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CAPITAL ESTATE LIMITED
冠中地產有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 193)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 JULY 2026

The board of directors (the "Board") of Capital Estate Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 July 2026, together with comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2026

	Notes	**2026** ***HK$'000***	2025 *HK$'000*
Revenue			
Contracts with customers	*4*	**14,970**	24,844
Interest under effective interest method	*4*	**27,137**	28,551
Cost of sales		**(543)**	(6,053)
Direct operating costs		**(4,247)**	(4,350)
Gross profit		**37,317**	42,992
Other gains and losses	*5*	**(5,020)**	(2,201)
Impairment losses under expected credit loss ("ECL") model, net		**(9,194)**	(8,460)
Other income		**13,380**	12,946
Marketing expenses		**(4,654)**	(2,881)
Administrative expenses		**(44,544)**	(49,279)
Other hotel operating expenses		**(14,988)**	(13,592)
Share of (loss) profit of an associate		**(6,305)**	4,961
Finance costs	*6*	**(259)**	(661)
Loss before taxation		**(34,267)**	(16,175)
Income tax credit (expense)	*7*	**896**	(396)
Loss for the year	*8*	**(33,371)**	(16,571)

	Note	**2026**	2025
		HK$'000	*HK$'000*
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**16,444**	2,571
Other comprehensive income for the year		**16,444**	2,571
Total comprehensive expense for the year		**(16,927)**	(14,000)
Loss for the year attributable to:			
Owners of the Company		**(30,080)**	(13,895)
Non-controlling interests		**(3,291)**	(2,676)
		(33,371)	(16,571)
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(17,736)**	(11,967)
Non-controlling interests		**809**	(2,033)
		(16,927)	(14,000)
Loss per share			
Basic and diluted – HK cents	*9*	**(12.9)**	(6.6)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2026

	Notes	**2026**	2025
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**212,179**	210,592
Right-of-use assets		**26,324**	28,642
Interest in an associate	*10*	**163,818**	170,123
Deposit and prepayment for a life insurance policy		**–**	11,521
Receivables from customers of consumer finance service		**18,762**	12,102
		421,083	432,980
Current assets			
Properties held for sale		**24,388**	23,381
Inventories		**629**	608
Trade and other receivables	*11*	**8,666**	10,087
Receivables from customers of consumer finance service		**51,273**	46,714
Amount due from an associate	*12*	**8,021**	7,511
Prepaid income tax		**6,445**	5,988
Financial assets at fair value through profit or loss ("FVTPL")		**143,841**	256,724
Derivative financial instruments		**–**	766
Pledged bank deposit		**656**	655
Bank balances and cash		**122,893**	47,117
		366,812	399,551
Current liabilities			
Trade and other payables	*13*	**12,146**	13,281
Contract liabilities		**263**	246
Derivative financial instruments		**–**	22,021
Lease liabilities		**2,259**	2,439
Amount due to a related party		**1,034**	1,034
Tax payable		**6,417**	5,846
Bank overdrafts		**–**	2,829
		22,119	47,696
Net current assets		**344,693**	351,855
Total assets less current liabilities		**765,776**	784,835

	2026	2025
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**1,186**	3,430
Deferred tax liability	**18,087**	17,975
	19,273	21,405
Net assets	**746,503**	763,430
Capital and reserves		
Share capital	**1,528,492**	1,528,492
Reserves	**(725,174)**	(707,438)
Equity attributable to owners of the Company	**803,318**	821,054
Non-controlling interests	**(56,815)**	(57,624)
Total equity	**746,503**	763,430

1 GENERAL INFORMATION

Capital Estate Limited (the "Company") is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company is Room 1211–1220, 12/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

The Company acts as an investment holding company. The subsidiaries are engaged in property development, hotel operations, provision of consumer financing services and financial investments. An associate of the Group is engaged in hotel operations and property investment. The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

The consolidated financial statements are presented in Hong Kong dollars ("HK$" or "HKD"), which is also the functional currency of the Company.

