百利保控股有限公司
**Paliburg Holdings Limited**
(Incorporated in Bermuda with limited liability)
**(Stock Code: 617)**

# ANNOUNCEMENT OF 2026 INTERIM RESULTS

## FINANCIAL AND BUSINESS HIGHLIGHTS

| | Six months ended 30th June, 2026 | Six months ended 30th June, 2025 | % Change |
|---|---|---|---|
| | (Unaudited) | (Unaudited) | |
| | HK$'M | HK$'M | |
| **Revenue** | **1,528.8** | 1,186.0 | **+28.9%** |
| **Gross profit** | **528.1** | 403.8 | **+30.8%** |
| **Operating profit/(loss) before depreciation, finance costs and tax**★ | **613.1** | (24.7) | **N/A** |
| **Loss attributable to equity holders of the parent** | **(209.8)** | (613.4) | **-65.8%** |
| **Basic loss per ordinary share attributable to equity holders of the parent** | **HK$(0.22)** | HK$(0.59) | **-62.7%** |
| | **As at 30th June, 2026** | **As at 31st Dec., 2025** | |
| | **(Unaudited)** | **(Unaudited)** | |
| **Net asset value per ordinary share attributable to equity holders of the parent** | | | |
| **Book** | **HK$6.53** | HK$6.66 | **-2.0%** |
| **Adjusted**★★ | **HK$11.65** | HK$12.14 | **-4.0%** |

★ after accounting for, among others, the gain on the effective disposal of the Regal Oriental Hotel as well as the fair value changes and impairment losses on properties and financial assets

★★ compiled, for the purpose of reference, on an adjusted basis to restate the Group's hotel property portfolio in Hong Kong at its market value at 30th June, 2026 and 31st December, 2025, respectively, with the relevant deferred tax liabilities added back

- **For the six months ended 30th June, 2026, the Group recorded a consolidated loss attributable to shareholders of HK$209.8 million, while for the corresponding period in 2025, a loss of HK$613.4 million was incurred.**

- **During the period under review, revenue from the Group's property business as well as those from hotel operations undertaken through Regal Hotels International Holdings Limited, the principal listed subsidiary of the Company, have both increased, while the finance costs incurred have decreased due to the lowered level of interest rates.**

- **In addition, the Group has realised during the period a gain of HK$610.1 million from the effective sale of the Regal Oriental Hotel previously owned by Regal Real Estate Investment Trust, a listed subsidiary held through Regal, which transaction was completed in April 2026.**

- **However, depreciation charges on the Group's hotel properties in Hong Kong, which are all owned and operated within the Group, for this interim period amounted to HK$288.8 million (2025 – HK$335.4 million) which, though having no direct impact on the Group's cash flow, have nevertheless adversely affected the Group's financial results.**

- **Moreover, there was an impairment loss incurred on the reforestation and land grant project in Xinjiang in Chinese Mainland undertaken by Cosmopolitan International Holdings Limited, another listed subsidiary of the Company, due to recent changes in circumstances affecting the project, as well as some fair value losses on the Group's investment properties.**

- **Consequently, after further accounting for the finance costs incurred, the Group recorded a consolidated loss attributable to shareholders of HK$209.8 million, but substantially reduced from the loss of HK$613.4 million in the corresponding period in 2025.**

- **For the interim period in 2026, gross profit of the Group amounted to HK$528.1 million (2025 – HK$403.8 million). Operating profit before depreciation, finance costs and tax for this same period amounted to HK$613.1 million (2025 – loss of HK$24.7 million).**

- **The Mount Regalia in Kau To, Sha Tin is a major luxury residential development undertaken by P&R Holdings Limited, a joint venture 50/50 held by each of Regal and the Company and, effectively, a subsidiary of the Group. The development has a total of 24 garden houses and 136 apartment units, together with car parks and club house facilities. Since the beginning of this year, P&R has concluded contracts for the sale of 17 property units in Mount Regalia (including 1 house and 2 apartment units under resale). As of this date, P&R still retains 3 houses and 39 apartment units in Mount Regalia. Beside one house that will be retained, these remaining property units will continue to be disposed of.**

- **Apart from Mount Regalia, P&R also owns a mixed portfolio of completed properties and hotels as well as properties held for development in Hong Kong. These include the We Go MALL in Ma On Shan, Sha Tin, the iclub Mong Kok Hotel and a 50% interest in the iclub AMTD Sheung Wan Hotel, which are all being held for their recurring or operating income, two commercial/residential development projects located at Kam Wa Street in Shau Kei Wan and Castle Peak Road in Sham Shui Po and, in addition, certain retained houses in Casa Regalia in Yuen Long and some remaining shop units and car parks in The Ascent in Sham Shui Po, both being development projects completed by P&R in earlier years.**

- **Detailed information on the business operations of Regal, Regal REIT and Cosmopolitan, the three listed subsidiaries of the Company, are contained in their separate results announcements released today.**

- **The Group still owns a strong portfolio of completed properties as well as property development projects in Hong Kong and Chinese Mainland, which are expected to generate substantial revenues. The Group will continue with its strategic assets disposals plans, with a view to strengthening the Group's overall financial base.**

## FINANCIAL RESULTS

For the six months ended 30th June, 2026, the Group recorded a consolidated loss attributable to shareholders of HK$209.8 million, while for the corresponding period in 2025, a loss of HK$613.4 million was incurred.

As explained in the Update on Financial Information published by the Company on 20th August, 2026, during the period under review, revenue from the Group's property business as well as those from hotel operations undertaken through Regal Hotels International Holdings Limited, the principal listed subsidiary of the Company, have both increased, while the finance costs incurred have decreased due to the lowered level of interest rates. In addition, the Group has realised during the period a gain of HK$610.1 million from the effective sale of the Regal Oriental Hotel previously owned by Regal Real Estate Investment Trust, a listed subsidiary held through Regal, which transaction was completed in April 2026.

However, depreciation charges on the Group's hotel properties in Hong Kong, which are all owned and operated within the Group, for this interim period amounted to HK$288.8 million (2025 – HK$335.4 million) which, though having no direct impact on the Group's cash flow, have nevertheless adversely affected the Group's financial results.

Moreover, there was an impairment loss incurred on the reforestation and land grant project in Xinjiang in Chinese Mainland undertaken by Cosmopolitan International Holdings Limited, another listed subsidiary of the Company, due to recent changes in circumstances affecting the project, as well as some fair value losses on the Group's investment properties.

Consequently, after further accounting for the finance costs incurred, the Group recorded a consolidated loss attributable to shareholders of HK$209.8 million, but substantially reduced from the loss of HK$613.4 million in the corresponding period in 2025.

For the interim period in 2026, gross profit of the Group amounted to HK$528.1 million (2025 – HK$403.8 million). Operating profit before depreciation, finance costs and tax for this same period amounted to HK$613.1 million (2025 – loss of HK$24.7 million).

