HARBOUR CENTRE DEVELOPMENT LIMITED

Stock Code : 51

INTERIM REPORT 2026

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GROUP RESULTS

Underlying net profit amounted to HK$99 million (2025: loss of HK$86 million) mainly due to lower attributable impairment provision of HK$79 million (2025: HK$211 million) made for Development Properties ("DP"). Inclusive of net deficit of HK$181 million (2025: HK$113 million) on revaluation of Investment Properties ("IP"), Group loss attributable to equity shareholders was HK$82 million (2025: HK$199 million).

Basic loss per share was HK$0.12 (2025: HK$0.28).

INTERIM DIVIDEND

The Board of Directors of the Company has resolved not to declare any interim dividend for the half-year period ended 30 June 2026 (2025: Nil).

BUSINESS REVIEW

In the first half of 2026, Hong Kong's hotel and tourism sector continued its recovery, supported by travel demand from both Chinese Mainland and international visitors. However, recovery has not been even.

Inbound arrivals increased by 13% year-on-year. Data from STR Global, a hospitality data benchmarking firm, showed a 13% increase in Revenue Per Available Room (RevPAR), driven by a 3% rise in occupancy and a 10% increase in average rate versus 2025. In parallel, the retail sector maintained a positive trend, with growth continuing since May of 2025, underpinned by discretionary spending.

Over the same period, Chinese Mainland hospitality market recorded modest growth on the back of resilient domestic travel demand. However, competitive conditions remained intense amid continued supply pressures.

Hong Kong

Hotels

Supported by higher travel demand and targeted marketing, The Murray, Hong Kong, a Niccolo Hotel ("The Murray"), and Marco Polo Hongkong Hotel ("MP Hong Kong") achieved higher occupancy and room rates, driving solid growth in room revenue. However, deceleration was noticed towards the end of the period.

Non-room revenue continued to face competitive pressures. The Murray's banquet and catering business remained resilient, supported by recurring corporate and social events as well as seasonal campaigns. Ongoing cost discipline and service enhancements contributed to improvements in operating profit.

Investment Properties

The retail portfolio reported declines in revenue and operating profit narrowing to 3% and 8%, respectively. Retailer sentiment is still cautious, particularly with regard to major commitments. During the period, the lease of a large tenant expired which is expected to adversely affect rental income in the medium term.

The portfolio was independently revalued as at 30 June 2026 and a net revaluation deficit of HK$181 million was reported (2025: HK$113 million).

Chinese Mainland

Hotels

Niccolo Suzhou continued to face challenges amid intense competition and increasingly price-sensitive demand. Weak market conditions kept room rates flat and weighed on room revenue, while subdued discretionary spending also pressured non-room revenue.

Development Properties

All on an attributable basis, contracted sales amounted to only 1,311 s.m. for RMB45 million, equivalent to HK$52 million (2025: RMB16 million, equivalent to HK$18 million) and unsold stock as at 30 June 2026 totalled 129,000 s.m., primarily commercial. The carrying value of unsold stock was adjusted to approximately RMB1.5 billion (equivalent to HK$1.7 billion) to reflect prevailing market conditions. This represented approximately 9% of the Group's total assets and resulted in an attributable impairment provision of HK$79 million (2025: HK$211 million).

OUTLOOK

Hong Kong's hotel and tourism sector is expected to continue a steady recovery into the second half of 2026, supported by regional demand and a pipeline of mega events. However, the operating environment remains sensitive to external uncertainties, as consumer confidence and spending patterns may be affected by global economic and geopolitical developments.

In Chinese Mainland, the outlook is supported by ongoing growth in domestic tourism demand. That said, greater price sensitivity, ongoing supply expansion, and intense competition are likely to keep pressure on room rates and profitability despite steady underlying demand.

Against this backdrop, the Group will remain focused on disciplined execution of its core strategies, including driving operational efficiencies, enhancing service standards, and actively managing its asset portfolio. Targeted initiatives will be pursued to strengthen market positioning and capture emerging opportunities.

FINANCIAL REVIEW

(I) Review of 2026 Interim Results

Group underlying net profit improved to HK$99 million (2025: loss of HK$86 million) mainly due to decrease in attributable DP impairment provision to HK$79 million (2025: HK$211 million). DP loss narrowed by 77% to HK$46 million (2025: HK$196 million) and Hotels turned to profit of HK$1 million (2025: loss of HK$31 million). However, IP profit decreased by 7% to HK$66 million (2025: HK$71 million).