2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on 1 August 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

The financial information relating to the years ended 31 July 2026 and 2025 included in this preliminary announcement of annual results 2026 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 July 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 July 2026 in due course.

The auditor's report for the year ended 31 July 2026 was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

For the year ended 31 July 2025, the auditor's report was qualified; contained a statement under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance and did not contain a statement under section 406(2) of the Hong Kong Companies Ordinance.

4 SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM"), representing the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised. The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

Hotel operations	–	hotel business and its related services
Financial investment	–	trading of listed securities and other financial instruments
Property	–	sale of properties held for sale
Consumer finance	–	provision of consumer finance service

Information regarding these segments is reported below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 July 2026

	Hotel operations *HK$'000*	**Financial investment** *HK$'000*	**Property** *HK$'000*	**Consumer finance** *HK$'000*	**Consolidated** *HK$'000*
Gross proceeds	**13,705**	**328,486**	**1,265**	**27,137**	**370,593**
Segment revenue	**13,705**	**–**	**1,265**	**27,137**	**42,107**
Segment (loss) profit	**(14,618)**	**2,355**	**557**	**(612)**	**(12,318)**
Unallocated income					**25**
Unallocated expenses					**(15,410)**
Finance costs					**(259)**
Share of loss of an associate					**(6,305)**
Loss before taxation					**(34,267)**

For the year ended 31 July 2025

	Hotel operations *HK$'000*	Financial investment *HK$'000*	Property *HK$'000*	Consumer finance *HK$'000*	Consolidated *HK$'000*
Gross proceeds	12,909	434,051	11,935	28,551	487,446
Segment revenue	12,909	–	11,935	28,551	53,395
Segment (loss) profit	(15,953)	5,216	5,644	(357)	(5,450)
Unallocated income					1,169
Unallocated expenses					(16,177)
Finance costs					(661)
Share of profit of an associate					4,961
Loss on deregistration of a subsidiary					(17)
Loss before taxation					(16,175)

Segment (loss) profit represents the (loss incurred) profit earned by each segment without allocation of certain other income, certain administrative expenses, directors' salaries, finance costs, share of (loss) profit of an associate and loss on deregistration of a subsidiary. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

5 OTHER GAINS AND LOSSES

	2026 ***HK$'000***	2025 *HK$'000*
Dividend income from financial assets at FVTPL	**1,433**	3,671
Net decrease in fair value of financial assets at FVTPL and derivative financial instruments	**(6,667)**	(5,872)
Gain on surrender of a life insurance policy	**214**	–
	(5,020)	(2,201)

6 FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interests on lease liabilities	**242**	175
Interests on overdraft in brokers' account	**17**	486
	259	661

7 INCOME TAX (CREDIT) EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Tax (credit) expense comprises:		
Current tax:		
PRC land appreciation tax	**184**	1,733
Deferred taxation	**(1,080)**	(1,337)
	(896)	396

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made for both years as the Company and subsidiaries did not generate any assessable profits in Hong Kong for the years or have available tax losses brought forward from prior years to offset against assessable profits generated during both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the PRC is 25% for both years.

The provision for PRC land appreciation tax is estimated according to the requirements set forth in the relevant PRC tax laws and regulations which is charged at progressive rates ranging from 30% to 60% of the appreciation value, with certain allowable deductions.

No provision for PRC EIT has been made for both years as the subsidiaries in the PRC did not generate any assessable profits for both years.

8 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2026	2025
	HK$'000	*HK$'000*
Directors' emoluments	**4,716**	4,860
Other staff costs		
– Salaries and other benefits	**18,776**	20,476
– Retirement benefit scheme contributions	**1,899**	1,717
Total employee benefit expenses	**25,391**	27,053
Auditor's remuneration	**1,850**	2,020
Cost of inventories recognised as an expense	**447**	496
Cost of properties sold recognised as an expense	**543**	6,053
Depreciation of property, plant and equipment included in:		
– other hotel operating expenses	**13,500**	12,196
– administrative expenses	**254**	133
Depreciation of right-of-use assets	**3,848**	2,551
Net foreign exchange loss	**90**	117
Loss on disposal of property, plant and equipment	**–**	26
Loss on deregistration of a subsidiary	**–**	17
Included in other income:		
Bank and other interest income	**(1,754)**	(1,775)
Interest income from financial assets at FVTPL	**(6,618)**	(7,539)
Rental income, net of direct operating expenses	**(2,259)**	(2,484)
	(10,631)	(11,798)

