- Mainland China	-	23,310	2,682	-	-	-	-	25,992
- Attributable operating cost								
- Hong Kong	-	(1,079)	(3,675)	-	-	-	-	(4,754)
- Mainland China	-	(8,848)	(1,700)	-	-	-	-	(10,548)
	3,472	48,975	66,095	-	51,357	73,208	18,948	262,055
Share of results of investments accounted for using the equity method								
- Income tax and others	-	(10,415)	(2,056)	-	-	-	(150)	(12,621)
	3,472	38,560	64,039	-	51,357	73,208	18,798	249,434
Unallocated items								
Unallocated corporate expenses, net								(92,291)
Finance costs								(52,998)
Loss on disposal of a subsidiary								(1,178)
Income tax expense								(4,622)
Non-controlling interests								(173)
Operating profit for the period attributable to owners of the Company								98,172
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of investments accounted for using the equity method)								(508,843)
Loss for the period attributable to owners of the Company								(410,671)
Core profit for the period attributable to owners of the Company								98,172

4. **Operating Segments** *(continued)*

Condensed Consolidated Statement of Financial Position

At 31 December 2025

	Property development and trading HK$'000	Property leasing Retail HK$'000	Property leasing Non-retail HK$'000	Listed equity investments at FVTOCI HK$'000	Investments and treasury products at FVTPL HK$'000	Unlisted investments, investment holding and brokerage HK$'000	All other segments HK$'000	Consolidated HK$'000
Assets								
Segment assets								
- Hong Kong	528,342	871,460	5,062,234	-	349,775	1,530,614	81,782	8,424,207
- United Kingdom	-	872,398	3,414,377	-	-	-	-	4,286,775
- Mainland China	98,148	-	39,237	-	-	-	-	137,385
- Other countries	-	-	-	-	75,196	-	-	75,196
Investments accounted for using the equity method								
- Hong Kong	53,519	302,483	1,162,272	-	-	1,223	4,692	1,524,189
- Mainland China	-	80,032	87,604	-	-	-	-	167,636
Advances to associates								
- Hong Kong	1,930	-	101	-	-	1	2	2,034
- Mainland China	-	27,609	30,221	-	-	-	-	57,830
Reportable segment assets	681,939	2,153,982	9,796,046	-	424,971	1,531,838	86,476	14,675,252
Unallocated corporate assets								96,153
Consolidated total assets								14,771,405
Liabilities								
Segment liabilities								
- Hong Kong	23,219	11,836	175,408	-	725	409	9,464	221,061
- United Kingdom	-	19,075	26,972	-	-	-	-	46,047
- Mainland China	35	-	237	-	-	-	-	272
- Other countries	-	-	-	-	1	-	-	1
Reportable segment liabilities	23,254	30,911	202,617	-	726	409	9,464	267,381
Unallocated corporate liabilities								2,569,223
Consolidated total liabilities								2,836,604
Additions to non-current assets (other than financial instruments)	-	4,648	230,789	-	-	-	1,162	

Other Material Items

For the six months ended 30 June 2025

	Reportable segments HK$'000	Adjustments for unallocated items HK$'000	Adjustments for major non-cash items HK$'000	Condensed consolidated statement of comprehensive income HK$'000
Interest income	59,975	-	-	59,975
Finance costs	-	(52,998)	-	(52,998)
Net income (expenses)	59,975	(52,998)	-	6,977
Depreciation of:				
- Property, plant and equipment	-	(21,164)	-	(21,164)
- Right-of-use assets	-	(22,262)	-	(22,262)
Fair value changes on investment properties	-	-	(388,329)	(388,329)
Share of results of investments accounted for using the equity method	29,129	-	(120,514)	(91,385)
Income tax expense	-	(4,622)	-	(4,622)
Non-controlling interests	-	(173)	-	(173)

5. Other Income

	Six months ended 30 June 2026 HK$'000	2025 HK$'000
Included in other income are:		
Rental services income	**377**	996
Leasing administration services and property administration services income	**2,043**	2,252
Advisory and consultancy services income	**23**	21
Exchange gain, net	**-**	41,973

6. Investment Income, Net

	Six months ended 30 June 2026 HK$'000	2025 HK$'000
Financial assets/liabilities measured at fair value through profit or loss:		
Unrealised (loss) gain arising from change in fair value of bonds	**(1,100)**	20,951
Realised loss arising from change in fair value of bonds		
- Change in fair value	**(397)**	-
- Exchange component of change	**(534)**	-
(Loss) gain arising from change in fair value of bonds	**(2,031)**	20,951
Unrealised gain (loss) arising from change in fair value of derivative financial instruments	**13**	(1,398)
Realised gain arising from change in fair value of derivative financial instruments	**207**	-
Gain (loss) arising from change in fair value of derivative financial instruments	**220**	(1,398)
Unrealised (loss) gain arising from change in fair value of investments held-for-trading	**(15,937)**	11,084
Unrealised gain (loss) arising from change in fair value of club debentures	**1,000**	(140)
Realised gain arising from change in fair value of a club debenture	**-**	25,630
Net gain arising from change in fair value of club debentures	**1,000**	25,490
Unrealised gain arising from change in fair value of cross currency swap	**-**	6
Other investment (expenses) income, net	**(91)**	75
Interest income from other financial assets	**24,479**	51,807
	7,640	108,015