Based on their independent professional market valuations as at 30th June, 2026, the aggregate market value of the Group's hotel properties in Hong Kong was well above their total carrying value, as they were subject to accumulated depreciation charges. For the purpose of reference, an Adjusted Net Assets Statement is presented in the section headed "Management Discussion and Analysis" in this announcement, which illustrated that, if all such hotel properties were to be stated in the Group's financial statements at their market valuations as at 30th June, 2026, the underlying adjusted net asset value of the Company would amount to HK$11.65 per share on the basis therein stated.

## BUSINESS OVERVIEW

The Group comprises a total of four listed entities, with diversified business interests in properties, hotels, financial assets and other investments.

As at 30th June, 2026, the Group directly held, through its wholly owned subsidiaries, a controlling shareholding interest of approximately 69.3% in Regal. Regal, in turn, held approximately 74.9% of the outstanding units of Regal REIT that presently owns four Regal Hotels and four iclub Hotels in Hong Kong. Regal Portfolio Management Limited, a wholly owned subsidiary of Regal, acts as the REIT Manager of Regal REIT.

The Group's property development and investment businesses in Hong Kong are principally conducted through P&R Holdings Limited, a joint venture 50/50 held by each of Regal and the Company and, effectively, a subsidiary of the Group. Regal also undertakes on its own property business in Hong Kong and overseas.

Apart from its property business, P&R also holds an effective controlling shareholding interest in Cosmopolitan, which is primarily engaged in property development business in Chinese Mainland and other investments. As at 30th June, 2026, P&R held 61.4% of the issued ordinary share capital of Cosmopolitan and, in addition, convertible preference shares as well as convertible notes of Cosmopolitan which are convertible into new ordinary shares of Cosmopolitan. Moreover, the Company and Regal also hold, through their respective wholly owned subsidiaries, ordinary shares and convertible notes of Cosmopolitan.

Further information on the latest progress of the Group's property business as well as the financial results and operational reviews of Regal (including Regal REIT) and Cosmopolitan are presented below.

## PROPERTIES

The Hong Kong property market continued to recover steadily in 2026. Supported by the improved market sentiment, the prices and volumes of property sales in the primary as well as in the secondary residential markets have both risen, which is indicative of a sustaining recovery. The demand for properties in the luxury residential segment remains resilient, due mainly to the scarcity of supply.

The Mount Regalia in Kau To, Sha Tin is a major luxury residential development undertaken by P&R. The development has a total of 24 garden houses and 136 apartment units, together with car parks and club house facilities. Since the beginning of this year, P&R has concluded contracts for the sale of 17 property units in Mount Regalia (including 1 house and 2 apartment units under resale). As of this date, P&R still retains 3 houses and 39 apartment units in Mount Regalia. Beside one house that will be retained, these remaining property units will continue to be disposed of.

Apart from Mount Regalia, P&R also owns a mixed portfolio of completed properties and hotels as well as properties held for development in Hong Kong.

Properties being held by P&R for recurring and operating income include the We Go MALL in Ma On Shan, Sha Tin, the iclub Mong Kok Hotel and the iclub AMTD Sheung Wan Hotel that is held by a 50%-owned joint venture of P&R.

On the property development front, P&R is undertaking two commercial/residential projects at Kam Wa Street in Shau Kei Wan and at Castle Peak Road, the development works for which are progressing. In addition, P&R also owns 5 retained houses in Casa Regalia in Yuen Long and some remaining shop units and carparks in the Ascent in Sham Shui Po, both of which are property developments completed by P&R in earlier years, which will continue to be disposed of.

Additional information on the Group's property development projects and properties, including those undertaken by P&R and Regal as well as the projects in Chinese Mainland that are undertaken through Cosmopolitan, are contained in the section headed "Management Discussion and Analysis" in this announcement.

## REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

For the six months ended 30th June, 2026, Regal attained a consolidated profit attributable to shareholders of HK$158.0 million, while for the corresponding period in 2025, a loss of HK$677.6 million was incurred.

Further information on the principal business operations and outlook of Regal, including its Management Discussion and Analysis, is contained in Regal's announcement separately released today.

## REGAL REAL ESTATE INVESTMENT TRUST

For the interim period ended 30th June, 2026, Regal REIT recorded a consolidated loss before distribution to Unitholders of HK$186.2 million, as compared to the loss of HK$508.1 million for the same period in 2025.

Further information on the principal business operations and outlook of Regal REIT, including its Management Discussion and Analysis, is contained in Regal REIT's announcement separately released today.

## COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

For the six months ended 30th June, 2026, Cosmopolitan recorded a consolidated loss attributable to shareholders of HK$232.4 million, as compared to the loss of HK$56.5 million for the comparative six months in the preceding year.

Further information on the principal business operations and outlook of Cosmopolitan, including its Management Discussion and Analysis, is contained in Cosmopolitan's announcement separately released today.

## OUTLOOK

The overall property market in Hong Kong is gradually stabilising. Moreover, unit sales launched in the primary residential segment have been met with positive response, illustrating resilient market fundamentals.

The Group still owns a strong portfolio of completed properties as well as property development projects in Hong Kong and Chinese Mainland, which are expected to generate substantial revenues. The Group will continue with its strategic assets disposals plans, with a view to strengthening the Group's overall financial base.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management and other investments including financial assets investments.

The significant investments and business interests of Regal, the principal listed subsidiary of the Group, comprise hotel ownership business, which is principally undertaken through Regal REIT, hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R and other investment businesses.

Cosmopolitan is a listed subsidiary of the Group held through P&R. The principal business activities of the Cosmopolitan group comprise property development and investment, which are mainly focused in Chinese Mainland, and other investments including financial assets investments.

The performance of the Group's property, construction and building related and other investment businesses, and those of the principal businesses of Regal, Regal REIT and Cosmopolitan for the period, including the commentary on the business sectors in which the Group operates, the changes in the general market conditions and their potential impact on the Group's operating performance and future prospects, is contained in the sections headed "Business Overview" and "Outlook" above and in this sub-section as well as in the respective interim results announcements for 2026 released by Regal, Regal REIT and Cosmopolitan.

The Group has no immediate plans for acquisition of material investments or capital assets, other than those disclosed in the above sections headed "Business Overview" and "Outlook" and in this sub-section.

P&R is a 50/50 owned joint venture established with Regal, with capital contributions provided by the Company and Regal on a pro-rata basis in accordance with their respective shareholdings. As the Company owns a controlling shareholding interest in Regal, P&R is, effectively, a subsidiary of the Company. P&R's business scope encompasses the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

Further information relating to the property development projects undertaken and properties owned by the P&R group in Hong Kong (which, unless otherwise denoted, are all wholly owned by the P&R group) is set out below:

*Domus and Casa Regalia, Nos.65-89 Tan Kwai Tsuen Road, Yuen Long, New Territories*
This residential project, which was completed in 2016, has a site area of approximately 11,192 square metres (120,470 square feet) and provides a total of 170 units, comprising 36 garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet).