After attributable net IP revaluation deficit of HK$181 million (2025: HK$113 million), the Group reported a loss of HK$82 million (2025: HK$199 million) attributable to equity shareholders.

Revenue and Operating Profit

Group revenue increased by 8% to HK$705 million (2025: HK$654 million) and operating profit by 40% to HK$175 million (2025: HK$125 million).

Hotels revenue increased by 13% to HK$482 million (2025: HK$426 million) and an operating profit of HK$6 million was reported (2025: loss of HK$29 million). Hong Kong revenue increased by 15% to HK$440 million (2025: HK$383 million) and turned in an operating profit of HK$25 million (2025: loss of HK$11 million) with both occupancy and room rate increasing. In Chinese Mainland, revenue decreased by 2% to HK$42 million (2025: HK$43 million) and operating loss widened to HK$19 million (2025: HK$18 million).

IP revenue decreased by 3% to HK$93 million (2025: HK$96 million) and operating profit by 8% to HK$78 million (2025: HK$85 million) primarily due to softer retail rental income.

DP revenue decreased by 12% to HK$51 million (2025: HK$58 million) while operating profit increased to HK$13 million (2025: loss of HK$1 million).

Investments operating profit, mainly from dividend income, was HK$72 million (2025: HK$70 million).

IP Revaluation Change

The Group's IP were stated at fair value based on independent valuation as at 30 June 2026, resulting in a revaluation deficit of HK$181 million (2025: HK$113 million) in the consolidated income statement.

Other Net Charge

Other net charge of HK$93 million (2025: HK$39 million) mainly from impairment provision for DP.

Finance Costs

Net finance costs stayed at about HK$6 million (2025: HK$7 million).

Share of Results (after tax) of an Associate

Attributable results of an associate turned to a profit of HK$22 million (2025: loss of HK$155 million after DP impairment provision of HK$178 million) mainly due to rental income and decrease in impairment provision.

Income Tax

Taxation charge for the period was HK$20 million (2025: HK$22 million).

Loss Attributable to Equity Shareholders

Group loss attributable to equity shareholders decreased to HK$82 million (2025: HK$199 million). Loss per share was HK$0.12 (2025: HK$0.28) based on 708.8 million ordinary shares in issue.

Reconciliation with underlying net profit/(loss) attributable to equity shareholders as below:

	Six months ended 30 June	
	2026 HK$ Million	2025 HK$ Million
Underlying net profit/(loss)	**99**	(86)
Attributable net IP revaluation deficit	**(181)**	(113)
Loss attributable to equity shareholders	**(82)**	(199)

(II) Review of Financial Position, Liquidity, Resources and Commitments

Shareholders' and Total Equity

As at 30 June 2026, shareholders' equity increased by 1% to HK$15,059 million (31 December 2025: HK$14,980 million), equivalent to HK$21.25 per share (31 December 2025: HK$21.13 per share). The increase mainly arose from HK$126 million surplus on investment revaluation exceeding the reporting loss. Including non-controlling interests, the Group's total equity amounted to HK$15,132 million (31 December 2025: HK$15,069 million).

Assets

Total assets amounted to HK$16,495 million (31 December 2025: HK$16,473 million). Business assets, excluding bank deposits and cash, totalled HK$15,485 million (31 December 2025: HK$15,627 million).

Geographically, HK$12,091 million or 78% of total business assets were in Hong Kong (31 December 2025: HK$12,243 million or 78%) and HK$1,783 million or 12% in Chinese Mainland (31 December 2025: HK$1,812 million or 12%).

Hotels

Hotel properties, at cost less depreciation and impairment provision (if any), amounted to HK$6,208 million (31 December 2025: HK$6,268 million), which comprised The Murray, MP Hong Kong, Niccolo Suzhou and the former Marco Polo Changzhou.

Investment Properties

IP amounted to HK$4,553 million (31 December 2025: HK$4,734 million), which comprised MP Hong Kong's commercial podium and Star House units.

Development Properties for Sale/Interests in an Associate and a Joint Venture

DP amounted to HK$697 million (31 December 2025: HK$771 million). In addition, those undertaken through an associate and a joint venture amounted to HK$227 million (31 December 2025: HK$198 million).