7. Finance Costs

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Interest on:		
Bank borrowings	**24,575**	41,267
Other borrowing	**9,106**	20,009
Lease liabilities	**1,776**	608
Total interest	**35,457**	61,884
Exchange gain on translation of foreign currency bank borrowing	**-**	(33)
Other finance costs	**414**	414
	35,871	62,265
Less: Interest capitalised to investment properties under construction	**-**	(9,267)
	35,871	52,998

During the six months ended 30 June 2025, the Group capitalised borrowing costs at a rate of 4.68% per annum, amounting to approximately HK$9,267,000 on qualifying assets.

8. Other Gains and Losses

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Included in other gains and losses is:		
Loss on disposal of a subsidiary *(note)*	**-**	1,178

Note: *During the six months ended 30 June 2025, loss on disposal of a subsidiary arose from the disposal of the entire issued share capital of Success Nice Investment Limited ("Success Nice"), an indirect wholly-owned subsidiary of the Company on 16 April 2025 ("Success Nice Disposal"). At the time of disposal, Success Nice held a club debenture in Hong Kong. Details of the Success Nice Disposal are set out in Note 15.*

9. Income Tax Expense

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
The charge (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	**742**	847
Other than Hong Kong	**81**	7,145
	823	7,992
Overprovision in prior years:		
Other than Hong Kong	**(2)**	(79)
Deferred tax:		
Current period charge (credit)	**1,091**	(3,291)
	1,912	4,622

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5% (2025: 16.5%). The People's Republic of China ("PRC") Enterprise Income Tax for the PRC subsidiaries are calculated at the PRC Enterprise Income Tax rate of 25% (2025: 25%). The Group is subject to tax rate in the United Kingdom at 25% (2025: 25%). Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. Loss for the Period

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Loss for the period has been arrived at after (charging) crediting:		
Total staff costs:		
Staff costs, including Directors' emoluments	**(59,111)**	(66,000)
Retirement benefit scheme contributions, net of forfeited contributions of approximately HK$50,000 (2025: HK$78,000)	**(3,407)**	(3,667)
	(62,518)	(69,667)
Auditors' remuneration for audit services:		
Auditors of the Company		
- Current period	**(1,004)**	(1,025)
Other auditors		
- Current period	**(109)**	(329)
- Underprovision in prior years	**-**	(5)
	(1,113)	(1,359)
Auditors' remuneration for non-audit services:		
Auditors of the Company	**-**	(8)
Depreciation of:		
- Property, plant and equipment	**(3,902)**	(21,164)
- Right-of-use assets	**(17,083)**	(22,262)
	(20,985)	(43,426)
Exchange loss, net	**(3,903)**	-
Rental expenses from short-term leases	**(1,873)**	(869)
Cost of cosmetics products sold	**(1,685)**	(2,003)
Share of tax of investments accounted for using the equity method (included in share of results of investments accounted for using the equity method)		
- Share of tax expense of associates	**(4,189)**	(4,165)
Gross proceeds on sales of investments held-for-trading	**61,236**	74,310
Carrying amount of investments held-for-trading disposed of	**(51,547)**	(63,388)
Transaction costs on sales of investments held-for-trading	**(123)**	(146)
Gain on sales of investments held-for-trading included in revenue	**9,566**	10,776
Gross rental income from investment properties	**83,749**	82,358
Less: Direct operating expenses from investment properties that generated rental income during the period	**(7,401)**	(6,845)
Direct operating expenses from investment properties that did not generate rental income during the period	**(4,196)**	(1,044)
	72,152	74,469
Allowance for credit losses recognised in respect of:		
- Advance to an associate	**(35)**	(41)
- Other receivable	**(22)**	-

11. Dividends

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Final dividend for 2024 paid on 10 June 2025 of HK3 cents per share	**-**	57,229

The Board has resolved not to declare any interim dividend for the Period (2025: HK1 cent per share) after interim period end.

12. Loss per Share

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Loss:		
Loss for the purposes of basic and diluted loss per share Loss for the period attributable to owners of the Company	**(200,481)**	(410,671)

	Number of shares	
	Six months ended 30 June	
	2026	2025
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,907,619,079**	1,907,619,079

Diluted loss per share for the six months ended 30 June 2026 and 2025 were the same as the basic loss per share as there were no potential ordinary shares of the Company in issue during both periods.

13. Debtors, Deposits, Other Receivables and Prepayments

	30 June 2026	31 December 2025
	HK$'000	HK$'000
Trade receivables (net of allowance for credit losses)	**12,130**	10,181
Deposits and prepayments	**38,869**	41,751
Interest receivables from bonds (net of allowance for credit losses)	**2,452**	4,610
Other receivables	**76,112**	85,695
	129,563	142,237

Included in debtors, deposits, other receivables and prepayments are trade receivables of approximately HK$12,130,000 (31 December 2025: HK$10,181,000), which comprised rental and building management fee receivables billed in advance and settlements from tenants which are expected upon receipts of billings and receivables from property management services and cosmetics business.