All the units in the apartment block, named Domus, had been sold. The garden houses comprised within this development are named as Casa Regalia. 5 houses in Casa Regalia are still being retained and will continue to be disposed of.

*We Go MALL, No.16 Po Tai Street, Ma On Shan, Sha Tin, New Territories*
This development has a site area of 5,090 square metres (54,788 square feet) and a maximum permissible gross floor area of 15,270 square metres (164,364 square feet). The site has been developed into a shopping mall with 5 storeys above ground level and 1 storey of basement floor. This shopping mall was opened for business in 2018 and is held for rental income.

As an alternative option to optimise the value of this property, P&R has recently applied to the Town Planning Board for the conversion of the property to primarily residential with commercial use. The proposed land use conversion plan for this property is dependent on a favourable outcome of the application and the subsequent approval process with the various government authorities as well as the assessment of the land premium for the requisite modification of the land lease conditions, which may take years to complete even if the application is successful. In this meantime, the We Go Mall will continue to be leased out for rental income.

*The Ascent, No.83 Shun Ning Road, Sham Shui Po, Kowloon*
This is a project undertaken pursuant to a tender award from the Urban Renewal Authority of Hong Kong in 2014. The land has a site area of 824.9 square metres (8,879 square feet) and has been developed into a 28-storey commercial/residential building (including 1 basement floor) with a total gross floor area of 7,159 square metres (77,059 square feet), providing 157 residential units, 2 storeys of shops and 1 storey of basement car parks. The project was completed in 2018. All the residential units as well as certain shops and car parks had already been disposed of. The remaining 2 shops and 5 car parks will continue to be sold.

*Mount Regalia, 23 Lai Ping Road, Kau To, Sha Tin, New Territories*
The project has a site area of 17,476 square metres (188,100 square feet) which has been developed into a luxury residential complex comprising 7 mid-rise apartment blocks with 136 units, 24 detached garden houses and 197 car parking spaces, with aggregate gross floor area

of approximately 32,474 square metres (349,547 square feet). The occupation permit was issued in September 2018 and the certificate of compliance in February 2019.

This development received eight international awards including winner of Luxury Lifestyle Awards as Best Luxury Residential Development and Best Luxury Sustainable Residential Development in Hong Kong in 2021 as well as for the superb interior designs of certain of its show houses and apartment units.

Up to date, a total of 21 garden houses and 97 apartment units have been sold or contracted to be sold for a total sale price of HK$6,028.6 million, of which 16 apartment units and 1 house (including 1 house and 2 apartment units under resale) were sold or contracted to be sold during the course of this year. Sale transactions completed during the interim period included 9 apartment units together with 8 car parks (total sale price of HK$350.7 million) and the profits derived therefrom accounted for in the results under review.

Apart from those houses and apartment units that are under contracts for sale, but yet pending completion, P&R still owns 3 houses and 39 apartment units in this development, which command significant value.

*iclub Mong Kok Hotel, 2 Anchor Street, Mong Kok, Kowloon*

This is a hotel development project undertaken through a tender award from the Urban Renewal Authority of Hong Kong in 2015. The project has a site area of 725.5 square metres (7,809 square feet), with total permissible gross floor area of approximately 6,529 square metres (70,278 square feet) and covered floor area of approximately 9,355 square metres (100,697 square feet).

The project has been developed into a 20-storey hotel, comprising 288 guestrooms with ancillary facilities, which commenced business in March 2019. The hotel is presently self-operated by P&R and managed by the Regal group.

*iclub AMTD Sheung Wan Hotel, No.5 Bonham Strand West, Sheung Wan, Hong Kong*

The project has an aggregate site area of approximately 345 square metres (3,710 square feet) and has been developed into a hotel with 98 guestrooms and suites (total 162 room bays), with a total gross floor area of approximately 5,236 square metres (56,360 square feet) and covered floor area of approximately 7,118 square metres (76,618 square feet).

Following its divestiture of a 50% beneficial interest in December 2019, the property is presently 50% owned by P&R. This hotel was officially opened for business in November 2020 and has since been self-operated by the joint venture entity and managed by the Regal group.

*Nos.9-19 Kam Wa Street, Shau Kei Wan, Hong Kong*
The subject properties, which were acquired through private treaty transactions, have a total site area of 518 square metres (5,580 square feet). The demolition works for this project had been completed and is planned for a commercial/residential development. Foundation works for this development site have already commenced.

The proposed development is planned to provide residential and commercial accommodations with total gross floor area in the range of 3,935 square metres (42,356 square feet) and 398 square metres (4,284 square feet), respectively.

*Nos.291-293 and 301-303 Castle Peak Road, Cheung Sha Wan, Kowloon*
Following the conclusion of the Land Compulsory Sale process in August 2024, 100% ownership interests in the subject properties have been successfully consolidated.

Certain parts of the existing properties at Nos.301-303 Castle Peak Road are presently classified as a Grade 2 Historic Building. A conservation proposal in conjunction with the proposed development is being discussed with the relevant government authorities, which would involve conserving the verandah portion of historical heritage within the new development, thus preserving its unique iconic image in the vicinity. The existing buildings at Nos.291-293 Castle Peak Road had been demolished and the demolition works for the existing buildings at Nos.301-303 Castle Peak Road are in progress.

It is proposed that the project will be developed into a residential building on top of a commercial podium with a total gross floor area of approximately 3,663 square metres (39,429 square feet) and 733 square metres (7,890 square feet), respectively.

## REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

Regal is a listed subsidiary of the Company. Further information relating to the property projects undertaken and the principal properties owned by Regal group (other than those owned by Regal REIT), which are all wholly owned by Regal, is set out below:

### Hong Kong

*Regala Skycity Hotel, the Hong Kong International Airport*

In February 2017, a wholly owned subsidiary of Regal secured the award from the Airport Authority in Hong Kong of the development right for this new hotel project at the Hong Kong International Airport.

The hotel project has a site area of approximately 6,650 square metres (71,580 square feet) and permissible gross floor area of 33,700 square metres (362,750 square feet). The hotel has 13 storeys (including one basement floor) with a total of 1,208 guestrooms and suites, complemented with extensive banquet, meeting and food and beverage facilities. It has direct linkage to the AsiaWorld-Expo, the 11 Skies compound as well as the new Airport Terminal 2 which commenced operation in May 2026.

The hotel licence was issued in November 2021 and the hotel grand opened in April 2023.

*The Queens, No.160 Queen's Road West, Hong Kong*

The project has a combined site area of 682 square metres (7,342 square feet) and has been developed into a commercial/residential building with gross floor area of about 5,826 square metres (62,711 square feet). The building has a total of 130 residential units with club house facilities on the second floor, a landscape garden on the third floor and commercial accommodations on the ground and first floors. The occupation permit was obtained in August 2022.