Equity Investments

Equity investments were marked to market at HK$3,588 million (31 December 2025: HK$3,461 million), including mainly liquid blue-chip listed equity shares trading on the stock exchanges in Hong Kong and Singapore, held for long term capital growth and dividend return. The value of the whole portfolio represented 22% (31 December 2025: 21%) of the Group's total assets and each investment within it was individually not material except the shareholdings in Sun Hung Kai Properties Limited ("SHKP") and Hongkong Land Holdings Limited ("HKL"), representing 7.5% and 9.8% to the Group's total assets, with details as below.

		SHKP	HKL
(i)	Number of shares held	11,030,276 shares	29,004,700 shares
(ii)	Percentage of shares held	0.4%	1.4%
(iii)	Investment cost	HK$1,293 million	HK$937 million
(iv)	Fair value at 30 June 2026	HK$1,239 million	HK$1,611 million
(v)	Cumulative unrealised (loss)/gain at 30 June 2026	(HK$54 million)	HK$674 million
(vi)	Unrealised gain during the period	HK$194 million	HK$38 million
(vii)	Dividends received	HK$11 million	HK$43 million

The Group's listed equity portfolio is mainly related to the property sector and is aligned with the Group's investment policy and objectives in support of long term development and strategic direction. The investment portfolio, analysed by industry sector and geographical location, is as below:

	30 June 2026 HK$ Million	31 December 2025 HK$ Million
Analysed by industry sectors		
— Properties	**3,164**	2,987
— Others	**424**	474
Total	**3,588**	3,461
Analysed by geographical locations		
— Hong Kong	**1,977**	1,889
— Overseas	**1,611**	1,572
Total	**3,588**	3,461

The portfolio is subject to market volatility and may affect the net asset value and financial performance of the Group. Composition and performance of the portfolio is constantly assessed and monitored by an investment team reporting on a daily basis to senior management. During the period, marking these investments to market produced a net surplus of HK$126 million (30 June 2025: HK$596 million) as reflected in other comprehensive income.

Net Cash

As at 30 June 2026, the Group had net cash of HK$538 million (31 December 2025: HK$404 million), consisting of HK$1,010 million in cash (mainly held in Hong Kong) and HK$472 million in bank borrowings (all drawn in Chinese Mainland).

Finance and Availability of Facilities and Funds

The Group's debts were principally denominated in Renminbi ("RMB") at floating rates.

As at 30 June 2026, the Group's available loan facilities amounted to HK$1,322 million, of which HK$472 million were utilised. Certain banking facilities were secured by hotel and DP in the Chinese Mainland of RMB1,159 million, equivalent to HK$1,334 million (31 December 2025: RMB1,160 million, equivalent to HK$1,284 million).

The use of derivative financial instruments is strictly controlled. Instruments entered into by the Group are mainly used for managing and hedging interest rate and currency exposures.

The Group continued to maintain a reasonable level of surplus cash denominated principally in Hong Kong dollars and RMB to facilitate its business and investment activities. As at 30 June 2026, the Group also held a portfolio of liquid listed equity investments with an aggregate market value of HK$3,588 million (31 December 2025: HK$3,461 million), which is available for use if necessary.

Net Cash Flows for Operating and Investing Activities

For the period under review, the Group generated a net operating cash inflow of HK$145 million (2025: HK$94 million).

Commitments to Capital and Development Expenditure

As at 30 June 2026, major capital and development expenditure planned for the coming years was about HK$319 million, mainly related to DP.

The above expenditure will be funded by internal financial resources, including cash currently on hand, as well as bank loans. Other available resources include equity investments that can be liquidated when in need.

(III) Human Resources

The Group had approximately 1,100 employees as at 30 June 2026. Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

CONSOLIDATED INCOME STATEMENT

For The Six Months Ended 30 June 2026 — Unaudited

		Six months ended 30 June	
	Note	**2026 HK$ Million**	2025 HK$ Million
Revenue	2	**705**	654
Direct costs and operating expenses		**(318)**	(325)
Selling and marketing expenses		**(46)**	(37)
Administrative and corporate expenses		**(68)**	(71)
Operating profit before depreciation, interest and tax		**273**	221
Depreciation		**(98)**	(96)
Operating profit	2 & 3	**175**	125
Changes in fair value of investment properties		**(181)**	(113)
Other net charge	4	**(93)**	(39)
		(99)	(27)
Finance costs	5	**(6)**	(7)
Share of results after tax of an associate		**22**	(155)
Loss before taxation		**(83)**	(189)
Income tax	6(a)	**(20)**	(22)
Loss for the period		**(103)**	(211)
Loss attributable to:			
Equity shareholders		**(82)**	(199)
Non-controlling interests		**(21)**	(12)
		(103)	(211)
Loss per share			
Basic and diluted	7	**(HK$0.12)**	(HK$0.28)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Six Months Ended 30 June 2026 — Unaudited

