



渝太地產集團有限公司
Y.T.REALTY GROUP LIMITED

Stock Code : 00075

2026 INTERIM REPORT



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Corporate Information

EXECUTIVE DIRECTOR

Wong Hy Sky
(former English name: Huang Yun)
(Chairman and Managing Director)
Liu Jie
Li Li

INDEPENDENT NON-EXECUTIVE DIRECTOR

Luk Yu King, James
Leung Yu Ming, Steven
Lai Degang

AUDIT COMMITTEE

Luk Yu King, James (Chairman)
Leung Yu Ming, Steven
Lai Degang

REMUNERATION COMMITTEE

Leung Yu Ming, Steven (Chairman)
Wong Hy Sky
Lai Degang

NOMINATION COMMITTEE

Wong Hy Sky (Chairman)
Leung Yu Ming, Steven
Lai Degang

AUTHORISED REPRESENTATIVE

Wong Hy Sky
Butt Ka Cheuk (resigned on 15 May 2026)
Cheung Bo Man (appointed on 15 May 2026)

COMPANY SECRETARY

Butt Ka Cheuk (resigned on 15 May 2026)
Cheung Bo Man (appointed on 15 May 2026)

REGISTERED OFFICE

Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

PRINCIPAL PLACE OF BUSINESS

Room 2805, 28th Floor, China Resources Building
26 Harbour Road
Wanchai
Hong Kong
Tel: (852) 2573 8888
Website: www.ytrealtygroup.com.hk
Email: investors@ytrealtygroup.com.hk

EXTERNAL AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the
Accounting and Financial Reporting Council
Ordinance

PRINCIPAL BANKER

The Hongkong and Shanghai Banking
Corporation Limited
The Bank of East Asia, Limited

LEGAL ADVISER

Bermuda:
Conyers Dill & Pearman

Hong Kong:
Woo, Kwan, Lee & Lo
Ronald Tong & Co

REGISTRAR & TRANSFER OFFICE

Bermuda:
Appleby Global Corporate Services
(Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

Hong Kong:
Tricor Investors Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Tel: (852) 2980 1333
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SHARE LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 00075

Management Discussion and Analysis

The board of directors (the “Board” or “Directors”) of Y. T. Realty Group Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2026.

BUSINESS REVIEW

During the first half of 2026, the global economy continued to be challenging and volatile. In the US, rising inflation and a persistently strong labor market shifted expectations regarding the Federal Reserve’s policy. The central bank held the federal funds rate steady at 3.50% to 3.75%, pausing anticipated rate cuts. This uncertainty surrounding the forward path of interest rates and inflation continued to dampen the pace of global economic recovery.

In Chinese Mainland, the Central Government continued to implement proactive and accommodative monetary policies alongside fiscal stimulus to support economic recovery. Despite ongoing geopolitical conflicts and unresolved trade and tariff tensions with the US, the economy showed resilience, recording a 4.7% growth in Gross Domestic Product (“GDP”) in the first half of 2026. For the property sector, there appeared signs of gradual bottoming with upward momentum in prime areas of first-tier cities and certain second-tier cities.

In the UK, while the broader economy was still navigating the impact of a high-interest rate environment, the property market showed signs of stabilization. Rental rates and property prices have generally demonstrated an upward trend across most sectors of the property market.

In Hong Kong, the economy expanded robustly, driven by sustained strong performance in external trade and domestic demand. The residential property market continued to strengthen significantly, marked by a notable increase in transaction volumes and rising overall flat prices. Conversely, private consumption expenditure remained relatively sluggish, and the non-residential property market remained weak, particularly in the retail and office sectors, as market confidence awaited further restoration.

For the first half of 2026, the Group’s total revenue amounted to HK\$3,208.5 million, representing an increase of 116% from HK\$1,486.4 million recorded in the corresponding period in 2025. Revenue from property sale increased by 116% from HK\$1,486.4 million to HK\$3,208.5 million. There was no rental income from investment properties during the first half of 2026 (2025: Nil). There was no treasury management income in the first half of 2026 (2025: Nil).

The Group’s net loss attributable to shareholders for the first six months of 2026 amounted to HK\$295.6 million as compared to a loss of HK\$66.9 million in the corresponding period in 2025. Loss per share for the first six-month period of 2026 was HK37.0 cents (2025: loss per share HK8.4 cents).

The Group’s investment property portfolio was independently valued at the end of the period resulting in revaluation loss of HK\$5.5 million (2025: HK\$5.0 million loss). The revaluation loss was reported in the consolidated statement of profit or loss.

Management Discussion and Analysis

BUSINESS REVIEW (Continued)

Property Development and Trading

During the first half of 2026, the Group had pre-sales for five property projects in Sichuan, the PRC. The total contract sales was approximately HK\$2,993.8 million (2025: HK\$4,591.4 million) and the revenue recognised amounted to HK\$3,208.5 million (2025: HK\$1,486.4 million) in the first half of the year.

