MAGNIFICENT HOTEL INVESTMENTS LIMITED
華大酒店投資有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 201)

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

RESULTS

The board (the "Board") of directors (the "Directors") of Magnificent Hotel Investments Limited (the "Company") announces that the net profit after tax attributable to owners of the Company for the six months ended 30th June, 2026 was HK$14.4 million (loss for the six months ended 30th June, 2025: HK$15.2 million). The unaudited consolidated results of the Company and its subsidiaries (together the "Group") for the period, together with comparative figures for the previous period, are as follows:

Condensed Consolidated Statement of Profit or Loss
For the six months ended 30th June, 2026

		Six months ended	
	NOTES	**30.6.2026**	30.6.2025
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*		
Contracts with customers		**243,903**	231,238
Leases		**26,372**	25,380
Dividend income		**50**	25
Total revenue		**270,325**	256,643
Cost of sales		**(2,195)**	(2,105)
Other services costs		**(141,318)**	(151,896)
Depreciation of property, plant and equipment		**(68,206)**	(68,222)
Depreciation of right-of-use asset		**(413)**	(384)
Gross Profit		**58,193**	34,036
Net increase (decrease) in fair value of investment properties		**1,106**	(5,000)
Other income and gains and losses		**1,839**	1,615
Administrative expenses		**(20,869)**	(22,205)
- Depreciation		**(880)**	(887)
- Others		**(19,989)**	(21,318)
Finance costs	*5*	**(12,002)**	(17,177)
Profit (loss) before taxation		**28,267**	(8,731)
Income tax expense	*6*	**(13,306)**	(6,654)
Profit (loss) for the period	*7*	**14,961**	(15,385)

Condensed Consolidated Statement of Profit or Loss *(Continued)*
For the six months ended 30th June, 2026

		Six months ended	
	NOTES	**30.6.2026**	30.6.2025
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		**14,398**	(15,198)
Non-controlling interests		**563**	(187)
		14,961	(15,385)
		HK cents	*HK cents*
Earnings (loss) per share	*9*		
Basic		**0.16**	(0.17)

Condensed Consolidated Statement of Total Comprehensive Income
For the six months ended 30th June, 2026

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit (loss) for the period	**14,961**	(15,385)
Other comprehensive income (expense)		
Item that will not be reclassified to profit or loss		
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	**10,516**	(12,292)
Item that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	**(6,313)**	121,222
Other comprehensive income for the period	**4,203**	108,930
Total comprehensive income for the period	**19,164**	93,545
Total comprehensive income (expense) attributable to:		
Owners of the Company	**18,601**	93,732
Non-controlling interests	**563**	(187)
	19,164	93,545

Condensed Consolidated Statement of Financial Position
At 30th June, 2026

	NOTES	30.6.2026 HK$'000 (Unaudited)	31.12.2025 HK$'000 (Audited)
Non-Current Assets			
Property, plant and equipment		**3,472,172**	3,534,235
Right-of-use asset		**22,410**	21,842
Investment properties		**1,081,593**	1,088,480
Equity instruments at FVTOCI		**86,491**	75,975
		4,662,666	4,720,532
Current Assets			
Inventories		**1,147**	1,156
Trade and other receivables	*10*	**9,494**	13,452
Other deposits and prepayments		**9,573**	10,083
Bank balances and cash		**253,150**	232,260
		273,364	256,951
Current Liabilities			
Trade and other payables and accruals	*11*	**39,885**	50,856
Rental and other deposits received		**1,282**	1,366
Contract liabilities		**8,025**	9,299
Amount due to immediate holding company		**-**	253,356
Amount due to a shareholder		**5,088**	5,088
Tax liabilities		**13,230**	6,828
Bank loans		**280,000**	80,000
		347,510	406,793
Net Current Liabilities		**(74,146)**	(149,842)
Total Assets less Current Liabilities		**4,588,520**	4,570,690
Capital and Reserves			
Share capital		**841,926**	841,926
Reserves		**3,389,626**	3,371,025
Equity attributable to owners of the Company		**4,231,552**	4,212,951
Non-controlling interests		**7,075**	6,512
Total Equity		**4,238,627**	4,219,463
Non-Current Liabilities			
Bank loans		**241,941**	243,914
Rental deposits received		**1,126**	1,126
Deferred tax liabilities		**106,826**	106,187
		349,893	351,227
		4,588,520	4,570,690

NOTES:

1. BASIS OF PREPARATION

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

The financial information relating to the year ended 31st December, 2025 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

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

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31st December, 2025.