	Six months ended 30 June	
	2026 HK$ Million	2025 HK$ Million
Loss for the period	**(103)**	(211)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Fair value changes on equity investments	**126**	596
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of the operations of subsidiaries	**32**	17
Share of reserves of an associate and a joint venture	**8**	3
Other comprehensive income for the period	**166**	616
Total comprehensive income for the period	**63**	405
Total comprehensive income attributable to:		
Equity shareholders	**79**	415
Non-controlling interests	**(16)**	(10)
	63	405

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 — Unaudited

	Note	**30 June 2026 HK$ Million**	31 December 2025 HK$ Million
Non-current assets			
Investment properties		**4,553**	4,734
Hotel properties, plant and equipment		**6,288**	6,348
Interest in an associate		**218**	189
Interest in a joint venture		**9**	9
Equity investments		**3,588**	3,461
Other non-current assets		**43**	37
		14,699	14,778
Current assets			
Properties for sale		**697**	771
Inventories		**8**	8
Trade and other receivables	8	**81**	70
Bank deposits and cash		**1,010**	846
		1,796	1,695
Total assets		**16,495**	16,473
Non-current liabilities			
Deferred tax liabilities		**(160)**	(155)
Bank loans		**(432)**	(409)
		(592)	(564)
Current liabilities			
Trade and other payables	9	**(640)**	(735)
Pre-sale deposits and proceeds		**(1)**	(1)
Taxation payable		**(90)**	(71)
Bank loans		**(40)**	(33)
		(771)	(840)
Total liabilities		**(1,363)**	(1,404)
NET ASSETS		**15,132**	15,069
Capital and reserves			
Share capital		**3,641**	3,641
Reserves		**11,418**	11,339
Shareholders' equity		**15,059**	14,980
Non-controlling interests		**73**	89
TOTAL EQUITY		**15,132**	15,069

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2026 — Unaudited

	Shareholders' equity						
	Share capital HK$ Million	Investments revaluation reserves HK$ Million	Exchange reserves HK$ Million	Revenue reserves HK$ Million	Total shareholders' equity HK$ Million	Non-controlling interests HK$ Million	Total equity HK$ Million
At 1 January 2026	**3,641**	**175**	**207**	**10,957**	**14,980**	**89**	**15,069**
Changes in equity for the period:							
Loss for the period	**–**	**–**	**–**	**(82)**	**(82)**	**(21)**	**(103)**
Other comprehensive income	**–**	**126**	**32**	**3**	**161**	**5**	**166**
Total comprehensive income	**–**	**126**	**32**	**(79)**	**79**	**(16)**	**63**
At 30 June 2026	**3,641**	**301**	**239**	**10,878**	**15,059**	**73**	**15,132**
At 1 January 2025	3,641	(826)	183	11,219	14,217	113	14,330
Changes in equity for the period:							
Loss for the period	–	–	–	(199)	(199)	(12)	(211)
Other comprehensive income	–	596	16	2	614	2	616
Total comprehensive income	–	596	16	(197)	415	(10)	405
Transfer to revenue reserves upon de-recognition of equity investments	–	(5)	–	5	–	–	–
2024 interim dividend paid	–	–	–	(35)	(35)	–	(35)
At 30 June 2025	3,641	(235)	199	10,992	14,597	103	14,700

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 30 June 2026 — Unaudited

	Six months ended 30 June	
	2026	2025
	HK$ Million	HK$ Million
Operating cash inflow	**193**	147
Changes in working capital/others	**(47)**	(41)
Tax paid	**(1)**	(12)
Net cash generated from operating activities	**145**	94
Investing activities		
Payment for hotel properties, plant and equipment	**(7)**	(5)
Other cash generated from investing activities	**1**	49
Net cash (used in)/generated from investing activities	**(6)**	44
Financing activities		
Dividends paid to equity shareholders	**–**	(35)
Other cash generated from financing activities	**13**	57
Net cash generated from financing activities	**13**	22
Increase in cash and cash equivalents	**152**	160
Cash and cash equivalents at 1 January	**846**	431
Effect on exchange rate changes	**12**	5
Cash and cash equivalents at 30 June (Note)	**1,010**	596
Note:		
Cash and cash equivalents		
Bank deposits and cash in the consolidated statement of financial position	**1,010**	596

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The preparation of the unaudited interim financial information in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2025. The unaudited interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2025 except for the changes mentioned below.