All the residential units have been sold, while the commercial accommodations on the ground and first floors are being retained.

*Nos.227-227C Hai Tan Street, Sham Shui Po, Kowloon*

100% ownership interests in the subject redevelopment properties have been acquired through the judicial proceedings for Land Compulsory Sale. The property is presently a vacant site with a total site area of 431 square metres (4,644 square feet) and is intended for a commercial/residential development with gross floor area of about 3,691 square metres (39,733 square feet).

*Regalia Bay, 88 Wong Ma Kok Road, Stanley, Hong Kong*

During the year to date, the Regal group has entered into contracts for the disposal of three garden houses at satisfactory prices, two of which have since been duly completed. The Regal group still owns 5 garden houses in Regalia Bay with total gross area of about 2,292 square metres (24,671 square feet). Some of these remaining houses will continue to be disposed of.

**Overseas**

*Campus La Mola, Barcelona, Spain*

This hotel property has a total of 186 guestrooms and was acquired by the Regal group in 2014. The hotel is presently under lease to an independent third party, which is generating steady rental income.

*Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal*

This is a rehabilitation and renovation project for a historical building located in a heritage conservation area of Lisbon, acquired in 2019 by an entity that is now wholly owned by the Regal group. This building has a total gross floor area of about 1,836 square metres (19,768 square feet), comprising residential apartments as well as shops on the ground floor. The renovation works had been completed and the relevant usage permits were obtained in August 2024.

In May 2025, the Regal group entered into an agreement for the divestiture of its entire equity and loan interests in the company holding the property to a group of independent third-party investors for a cash consideration of EUR9.3 million (equivalent to approximately HK$84.0 million). Completion of this disposal transaction, originally expected in May 2026, duly took place in July this year.

## COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

Cosmopolitan is a listed subsidiary of the Group held through P&R. Further information relating to the property projects of the Cosmopolitan group in Chinese Mainland, all of which are wholly owned, is set out below:

### Property Development

*Chengdu Project – Regal Cosmopolitan City*

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

All the residential units in the latest phase of the development had been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK$2,314.0 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the latest phase of the residential site in the development project is in progress. Up to date, a total of 4,002 square metres (43,078 square feet) of shops have been sold, for aggregate sale considerations of approximately RMB93.2 million (HK$107.5 million). The sale of the 1,387 car parking spaces is continuing and, up to date, 593 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB58.9 million (HK$67.4 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The remaining commercial components of the final stage of the development comprise a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet), which have all been completed.

The sale programme for the units in one of the office towers, consisting of 434 units with a total of about 19,400 square metres (208,800 square feet), is on-going. Up to date, 380 office units with a total of about 16,974 square metres (182,708 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB145.8 million (HK$164.6 million).

The sale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial portion of the office tower on sale commenced in 2022. Up to date, a total of 5 shop units of about 274 square metres (2,949 square feet) have been sold, for aggregate sale considerations of approximately RMB8.1 million (HK$9.3 million).

The Cosmopolitan group entered into an agreement in January 2026 for the sale of the hotel block within the development to a third party purchaser for hotel operations at a gross consideration of RMB143.0 million. This transaction was completed in June 2026 and the net proceeds received were used to settle the Cosmopolitan group's liabilities and for its general working capital purpose.

*Tianjin Project – Regal Renaissance*

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

All residential units in this development had been sold. The programme for the sale of shops with a total area of about 19,000 square metres (205,000 square feet) in the commercial complex is ongoing. Up to date, shops with a total area of 16,050 square metres (172,762 square feet) have been sold for aggregate sale considerations of approximately RMB374.1 million (HK$419.5 million). Certain parts of the commercial complex have been leased out for rental income.

The remaining components in this development, which have all been completed, mainly consist of two office towers atop of a four-storey podium with total gross floor area of 67,739 square metres (729,143 square feet).

*Xinjiang Project*

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Cosmopolitan group had re-forested an aggregate area of about

4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed. The Cosmopolitan group should be entitled to participate in the tender of such land use right and monetary compensation in reference to the re-forestation cost of the Cosmopolitan group incurred.

Based on the legal advice obtained, the legitimate interests of the Cosmopolitan group in the re-forestation contract remained valid and effective. However, as a prerequisite to securing the right for the Cosmopolitan group to participate in the land grant and monetary compensation for the re-forestation costs incurred, the re-forested area would require to undergo a satisfactory inspection by the local municipality government.

The Cosmopolitan group has conducted communications with the local government authorities in recent months and it has since become apparent that the municipality government is not prepared to process the requisite inspection of the re-forested area in the near future, despite the fact that the Cosmopolitan group had re-forested and maintained the project site for more than a decade.

Having regard to other more compelling needs for the use of the Cosmopolitan group's available financial resources and the increasing uncertainties encroaching on its ability to secure its contractual rights under the re-forestation and land grant contract, the Cosmopolitan group determined to suspend the work for the maintenance of the re-forested area in April 2026, until there is some positive development on the site inspection by the local municipality government.

As the suspension of the maintenance work could potentially cause adverse impact on the Cosmopolitan group's contractual rights under the re-forestation and land grant contract, the Cosmopolitan group has fully impaired the capitalised prepayment costs associated with this project in its financial results for the half year ended 30th June, 2026 due to the recent changes in the circumstances affecting the project.

The Cosmopolitan group will continue its regular contact with the relevant government officials and will consider resuming the re-forestation maintenance work as and when the

Cosmopolitan group is satisfied that the local government is ready to implement the process for the aforesaid requisite inspection and compensation. In the meantime, the Cosmopolitan group is exploring other options to divest the project or to introduce strategic investors to co-develop the project.

## CONSTRUCTION AND BUILDING RELATED BUSINESSES

The Group's wholly owned construction arm, Chatwin Engineering Limited, was the main contractor for the construction of P&R's residential project at Domus and Casa Regalia as well as its other hotel projects in Hong Kong, namely, iclub Sheung Wan Hotel, iclub Fortress Hill Hotel, iclub To Kwa Wan Hotel and iclub Mong Kok Hotel, all completed in the years between 2014 and 2019. Chatwin was also responsible for the construction management of the Mount Regalia project and the Regala Skycity Hotel project completed in 2019 and 2021 respectively. Chatwin will continue to seek public construction contracts while providing in-house services to the Group's construction projects including construction management, safety and quality assurance.

With its extensive experience and professional expertise, the Group's development consultancy division played a key role, throughout the years, in supporting the in-house needs of the Group's member companies on development projects, from project inception stage, feasibility studies to project completion. These professional services include development appraisal, project management, architectural, interior design as well as quality control and cost engineering.

## FINANCIAL ASSETS AND OTHER INVESTMENTS

The Group holds a significant portfolio of investments comprising listed securities and other investments, including investment funds, private equities, bonds as well as treasury and yield enhancement products.