13. Debtors, Deposits, Other Receivables and Prepayments *(continued)*

The carrying amounts of trade receivables (net of allowance for credit losses) of the Group's major businesses are as follows:

	30 June 2026 HK$'000	31 December 2025 HK$'000
Rental receivables from property leasing	**3,387**	2,954
Receivables from building and property management services	**7,602**	5,481
Receivables from cosmetics business	**1,141**	1,746
	12,130	10,181

The following is the aged analysis of trade receivables (net of allowance for credit losses), presented based on the respective revenue recognition dates, at the end of the reporting period:

	30 June 2026 HK$'000	31 December 2025 HK$'000
0 - 30 days	**3,931**	3,688
31 - 60 days	**2,715**	2,764
61 - 90 days	**1,970**	466
Over 90 days	**3,514**	3,263
	12,130	10,181

14. Creditors and Accruals

Included in creditors and accruals are trade payables of approximately HK$861,000 (31 December 2025: HK$523,000).

The following is the aged analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	30 June 2026 HK$'000	31 December 2025 HK$'000
0 - 90 days	**615**	298
Over 90 days	**246**	225
	861	523

15. Disposal of a Subsidiary

Success Nice Disposal

On 7 April 2025, the Group entered into a sale and purchase agreement with an independent third party in relation to disposal of the entire issued share capital of Success Nice.

The Success Nice Disposal was completed on 16 April 2025 at an aggregate consideration of approximately HK$27,588,000, which included sale of the entire issued share capital of Success Nice and assignment of the amount due to the Group of approximately HK$22,081,000 and approximately HK$5,507,000 respectively.

The transfer of control over Success Nice was completed on 16 April 2025.

Upon completion, Success Nice ceased to be a subsidiary of the Company and its financial results and assets were ceased to be consolidated with those of the Group.

15. Disposal of a Subsidiary *(continued)*

Success Nice Disposal *(continued)*

	2025 HK$'000
The net assets of Success Nice as at the date of disposal were as follows:	
Financial asset measured at fair value through profit or loss	27,580
Prepayment	8
Amount due to the Group	(5,507)
Net assets disposed of	22,081
Sale of amount due to the Group	5,507
Loss on disposal of a subsidiary	(1,178)
	26,410
Satisfied by:	
Cash consideration	27,588
Expenses incurred for disposal	(1,178)
	26,410
Net cash inflow arising from disposal:	
Cash consideration	27,588
Expenses incurred for disposal	(1,178)
	26,410

The loss on the Success Nice Disposal was included in other gains and losses (Note 8) in the unaudited condensed consolidated statement of comprehensive income.

16. Capital Commitments

	30 June 2026 HK$'000	31 December 2025 HK$'000
Authorised and contracted for:		
Redevelopment expenditure of a property	**114,598**	113,676
Refurbishment of a property	**1,152**	432
	115,750	114,108

17. Contingent Liabilities

	30 June 2026 HK$'000	31 December 2025 HK$'000
Guarantee given to a bank in respect of banking facilities in lieu of the cash public utility deposit jointly utilised by subsidiaries	**15,000**	15,000
Guarantee given to a bank in respect of banking facility utilised by an investee company/indemnity given to a third party in relation to an investee company	**1,400,000**	814,000
	1,415,000	829,000

No provision for financial guarantee contracts and/or deed of indemnity have been made as at 30 June 2026 and 31 December 2025 as the Directors considered the default risk is low.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (2025: HK1 cent per share).

Having considered the Company's dividend policy, to preserve more cash for the Group's future financial, property investment or securities investment opportunities, the Board has resolved not to declare any interim dividend for the Period (2025: HK1 cent per share).

Under the Company's dividend policy, there is no predetermined dividend payout ratio. Dividend distribution will be made in the interests of the Company and its shareholders as a whole. In considering any declaration or recommendation of dividends, the Board will take into account factors, including but not limited to, business condition and strategy, capital requirement, earnings, financial and cash flow position, distributable reserves, and such other factors that the Board considers relevant.

FINANCIAL OPERATION REVIEW

Results

Revenue

Revenue for the Period amounted to HK$133.8 million (2025: HK$134.1 million), a decrease of 0.2% over the same period of last year and comprised gross rental income of HK$83.7 million (2025: HK$82.4 million), gain on sales of investments held-for-trading on a net basis of HK$9.6 million (2025: HK$10.8 million), dividend income from listed and unlisted equity investments of HK$2.8 million (2025: listed equity investments of HK$1.7 million), interest income from bonds of HK$8.7 million (2025: HK$8.1 million), building and property management services income of HK$25.7 million (2025: HK$25.7 million) and others of HK$3.3 million (2025: HK$5.4 million).