The breakdown of contract sales in the first half of 2026 is as follows:

Projects	Location	Contract Sales RMB'M	Contract Sales GFA Sqm	Average Selling Price RMB/sqm
Binjiang Wisdom City	Meishan, Sichuan	150.6	27,387	5,499
The City of Islands	Meishan, Sichuan	527.6	71,914	7,337
Joyous Time	Chengdu, Sichuan	134.1	8,537	15,703
Luhu Mansion of Value	Chengdu, Sichuan	811.5	13,164	61,644
Jiaozi Mansion of Value	Chengdu, Sichuan	1,001.8	18,244	54,913

Property Investment

As at 30 June 2026, the Group's major investment properties included investment properties under construction in Sichuan, the PRC.

During the first half of 2026, the Group did not have rental income (2025: Nil).

Treasury Management

During the first half of 2026, the Group did not have treasury management income (2025: Nil).

PROSPECTS

Looking ahead, it is anticipated that the global economy in the second half of 2026 will remain challenging and volatile. With inflation remaining a factor in the US, coupled with the uncertain forward path of interest rates and the unpredictable outcomes of geopolitical conflicts and trade tensions, the pace and magnitude of sustainable economic recovery will continue to be undermined.

In Chinese Mainland, sustainable economic growth will depend on various essential factors such as domestic policies, global economic conditions, and the magnitude of trade and political tension with the US. It is anticipated that the Central Government will continue to provide proactive and accommodative monetary policy and fiscal stimulus to ensure stable economic growth. Necessary supportive policies and measures by the Central Government as well as local governments are expected to be implemented to revive the property market, which is a vital element of the overall economy. It is expected that the property market will gradually recover and improve in the long run.

In the UK, economic recovery will depend heavily on the trajectory of interest rates and global macroeconomic conditions. It is anticipated that economic growth will remain challenging, though the stabilization in rental and property prices highlights areas of resilience within the property sector. The Group will continue to monitor the market conditions in the UK to assess the viability of the property market for future business opportunities.

In Hong Kong, it is anticipated that the pace of economic growth will be affected by the interest rate cycle of the US and various key economic drivers such as tourism, private consumption expenditure, and the economic growth of Chinese Mainland. While the residential property market is well-positioned to maintain its strength, the commercial sectors will likely remain weak until substantial interest rate cuts take place and consumer confidence is restored to an encouraging level.

In this challenging economic environment, the Group will continue to adhere to a prudent and proactive approach for its business operations and development. The Group will continue its efforts in the property business in Chinese Mainland, which is expected to continue to recover and improve under supportive policies and measures by the Central Government and local government authorities. The Group will look for business opportunities in property markets with stable economic prospects for sustainable growth to enhance the returns for our shareholders in the long run.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group had net cash of HK\$692.3 million (31 December 2025: net borrowing of HK\$850.8 million), consisting cash and bank balances of HK\$3,322.4 million (31 December 2025: HK\$3,247.7 million) and total borrowings of HK\$2,630.1 million (31 December 2025: HK\$4,098.5 million). The Group maintained a net cash position and therefore the gearing ratio was not applicable (31 December 2025: 122.7%). The gearing ratio, if any, is calculated as the ratio of net borrowings to shareholders' funds.

As at 30 June 2026, the total cash and bank balances amounted to HK\$3,322.4 million (31 December 2025: HK\$3,247.7 million), approximately 99.2% (31 December 2025: 98.4%) was denominated in RMB, 0.6% (31 December 2025: 1.4%) in HKD, 0.1% (31 December 2025: 0.1%) in USD, and 0.1% (31 December 2025: 0.1%) in GBP.

As at 30 June 2026, the Group's total borrowings amounted to HK\$2,630.1 million (31 December 2025: HK\$4,098.5 million). Certain borrowings are secured by the pledge of certain property interest and equity interests in certain subsidiaries of the Group. 100% of the total borrowings was denominated in RMB (31 December 2025: 100%). The Group proactively managed its financial resources and devised appropriate funding plan for working capital and capital expenditure.

The maturity profile of the Group's bank and other borrowings as at 30 June 2026 is as follows:

	HK\$'M	Percentage
Repayable:		
Within one year or on demand	591.6	22.5%
In the second year	1,042.9	39.6%
In the third to fifth years, inclusive	995.6	37.9%
Total	2,630.1	100.0%

As at 30 June 2026, the Group carried out its major property business operations in the Chinese Mainland. Therefore, it is primarily subject to foreign exchange rate fluctuation of Renminbi.

CONTINGENT LIABILITIES/FINANCIAL GUARANTEES

As at 30 June 2026, the Group provided financial guarantees to certain banks in respect of mortgage facilities provided for certain purchasers of the Group's properties in the Chinese Mainland amounting to HK\$9,631.4 million (31 December 2025: HK\$10,225.7 million).

Save as disclosed above, the Group did not have any contingent liabilities as at 30 June 2026 (31 December 2025: Nil).