The application of all amendments to HKFRS Accounting Standards issued by the HKICPA are disclosed below.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1st January, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Revenue represents the aggregate of income from operation of hotels, property rental and dividend income, and is analysed as follows:

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Income from operation of hotels	**243,903**	231,238
Income from property rental	**26,372**	25,380
Dividend income	**50**	25
	270,325	256,643

4. SEGMENT INFORMATION

The Group's operating and reportable segments, based on the information reported to the chief operating decision maker (the "CODM"), being the Chairman of the Company, for the purpose of resources allocation and performance assessment are as follows:

1. Hospitality services - Best Western Plus Hotel Kowloon
2. Hospitality services - Best Western Plus Hotel Hong Kong
3. Hospitality services - Magnificent International Hotel, Shanghai
4. Hospitality services - Best Western Hotel Causeway Bay
5. Hospitality services - Ramada Hong Kong Harbour View
6. Hospitality services - Ramada Hong Kong Grand
7. Hospitality services - Wood Street Hotel
8. Hospitality services - Grand Bay View Hotel
9. Property investment - Shops, hotel and residential properties
10. Securities investment

Information regarding the above segments is reported below.

4. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment for both periods:

	Segment revenue		Segment results	
	Six months ended		Six months ended	
	30.6.2026	30.6.2025	**30.6.2026**	30.6.2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Hospitality services	**243,903**	231,238	**31,771**	8,631
- Best Western Plus Hotel Kowloon	**27,710**	26,944	**912**	(99)
- Best Western Plus Hotel Hong Kong	**42,683**	40,828	**16,879**	13,093
- Magnificent International Hotel, Shanghai	**13,581**	12,359	**3,271**	2,882
- Best Western Hotel Causeway Bay	**26,033**	24,526	**2,026**	(542)
- Ramada Hong Kong Harbour View	**44,509**	41,567	**17,443**	12,242
- Ramada Hong Kong Grand	**43,256**	40,515	**6,217**	1,181
- Grand Bay View Hotel	**46,131**	44,499	**(14,977)**	(20,126)
Property investment	**26,372**	25,380	**27,478**	20,380
Securities investment	**50**	25	**50**	25
	270,325	256,643	**59,299**	29,036
Other income and gains and losses			**1,839**	1,615
Administrative expenses			**(20,869)**	(22,205)
Finance costs			**(12,002)**	(17,177)
Profit (loss) before taxation			**28,267**	(8,731)

5. FINANCE COSTS

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interests on:		
Bank loans	**8,795**	8,195
Amount due to immediate holding company	**3,207**	8,982
	12,002	17,177

6. INCOME TAX EXPENSE

	Six months ended 30.6.2026 HK$'000 (Unaudited)	30.6.2025 HK$'000 (Unaudited)
The taxation expense comprises:		
Current tax:		
Hong Kong	**6,888**	3,933
The PRC	**788**	-
The United Kingdom (the "UK")	**4,626**	4,231
	12,302	8,164
Underprovision in prior years:		
Hong Kong	**-**	111
The PRC	**365**	-
	365	111
	12,667	8,275
Deferred tax	**639**	(1,621)
	13,306	6,654

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The annual tax rate used is 16.5% for the six months ended 30th June, 2026 (six months ended 30th June, 2025: 16.5%).

Taxation arising in the PRC and the UK are recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year prevailing in the relevant jurisdictions.

7. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30.6.2026 HK$'000 (Unaudited)	30.6.2025 HK$'000 (Unaudited)
Profit (loss) for the period has been arrived at after charging (crediting) the following items:		
Depreciation of right-of-use asset	**413**	384
Depreciation of property, plant and equipment	**69,086**	69,109
Interest income from bank deposits (Note)	**(1,548)**	(1,230)
Loss on disposal of property, plant and equipment (Note)	**1**	12

Note: The amounts are included in other income and gains and losses.

8. DIVIDEND

During the six months ended 30th June, 2026 and 30th June, 2025, no dividend was declared and paid to shareholders for the year ended 31st December, 2025 and 31st December, 2024.

The directors have resolved not to declare or propose an interim dividend for the six months ended 30th June, 2026 and 30th June, 2025.

9. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share is based on the profit for the period attributable to owners of the Company of HK$14,398,000 (loss for six months ended 30th June, 2025: HK$15,198,000) and on 8,947,051,000 shares (six months ended 30th June, 2025: 8,947,051,000 shares) in issue during the period.

Diluted earnings (loss) per share for both periods are not presented as there are no potential ordinary shares outstanding during both periods.

10. TRADE AND OTHER RECEIVABLES

	As at 30.6.2026 ***HK$'000*** **(Unaudited)**	As at 31.12.2025 *HK$'000* (Audited)
Trade receivables from contracts with customers	**4,267**	9,163
Other receivables	**5,227**	4,289
	9,494	13,452

Except for a credit period of 30 to 60 days granted to travel agencies and certain customers of the hotels, the Group does not allow any credit period to customers. The following is an aged analysis of the Group's trade receivables from contracts with customers presented based on the invoice date at the end of the reporting period:

	As at 30.6.2026 ***HK$'000*** **(Unaudited)**	As at 31.12.2025 *HK$'000* (Audited)
Not yet due	**4,158**	8,805
Overdue:		
0 – 30 days	**79**	272
31 – 60 days	**23**	73
61 – 90 days	**7**	13
	4,267	9,163

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	As at 30.6.2026 *HK$'000* **(Unaudited)**	As at 31.12.2025 *HK$'000* (Audited)
Trade payables	**4,156**	3,989
Other payables and accruals	**35,729**	46,867
	39,885	50,856

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	As at 30.6.2026 *HK$'000* **(Unaudited)**	As at 31.12.2025 *HK$'000* (Audited)
0 – 30 days	**4,148**	3,977
31 – 60 days	**8**	5
61 – 90 days	**-**	7
	4,156	3,989

INTERIM DIVIDEND

In deciding whether to distribute the interim dividend and its amount, the board of directors of the Company has reviewed the Company's adopted dividend policy and does not recommend the payment of interim dividend for the six months ended 30th June, 2026 (six months ended 30th June, 2025: Nil) for the following reasons:

i) Retain more cashflow under the current challenging economy and unstable hotel market condition;

ii) Retain cash to prepare for repayment of short-term bank debt amounted to HK$280 million (will repay about HK$50 million on 30th September 2026), and long-term bank debt amounted to HK$242 million expiring in 2028; and

iii) Retain cash for renovation of Wood Street Hotel in London of approximately HK$400 million.

The Board will continue to monitor the Group's financial performance, cash flow position and debt repayment, and subject to business stability, the Board looks forward to consider the distribution of a final dividend for the financial year ending 31 December 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period, the Group continued with its hotel investments, hotel management, property leasing and property development.

The net profit after tax attributable to owners of the Company for the six months ended 30th June, 2026 was HK$14.4 million (loss for six months ended 30th June, 2025: HK$15.2 million).

	Six months ended		
	30.6.2026	30.6.2025	Change
	HK$'000	*HK$'000*	
	(unaudited)	(unaudited)	
Profit from operation of hotels	**31,771**	8,631	+268%
- Profit	**100,390**	77,237	
- Depreciation	**(68,619)**	(68,606)	
Profit from property investment	**27,478**	20,380	+35%
Income from securities investments	**50**	25	+100%
Other income and gain and losses	**1,839**	1,615	+14%
	61,138	30,651	+99%
Administrative expenses	**(20,869)**	(22,205)	-6%
Finance costs	**(12,002)**	(17,177)	-30%
Income tax expense	**(13,306)**	(6,654)	+100%
Profit (loss) after taxation	**14,961**	(15,385)	N/A
Non-controlling interests	**(563)**	187	N/A
Profit (loss) after taxation and non-controlling interests	**14,398**	(15,198)	N/A

The overall increase in profit for the six months ended 30th June, 2026 was mainly due to increase in revenue, and decrease in hotel operating costs, finance costs and revaluation loss.

PERFORMANCE

For the six months ended 30th June, 2026, the **GROUP'S INCOME** was mostly derived from the aggregate of income from operation of hotels and investment properties, which was analysed as follows:

Income

	Six months ended			
	30.6.2026	30.6.2025	Change	Reason
	HK$'000	*HK$'000*		
	(unaudited)	(unaudited)		
Income from operation of hotels	**243,903**	231,238	+5%	Increase in room rates
Income from investment properties	**26,372**	25,380	+4%	Rental income received in Pound Sterling appreciated against Hong Kong Dollars
Other income	**1,889**	1,640	+15%	Increase in interest income from bank deposits
Total	**272,164**	258,258	+5%	

During the period, the total income for the Group increased by 5% from approximately HK$258 million to approximately HK$272 million compared with last period.