9 LOSS PER SHARE

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

	2026	2025
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(30,080)**	(13,895)

	2026	2025
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**233,202,559**	210,735,395

For the year ended 31 July 2026, the calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK$30,080,000 (2025: HK$13,895,000) and the weighted average number of 233,202,559 (2025: 210,735,395) ordinary shares.

Diluted loss per share are same as the basic loss per share as there is no dilutive potential ordinary shares in existence during the years ended 31 July 2026 and 2025.

10 INTEREST IN AN ASSOCIATE

	2026	2025
	HK$'000	*HK$'000*
Cost of unlisted investments in an associate	**229,455**	229,455
Share of post-acquisition results and other comprehensive income, net of dividend received	**(65,637)**	(59,332)
	163,818	170,123

At 31 July 2026 and 2025, details of the Group's associate are as follows:

Name of entity	**Place of incorporation/ principal place of operation**	**Proportion of quoted capital held by the Group**		**Principal activities**
		2026	2025	
Tin Fok Holding Company Limited ("Tin Fok") *(note)*	Macao	**32.5%**	32.5%	Hotel operations and property investment

Note: The ultimate controlling shareholders of Tin Fok are the directors of the Company, Ms. Sio Lai Na and Ms. Sio Lai Nga and their mother.

Included in the cost of investment in Tin Fok is goodwill of HK$2,362,000 (2025: HK$2,362,000) arising from acquisition of Tin Fok Group.

The directors of the Company considered that the recoverable amount of the associate was higher than its carrying amount, accordingly no impairment loss on interest in an associate is recognised during the year ended 31 July 2026 (2025: nil).

The summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with HKFRS Accounting Standards. The associate is accounted for using the equity method in these consolidated financial statements.

	2026	2025
	HK$'000	*HK$'000*
Current assets *(note (i))*	**25,801**	143,214
Non-current assets *(notes (i) and (ii))*	**1,324,441**	1,375,637
Current liabilities	**(219,048)**	(386,658)
Non-current liabilities	**(693,607)**	(669,695)
Non-controlling interests	**59,200**	53,688
Net assets attributable to owners of Tin Fok	**496,787**	516,186
Revenue	**142,107**	187,868
(Loss) profit and total comprehensive (expense) income for the year	**(19,399)**	15,263
Group's share of (loss) profit of an associate	**(6,305)**	4,961

Notes:

(i) Included in non-current assets is the balance of loan to and interest receivables (the "Loan") from a private company, being a related company of the directors of the Company, Ms. Sio Lai Na and Ms. Sio Lai Nga ("Entity A") of HK$594,083,000 (2025: current assets and non-current assets of HK$640,333,000), net of ECL allowance of HK$1,779,000 (2025: nil). The Loan is interest bearing and had an original maturity date of 30 September 2023. On 31 July 2024, pursuant to the deed of indemnity entered into between certain shareholders of Tin Fok (the "Indemnifiers") and Entity A (the "Deed"), the maturity date of the Loan was extended to 30 November 2027. Also, pursuant to the Deed the Indemnifiers has jointly agreed to indemnify Tin Fok against all and any sums owed to Tin Fok under the Loan. On 4 May 2026, pursuant to the settlement agreement, the maturity date of the Loan was further extended to 30 June 2029. Accordingly, all of the Loan (2025: portion of the Loan) was classified as non-current assets as at 31 July 2026.

(ii) As at 31 July 2026, included in the non-current assets of Tin Fok Group is property, plant and equipment in respect of hotel operations amounted HK$532,758,000 (2025: HK$557,865,000).