## FINANCIAL REVIEW

### ASSETS VALUE

All the hotel properties of the Group in Hong Kong owned by Regal REIT, with the exception of the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel, were stated in the financial statements at their fair values as at 7th May, 2012 when Regal, together with Regal REIT, became subsidiaries of the Group, plus subsequent capital additions and deducting accumulated depreciation. Moreover, the iclub Sheung Wan Hotel, the iclub Fortress Hill Hotel and the iclub To Kwa Wan Hotel were stated in the Group's financial statements at cost after full elimination of the unrealised gain arising from the disposal of the hotels by P&R to Regal REIT, while the iclub Mong Kok Hotel owned by P&R and the Regala Skycity Hotel owned by the Regal group, completed in 2019 and 2021 respectively, are stated at cost, and they are all also subject to depreciation. For the purpose of providing supplementary information, if the entire hotel property portfolio of the Group in Hong Kong is restated in the condensed consolidated financial statements at market value as at 30th June, 2026, the Group's unaudited adjusted net asset and the unaudited adjusted net asset value per ordinary share of the Company would be HK$12,983.6 million and HK$11.65 per share, respectively, computed as follows:

| | As at 30th June, 2026 | |
|---|---|---|
| | **HK$'M** | **HK$ per ordinary share** |
| **Book net assets attributable to equity holders of the parent** | **7,273.9** | **6.53** |
| **Adjustment to restate the Group's hotel property portfolio in Hong Kong at its market value and add back any relevant deferred tax liabilities** | **5,709.7** | **5.12** |
| **Unaudited adjusted net assets attributable to equity holders of the parent** | **12,983.6** | **11.65** |

## CAPITAL RESOURCES AND FUNDING

### Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

Property development projects in Hong Kong are financed partly by internal resources and partly by bank financing. Project financing in Hong Kong is normally arranged in local currency to cover a part of the land cost and a major portion or the entire amount of the construction cost, with interest calculated by reference to the interbank offered rates and the loan maturity tied in to the estimated project completion date. Property development projects in the PRC are substantially financed by internal resources and proceeds from the presale of the units. Project financings for the projects in the PRC and overseas may be arranged, if terms are considered appropriate, to cover a part of the land costs and/or construction costs, and with the loan maturities aligning with the estimated project completion dates and/or sales forecast.

The Group's banking facilities are mostly denominated in Hong Kong dollars with interest primarily determined by reference to the interbank offered rates. The use of hedging instruments for interest rate purposes to cater to business and operational needs is kept under review by the Group's management from time to time. As regards the Group's investments in the PRC and overseas, which are denominated in currencies other than US dollars and Hong Kong dollars, the Group may consider, when deemed appropriate, hedging part or all of the investment amounts into US dollars or Hong Kong dollars to contain the Group's exposure to currency fluctuations.

### Cash Flows

Net cash flows generated from operating activities during the period under review amounted to HK$554.2 million (2025 – HK$198.3 million). Net interest payment for the period amounted to HK$380.3 million (2025 – HK$472.9 million).

### Borrowings and Gearing

As at 30th June, 2026, the Group had cash and bank balances and deposits of HK$1,392.8 million (31st December, 2025 – HK$947.1 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK$14,875.7 million (31st December, 2025 – HK$16,679.5 million).

As at 30th June, 2026, the gearing ratio of the Group was 48.1% (31st December, 2025 – 51.4%), representing the Group's borrowings, net of cash and bank balances and deposits, of HK$14,875.7 million (31st December, 2025 – HK$16,679.5 million), as compared to the total assets of the Group of HK$30,894.9 million (31st December, 2025 – HK$32,461.5 million).

On the basis of the adjusted total assets as at 30th June, 2026 of HK$41,121.4 million (31st December, 2025 – HK$43,446.5 million), with the hotel portfolio owned by the Group in Hong Kong restated at its market value on the basis presented above, the gearing ratio would be 36.2% (31st December, 2025 – 38.4%).

Details of the maturity profile of the borrowings of the Group as of 30th June, 2026 are shown in the condensed consolidated financial statements contained in the interim report for the six months ended 30th June, 2026 of the Company ("Interim Financial Statements") to be published on or before 30th September, 2026.

**Lease Liabilities**

As at 30th June, 2026, the Group had lease liabilities of HK$162.6 million (31st December, 2025 – HK$164.5 million).

**Pledge of Assets**

As at 30th June, 2026, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, properties held for sale, time deposits and bank balances in the total amount of HK$25,961.8 million were pledged to secure general banking facilities and other loan facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. In addition, the equity interests in the relevant holding companies of certain property interests and other assets were also pledged to secure certain bank and other borrowings of the Group.

As at 31st December, 2025, the Group's properties under development and certain of the Group's property, plant and equipment, investment properties, right-of-use assets, properties held for sale, financial assets at fair value through profit or loss, time deposits and bank balances in the total amount of HK$26,847.7 million were pledged to secure general banking facilities and other loan facilities granted to the Group as well as bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. In addition, the equity interests in the relevant holding companies of certain property interests and financial assets at fair value through profit or loss as well as other assets were also pledged to secure certain bank and other borrowings of the Group.

**Capital Commitments**

Details of the capital commitments of the Group as at 30th June, 2026 are shown in the Interim Financial Statements.

**Contingent Liabilities**

Details of the contingent liabilities of the Group as at 30th June, 2026 are shown in the Interim Financial Statements.

## DIVIDEND

The Directors have resolved not to declare an interim dividend for the financial year ending 31st December, 2026 (2025 – Nil).

## HALF YEAR RESULTS

**Condensed Consolidated Statement of Profit or Loss**

| | Six months ended 30th June, 2026 (Unaudited) HK$'M | Six months ended 30th June, 2025 (Unaudited) HK$'M |
|---|---|---|
| REVENUE (Notes 2 & 3) | **1,528.8** | 1,186.0 |
| Cost of sales | **(1,000.7)** | (782.2) |
| Gross profit | **528.1** | 403.8 |
| Other income and gains, net (Note 3) | **22.2** | 15.4 |
| Gain on disposal of subsidiaries | **610.1** | – |
| Fair value losses on investment properties, net | **(52.4)** | (168.0) |
| Fair value losses on financial assets at fair value through profit or loss, net | **(20.1)** | (0.2) |
| Impairment loss on properties under development | **–** | (4.0) |
| Impairment loss on properties held for sale | **(0.3)** | (32.8) |
| Impairment loss on investment in associates | **(0.1)** | (0.2) |
| Impairment loss on prepayments | **(163.3)** | – |
| Loss on re-measurement of finance lease | **–** | (17.7) |
| Property selling and marketing expenses | **(112.2)** | (41.9) |
| Administrative expenses | **(198.9)** | (179.1) |
| OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION | **613.1** | (24.7) |
| Depreciation (Note 4) | **(307.3)** | (346.1) |
| OPERATING PROFIT/(LOSS) (Note 4) | **305.8** | (370.8) |
| Finance costs (Note 5) | **(413.3)** | (521.4) |
| Share of profits and losses of associates | **(2.7)** | (1.8) |
| LOSS BEFORE TAX | **(110.2)** | (894.0) |
| Income tax (Note 6) | **(19.2)** | (5.4) |
| LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS | **(129.4)** | (899.4) |