Gross Profit

Gross profit for the Period amounted to HK$107.9 million (2025: HK$112.3 million), a decrease of 3.9% as compared with the same period of last year.

Property Leasing

For property leasing, the rental revenue in non-retail section declined by 3.4% to HK$48.9 million while retail section increased by 9.4% to HK$34.8 million during the Period. The total rental income in revenue for the Period recorded an increase of 1.6% to HK$83.7 million as compared with the same period of last year of HK$82.4 million.

Together with the attributable rental revenue generated from associates and investee companies of HK$59.9 million (2025: HK$56.3 million), the total attributable rental revenue to the Group amounted to HK$143.6 million (2025: HK$138.7 million), which represents an increase of 3.5% over the same period of last year.

Attributable net rental income for the Period showed HK$114.6 million, a decrease of 0.4% over HK$115.1 million in the same period of last year.

Property Development and Trading

During the Period, the Group did not dispose of any trading property (2025: no disposal).

Securities Investments

The Group has in the ordinary and usual course of business conducted its securities investment activities, as at 30 June 2026, comprised listed equity investments, bonds and treasury products. During the Period, the net profit (excluding gain/loss recognised in financial assets measured at FVTOCI reserve) recognised from securities investments and treasury products representing net profit on investments and treasury products at FVTPL of HK$2.2 million (2025: HK$51.4 million).

Investments and Treasury Products at Fair Value Through Profit or Loss

During the Period, the Group disposed of listed investments held-for-trading and recognised a realised gain of HK$9.6 million (2025: HK$10.8 million) (the gains/losses of which was included in revenue) with gross proceeds of HK$61.2 million (2025: HK$74.3 million). In addition, realised loss on bonds of HK$1.0 million (2025: nil) and realised gain on derivative financial instruments of HK$0.2 million (2025: nil) were recorded during the Period.

During the Period, the Group recorded an unrealised loss of HK$17.0 million (2025: unrealised gain of HK$30.6 million) representing the changes in fair value of listed equity investments, bonds and derivative financial instruments, comprised unrealised loss on listed investments held-for-trading of HK$15.9 million (2025: unrealised gain of HK$11.1 million), unrealised loss on bonds of HK$1.1 million (2025: unrealised gain of HK$20.9 million) and minimal unrealised gain on derivative financial instrument(s) (2025: unrealised loss of HK$1.4 million), which had no effect on the cash flow of the Group.

During the Period, interest income from bonds (which were included in revenue) was HK$8.7 million (2025: HK$8.1 million). Together with dividend income from listed equity investments at FVTPL (which were included in revenue) of HK$1.8 million (2025: HK$1.7 million), the Group recognised interest/dividend income from investments and treasury products at FVTPL of HK$10.5 million (2025: HK$9.8 million) for the Period.

Summing up the realised and unrealised gain/loss and adding the net income from net dividend income, interest income and other investment income/expenses of HK$10.4 million (2025: HK$10.0 million), the net profit recognised from investments and treasury products at FVTPL was HK$2.2 million (2025: HK$51.4 million) for the Period.

Other Income and Expenses

During the Period, other income decreased to HK$4.8 million (2025: HK$49.4 million), a decrease of 90.3% over the same period of last year. The decrease in other income was due to no exchange gain (2025: HK$42.0 million) recorded during the Period.

During the Period, administrative expenses decreased by 17.5% to HK$117.0 million (2025: HK$141.8 million). The decrease in administrative expenses was mainly due to decrease in depreciation expenses. Finance costs decreased by 32.3% to HK$35.9 million (2025: HK$53.0 million) during the Period. The decrease in finance costs was mainly due to decrease in interest expenses as a result of decrease in average interest rate and average total borrowings during the Period.

Investments Accounted for Using the Equity Method

The share of results of investments accounted for using the equity method for the Period recorded a profit from the share of results of associates of HK$9.3 million (2025: loss of HK$91.4 million). The turning from loss to profit on share of results of associates was mainly due to decrease in loss on fair value changes of investment properties held by associates during the Period.

Fair Value Changes on Investment Properties

Investment properties of the Group in Hong Kong and Mainland China were revalued at 30 June 2026 by Peak Vision Appraisals Limited ("Peak Vision Appraisals") whereas investment properties in the United Kingdom were revalued by LCH (Asia-Pacific) Surveyors Limited ("LCH (Asia-Pacific)"). Peak Vision Appraisals and LCH (Asia-Pacific) are independent qualified professional property valuers. An unrealised loss on fair value changes of investment properties of HK$175.6 million (2025: HK$388.3 million) was recorded during the Period. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

Loss, Core Loss/Profit, Dividends, Repurchase and Total Comprehensive Expenses/Income

Loss

Loss for the Period attributable to owners of the Company was HK$200.5 million as compared to HK$410.67 million for the same period of last year. The reduction in loss for the Period was mainly due to decrease in loss on fair value changes of investment properties. Loss per share for the Period was HK$0.11 (2025: HK$0.22).