HOTELS PERFORMANCES

The Group presently owns eight hotels, operates seven hotels and leases out one hotel in London. The income from operation of hotels increased by 5% to HK$244 million (six months ended 30th June, 2025: HK$231 million). Royal Scot Hotel in London was leased to a hotel management company, Travelodge.

	Ramada Hong Kong Harbour View	**Ramada Hong Kong Grand**	**Best Western Plus Hotel Hong Kong**	**Best Western Hotel Causeway Bay**	**Best Western Plus Hotel Kowloon**	**Grand Bay View Hotel**	**Magnificent International Hotel, Shanghai**
2026 Jan to Jun Average room occupancy (%)	100	99	98	99	94	98	90

As at 30th June, 2026, an independent third-party valuation of Royal Scot Hotel, London was GBP88,700,000 (as at 31st December, 2025: GBP88,500,000). The rental income of Royal Scot Hotel, London for the period was GBP2,362,000 (six months ended 30th June, 2025: GBP2,362,000).

COST

The **HOTELS' SERVICE COST** for the period was HK$141.3 million (six months ended 30th June, 2025: HK$151.9 million), representing hotel operating cost.

Name of Hotel	Six months ended **30.6.2026** *HK$ million*	30.6.2025 *HK$ million*	Change
Ramada Hong Kong Harbour View	**23.7**	26.0	-9%
Ramada Hong Kong Grand	**22.0**	24.2	-10%
Best Western Plus Hotel Kowloon	**18.1**	18.2	-1%
Best Western Plus Hotel Hong Kong	**23.6**	25.7	-8%
Best Western Hotel Causeway Bay	**18.3**	19.3	-5%
Grand Bay View Hotel	**27.1**	30.5	-11%
Magnificent International Hotel, Shanghai	**8.5**	8.0	+6%
Total amount for the period	**141.3**	151.9	-7%

Cost of sale of HK$2.2 million (six months ended 30th June, 2025: HK$2.1 million) was from cost of food and beverage.

During the period, the **ADMINISTRATIVE EXPENSES** excluding depreciation was HK$20 million (six months ended 30th June, 2025: HK$21 million).

The accounting standards require hotel properties of the Group to provide **DEPRECIATION** which amounted to HK$68.2 million (six months ended 30th June, 2025: HK$68.2 million) for the period.

DEPRECIATION OF HOTEL PROPERTIES

Name of Hotel	Six months ended **30.6.2026** *HK$ million*	30.6.2025 *HK$ million*	Change *HK$ million*
Ramada Hong Kong Harbour View	**3.0**	3.0	-
Ramada Hong Kong Grand	**14.7**	14.8	-0.1
Best Western Plus Hotel Kowloon	**8.6**	8.7	-0.1
Best Western Plus Hotel Hong Kong	**2.0**	1.9	+0.1
Best Western Hotel Causeway Bay	**5.7**	5.7	-
Grand Bay View Hotel	**33.1**	33.1	-
Magnificent International Hotel, Shanghai	**1.1**	1.0	+0.1
Total amount for the period	**68.2**	68.2	-

FUNDING

As at 30th June, 2026, the **OVERALL DEBTS** of the Group was HK$527 million (31st December, 2025: HK$582 million) (reduced by HK$55 million), of which HK$522 million (31st December, 2025: HK$324 million) was assets secured bank borrowings and HK$5 million was advance from a shareholder (31st December, 2025: HK$258 million).

As at 30th June, 2026, the gearing ratio was 12% (31st December, 2025: 14%) in terms of overall debts of HK$527 million (31st December, 2025: HK$582 million) (HK$5 million shareholder's loan and HK$522 million bank loan) against funds employed of HK$4,239 million before revaluation of all hotel properties (31st December, 2025: HK$4,219 million).

The overall debts were analysed as follows:

	As at 31st December, 2025 *HK$ million*	**As at 30th June, 2026** ***HK$ million***	Change *HK$ million*	**Interest Paid As at 30th June, 2026** ***HK$ million***
Bank loans	324	**522**	+198	**8.8**
Shareholder's loan	258	**5**	-253	**3.2**
Overall debts	582	**527**	-55	**12**

FINANCE COST: Of these loans, the total interest expenses amounted to HK$12 million (six months ended 30th June, 2025: HK$17.2 million), the bank loans interest expenses amounted to HK$8.8 million (six months ended 30th June, 2025: HK$8.2 million) and the shareholders' loan interest expenses amounted to HK$3.2 million (six months ended 30th June, 2025: HK$9 million). The decrease in finance cost was due to decrease in interest rate.