**Condensed Consolidated Statement of Profit or Loss (Cont'd)**

| | Six months ended 30th June, 2026 | Six months ended 30th June, 2025 |
|---|---|---|
| | **(Unaudited)** | **(Unaudited)** |
| | **HK$'M** | **HK$'M** |
| Attributable to: | | |
| Equity holders of the parent | **(209.8)** | (613.4) |
| Non-controlling interests | **80.4** | (286.0) |
| | **(129.4)** | (899.4) |
| LOSS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8) | | |
| Basic and diluted | **HK$(0.22)** | HK$(0.59) |

## Condensed Consolidated Statement of Comprehensive Income

| | Six months ended 30th June, 2026 (Unaudited) HK$'M | Six months ended 30th June, 2025 (Unaudited) HK$'M |
|---|---|---|
| LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS | **(129.4)** | (899.4) |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: | | |
| Cash flow hedges: | | |
| Changes in fair value of cash flow hedges | **26.5** | (50.1) |
| Transfer from hedging reserve to profit or loss | **7.9** | 2.9 |
| | **34.4** | (47.2) |
| Exchange differences on translation of foreign operations | **65.8** | 107.5 |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods | **100.2** | 60.3 |
| Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods: | | |
| Changes in fair value of financial assets designated at fair value through other comprehensive income | **(0.1)** | (0.8) |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | **100.1** | 59.5 |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | **(29.3)** | (839.9) |
| Attributable to: | | |
| Equity holders of the parent | **(150.8)** | (566.7) |
| Non-controlling interests | **121.5** | (273.2) |
| | **(29.3)** | (839.9) |

## Condensed Consolidated Statement of Financial Position

| | 30th June, 2026 (Unaudited) HK$'M | 31st December, 2025 (Audited) HK$'M |
|---|---|---|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | **5,031.1** | 5,217.0 |
| Investment properties | **2,692.8** | 3,098.1 |
| Right-of-use assets | **13,931.7** | 14,850.5 |
| Properties under development | **889.7** | 885.9 |
| Investments in associates | **320.9** | 286.3 |
| Financial assets designated at fair value through other comprehensive income | **3.9** | 4.0 |
| Financial assets at fair value through profit or loss | **255.1** | 292.3 |
| Derivative financial instruments | **12.4** | – |
| Loans receivable | **111.8** | 114.8 |
| Debtors, deposits and prepayments | **32.1** | 190.3 |
| Deferred tax assets | **47.7** | 47.7 |
| Trademark | **610.2** | 610.2 |
| Other intangible assets | **3.6** | 3.6 |
| Total non-current assets | **23,943.0** | 25,600.7 |
| CURRENT ASSETS | | |
| Properties under development | **657.3** | 655.6 |
| Properties held for sale | **4,418.6** | 4,759.9 |
| Inventories | **43.2** | 47.4 |
| Loans receivable | **28.4** | 42.3 |
| Debtors, deposits and prepayments (Note 9) | **352.8** | 361.8 |
| Financial assets at fair value through profit or loss | **14.9** | 17.5 |
| Derivative financial instruments | **3.6** | – |
| Tax recoverable | **40.3** | 29.2 |
| Restricted cash | **585.5** | 332.1 |
| Pledged time deposits and bank balances | **273.4** | 295.2 |
| Time deposits | **73.5** | 18.0 |
| Cash and bank balances | **460.4** | 301.8 |
| Total current assets | **6,951.9** | 6,860.8 |

**Condensed Consolidated Statement of Financial Position (Cont'd)**

| | 30th June, 2026 (Unaudited) HK$'M | 31st December, 2025 (Audited) HK$'M |
|---|---|---|
| CURRENT LIABILITIES | | |
| Creditors and accruals (Note 10) | **(684.5)** | (697.9) |
| Contract liabilities | **(224.4)** | (158.2) |
| Lease liabilities | **(9.1)** | (11.3) |
| Deposits received | **(135.1)** | (122.7) |
| Interest bearing bank borrowings | **(8,067.5)** | (5,768.0) |
| Other borrowings | **(438.7)** | (400.0) |
| Derivative financial instruments | – | (1.0) |
| Tax payable | **(309.2)** | (435.9) |
| Total current liabilities | **(9,868.5)** | (7,595.0) |
| NET CURRENT LIABILITIES | **(2,916.6)** | (734.2) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | **21,026.4** | 24,866.5 |
| NON-CURRENT LIABILITIES | | |
| Deposits received | **(14.6)** | (17.8) |
| Lease liabilities | **(153.5)** | (153.2) |
| Interest bearing bank borrowings | **(7,604.1)** | (11,458.6) |
| Other borrowings | **(158.2)** | – |
| Derivative financial instruments | **(14.8)** | (49.2) |
| Deferred tax liabilities | **(1,255.7)** | (1,326.3) |
| Total non-current liabilities | **(9,200.9)** | (13,005.1) |
| Net assets | **11,825.5** | 11,861.4 |
| EQUITY | | |
| **Equity attributable to equity holders of the parent** | | |
| Issued capital | **111.4** | 111.4 |
| Reserves | **7,162.5** | 7,313.3 |
| | **7,273.9** | 7,424.7 |
| **Perpetual securities** | **1,732.9** | 1,732.9 |
| **Non-controlling interests** | **2,818.7** | 2,703.8 |
| Total equity | **11,825.5** | 11,861.4 |

Notes:

1. Basis of Preparation and Accounting Policies

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2025, except for the adoption of the following amended HKFRS Accounting Standards, for the first time for the current period's 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* |
| *Annual Improvements to HKFRS Accounting Standards – Volume 11* | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 |

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Prior to the initial application of the amendments, the Group derecognised payables that were settled by cheques upon the issuance of cheques to creditors. Upon applying the amendments, payables that were settled by cheques are derecognised on the settlement date which is the date when the cheques are cleared by banks. The change in accounting policy did not have a material impact on the Group's interim condensed consolidated financial statements. The change in accounting policy will be reflected in the Group's consolidated financial statements for the year ending 31st December, 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial statements.

(c) *Annual Improvements to HKFRS Accounting Standards* – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial statements.

The Group had a net loss attributable to owners of the parent of HK$209.8 million (2025 – HK$613.4 million) for the period ended 30th June, 2026 and net current liabilities of HK$2,916.6 million (31st December, 2025 – HK$734.2 million) and net assets of HK$11,825.5 million (31st December, 2025 – HK$11,861.4 million) as at 30th June, 2026. In addition, the Group had total non-pledged time deposits, cash and bank balances of HK$533.9 million (31st December, 2025 – HK$319.8 million) as at 30th June, 2026 and positive net cash flows from operating activities of HK$554.2 million (2025 – HK$198.3 million) for the period ended 30th June, 2026.