With effect from 1 January 2026, the Group has adopted the below amendments which are relevant to the Group's consolidated financial statements:

- Amendments to Hong Kong Financial Reporting Standard ("HKFRS") 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments*
- Annual improvements to HKFRS Accounting Standards: Volume 11

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies.

The Group has not applied any new standards or interpretation that are not yet effective for the current accounting period.

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

The financial information relating to the financial year ended 31 December 2025 that is included in the unaudited interim financial information as comparative information does not constitute the Company's statutory annual financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance (Cap 622 of the laws of Hong Kong) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the 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 section 406(2), 407(2) or (3) of the Companies Ordinance.

2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined four reportable operating segments for measuring performance and allocating resources. The segments are hotels, investment properties, development properties and investments. No operating segment has been aggregated to form reportable segments.

Hotels segment represents the operations of The Murray, Hong Kong, a Niccolo Hotel, Marco Polo Hongkong Hotel, Niccolo Suzhou and the former Marco Polo Changzhou.

Investment properties segment primarily represents the property leasing of the Group's investment properties in Hong Kong.

Development properties segment encompasses activities relating to the acquisition, development and sales of trading properties primarily in Chinese Mainland.

Investments segment represents equity investment in global capital markets. The performance of the portfolio is assessed and monitored by top management regularly.

Management evaluates performance based on operating profit as well as the equity share of results of an associate and a joint venture of each segment.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash.

Revenue and expenses are allocated with reference to income generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

2. SEGMENT INFORMATION (Continued)

(a) Analysis of segment revenue and results

Six months ended	Revenue HK$ Million	Operating profit/(loss) HK$ Million	Changes in fair value of investment properties HK$ Million	Other net charge HK$ Million	Finance costs HK$ Million	Associate HK$ Million	(Loss)/profit before taxation HK$ Million
30 June 2026							
Hotels	**482**	**6**	**–**	**–**	**–**	**–**	**6**
Investment properties	**93**	**78**	**(181)**	**–**	**–**	**–**	**(103)**
Development properties	**51**	**13**	**–**	**(93)**	**(6)**	**22**	**(64)**
Investments	**72**	**72**	**–**	**–**	**–**	**–**	**72**
Segment total	**698**	**169**	**(181)**	**(93)**	**(6)**	**22**	**(89)**
Others	**7**	**6**	**–**	**–**	**–**	**–**	**6**
Group total	**705**	**175**	**(181)**	**(93)**	**(6)**	**22**	**(83)**
30 June 2025							
Hotels	426	(29)	–	–	–	–	(29)
Investment properties	96	85	(113)	–	–	–	(28)
Development properties	58	(1)	–	(39)	(7)	(155)	(202)
Investments	70	70	–	–	–	–	70
Segment total	650	125	(113)	(39)	(7)	(155)	(189)
Others	4	–	–	–	–	–	–
Group total	654	125	(113)	(39)	(7)	(155)	(189)

No inter-segment revenue has been recorded during the current and prior periods.

2. SEGMENT INFORMATION (Continued)

(b) Disaggregation of revenue

	Six months ended 30 June	
	2026 HK$ Million	2025 HK$ Million
Revenue recognised under HKFRS 15		
Hotels	**482**	426
Management and services income and other rental related income	**19**	19
Sale of development properties	**51**	58
	552	503
Revenue recognised under other accounting standards		
Rental income under investment properties segment		
— Fixed	**64**	70
— Variable	**10**	7
Investments	**72**	70
Others	**7**	4
	153	151
Total revenue	**705**	654

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its:

— hotel operation as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.

— property management fees and other rental related income as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.

— sales of completed properties as the performance obligation is part of a contract that had an original expected duration of one year or less.