STAFF

As at 30 June 2026, the Group employed 420 staff members. During the first half of 2026, the total remuneration of staff members amounted to approximately HK\$85.0 million.

Staff remuneration is reviewed by the Group from time to time. In addition to salaries, the Group provides staff benefits including medical insurance, pension scheme and discretionary vocational tuition/training subsidies. Share options and bonuses are also available to employees of the Group at the discretion of the Board depending upon the financial performance of the Group.

INTERIM DIVIDEND

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

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investment as at 30 June 2026.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not undertake any material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2026, the Group did not have any concrete plans for material investments or capital assets for the second half of the year 2026.

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 30 June 2026, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Interests in the Company

Name of director	No. of shares held		Total no. of shares held	Approximate % of interest
	Personal interests	Corporate interests		
Wong Hy Sky	88,000,000	79,772,000*	<u>167,772,000</u>	<u>20.98%</u>

Note:

- * Mr. Wong Hy Sky ("Mr. Wong") was deemed to be interested in 79,772,000 shares in the Company by virtue of his indirect control of Hong Kong Petrochemical Industrial Group Limited ("HK Petrochemical") which owned those shares. HK Petrochemical was a wholly owned subsidiary of Ever Lead Developments Limited ("Ever Lead"), and Ever Lead was in turn a wholly owned subsidiary of Joybeam Global Limited ("Joybeam Global", a company wholly owned by Mr. Wong).

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS AND SHORT POSITIONS

As at 30 June 2026, so far as was known to the Directors, the following persons (other than the Directors or chief executive of the Company) were recorded in the register kept by the Company under Section 336 of the SFO as being interested or deemed to have interest in 5% or more of the issued share capital of the Company:

Name of shareholder	Capacity	No. of shares held	Percentage of interest
Joybeam Global ^(Note 1)	Interest of controlled corporation	79,772,000	9.98%
Ever Lead ^(Note 1)	Interest of controlled corporation	79,772,000	9.98%
HK Petrochemical ^(Note 1)	Beneficial owner	79,772,000	9.98%
Cheung Chung Kiu ^(Note 2)	Interest of controlled corporation	48,736,150	6.09%
Windsor Dynasty Limited ^(Note 2)	Interest of controlled corporation	48,736,150	6.09%
First Rose Global Limited ^(Note 2)	Beneficial owner	48,736,150	6.09%

Notes:

- Each parcel of 79,772,000 shares represents HK Petrochemical's direct interest in the Company. Joybeam Global and Ever Lead were deemed to be interested in those shares by virtue of their direct or indirect control of HK Petrochemical.
- Each parcel of 48,736,150 shares represents First Rose Global Limited's direct interest in the Company. Windsor Dynasty Limited was deemed to be interested in those shares by virtue of its direct control of First Rose Global Limited. Mr. Cheung Chung Kiu ("Mr. C.K. Cheung") was deemed to be interested in those shares by virtue of his indirect control of First Rose Global Limited. First Rose Global Limited was a wholly owned subsidiary of Windsor Dynasty Limited, a company wholly owned by Mr. C.K. Cheung.

Save as disclosed above, as at 30 June 2026, the Company had not been notified of any other person or corporation (other than Directors or chief executive of the Company) as being interested or deemed to have interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company or the Stock Exchange under Part XV of the SFO.

CORPORATE GOVERNANCE CODE

Throughout the accounting period covered by this interim report, the Company complied with the code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 to the Listing Rules save for the deviations described below.

The Company has deviated from C.2.1 of the CG Code to the extent that the roles of chairman and chief executive are both performed by Mr. Wong Hy Sky (“Mr. Wong”). Having considered the existing structure and composition of the Board and operations of the Group, the Board believes that vesting the roles of both chairman and managing director in Mr. Wong facilitates the effective implementation and execution of its business strategies by, and ensure a consistent leadership for, the Group. Further, a balance of power and authority between the Board and management can be ensured by the operation of the Board, whose members (including the three independent non-executive Directors) are individuals of high calibre with ample experience, such that the interests of shareholders can be safeguarded. The Company will continue to review the structure and composition of the Board from time to time to ensure that a balance of power and authority between the Board and management is appropriately maintained for the Group.