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

	2026	2025
	HK$'000	*HK$'000*
Net assets attributable to owners of Tin Fok	**496,787**	516,186
Proportion of the Group's ownership interest in Tin Fok	**32.5%**	32.5%
	161,456	167,761
Goodwill	**2,362**	2,362
Carrying amount of the Group's interest in Tin Fok	**163,818**	170,123

11 TRADE AND OTHER RECEIVABLES

The hotel revenue is normally settled by cash or credit card. The Group allows an average credit period of 30 days to certain of its customers of hotel business. The following is an aged analysis of trade receivables, presented based on invoice date:

	2026	2025
	HK$'000	*HK$'000*
Trade receivables:		
0 to 30 days	**174**	243
31 to 60 days	**–**	9
61 to 90 days	**–**	2
91 days or above	**447**	390
	621	644
Prepayments and deposits	**1,698**	2,931
Other receivables	**6,347**	6,512
	8,666	10,087

As at 1 August 2024, trade receivables with customers amounted to HK$658,000.

Before granting credit term to new trade customer of hotel business, the Group assesses the potential customer's credit quality by investigating the customer's historical credit record and then defines the credit limit of that customer. Trade receivables are not impaired at the end of the reporting period and the Group believes that the amounts are recoverable. The Group does not hold any collateral over these balances.

12 AMOUNT DUE FROM AN ASSOCIATE

The amount is unsecured, non-interest bearing, non-trade in nature and repayable on demand.

13 TRADE AND OTHER PAYABLES

The average credit period on purchases of goods is 30 to 120 days. An aged analysis of trade payables based on invoice date is as follows:

	2026	2025
	HK$'000	*HK$'000*
Trade payables:		
0 to 30 days	**80**	57
31 to 60 days	**133**	21
61 to 90 days	**–**	15
91 days or above	**27**	35
	240	128
Accruals	**2,949**	3,339
Other payables	**8,957**	9,814
	12,146	13,281

REVIEW OF THE RESULTS

The Group reported gross proceeds of approximately HK$370.6 million for the year ended 31 July 2026 (2025: HK$487.4 million), which comprised gross proceeds from sales of properties of approximately HK$1.3 million (2025: HK$11.9 million), consumer finance service of approximately HK$27.1 million (2025: HK$28.6 million), hotel operations of HK$13.7 million (2025: HK$12.9 million) and sales of securities and other business segments totaling approximately HK$328.5 million (2025: HK$434.1 million).

Loss for the year attributable to owners of the Company for the year ended 31 July 2026 was approximately HK$30.1 million (2025: HK$13.9 million).

The increase in loss in the year ended 31 July 2026 was primarily attributable to (i) a negative turnaround of share of result of an associate from a profit of HK$5.0 million for the year ended 31 July 2025 to a loss of HK$6.3 million, driven by a decrease in rental and other service income related to the hotel operations and a decline in the fair value of investment properties held by the associate; and (ii) a slowdown in property sales of the Group.

DIVIDEND

The Board does not recommend the payment of any dividends for the year ended 31 July 2026 (2025: nil).

LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 July 2026, the Group financed its operations and investment activities mainly through proceeds from operating activities. The Group continued to be liquid and maintained a healthy financial position. At 31 July 2026, the Group had bank balances and cash of approximately HK$123.5 million (2025: HK$47.8 million) mainly in Hong Kong dollars and Renminbi and marketable securities totalling approximately HK$143.8 million (2025: HK$256.7 million).

No bank and other borrowings (other than corporate credit card payable classified as "other payable") were outstanding at 31 July 2026 (2025: overdraft on brokers' account secured by marketable securities under margin financing of approximately HK$2.8 million).

The Group's gearing ratio, expressed as a percentage of the Group's total liabilities over the shareholders' funds, was 5.2% at 31 July 2026 (2025: 8.4%).