Core Loss/Profit

Core profit/loss is a non-HKFRS Accounting Standards measure, is arrived at by adding (i) reported profit/loss excluding unrealised fair value changes of investment properties and other properties together with their respective deferred tax (if applicable) during the Period; and (ii) accumulated realised fair value changes of investment properties and other properties together with their respective deferred tax (if applicable) recognised in prior years. The Group believes that the presentation of non-HKFRS Accounting Standards measure facilitates comparisons of operating performance from period to period by eliminating potential impact of certain items.

If the net loss on the major non-cash items of HK$196.2 million (2025: HK$508.8 million) is excluded, but the share of accumulated realised fair value gain recognised in prior years on disposals of investment properties of an associate of HK$3.8 million (2025: nil) is included, the Group will have a core loss for the Period attributable to owners of the Company of HK$0.5 million (2025: core profit of HK$98.2 million).

The major non-cash items represented the attributable net unrealised fair value loss on investment properties together with their respective deferred tax (if applicable) from the Group and its associates of HK$196.2 million (2025: HK$508.8 million).

Dividends

No dividend (2025: final dividend for the year ended 31 December 2024 of HK3 cents per share in total amount of HK$57.2 million) was paid during the Period.

No interim dividend for the Period (2025: HK1 cent per share) has been declared.

Repurchase

During the Period, the Company had not repurchased any of the Company's share.

Total Comprehensive Expenses/Income

Total comprehensive expenses for the Period attributable to owners of the Company was HK$234.9 million or HK$0.12 per share (2025: total comprehensive income of HK$62.6 million or HK$0.03 per share), which comprised (a) loss for the Period attributable to owners of the Company of HK$200.5 million (2025: HK$410.67 million); and (b) other comprehensive expenses for the Period attributable to owners of the Company of HK$34.4 million (2025: other comprehensive income of HK$473.3 million) included Pound Sterling ("GBP") exchange loss of foreign operations of HK$32.8 million (2025: exchange gain of HK$461.8 million).

Net Asset Value

As at 30 June 2026, the Group's net asset value attributable to owners of the Company amounted to HK$11,675.6 million (31 December 2025: HK$11,910.5 million), representing a decrease of HK$234.9 million over 2025. With the total number of ordinary shares in issue of 1,907,619,079 as at 30 June 2026 and 31 December 2025, the net asset value per share attributable to owners of the Company was HK$6.12 (31 December 2025: HK$6.24). The movement in net asset value represented total comprehensive expenses for the Period attributable to owners of the Company of HK$234.9 million.

In view of the redevelopment plan of "120 Fleet Street" in London, United Kingdom, certain redevelopment expenditures which have been authorised and contracted for have been disclosed in "Capital Commitments" in Note 16 to the unaudited condensed consolidated financial statements. Going forward, further investment in capital expenditures for the redevelopment property is planned.

Other than the existing projects and those disclosed in the interim results, the Group did not have material acquisition or disposal of assets and any future plans for material investment or capital assets.

Securities Investments

The Group's strategy is to maintain securities investment portfolio for treasury management and invest in securities investments and treasury products with attractive yield and good prospect in order to bring stable and satisfactory realised return in long run.

Securities Investments and Treasury Products

As at 30 June 2026, the portfolio of securities investments and treasury products of HK$393.5 million (31 December 2025: HK$417.3 million) comprised listed investments held-for-trading, bonds and derivative financial instruments (presented as financial assets/liabilities measured at FVTPL), representing 2.9% (31 December 2025: 2.8%) of total assets.

Risk Management

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. This is supplemented by active management involvement, effective internal controls and adequate internal audit in the best interests of the Group.

Equity

The number of issued ordinary shares as at 30 June 2026 and 31 December 2025 were 1,907,619,079.

Debt and Gearing

As at 30 June 2026, the Group had a strong financial position, the Group had cash and deposits at banks of HK$1,147.1 million (31 December 2025: HK$1,840.2 million), comprised unpledged cash and deposits of HK$243.5 million (31 December 2025: HK$321.1 million) and pledged deposits of HK$903.6 million (31 December 2025: HK$1,519.1 million). After netting off the total debt of HK$1,821.1 million (31 December 2025: HK$2,475.4 million), comprised bank and other borrowings of HK$1,750.2 million (31 December 2025: HK$2,389.0 million) and lease liabilities of HK$70.9 million (31 December 2025: HK$86.4 million), the net debt (including lease liabilities) amounted to HK$674.0 million (31 December 2025: HK$635.2 million).

Total debt to equity ratio (including lease liabilities) was 15.6% (31 December 2025: 20.7%) and net debt to equity ratio (including lease liabilities) was 5.8% (31 December 2025: 5.3%), which are expressed as a percentage of total debt, and net debt, respectively, over the total equity of HK$11,700.0 million (31 December 2025: HK$11,934.8 million).

If the securities investments and treasury products of HK$393.5 million (31 December 2025: HK$417.3 million) are included, the net debt and net debt to equity ratio would be HK$280.5 million (31 December 2025: HK$217.9 million) and 2.4% (31 December 2025: 1.8%) respectively.