Except for Wong Hy Sky, Li Li and Lai Degang who have entered into formal letters of appointment setting out the key terms and conditions of their appointment, the Company has not entered into formal letter of appointment with other Directors which deviated from C.3.3 of the CG Code. This notwithstanding, every Director, including those appointed for a specific term, shall be subject to retirement by rotation, removal, vacation or termination of the office as a director, and disqualification to act as a director in the manner specified in the Company’s bye-laws, applicable laws and the Listing Rules. Shareholders are sent (at the same time as the notice of the relevant general meeting) a circular containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the re-election of each retiring Director who stands for re-election at the meeting, including the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Under C.6.1 of the CG Code, the company secretary should be an employee of the issuer and have day-to-day knowledge of the issuer’s affairs. The company secretary of the Company, Ms. Cheung Bo Man (“Ms. Cheung”), being a practising solicitor in Hong Kong and a partner of the Company’s Hong Kong legal advisor, is not an employee of the Company. Since the appointment of Ms. Cheung as the company secretary on 15 May 2026 and up to 30 June 2026, the Company has assigned Mr. Ho Chak Hang, Senior Finance Manager of the Company as the contact person with Ms. Cheung to ensure that information in relation to the performance, financial position and other major developments of the Group are speedily delivered to Ms. Cheung to enable her to get hold of the Group’s development promptly without material delay. With her expertise and experience, the Company is confident that having Ms. Cheung as its company secretary is beneficial to the Group’s compliance with the relevant Board procedures, applicable laws, rules and regulations.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions for its Directors and its relevant employees (within the meaning of the CG Code) on terms no less exacting than the Model Code.

All Directors confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares in the Company during the six months ended 30 June 2026.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely Luk Yu King, James (Chairman of the Audit Committee), Leung Yu Ming, Steven and Lai Degang. The Audit Committee has reviewed this interim report. The Audit Committee has also reviewed the accounting principles and practices adopted by the Company and discussed internal control, risk management and financial reporting matters with management.

APPRECIATION

On behalf of the Board, I wish to express our gratitude and sincere appreciation to the management and staff for their hard work and contributions.

On behalf of the Board

Wong Hy Sky

Chairman and Managing Director

Hong Kong, 27 August 2026

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

		Unaudited	
		Six months ended 30 June	
	Notes	2026 HK\$'000	2025 HK\$'000
REVENUE	4	3,208,540	1,486,378
Cost of sales		<u>(2,924,242)</u>	<u>(1,238,101)</u>
Gross profit		284,298	248,277
Other income and gains		5,089	15,510
Other expenses and losses		(31,422)	–
Selling and marketing expenses		(401,995)	(174,516)
Administrative expenses		(82,174)	(82,297)
Finance costs	5	(35,333)	(41,403)
Changes in fair value of investment properties		<u>(5,520)</u>	<u>(4,953)</u>
LOSS BEFORE TAX	6	(267,057)	(39,382)
Income tax expense	7	<u>(87,315)</u>	<u>(23,111)</u>
LOSS FOR THE PERIOD		<u>(354,372)</u>	<u>(62,493)</u>
Attributable to:			
Equity holders of the Company		(295,609)	(66,855)
Non-controlling interests		<u>(58,763)</u>	<u>4,362</u>
		<u>(354,372)</u>	<u>(62,493)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>(37.0 cents)</u>	<u>(HK8.4 cents)</u>

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	<u>(354,372)</u>	<u>(62,493)</u>
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>8,031</u>	<u>19,108</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>8,031</u>	<u>19,108</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(346,341)</u></u>	<u><u>(43,385)</u></u>
Attributable to:		
Equity holders of the Company	<u>(279,388)</u>	<u>(43,055)</u>
Non-controlling interests	<u>(66,953)</u>	<u>(330)</u>
	<u><u>(346,341)</u></u>	<u><u>(43,385)</u></u>

Consolidated Statement of Financial Position

30 June 2026

	Notes	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	213,463	206,943
Investment properties	10	568,966	488,346
Goodwill		229,734	251,133
Other intangible asset		9,660	9,660
Financial asset designated at fair value through other comprehensive income		1,200	1,200
Deferred tax assets		196,259	172,576
Other receivables		71,172	67,304
Total non-current assets		1,290,454	1,197,162
CURRENT ASSETS			
Properties under development	11	14,855,408	15,175,380
Completed properties held for sale		1,572,697	1,657,140
Other receivables, deposits and prepayments		2,511,270	2,274,768
Prepaid income tax		198,433	161,462
Cash and bank balances	12	3,322,378	3,247,656
Total current assets		22,460,186	22,516,406
CURRENT LIABILITIES			
Trade and retention payables	13	4,634,267	3,711,863
Other payables and accrued expenses		1,812,997	2,053,001
Interest-bearing bank and other borrowings	14	591,621	728,301
Contract liabilities		13,971,508	12,907,971
Tax payable		543,730	437,832
Total current liabilities		21,554,123	19,838,968
NET CURRENT ASSETS		906,063	2,677,438
TOTAL ASSETS LESS CURRENT LIABILITIES		2,196,517	3,874,600

Consolidated Statement of Financial Position

30 June 2026

	Notes	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		43,219	43,126
Interest-bearing bank and other borrowings	14	2,038,479	3,370,217
Other payables		6,979	7,076
Total non-current liabilities		2,088,677	3,420,419
Net assets		107,840	454,181
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital	15	79,956	79,956
Reserves		334,281	613,669
		414,237	693,625
Non-controlling interests		(306,397)	(239,444)
Total equity		107,840	454,181