EXCHANGE RATE EXPOSURE

The assets and liabilities and transactions of several major subsidiaries of the Group are principally denominated in Renminbi or Hong Kong dollars pegged currencies, which expose the Group to foreign currency risk and such risk has not been hedged. It is the Group's policy to monitor such exposure and to use appropriate hedging measures when necessary and required. During the year ended 31 July 2026, the Group did not enter into any forward foreign exchange contract. The Group does not employ any financial instruments for hedging purposes.

BUSINESS REVIEW

For the year ended 31 July 2026, the principal activities of the Group are property development, hotel operation, consumer finance, financial investment and related activities.

Hotel operation

The Group has a 75% effective interest in Hotel Fortuna, Foshan with over 400 rooms located at Le Cong Zhen, Shun De District, Foshan, the People's Republic of China (the "PRC"). Renovation works to refresh the hotel facilities completed during the last financial year have brought positive impact to the hotel operation. Average room rate has increased by approximately 3.8% to RMB364 per night as compared to RMB350 per night during the year ended 31 July 2025. During the year ended 31 July 2026, the hotel recorded an occupancy rate of approximately 20.7% (2025: 21.1%).

During the year ended 31 July 2026, the hotel's traditional customer demographic – which primarily comprises local business travelers, as well as guests from Southeast Asia, the Middle East, India, Europe, the Americas, and Africa – faced significant external disruptions. Geopolitical tensions, notably the US-Iran conflict, led to a drastic reduction in Middle Eastern and Western visitors. Furthermore, the local market was affected by the outbreak of Chikungunya fever in Foshan in 2025. Despite these challenges, the Group managed to proactively pivot its marketing strategies. The hotel also introduced tailored services, including complimentary shuttle buses and specialized Indian breakfast options for Indian guests who participated in the China Import and Export Fair.

Furthermore, in a strategic effort to diversify its income beyond traditional room sales, the hotel actively cultivated new revenue streams over the past year. Overall, the hotel operation segment recorded a turnover of approximately HK$13.7 million for the year ended 31 July 2026 as compared to turnover of approximately HK$12.9 million in the year ended 31 July 2025.

The Group also holds a 32.5% interest in Hotel Fortuna, Macau through Tin Fok Holding Company Limited ("Tin Fok"), an associated company of the Group. The hotel's recorded occupancy rate of approximately 97.2% (2025: 97.1%) and revenue of approximately HK$142.1 million during the year in compared to approximately HK$187.9 million in 2025. The decrease in revenue was primarily attributable to a decline in rental and other service income following the closure of the satellite casino located within the hotel in December 2025. Notwithstanding this closure, Tin Fok's management has successfully maintained a high occupancy rate and remains committed to strategically repurposing the former casino space to drive future revenue growth.

Consumer finance

The Group has involved in consumer finance sector in Hong Kong through self-developed online platform with AI credit risk modeling. During the year, the loans recorded interest income of approximately HK$27.1 million (2025: HK$28.6 million).

(I) The business model, credit approval and risk assessment policy

The service consists of the provision of unsecured consumer finance to Hong Kong permanent resident through a self-developed online consumer lending software. The Group promotes such service mainly through internet and individual customers can apply for the service through a mobile app which is publicly available. Approval status, due date reminder and other notification will be sent to user through the mobile app while user can submit repayments and check their loan status through the app as well. As the money lending service targets a large population, and the loans are unsecured, hence, a certain level of loss resulting from risk of default is expected. Such default risk is reflected in the interest rate charged as to cover the potential loss from default.

The Group has developed its own system that integrates manual process and automates the loan lifecycle which includes application submission through our app, verification of information, credit rating and loan management, enabling the Group in providing efficient and secure consumer finance services. Following recent operational upgrades and the scaling of our processing capabilities, the Group has successfully transitioned its loan approval operations from a standard five-day working week to a comprehensive seven-day service model, significantly enhancing application turnaround times and customer responsiveness. All potential borrowers are subject to know-you-client (KYC) checks, anti-money laundering (AML) verifications and credit rating procedures before the approval and grant of the loan. All applications and KYC information will be verified by a specific team and upon successful verification, such information will be processed by the Group's self-developed AI credit risk model to determine whether a loan will be granted. The self-developed AI credit risk model will assign scores to each applicant and for eligible applicant, the loan amount, credit period and interest rate applicable will be generated based on the credit score. For recurring borrowers, their historical repayment records will also be considered. Our senior loan operation officers will review such results and contact the potential borrower for further procedures if the acceptable loan and credit period matched with the application.