As at 30 June 2026, the Group's bank and other borrowings of HK$1,750.2 million, 78.7% and 21.3% were repayable on demand and/or within 1 year and more than 1 year but within 2 years respectively. Of which the Group's bank and other borrowings were denominated in HK$ (71.3%) and GBP (28.7%). As at 30 June 2026, the Group's bank and other borrowings were carried at interest rates calculated with reference to cost of funds, Hong Kong Interbank Offered Rate or compounded reference rate and all the Group's bank and other borrowings were on floating rate basis. No hedging for interest rate is subsisted at the end of the reporting period.

Pledge of Assets

As at 30 June 2026, the Group had pledged the following assets with their respective carrying amounts:

(a) The Group's investment properties of HK$2,710.5 million (31 December 2025: HK$2,798.4 million) and bank deposits of HK$73.1 million (31 December 2025: HK$82.7 million) were pledged to the banks to secure general banking facilities granted to the Group.

(b) The Group's bonds and listed equity investments at FVTPL with carrying amounts of HK$279.9 million (31 December 2025: HK$283.7 million) and cash deposits of HK$830.5 million (31 December 2025: HK$1,436.4 million) were pledged to a financial institution to secure margin facility granted to the Group.

(c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

Financial and Interest Income/Expenses

Interest income was included in revenue and investment income, net. Interest income for the Period decreased to HK$33.2 million (2025: HK$60.0 million), representing a decrease of 44.7% as compared with the same period of last year which was mainly due to decrease in interest income from time deposits as a result of the decrease in average total time deposits during the Period compared to the same period of last year.

Finance costs included interest expenses on bank and other borrowings and lease liabilities; and arrangement fee and facility and commitment fee expenses. Interest expenses (excluding interest expenses on lease liabilities) for the Period amounted to HK$33.7 million, representing a decrease of 35.2% over the same period of last year of HK$52.0 million. The decrease in interest expenses was mainly due to decrease in average interest rate and average total borrowings during the Period. No capitalised interest (2025: HK$9.3 million) was recognised during the Period. The average interest rate over the period under review was 3.81% (2025: 4.74%), which was expressed as a percentage of total interest paid (excluding interest on lease liabilities) over the average total interest-bearing borrowings.

Remuneration Policies

As at 30 June 2026, the Group employed a total of 405 staff (31 December 2025: 412 staff) including about 216 staff (31 December 2025: 212 staff) employed under the estate management company in Hong Kong and 5 staff (31 December 2025: 5 staff) in the United Kingdom.

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The executive Directors continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance.

United Kingdom and Mainland China

As at 30 June 2026, the Group's investment properties in the United Kingdom with carrying amount of GBP399.5 million (equivalent to approximately HK$4,149.9 million) (31 December 2025: GBP400.2 million (equivalent to approximately HK$4,194.3 million)) incurred a net loss of HK$18.0 million (2025: contributed a net profit of HK$111.1 million) to the Group for the Period, the loss mainly included in gross profit, fair value changes on investment properties, administrative expenses, finance costs and taxation. Due to depreciation of GBP against HK$ during the Period, GBP exchange loss of foreign operations included in other comprehensive expenses for the Period amounted to HK$32.8 million (2025: exchange gain of HK$461.8 million). As at 30 June 2026, the Group's net investment in the United Kingdom amounted to HK$3,655.7 million (31 December 2025: HK$3,709.1 million) representing 31.2% (31 December 2025: 31.1%) of the Group's total equity.

Profit contribution from the Group's investment in Mainland China (mainly included in gross profit, fair value changes on investment properties, administrative expenses, share of results of investments accounted for using the equity method and taxation) for the Period amounted to HK$0.1 million (2025: HK$4.2 million). Due to appreciation of Renminbi ("RMB") against HK$ during the Period, RMB exchange gain of foreign operations included in other comprehensive expenses for the Period amounted to HK$10.5 million (2025: HK$8.5 million). The Group's net investment in Mainland China as at 30 June 2026 amounted to HK$355.0 million (31 December 2025: HK$344.5 million) representing 3.0% (31 December 2025: 2.9%) of the Group's total equity.

Property Valuation

As at 30 June 2026 and 31 December 2025, property valuations in respect of the Group's investment properties in Hong Kong and Mainland China were carried out by Peak Vision Appraisals, whereas the investment properties in the United Kingdom were carried out by LCH (Asia-Pacific), both are independent qualified professional property valuers. The valuations were based on investment method and/or direct comparison method and/or residual method as the valuation methodologies and were used in preparing 2026 interim results.

The Group's investment properties were valued at HK$9,682.9 million (31 December 2025: HK$9,888.2 million), a decrease of 1.8% over 2025 after adjusted for the additions and exchange adjustments of investment properties during the Period. The unrealised fair value loss of HK$175.6 million was recognised in the unaudited condensed consolidated statement of comprehensive income for the Period. The Group also shared unrealised fair value loss of investment properties of associates of HK$20.6 million for the Period.