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Unaudited										
	Attributable to equity holders of the Company										Non-controlling interests
	Issued share capital	Share premium account	Capital redemption reserve	Capital reserve	Contributed surplus	Exchange fluctuation reserves	Other reserve [#]	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2026	79,956	95,738	1,350	1,800	4,767	35,995	460	473,559	693,625	(239,444)	454,181
Loss for the period	-	-	-	-	-	-	-	(295,609)	(295,609)	(58,763)	(354,372)
Other comprehensive income/(loss) for the period	-	-	-	-	-	16,221	-	-	16,221	(8,190)	8,031
Total comprehensive income/(loss) for the period	-	-	-	-	-	16,221	-	(295,609)	(279,388)	(66,953)	(346,341)
At 30 June 2026	79,956	95,738*	1,350*	1,800*	4,767*	52,216*	460*	177,950*	414,237	(306,397)	107,840
At 1 January 2025	79,956	95,738	1,350	1,800	4,767	14,328	460	812,792	1,011,191	(181,635)	829,556
Profit/(loss) for the period	-	-	-	-	-	-	-	(66,855)	(66,855)	4,362	(62,493)
Other comprehensive income/(loss) for the period	-	-	-	-	-	23,800	-	-	23,800	(4,692)	19,108
Total comprehensive income/(loss) for the period	-	-	-	-	-	23,800	-	(66,855)	(43,055)	(330)	(43,385)
Unclaimed dividends forfeited	-	-	-	-	-	-	-	4,552	4,552	-	4,552
At 30 June 2025	79,956	95,738	1,350	1,800	4,767	38,128	460	750,489	972,688	(181,965)	790,723

* These reserve accounts comprise the consolidated reserves of HK\$334,281,000 (31 December 2025: HK\$613,669,000) in the consolidated statement of financial position.

Other reserve represents the fair value reserve arising from a financial asset designated at fair value through other comprehensive income with no recycling of gains or losses to profit or loss on derecognition.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	1,873,302	325,232
PRC corporate income tax paid	(18,751)	(2,410)
PRC land appreciation tax paid	(29,860)	(16,869)
Net cash flows from operating activities	1,824,691	305,953
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment properties	(68,234)	(67,184)
Purchases of items of property, plant and equipment	(3,818)	(10,614)
Other cash flows arising from investing activities	10,280	11,396
Net cash flows used in investing activities	(61,772)	(66,402)
CASH FLOWS FROM FINANCING ACTIVITIES		
New interest-bearing bank and other borrowings	1,931,858	9,291,105
Repayment of interest-bearing bank and other borrowings	(3,546,315)	(8,814,987)
Principal portion of lease payments	(1,146)	(1,572)
Interest paid	(144,543)	(169,717)
Net cash flows (used in)/from financing activities	(1,760,146)	304,829
Net increase in cash and cash equivalents	2,773	544,380
Cash and cash equivalents at 1 January	587,004	43,956
Effect on foreign exchange rate changes, net	31,412	(250)
CASH AND CASH EQUIVALENTS AT 30 JUNE	621,189	588,086
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,322,378	2,946,282
Less: Restricted bank balances	(2,701,189)	(2,358,196)
	621,189	588,086

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2026 has 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 (“HKICPA”) and the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

The accounting policies and basis of preparation adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) as issued by the HKICPA, except for the adoption of the HKFRS Accounting Standards and changes in accounting policies as disclosed in note 2 to this unaudited interim condensed consolidated financial information.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period’s financial information.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

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. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its financial asset designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 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 information.
- (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 information.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its business activities and has three reportable operating segments during the first six months of 2026 as follows:

- (a) The property development and trading segment comprises the development and trading of properties;
- (b) The property investment segment invests in properties for rental income and potential capital appreciation; and
- (c) The treasury management segment invests in debt securities and time deposits for earning interest income.

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 loss before tax is measured consistently with the Group's loss before tax except that general finance costs, unallocated other income and gains and corporate and other unallocated expenses and losses are excluded from this measurement.

Segment assets exclude property, plant and equipment related to head office, financial asset designated at fair value through other comprehensive income, other intangible asset, certain unallocated cash and bank balances, unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude general interest-bearing bank and other borrowings, unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

3 OPERATING SEGMENT INFORMATION (continued)

	Property development and trading HK\$'000	Property investment HK\$'000	Treasury management HK\$'000	Consolidated HK\$'000
Six months ended 30 June 2026 (Unaudited)				
Segment revenue	3,208,540	–	–	3,208,540
Segment results	(195,526)	(6,235)	–	(201,761)
Specific finance costs	(35,253)	–	–	(35,253)
General finance costs				(80)
Corporate and other unallocated expenses and losses				(29,963)
Loss before tax				(267,057)
Income tax expense	(88,873)	1,558	–	(87,315)
Loss for the period				(354,372)

	Property development and trading HK\$'000	Property investment HK\$'000	Treasury management HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
At 30 June 2026 (Unaudited)					

Assets and liabilities					
Total assets	23,144,253	571,494	–	34,893	23,750,640
Total liabilities	23,593,745	43,959	–	5,096	23,642,800