3. OPERATING PROFIT

Operating profit is arrived at:

	Six months ended 30 June	
	2026 **HK$ Million**	2025 HK$ Million
After charging:		
Depreciation	**98**	96
Staff costs (Note)	**199**	197
Cost of trading properties for recognised sales	**31**	47
Direct operating expenses of investment properties	**10**	5
After crediting:		
Gross rental revenue from investment properties	**93**	96
Interest income	**7**	4
Dividend income from equity investments	**72**	70

Note: Staff costs included defined contribution pension schemes costs of HK$9 million (2025: HK$8 million), there was no MPF schemes after a forfeited contribution (2025: HK$1 million).

4. OTHER NET CHARGE

Other net charge amounted to HK$93 million (2025: HK$39 million) mainly represented impairment provision for Chinese Mainland DP held by a subsidiary.

5. FINANCE COSTS

	Six months ended 30 June	
	2026 **HK$ Million**	2025 HK$ Million
Interest on bank borrowings	**6**	7

6. INCOME TAX

(a) Taxation charged to the consolidated income statement represents:

	Six months ended 30 June	
	2026	2025
	HK$ Million	HK$ Million
Current income tax		
Hong Kong		
— provision for the period	**19**	19
— over-provision in respect of prior years	**–**	(1)
	19	18
Land appreciation tax ("LAT") (Note (d))	**1**	1
Deferred tax		
Origination and reversal of temporary differences	**–**	3
Total	**20**	22

(b) The provision for Hong Kong Profits Tax is at the rate of 16.5% (2025: 16.5%) of the estimated assessable profits for the period.

(c) Income tax on profit assessable in Chinese Mainland are corporate income tax calculated at a rate of 25% (2025: 25%) and withholding tax at a rate of up to 10%.

(d) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Chinese Mainland are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditures.

(e) Under the tax law in Chinese Mainland, withholding tax at 10% is imposed unless reduced by a treaty or agreement, for dividends distributed by a PRC-resident enterprise to its immediate holding company outside Chinese Mainland.

(f) Tax credit attributable to an associate for the six months ended 30 June 2026 of HK$2 million (2025: expense of HK$5 million) is included in the share of results of an associate.

7. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to equity shareholders for the period of HK$82 million (2025: HK$199 million) by 708.8 million ordinary shares (2025: 708.8 million ordinary shares) in issue during the period.

8. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of loss allowance) with an ageing analysis based on invoice date as at 30 June 2026 as follows:

	30 June 2026 HK$ Million	31 December 2025 HK$ Million
Trade receivables		
0–30 days	**18**	27
31–60 days	**5**	3
Over 60 days	**2**	2
	25	32
Prepayments	**33**	28
Other receivables	**4**	5
Amounts due from fellow subsidiaries	**19**	5
Group total	**81**	70

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties from which the proceeds are receivable pursuant to the terms of the agreements. All the trade and other receivables are expected to be recoverable within one year.

9. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on invoice date as at 30 June 2026 as follows:

	30 June 2026 HK$ Million	31 December 2025 HK$ Million
Trade payables		
0–30 days	**19**	24
31–60 days	**3**	3
61–90 days	**3**	–
	25	27
Other payables and provisions	**255**	342
Construction costs payable	**309**	347
Amounts due to fellow subsidiaries	**36**	5
Amount due to an associate	**15**	14
Group total	**640**	735

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Assets and liabilities carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement* ("HKFRS 13"). The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique. The levels are defined as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

Financial instruments carried at fair value

The fair value measurement information for financial instruments in accordance with HKFRS 13 is given below:

	30 June 2026 HK$ Million	31 December 2025 HK$ Million
Level 1		
Assets		
Equity investments:		
— Listed investments	**3,588**	3,461

During the six months ended 30 June 2026, there were no transfers of instruments between Level 1 and Level 2, or transfer into or out of Level 3 (31 December 2025: Nil).

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of reporting period in which they occur.

(b) Assets and liabilities carried at other than fair value

All financial instruments and bank loans carried at cost or amortised costs are carried at amounts not materially different from their fair values as at 30 June 2026 and 31 December 2025. Amounts due from/(to) fellow subsidiaries and related parties are unsecured, interest free and have no fixed repayment terms.

11. MATERIAL RELATED PARTY TRANSACTIONS

Material transactions between the Group and other related parties during the six months ended 30 June 2026 are set out below:

(a) There were in existence agreements with a subsidiary of The Wharf (Holdings) Limited ("Wharf"), being a related company of the Group, for the management, marketing, project management and technical services of the Group's hotel operations. Total fees payable under this arrangement during the current period amounted to HK$17 million (2025: HK$15 million). Such transaction does not constitute a connected transaction under the Listing Rules.