The unrealised fair value loss of HK$175.6 million was mainly derived from the decrease in fair value of properties located in Hong Kong. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

BUSINESS REVIEW

Hong Kong Property Investment and Development

As at 30 June 2026, the occupancy rate of the shops of Causeway Place in Causeway Bay was approximately 97.21% (2025: 96.52%).

As at 30 June 2026, the occupancy rate of the office property, Harcourt House in Wanchai was approximately 68.09% (2025: 68.61%). Together with the retail portion, the average occupancy rate of Harcourt House was approximately 70.05% (2025: 70.49%) during the Period.

MATAKOK, located at No. 18 Ma Kok Street, Tsuen Wan, is a 25-storey redeveloped industrial building (including 2 basement levels for parking and loading/unloading facilities). Occupation permit was issued in September 2025. As at 30 June 2026, the occupancy rate of the workshops was approximately 11.33% and the parking spaces were fully let.

Nos. 86 and 88 Apliu Street is a 25-storey residential-cum-commercial building in Sham Shui Po. During the Period and the corresponding period in 2025, ground floor retail portion was fully let while other floors were let to a non-governmental organisation to operate a youth hostel in the name of Joseph's House under the "Youth Hostel Scheme – Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels" approved by the Government. Joseph's House consists a total of 42 rooms with up to 84 hostel places.

No. 1 Hung To Road (33.33% interest), a 33-storey industrial building in Kwun Tong, the occupancy rate was approximately 90.08% (2025: 89.13%) as at 30 June 2026.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, the occupancy rate was approximately 98.43% (2025: 92.47%) as at 30 June 2026.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, was fully let (2025: 29.85%) as at 30 June 2026. The improvement in occupancy rate was attributable to the leasing of previous vacant areas to an anchor tenant commencing from November 2025.

Kai Tak Project (Kai Tak Area 2A Site 2 and Site 3) (10% interest) is a joint venture development project of the Group awarded by Government tender. Its total site area is approximately 145,303 square feet and its total gross floor area is around 992,279 square feet. It will be developed into a residential and retail development together with government, institution or community facilities. The development is expected to be completed by the fourth quarter of 2029. Superstructure works of Site 2 will commence in the third quarter of 2026 and foundation works of Site 3 are in progress.

Mainland China Property Investment

Hilton Beijing (50% interest), a five-star international hotel having 506 rooms. Renovation works of 5th to 14th floors of the hotel main tower have been resumed in early 2026. As of June 2026, the overall construction progress stands at around 70%. As at 30 June 2026, there were 308 rooms available for rent and the occupancy rate was approximately 95.32% (2025: 95.75%).

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing. As at 30 June 2026, the occupancy rate was approximately 87.42% (2025: 83.51%).

Overseas Property Investment and Development

"120 Fleet Street" consists of a freehold office building known as River Court and the Grade II* listed Daily Express Building, situated at 116-129 Fleet Street, London, United Kingdom. River Court will be redeveloped into a 21-storey high rise Grade A office led, mixed use building with 2 basement levels, and is expected to comprise approximately 540,800 square feet of office space and approximately 18,600 square feet of retail space and will be renamed as Evergo Tower, while Daily Express Building will be retained and refurbished.

"61-67 Oxford Street and 11-14 Soho Street" is a mixed use freehold building located in London, United Kingdom, comprising approximately 55,151 square feet in aggregate. The building provides retails, office and residential accommodation, occupying approximately 33,843 square feet, 13,694 square feet and 7,614 square feet respectively, over lower ground, ground and six upper floors. As at 30 June 2026, the occupancy rate was approximately 86.31% (2025: fully let), dropped by 13.69% when compared with the corresponding period in 2025, as a result of a whole floor office tenant moved out in August 2025. The said office area will be renovated, alternation and upgrading works are re-scheduled to the third quarter of 2026.

Securities Investment

The Group's strategy is to maintain securities investment portfolio for treasury management. As at 30 June 2026, the Group's securities investment portfolio comprised of listed equity investments, bonds and treasury products. The Group's primary objectives when managing capital are to safeguard the abilities of the entities in the Group to continue as a going concern, so that it can continue to provide returns for shareholders of the Company. The Group's strategy for future investments is to invest in a diversified portfolio to minimise risks with attractive yield, good liquidity and issuers from reputable entities, so as to maintain a healthy financial status and grasp every good investment chance.

The net profit recognised from investments and treasury products at fair value through profit or loss for the Period was approximately HK$2.2 million (2025: HK$51.4 million). More details of the performance of securities investments are disclosed in the "Financial Operation Review" of this announcement.

The Group continues to closely monitor its portfolio of securities investment to achieve satisfactory returns and to maintain liquidity.