Six months ended 30 June 2026 (Unaudited)

Other segment information:

Capital expenditure*	649	68,234	–	3,169	72,052
Depreciation	2,304	–	–	1,686	3,990
Impairment loss on goodwill	30,347	–	–	–	30,347
Fair value losses on investment properties	–	5,520	–	–	5,520
Provision for properties under development and completed properties held for sale	83,863	–	–	–	83,863

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

3 OPERATING SEGMENT INFORMATION (continued)

	Property development and trading HK\$'000	Property investment HK\$'000	Treasury management HK\$'000	Consolidated HK\$'000
Six months ended 30 June 2025 (Unaudited)				
Segment revenue	<u>1,486,378</u>	<u>–</u>	<u>–</u>	<u>1,486,378</u>
Segment results	30,200	(5,632)	(10)	24,558
Specific finance costs	(41,168)	–	–	(41,168)
General finance costs				(235)
Unallocated other income and gains				486
Corporate and other unallocated expenses and losses				<u>(23,023)</u>
Loss before tax				(39,382)
Income tax expense	(24,349)	1,238	–	<u>(23,111)</u>
Loss for the period				<u>(62,493)</u>

	Property development and trading HK\$'000	Property investment HK\$'000	Treasury management HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
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At 31 December 2025 (Audited)

Assets and liabilities

Total assets	<u>23,191,516</u>	<u>490,623</u>	<u>–</u>	<u>31,429</u>	<u>23,713,568</u>
Total liabilities	<u>23,130,754</u>	<u>124,082</u>	<u>–</u>	<u>4,551</u>	<u>23,259,387</u>

Six months ended
30 June 2025 (Unaudited)

Other segment information:

Capital expenditure*	8,374	67,184	–	2,130	77,688
Depreciation	5,092	–	–	2,111	7,203
Fair value losses on investment properties	–	4,953	–	–	4,953
Reversal of provision for properties under development and completed properties held for sale	<u>18,986</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>18,986</u>

* Capital expenditure consists of additions of property, plant and equipment and investment properties.

3 OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Chinese Mainland	<u>3,208,540</u>	<u>1,486,378</u>

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June	31 December
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Chinese Mainland	1,004,671	941,386
Hong Kong	<u>17,152</u>	<u>14,696</u>
Total	<u>1,021,823</u>	<u>956,082</u>

The non-current assets information above is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about major customers

During the six months ended 30 June 2026 and 2025, no revenue from transactions with a single external customer amounted to 10% or more of the total revenue of the Group.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

4 REVENUE

An analysis of revenue is as follows:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Sales of properties	<u>3,208,540</u>	<u>1,486,378</u>

Revenue from contracts with customers

Disaggregated revenue information

Segment

Property development and trading

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Type of goods		
Sales of properties	<u>3,208,540</u>	<u>1,486,378</u>
Geographical market		
Chinese Mainland	<u>3,208,540</u>	<u>1,486,378</u>

5 FINANCE COSTS

An analysis of finance costs is as follows:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Interest on bank and other borrowings	157,255	270,997
Interest expenses arising from revenue contracts	321,139	423,900
Interest on lease liabilities	365	512
Imputed interest on retention payables	26,555	29,607
Total interest expenses	505,314	725,016
Less: Interest capitalised	(469,981)	(683,613)
Total	35,333	41,403

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

6 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Depreciation of owned assets	2,728	5,169
Depreciation of right-of-use assets	1,273	2,179
	4,001	7,348
Less: Amount capitalised	(11)	(145)
Total	3,990	7,203
Staff costs (including executive directors' remuneration):		
Wages and salaries	84,304	67,590
Pension scheme contributions	657	4,632
Total	84,961	72,222
Foreign exchange differences, net	(223)	(1,416)
Bank interest income*	(3,279)	(4,396)
Impairment loss on goodwill**	30,347	–
Provision/(reversal of provision) for properties under development and completed properties held for sale***	83,863	(18,986)

* This item is included in "Other income and gains" in the consolidated statement of profit or loss.

** This item is included in "Other expenses and losses" in the consolidated statement of profit or loss.

*** This item is included in "Cost of sales" in the consolidated statement of profit or loss.

7 INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and prior periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Current — Chinese Mainland		
PRC corporate income tax	68,220	3,952
PRC land appreciation tax	37,921	41,239
Subtotal	106,141	45,191
Deferred	(18,826)	(22,080)
Total tax expense for the period	87,315	23,111

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

8 LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts for the periods is based on the loss for the period attributable to ordinary equity holders of the Company and the number of ordinary shares outstanding during the periods.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2026 and 2025.