The condensed consolidated financial statements were prepared based on the assumption that the Group is operating as a going concern, as the Directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 30th June, 2026, after taking into consideration the following:

(i) the estimated cash flows of the Group for the next twelve months from the end of the reporting period;
(ii) the contracted sales of property assets of the Group up to the current date;
(iii) the plan for disposal of certain non-core assets of the Group;
(iv) the plan for the sales of the property assets which are readily available for sale, including the office units and other components of the development projects in Chengdu and Tianjin;
(v) the refinancing plan for certain maturing interest bearing bank borrowings that are secured by certain properties; and
(vi) the available unutilised financial facilities of the Group.

2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

(a) the property development and investment segment comprises the development and sale of properties, the leasing of properties and the provision of estate agency services;

(b) the construction and building related businesses segment engages in construction works and building related businesses, including the provision of development consultancy, project management and construction engineering services, property management and also security systems and products and other software development and distribution;

(c) the hotel operation and management and hotel ownership segment engages in hotel operations and the provision of hotel management services, and the ownership in hotel properties for rental income;

(d) the asset management segment engages in the provision of asset management services to Regal REIT;

(e) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments; and

(f) the others segment mainly comprises the provision of financing services, sale of food products, operation and management of restaurants, the provision of housekeeping and related services, and the aircraft ownership and leasing.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that certain interest income, non-lease-related finance costs, head office and corporate gains and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following table presents revenue and profit/(loss) information for the Group's operating segments:

| | Property development and investment | | Construction and building related businesses | | Hotel operation and management and hotel ownership | | Asset management | | Financial assets investments | | Others | | Eliminations | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Six months ended 30th June, | | Six months ended 30th June, | | Six months ended 30th June, | | Six months ended 30th June, | | Six months ended 30th June, | | Six months ended 30th June, | | Six months ended 30th June, | | Six months ended 30th June, | |
| | 2026 (Unaudited) HK$'M | 2025 (Unaudited) HK$'M | 2026 (Unaudited) HK$'M | 2025 (Unaudited) HK$'M | 2026 (Unaudited) HK$'M | 2025 (Unaudited) HK$'M | 2026 (Unaudited) HK$'M | 2025 (Unaudited) HK$'M | 2026 (Unaudited) HK$'M | 2025 (Unaudited) HK$'M | 2026 (Unaudited) HK$'M | 2025 (Unaudited) HK$'M | 2026 (Unaudited) HK$'M | 2025 (Unaudited) HK$'M | 2026 (Unaudited) HK$'M | 2025 (Unaudited) HK$'M |
| Segment revenue: | | | | | | | | | | | | | | | | |
| Sales to external customers | 556.7 | 248.4 | 16.6 | 15.4 | 905.6 | 878.8 | - | - | 0.3 | 0.8 | 49.6 | 42.6 | - | - | 1,528.8 | 1,186.0 |
| Intersegment sales | 15.7 | 15.8 | 10.3 | 6.0 | 0.3 | 0.4 | 46.2 | 46.3 | - | - | 92.0 | 84.2 | (164.5) | (152.7) | - | - |
| Total | 572.4 | 264.2 | 26.9 | 21.4 | 905.9 | 879.2 | 46.2 | 46.3 | 0.3 | 0.8 | 141.6 | 126.8 | (164.5) | (152.7) | 1,528.8 | 1,186.0 |
| Segment results before depreciation | (209.8) | (204.8) | (2.8) | (8.1) | 911.0 | 248.6 | (6.1) | (6.6) | (11.3) | (0.5) | 2.2 | 1.0 | - | - | 683.2 | 29.6 |
| Depreciation | (11.5) | (5.1) | (0.3) | (0.3) | (293.2) | (338.5) | - | - | - | - | (2.1) | (2.1) | - | - | (307.1) | (346.0) |
| Segment results | (221.3) | (209.9) | (3.1) | (8.4) | 617.8 | (89.9) | (6.1) | (6.6) | (11.3) | (0.5) | 0.1 | (1.1) | - | - | 376.1 | (316.4) |
| Unallocated interest income and unallocated non-operating and corporate gains | | | | | | | | | | | | | | | 10.3 | 11.8 |
| Unallocated non-operating and corporate expenses | | | | | | | | | | | | | | | (84.6) | (66.4) |
| Finance costs (other than interest on lease liabilities) | | | | | | | | | | | | | | | (409.3) | (521.2) |
| Share of profits and losses of associates | 0.3 | 0.3 | - | - | (3.0) | (2.1) | - | - | - | - | - | - | - | - | (2.7) | (1.8) |
| Loss before tax | | | | | | | | | | | | | | | (110.2) | (894.0) |
| Income tax | | | | | | | | | | | | | | | (19.2) | (5.4) |
| Loss for the period before allocation between equity holders of the parent and non-controlling interests | | | | | | | | | | | | | | | (129.4) | (899.4) |
| Attributable to: | | | | | | | | | | | | | | | | |
| Equity holders of the parent | | | | | | | | | | | | | | | (209.8) | (613.4) |
| Non-controlling interests | | | | | | | | | | | | | | | 80.4 | (286.0) |
| | | | | | | | | | | | | | | | (129.4) | (899.4) |

3. Revenue, other income and gains, net are analysed as follows:

| | Six months ended 30th June, 2026 (Unaudited) HK$'M | Six months ended 30th June, 2025 (Unaudited) HK$'M |
|---|---|---|
| Revenue | | |
| *Revenue from contracts with customers* | | |
| Proceeds from sale of properties | **539.2** | 216.6 |
| Hotel operations and management services | **874.0** | 848.6 |
| Construction and construction-related income | **12.4** | 11.1 |
| Estate management fees | **4.2** | 4.3 |
| Other operations | **49.6** | 42.6 |
| | **1,479.4** | 1,123.2 |
| *Revenue from other sources* | | |
| Rental income: | | |
| Hotel properties | **20.5** | 20.7 |
| Investment properties | **26.6** | 36.4 |
| Others | **2.0** | 2.5 |
| Interest income from financial assets at fair value through profit or loss | **0.1** | 0.2 |
| Interest income from finance lease | – | 2.4 |
| Dividend income from listed investments | **0.2** | 0.8 |
| Loss from sale of listed investments included in financial assets at fair value through profit or loss, net | – | (0.2) |
| | **49.4** | 62.8 |
| Total | **1,528.8** | 1,186.0 |

| | Six months ended 30th June, 2026 | Six months ended 30th June, 2025 |
|---|---|---|
| | (Unaudited) | (Unaudited) |
| | HK$'M | HK$'M |
| Other income and gains, net | | |
| Bank interest income | **3.6** | 6.1 |
| Other interest income | **4.1** | 8.0 |
| Dividend income from unlisted investments | **9.1** | 5.1 |
| Loss on disposal of unlisted investments included in financial assets at fair value through profit or loss | – | (5.5) |
| Gain on disposal of items of property, plant and equipment | – | 0.1 |
| Others | **5.4** | 1.6 |
| Total | **22.2** | 15.4 |