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD

Advances to, and Financial Assistance and Guarantee to an Entity

On 22 January 2026, the Company issued an announcement pursuant to Rule 13.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), as (i) the loan advances together with accrued interest of HK$414,585,743.93 made by the Group to an entity, and (ii) the guarantee given by the Company under a loan facility agreement entered into by that entity of up to HK$800,000,000, in an aggregate amount of HK$1,214,585,743.93, exceeded 8% under the asset ratio of the Group as defined under Rule 14.07(1) of the Listing Rules.

Contract for Rental Services – Exempted Continuing Connected Transactions

On 15 July 2026, the Group entered into a contract for rental services with Ms. Chan, Hoi-wan (an Executive Director, the Chief Executive Officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children)), whereby the Group agreed to provide to Ms. Chan, Hoi-wan and/or her associate(s) and/or relative(s) the rental of motor vehicles, car plates, vessels, car parking spaces, premises and such other rental services for a term of three years commencing on 1 November 2026 (the "Contract for Rental Services"). The entering into of the Contract for Rental Services and the transactions contemplated thereunder constituted continuing connected transactions for the Company under the Listing Rules as more described in the Company's announcement dated 15 July 2026.

Contract for Services – Continuing Connected Transactions

On 10 August 2026, the Group entered into a contract for services with Ms. Chan, Hoi-wan (an Executive Director, the Chief Executive Officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children)), whereby the Group agreed to provide to Ms. Chan, Hoi-wan and/or her associate(s) and/or relative(s) the leasing administration services, sale administration services, property management services, property administration services, asset management and maintenance services, and advisory and consultancy services for a term of three years commencing on 1 November 2026 (the "Contract"). The entering into of the Contract and the transactions contemplated thereunder constituted continuing connected transactions for the Company and are subject to the Company's independent shareholders' approval at the special general meeting under the Listing Rules as more described in the Company's announcement dated 10 August 2026.

PROSPECTS

During the first half of 2026, the global economy navigated a delicate and complex landscape. The year began under the heavy shadow of geopolitical conflicts and trade fragmentation. The general consensus among major financial institutions, including the International Monetary Fund (IMF) and the World Bank, indicates that global growth is stabilizing but slowing to a modest pace. According to the IMF, global growth slowed to a projected 3.0% for 2026, weighed down by the conflict in the Middle East and rising trade fragmentation. Although risks remain skewed to the downside, the global economy continues to demonstrate underlying resilience.

In Hong Kong, the economic outlook has gained robust momentum, driven by strong external trade and a solid recovery in domestic demand. Government-backed mega-events have sustained tourist arrivals, while retail sales have gained momentum from steady inbound tourism. The residential property market has also experienced a firm recovery during the first half of 2026, primarily attributed to interest rate relief and the removal of previous cooling measures.

While the Group's newly developed industrial property in Tsuen Wan is positioned primarily for lease, the Group simultaneously adopts an opportunistic approach for individual sales, subject to market conditions. We believe this dual strategy preserves flexibility to manage our portfolio mix effectively while hedging against market volatility.

In the United Kingdom, given the recent change in political leadership, the public expects immediate cost-of-living relief and economic revival measures from the new Prime Minister. Owing to underlying political and economic pressures, the United Kingdom economy is experiencing modest, cautious growth as structural headwinds continue to restrict rapid expansion. In light of these uncertainties, the Group will maintain flexibility in managing its London property portfolio by closely monitoring overall market performance. Concurrently, the Group remains well-positioned to consider an asset-light strategy at opportune times.

Looking ahead to the remainder of 2026, the Group will remain optimistic yet watchful. Despite persistent global uncertainties, the Group embraces its values to safeguard shareholders' returns and believes that its commitment to corporate social responsibility will achieve long-term success.

AUDIT COMMITTEE REVIEW

The interim results for the Period are unaudited and have not been reviewed by the auditors of the Company. The Audit Committee of the Company, comprised all the Independent Non-executive Directors, has reviewed with management the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements for the Period.

CORPORATE GOVERNANCE

Throughout the Period, the Company had applied the principles and complied with all the code provisions and certain recommended best practices set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms without deviation from the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code"). All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code and the said code of conduct during the Period.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees (the "Relevant Employees") who, because of office or employment, are likely to be in possession of unpublished inside information in relation to the Group's securities had been requested to follow such code when dealing in the securities of the Company. All Relevant Employees, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the said code during the Period.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

APPRECIATION

We would like to take this opportunity to express our gratitude to the shareholders for their continuing support. We would also like to express our sincere thanks to all staff members for their dedication and hard work.

On behalf of the Board
Lau, Ming-wai
Chairman

Hong Kong, 20 August 2026

As at the date of this announcement, the Board comprised Ms. Chan, Hoi-wan and Ms. Chan, Lok-wan as Executive Directors, Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai as Non-executive Directors, and Mr. Chan, Kwok-wai, Mr. Leung, Yun-fai and Mr. Ma, Tsz-chun as Independent Non-executive Directors.

Website: https://www.chineseestates.com

This results announcement is published on the website of the Company (https://www.chineseestates.com) and the HKEXnews website (https://www.hkexnews.hk).

Results Highlights will also be posted on the Company's website on 20 August 2026.