The calculations of basic and diluted loss per share are based on:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
<u>Loss</u>		
Loss for the period attributable to ordinary equity holders of the Company	<u>(295,609)</u>	<u>(66,855)</u>
	Number of shares	
	Six months ended 30 June	
	2026	2025
<u>Shares</u>		
Number of ordinary shares outstanding during the period	<u>799,557,415</u>	<u>799,557,415</u>

9 DIVIDENDS

The board of directors has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10 INVESTMENT PROPERTIES

The revaluation of the Group's investment properties as at 30 June 2026 was carried out by Knight Frank Petty Limited (30 June 2025: Knight Frank Petty Limited), an independent firm of professionally qualified valuer, on an open market, existing use basis at the end of the reporting period.

During the six months ended 30 June 2026, the Group incurred approximately HK\$68,234,000 (six months ended 30 June 2025: approximately HK\$67,184,000) on the addition of investment properties.

11 ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT, PROPERTIES UNDER DEVELOPMENT AND INTERESTS IN LAND USE RIGHTS FOR PROPERTY DEVELOPMENT

During the six months ended 30 June 2026, the Group incurred HK\$4,796,000 on the addition of items of property, plant and equipment, including owned assets of HK\$3,818,000 and right-of-use assets of HK\$978,000. The Group also incurred HK\$1,847,596,000 on the additions of properties under development.

During the six months ended 30 June 2025, the Group incurred HK\$11,081,000 on the addition of items of property, plant and equipment, including owned assets of HK\$10,614,000 and right-of-use assets of HK\$467,000. The Group also incurred HK\$1,357,598,000 and HK\$1,284,584,000 on the additions of properties under development and interests in land use rights for property development, respectively.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

12 CASH AND BANK BALANCES

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Restricted bank balances (<i>note</i>)	2,701,189	2,660,652
Cash and cash equivalents	621,189	587,004
Cash and bank balances	<u>3,322,378</u>	<u>3,247,656</u>

Note:

Pursuant to the relevant regulations in the PRC, certain property development companies of the Group are required to place at designated bank accounts certain amounts of pre-sales proceeds of properties as guarantee deposits for the construction of the related properties. The deposits can only be used for purchases of construction materials and payments of construction fees for the relevant property projects. As at 30 June 2026, such guarantee deposits amounted to HK\$2,701,189,000 (31 December 2025: HK\$2,660,652,000).

13 TRADE AND RETENTION PAYABLES

An ageing analysis of the trade payables at the end of the reporting period, based on the invoice date or the progress payment certificate date, is as follows:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade payables:		
Within 1 month	2,636,430	1,963,501
Over 1 month but within 2 months	28,455	999
Over 2 months but within 3 months	284	594
Over 3 months	54,142	48,036
Subtotal	2,719,311	2,013,130
Retention payables	1,914,956	1,698,733
Total	<u>4,634,267</u>	<u>3,711,863</u>

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

14 INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2026 (Unaudited)			As at 31 December 2025 (Audited)		
	Contractual interest rate	Maturity	HK\$'000	Contractual interest rate	Maturity	HK\$'000
Current						
Bank loans — secured	2.5% to 6%	2026–2027	288,632	2.5% to 6%	2026	621,343
Other borrowings — secured	10.2%	2027	183,908	11.5%	2026	106,958
Other borrowings — unsecured	12%	2027	119,081	–	–	–
Total — current			<u>591,621</u>			<u>728,301</u>
Non-current						
Bank loans — secured	2.5% to 4.75%	2027–2030	1,512,644	2.5% to 4.75%	2027–2029	1,332,434
Other borrowings — secured	10% to 12.5%	2028	246,846	10.2% to 12.5%	2027–2028	917,143
Other borrowings — unsecured	12%	2027–2028	278,989	12% to 12.5%	2027–2028	1,120,640
Total — non-current			<u>2,038,479</u>			<u>3,370,217</u>
Total			<u>2,630,100</u>			<u>4,098,518</u>

30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
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Analysed into:

Bank loans repayable:

Within one year or on demand	288,632	621,343
In the second year	529,467	765,816
In the third to fifth years, inclusive	<u>983,177</u>	<u>566,618</u>

Subtotal

<u>1,801,276</u>	<u>1,953,777</u>
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Other borrowings repayable:

Within one year or on demand	302,989	106,958
In the second year	513,432	819,798
In the third to fifth years, inclusive	<u>12,403</u>	<u>1,217,985</u>

Subtotal

<u>828,824</u>	<u>2,144,741</u>
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Total bank and other borrowings

<u>2,630,100</u>	<u>4,098,518</u>
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Notes to Interim Condensed Consolidated Financial Information