(b) There were in existence agreements with a subsidiary of Wharf and subsidiaries of Wharf Real Estate Investment Company Limited, being the parent company of the Group, for the property services in respect of the Group's property projects. Total fees payable under this arrangement during the current period amounted to HK$27 million (2025: HK$2 million), of which HK$2 million (2025: HK$2 million) of such transaction constitutes a connected transaction as defined under the Listing Rules.

(c) There were in existence leasing agreements entered into between subsidiaries of Wharf and subsidiaries of the Group for leases, tenancies or licences in respect of certain areas situated on 6/F and certain areas situated at carpark of Suzhou International Finance Square. Total rental income under this arrangement during the current period amounted to HK$1 million (2025: HK$1 million). Such transaction does not constitute a connected transaction under the Listing Rules.

12. CONTINGENT LIABILITIES

As at 30 June 2026, there were contingent liabilities in respect of guarantees given by the Company on behalf of subsidiaries relating to bank overdrafts, short term loans and credit facilities up to HK$810 million (31 December 2025: HK$840 million).

As at 30 June 2026, none of guarantees provided by the Group to the banks in favour of their customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's development properties (31 December 2025: HK$Nil).

The Group and the Company have not recognised any deferred income of the above guarantees as their fair value cannot be reliably measured and their transaction price was HK$Nil (31 December 2025: HK$Nil).

As at the end of the reporting period, the directors do not consider it is probable that a claim will be made against the Group and the Company under any of the guarantees.

13. COMMITMENTS

The Group's outstanding commitments as at 30 June 2026 are detailed as below:

	30 June 2026			31 December 2025		
	Committed	**Uncommitted**	**Total**	Committed	Uncommitted	Total
	HK$ Million	**HK$ Million**	**HK$ Million**	HK$ Million	HK$ Million	HK$ Million
Hotels						
Hong Kong	**29**	**4**	**33**	28	4	32
Development Properties						
Chinese Mainland	**134**	**152**	**286**	131	149	280
Total						
Hong Kong	**29**	**4**	**33**	28	4	32
Chinese Mainland	**134**	**152**	**286**	131	149	280
	163	**156**	**319**	159	153	312

14. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2026 has been reviewed with no disagreement by the Audit Committee of the Company.

CORPORATE GOVERNANCE CODE

During the financial period under review, the Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), with one exception as regards Code Provision C.2.1 providing for the roles of chairman and chief executive to be performed by different individuals.

Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be Chairman of the Company as well as to discharge the executive functions of a chief executive under the Group's corporate structure thereby enabling more effective planning and better execution of long-term strategies. The Board of Directors of the Company (the "Board") believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors.

CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own set of code of conduct (the "Company's Code") governing securities transactions of the Directors of the Company (the "Director(s)") with terms thereof being no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors, and all Directors have complied with the required standard set out in the Model Code and the Company's Code during the period under review.

DIRECTORS' INTERESTS IN SHARES

(i) Interests in Shares

At 30 June 2026, Directors had the following beneficial interests, all being long positions, in the shares of the Company and Wharf Real Estate Investment Company Limited ("Wharf REIC") (parent company of the Company). The percentages which the relevant shares represented to the total number of shares in issue of the Company and Wharf REIC respectively are also set out below:

	Number of Ordinary Shares (percentage based on total number of shares in issue)	**Nature of Interest**
The Company		
Michael T P Sze	9,000 (0.0013%)	Family Interest
Wharf REIC		
Stephen T H Ng	1,435,445 (0.0473%)	Personal Interest
Peter Z K Pao	201,216 (0.0066%)	Family Interest
Michael T P Sze	53,949 (0.0018%)	Family Interest

Notes:

(1) The interests in shares disclosed above do not include interests in share options of the Company's associated corporation(s) held by Directors of the Company as at 30 June 2026. Details of such interests in share options are separately set out below under the sub-section headed "(ii) Interests in Share Options of Wharf REIC".

(2) The shareholdings classified as "Family Interest", in which the Directors concerned were taken to be interested under Part XV of the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong) (the "SFO") as stated above, were interests held by spouse or any child aged under 18 of the relevant Directors.