4. An analysis of profit on sale of properties and depreciation of the Group is as follows:

| | Six months ended 30th June, 2026 | Six months ended 30th June, 2025 |
|---|---|---|
| | (Unaudited) | (Unaudited) |
| | HK$'M | HK$'M |
| Profit on disposal of properties, net | **142.2** | 73.7 |
| Depreciation of property, plant and equipment | **149.6** | 176.1 |
| Depreciation of right-of-use assets | **157.7** | 170.0 |
| Total | **307.3** | 346.1 |

5. Finance costs of the Group are as follows:

| | Six months ended 30th June, 2026 (Unaudited) HK$'M | Six months ended 30th June, 2025 (Unaudited) HK$'M |
|---|---|---|
| Interest on bank loans | **354.2** | 475.8 |
| Interest on other borrowings | **16.7** | 15.5 |
| Interest expenses arising from revenue contracts | – | 0.7 |
| Interest on lease liabilities | **4.0** | 0.2 |
| Amortisation of debt establishment costs | **27.8** | 24.9 |
| Total interest expenses on financial liabilities not at fair value through profit or loss | **402.7** | 517.1 |
| Fair value changes on derivative financial instruments – cash flow hedges (transfer from hedging reserve) | **7.9** | 2.9 |
| Other loan costs | **2.7** | 1.4 |
| Total | **413.3** | 521.4 |

6. The income tax charge for the period arose as follows:

| | Six months ended 30th June, 2026 (Unaudited) HK$'M | Six months ended 30th June, 2025 (Unaudited) HK$'M |
|---|---|---|
| Current – Hong Kong profits tax | | |
| Charge for the period | **13.8** | 12.5 |
| Current – PRC and overseas – income taxes | | |
| Credit for the period | **(21.6)** | – |
| Underprovision in prior years | – | 0.3 |
| PRC land appreciation tax | **0.7** | (3.0) |
| Deferred | **26.3** | (4.4) |
| Total tax charge for the period | **19.2** | 5.4 |

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2025 – 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the period.

Taxes on the profits of subsidiaries operating in the PRC and overseas are calculated at the rates prevailing in the respective jurisdictions in which they operate.

The PRC land appreciation tax is levied on the sale or transfer of state-owned land use rights, buildings and their attached facilities in Chinese Mainland at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for the sale of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

No provision for tax is required for the associates as no assessable profits were earned by the associates during the period (2025 – Nil).

7. Dividend:

No dividend was paid or proposed during the six months ended 30th June, 2026, nor has any dividend been proposed since the end of the reporting period (2025 – Nil).

8. The calculation of the basic loss per ordinary share for the period ended 30th June, 2026 is based on the loss for the period attributable to equity holders of the parent of HK$209.8 million (2025 – HK$613.4 million), adjusted for the share of accrued distribution related to perpetual securities of the Regal group of HK$39.2 million (2025 – HK$39.5 million), and on 1,114.6 million (2025 – 1,114.6 million) ordinary shares of the Company outstanding during the period.

No adjustment was made to the basic loss per ordinary share for the periods ended 30th June, 2026 and 2025 as the Company had no potentially dilutive ordinary shares outstanding and therefore no diluting events existed throughout the periods.

9. Included in debtors, deposits and prepayments is an amount of HK$126.4 million (31st December, 2025 – HK$139.6 million) representing the trade debtors of the Group. The ageing analysis of these debtors as at the end of the reporting period, based on the invoice date, is as follows:

| | 30th June, 2026 (Unaudited) HK$'M | 31st December, 2025 (Audited) HK$'M |
|---|---|---|
| Outstanding balances with ages: | | |
| Within 3 months | **83.8** | 77.6 |
| 4 to 6 months | **6.0** | 35.2 |
| 7 to 12 months | **19.7** | 22.4 |
| Over 1 year | **27.7** | 12.0 |
| | **137.2** | 147.2 |
| Impairment | **(10.8)** | (7.6) |
| Total | **126.4** | 139.6 |

Trade debtors, which generally have credit terms of 30 to 90 days, are recognised and carried at their original invoiced amounts less impairment.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade debtors relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances.

Also included in debtors, deposits and prepayments at 31st December, 2025 was an amount of HK$2.3 million in relation to the prepaid commission for sales of properties which was classified as contract costs in accordance with HKFRS 15.

10. Included in creditors and accruals is an amount of HK$42.9 million (31st December, 2025 – HK$54.9 million) representing the trade creditors of the Group. The ageing analysis of these creditors as at the end of the reporting period, based on the invoice date, is as follows:

| | 30th June, 2026 (Unaudited) HK$'M | 31st December, 2025 (Audited) HK$'M |
|---|---|---|
| Outstanding balances with ages: | | |
| Within 3 months | **37.9** | 50.0 |
| 4 to 6 months | **0.1** | 1.3 |
| 7 to 12 months | **0.1** | 1.2 |
| Over 1 year | **4.8** | 2.4 |
| Total | **42.9** | 54.9 |

The trade creditors are non-interest bearing and are normally settled within 90 days.

11. Event after the reporting period

On 6th May, 2025, the Regal group entered into an agreement with an independent third party to dispose of the entire issued share capital of Frequentspirit Investimentos Imobiliários Lda. (the "Target Company"), a wholly owned subsidiary of the Regal group, for a consideration of EUR 9.3 million (equivalent to approximately HK$84.0 million). The Target Company is the sole legal and beneficial owner of a mixed use building located at Fabrik, Rua Dos Fanqueiros 156, Lisbon, Portugal. The transaction was completed on 31st July, 2026.

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

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

## REVIEW OF RESULTS

The Group's condensed consolidated financial statements for the six months ended 30th June, 2026 have not been audited, but have been reviewed by Ernst & Young, the Company's external auditor, whose review report is contained in the Company's interim report for the six months ended 30th June, 2026 to be despatched to shareholders.

The Audit Committee has reviewed the Group's condensed consolidated financial statements for the six months ended 30th June, 2026, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor.

## CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30th June, 2026, except that:

- The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.

## BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises the following members:

***Executive Directors:***

Mr. LO Yuk Sui
*(Chairman and Chief Executive Officer)*
Mr. Jimmy LO Chun To
*(Vice Chairman and Managing Director)*
Mr. Kelvin LEUNG So Po
Ms. LO Po Man
Mr. Kenneth NG Kwai Kai
Mr. Kenneth WONG Po Man

***Independent Non-Executive Directors:***

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP
Ms. Winnie NG, JP
Mr. Abraham SHEK Lai Him, GBS, JP
Mr. WONG Chi Keung

By Order of the Board
**LO YUK SUI**
Chairman

Hong Kong, 26th August, 2026