The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong Dollar and Pound Sterling. Accordingly, the Group exposes to exchange risk and the management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

As at 30th June, 2026, the Group had a total number of 564 employees (31st December, 2025: 497 employees). Remuneration and benefit were set with reference to the market.

BUSINESS HIGHLIGHTS

During the six months ended 30th June, 2026, the number of overnight visitors in Hong Kong amounted to around 11.5 million (30th June, 2025: 11.3 million) and against 29 million in 2018, among which 66% were mainland visitors and 34% were non-mainland visitors. Per-capita spending of mainland overnight visitors remained low at HK$5,300 as compared to HK$6,000 in 2019 pre-pandemic year. The pace of recovery of the tourism industry continues to be affected by declining per-capita spending of mainland visitors. The percentage of tourists spending overnights in Hong Kong in first six months continues to drop from 48% last year to 43% this year. This falling trend indicates that the neighbouring Shenzhen has more advantageous attractions such as tourism hardwares, prices, and service quality that attract tourists to stay overnights.

Throughout the period, the Group achieved an average hotel occupancy rate of over 90%. Compared with last period, the hotel income of the Group increased by 5% to HK$244 million and the total income of the Group increased by 5% to HK$272 million.

The Group acquired Wood Street Police Headquarter building in the centre of City of London for GBP40 million on 29th January, 2020 which has a gross internal area of 117,472 s.f. on a 20,000 s.f. island site and obtained planning consents approval to refurbish a deluxe hotel of about 216 guest rooms, restaurant, bar and facilities. Initial phase of works have commenced.

LOOKING AHEAD

The Group has eight income producing hotels, six in Hong Kong, one in Shanghai, one in London, and the Wood Street Hotel refurbishment project in London.

With the weak economy of the PRC, more PRC tourists choose to stay in the Greater Bay area and visit Hong Kong on day trips. In addition, the negative effects of the ongoing Gulf War, which are causing travellers to cancel trips, together with the slowdown of the global economy and inflation driven by high energy prices, are expected to further dampen travel demand.

Future prospects of the hotel business and rental incomes may continue to be challenging and unstable. The management will keep its effort to increase incomes and control costs.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 15 June 2026, an ordinary resolution was passed by the shareholders of the Company to grant a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue, and deal with additional shares (including any sale or transfer of treasury shares out of treasury) representing up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) as at the date of passing the resolution.

Based on 8,947,051,324 shares in issue on the date of passing the resolution, the Directors were authorized to issue up to 894,705,132 new shares under the general mandate. This mandate provides the Company with the flexibility to enhance the liquidity and public float of its shares when appropriate.

During the reporting period, no new shares had been issued or held in treasury pursuant to this general mandate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2026.

CORPORATE GOVERNANCE

(a) Compliance with the Corporate Governance Code

During the six months ended 30th June, 2026, the Company has complied with all applicable code provisions of the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited with the exception of the following deviation:

Code Provision C.2.1: chairman and chief executive should not be performed by the same individual

The Company does not have separate appointments for the Chairman and the Chief Executive Officer. Mr. William Cheng Kai Man holds both positions. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It also facilitates planning and execution of the Company's strategy and is hence, for the interests of the Company and its shareholders. It is also significantly cost-saving for Mr. Cheng, the Chairman to also serve as the Chief Executive Officer, which would have otherwise been recruited from the market at a heavy cost.

(b) Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code throughout the period.

REVIEW BY THE AUDIT COMMITTEE

The audit committee has reviewed the unaudited financial results of the Group for the six months ended 30th June, 2026.

By Order of the Board

William CHENG Kai Man
Chairman

Hong Kong, 26th August, 2026

As at the date hereof, the Board of the Company comprises four Executive Directors, namely Mr. William Cheng Kai Man (Chairman), Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May and Madam Ng Yuet Ying; one Non-executive Director, namely, Madam Mabel Lui Fung Mei Yee; and three Independent Non-executive Directors, namely, Mr. Chan Kim Fai, Mr. Lam Kwai Cheung and Mr. Warren Liu Yuk Cho.