(ii) Interests in Share Options of Wharf REIC

Set out below are particulars of all interests (all being personal interests) in share options held by Director(s) of the Company during the six months ended 30 June 2026 to subscribe for ordinary shares of Wharf REIC granted/exercisable under the share option scheme of Wharf REIC:

Name of Director	Date of grant (Day/Month/Year)	Number of Wharf REIC's share options: As at 1 January 2026	Exercised during the period	As at 30 June 2026 (percentage based on total number of shares in issue)		Exercise price per share (HK$)	Vesting/Exercise Period (Day/Month/Year)
Stephen T H Ng	14/08/2023	300,000	–	300,000		36.58	14/08/2024–13/08/2029
		300,000	–	300,000			14/08/2025–13/08/2029
		300,000	–	300,000			14/08/2026–13/08/2029
		300,000	–	300,000			14/08/2027–13/08/2029
		300,000	–	300,000			14/08/2028–13/08/2029
	Total	**1,500,000**	**-**	**1,500,000**	**(0.05%)**		

Note: Except as disclosed above, no share option of Wharf REIC held by Directors of the Company and/or their associate(s) lapsed or was exercised or cancelled during the six months ended 30 June 2026, and no share option of Wharf REIC was granted to any Director of the Company and/or their associate(s) during the six months ended 30 June 2026.

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange by the Directors and/or Chief Executive of the Company pursuant to the SFO or the Model Code (or any other applicable code), there were no interests, whether long or short positions, held or deemed to be interested as at 30 June 2026 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), nor had there been any rights to subscribe for any shares, underlying shares or debentures of the Company and its associated corporations held or deemed to be interested by any of them as at 30 June 2026.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties, other than person(s) who is/are Director(s), who/which were, directly or indirectly, interested in 5% or more of any class of voting shares of the Company as at 30 June 2026, and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by the Company under section 336 of the SFO (the "Register"):

	Names	Number of Ordinary Shares (percentage based on total number of shares in issue)
(i)	Wharf REIC	506,946,196 (71.53%)
(ii)	Wheelock and Company Limited ("WAC")	506,946,196 (71.53%)
(iii)	HSBC Trustee (C.I.) Limited ("HSBC Trustee")	506,946,196 (71.53%)
(iv)	Harson Investment Limited	57,054,375 (8.05%)

Notes:

(1) For the avoidance of doubt and double counting, it should be noted that the shareholdings stated against parties (i) to (iii) above represented the same block of shares.

(2) Wharf REIC's deemed shareholding interests stated above were held through its three wholly-owned subsidiaries, namely Wharf REIC Holdings Limited, Wharf Estates Limited and Upfront International Limited.

(3) WAC's deemed shareholding interests stated above were held through Wharf REIC, of which it controls more than one-third of the voting power at general meetings.

(4) HSBC Trustee's deemed shareholding interests stated above were held through WAC, of which it controls more than one-third of the voting power at general meetings.

All the interests stated above represent long positions. As at 30 June 2026, there were no short position interests recorded in the Register.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of the Directors required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the publication of the last annual report of the Company are set out below:

(I) At the 2026 Annual General Meeting held on 7 May 2026, Shareholders approved the Board's recommendation to increase the annual fee payable to each of the Directors from HK$80,000 per annum to HK$100,000 per annum, with retroactive effect from 1 April 2026. All fees payable to members of the Board committees remained unchanged. Details of the revision of annual fee payable to Directors are set out in the Company's circular to Shareholders dated 9 April 2026.

(II) Given below are changes in other information of the Directors:

	Effective Date
David T C Lie-A-Cheong	
• Harbour Centre Development Limited — appointed as member of Remuneration Committee	7 May 2026
Ivan T L Ting	
• Harbour Centre Development Limited — appointed as member of Nomination Committee	7 May 2026

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the financial period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company. As at 30 June 2026 and up to the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise).

By Order of the Board
Harbour Centre Development Limited
Grace L C Ho
Company Secretary

Hong Kong, 4 August 2026

As at the date of this interim report, the Board comprises Mr Stephen T H Ng, Mr Frankie C M Yick and Mr Peter Z K Pao, together with five Independent Non-executive Directors, namely, Ms Michelle Cheng, Mr David T C Lie-A-Cheong, Mr Roger K H Luk, Mr Michael T P Sze and Mr Ivan T L Ting.

This Interim Report in both English and Chinese is available on the Company's website at www.harbourcentre.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.