30 June 2026

14 INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) As at 30 June 2026, bank borrowings with an aggregate amount of HK\$908,747,000 (31 December 2025: HK\$821,121,000) were secured by the pledge of 53.6% equity interest in a non-wholly-owned subsidiary and 80% equity interest in two non-wholly-owned subsidiaries of the Group (31 December 2025: secured by the pledge of 53.6% equity interest in a non-wholly-owned subsidiaries and 80% equity interest in a non-wholly-owned subsidiary of the Group), and other borrowings with an aggregate amount of HK\$430,754,000 (31 December 2025: HK\$1,024,101,000) were secured by the pledge of the equity interest of a 24%, a 40.8% and a 67% non-wholly-owned subsidiaries of the Group and share charge in respect of the entire equity interests of certain wholly-owned subsidiaries of the Group (31 December 2025: secured by the pledge of the equity interest of a 80%, a 67%, and a 80% non-wholly-owned subsidiaries of the Group and share charge in respect of the entire equity interests of certain wholly-owned subsidiaries of the Group).
- (b) As at 30 June 2026, bank borrowings and other borrowings with aggregate amounts of HK\$1,801,276,000 (31 December 2025: HK\$1,953,777,000) and HK\$228,349,000 (31 December 2025: HK\$821,925,000), respectively, were secured by the Group's properties under development with aggregate carrying amounts of HK\$8,097,892,000 (31 December 2025: HK\$6,679,255,000) and HK\$2,713,065,000 (31 December 2025: HK\$2,739,510,000), respectively.
- (c) As at 30 June 2026, other borrowings with an aggregate amount of HK\$103,448,000 (31 December 2025: HK\$28,857,000) were secured by the Group's completed properties held for sale with an aggregate carrying amount of HK\$1,481,335,000 (31 December 2025: HK\$237,172,000).
- (d) As at 30 June 2026, the Group's other borrowings with an aggregate amount of HK\$44,441,000 (31 December 2025: HK\$122,701,000) were secured by the Group's investment properties with an aggregate carrying amount of HK\$568,966,000 (31 December 2025: HK\$488,346,000).
- (e) As at 30 June 2026, the Group's bank borrowings with an aggregate amount of HK\$911,494,000 (31 December 2025: HK\$1,198,669,000) were secured by the Group's construction in progress with a carrying amount of HK\$7,564,000 (31 December 2025: HK\$8,459,000).
- (f) As at 30 June 2026, the Group's bank borrowings and other borrowings with aggregate amounts of HK\$1,801,276,000 (31 December 2025: HK\$1,953,777,000) and HK\$183,908,000 (31 December 2025: HK\$780,877,000), respectively, were guaranteed by certain third parties.
- (g) As at 30 June 2026, bank and other borrowings of HK\$2,630,100,000 (31 December 2025: HK\$4,098,518,000) were denominated in Renminbi. As at 30 June 2026 and 31 December 2025, no bank and other borrowings were denominated in Hong Kong dollars.
- (h) As at 30 June 2026 and 31 December 2025, all bank and other borrowings bear interest at fixed interest rates.

15 SHARE CAPITAL

Shares

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Authorised:		
1,500,000,000 ordinary shares of HK\$0.1 each	<u>150,000</u>	<u>150,000</u>
Issued and fully paid:		
799,557,415 ordinary shares of HK\$0.1 each	<u>79,956</u>	<u>79,956</u>

16 FINANCIAL GUARANTEES

The Group had the following financial guarantees:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties	<u>9,631,397</u>	<u>10,225,701</u>

At the end of the reporting period, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any sales proceeds as described below.

Pursuant to the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans. The banks are entitled to take over the legal titles and will realise the pledged properties through open auction or other appropriate means in the event of default on mortgage repayments by these purchasers.

The Group is responsible for repaying the banks when the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

16 FINANCIAL GUARANTEES (continued)

The fair value of the guarantees is not significant and the directors of the Company consider that in the event of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties and therefore no provision has been made in the unaudited interim condensed consolidated financial information for the guarantees.

17 CAPITAL COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Capital expenditure for construction of properties under development and investment properties	5,028,805	3,452,812
Capital expenditure for construction of property, plant and equipment	67,496	119,444
Total	5,096,301	3,572,256

18 RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	Unaudited Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
Short term employee benefits	2,975	3,124
Post-employment benefits	82	43
Total compensation paid to key management personnel	3,057	3,167

19 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair value of a financial asset designated at fair value through other comprehensive income is based on quoted market prices. The fair values of cash and bank balances, trade and retention payables, financial assets included in other receivables, deposits and prepayments, financial liabilities included in other payables and accrued expenses, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of other receivables and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities which is categorised within Level 2 of the fair value hierarchy. The fair value of the non-current portion of other receivables approximates to its carrying amount. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2026 and 31 December 2025 were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instrument:

Asset measured at fair value:

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 30 June 2026				
(Unaudited)				
Financial asset designated at fair value through other comprehensive income	<u>1,200</u>	<u>–</u>	<u>–</u>	<u>1,200</u>
At 31 December 2025				
(Audited)				
Financial asset designated at fair value through other comprehensive income	<u>1,200</u>	<u>–</u>	<u>–</u>	<u>1,200</u>

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

19 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

During the period for the six months ended 30 June 2026/the year ended 31 December 2025, there were no transfers into or out of Level 1 fair value measurement.

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 (31 December 2025: Nil).

20 APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This unaudited interim condensed consolidated financial information was approved by the board of directors on 27 August 2026.