To maintain robust asset quality, borrowers with any history of late payments or non-repayment are strictly ineligible for further financing.

The Group enforces a rigorous and continuous debt monitoring framework. Our senior loan operation officers from the collection division will continuously monitor the repayment status of the borrowers through the self-developed online consumer lending software on a daily basis. For customers who fail to make repayment on time, the self-developed online consumer lending software will automatically send notification to them through the app and SMS on the day after the due date of the repayment. Further follow up action will be taken if repayment has not been made after such automated notification. Our senior loan operation officers will send email notification and make follow-up phone calls to these customers. Temporary repayment extensions may be granted, on a discretionary basis, to responsive customers prior to escalation. If there are no repayments or any communication from the customers, external debt collection agencies will be engaged for debt collection, and subsequent legal action for debt recovery may be pursued.

(II) Loan size and portfolio

As at 31 July 2026, the consumer finance business has approximately 3,300 users (2025: approximately 2,900 users) and maintained a net loan portfolio of approximately HK$70.0 million (2025: HK$58.8 million) with loans to individual users ranging from HK$2,000 to HK$120,000 (2025: HK$2,000 to HK$300,000) with credit period up to 60 months (2025: 43 months). The loans are unsecured and carry interest at fixed rate ranging from 33% to 47% (2025: 4% to 47%) which is determined based on factors including (without limitation) loan term, principal amount and credit history of individual customers. Loan granted to approximately 71% (2025: 72%) of the customers are with principal amount of HK$40,000 or below and approximately 70% (2025: 72%) with credit period of 18 months or less.

The following table shows the percentage of customers by principal amount, credit period and interest rate:

	% of user	
	2026	2025
Principal amount:		
Below HK$20,000	**36.6%**	33.7%
Below HK$40,000 but over HK$20,000	**34.5%**	38.4%
Below HK$80,000 but over HK$40,000	**27.1%**	26.6%
Below HK$300,000 but over HK$80,000	**1.8%**	1.3%
	100.0%	100.0%
Credit period:		
6 months or less	**7.5%**	9.3%
12 months or less but over 6 months	**29.2%**	25.7%
18 months or less but over 12 months	**33.1%**	37.2%
24 months or less but over 18 months	**21.1%**	18.1%
60 months or less but over 24 months	**9.1%**	9.7%
	100.0%	100.0%
Interest rate:		
Below 35%	**0.3%**	0.2%
Below 40% but over 35%	**20.8%**	15.5%
Below 45% but over 40%	**78.7%**	84.2%
Below 48% but over 45%	**0.2%**	0.1%
	100.0%	100.0%

The Group has no concentration risk on the loan receivables from customers of consumer finance. Gross receivable from the largest borrower and the five largest borrowers in aggregate, are below 1% of the net loan portfolio as at 31 July 2026 and 31 July 2025.

(III) Basis of loan impairments assessment and analysis

The Group recognised impairment losses on its loan receivables in accordance with the expected credit loss ("ECL") model under Hong Kong Financial Reporting Standards 9. Impairment losses under ECL model on loan receivables amounting to approximately HK$9.2 million was recorded during the year ended 31 July 2026 (2025: HK$8.5 million). According to the Group's lending business loan impairment policy, customers defaulting in repayment for over 90 days are considered as credit-impaired, and full provision on the amount outstanding will be made. Receivables from customers that is not credit impaired are assessed on a collective basis as these customers share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The provision rates applied to receivable from these customers are based on the Group's historical default rates over the expected life of the receivables and forward-looking information that is reasonable and supportable available without undue costs or effort. The increase in impairment losses was the net effect of increase in loan portfolio, strengthened recovery actions for past-due repayments and improvement in credit control as a result of optimisation of our in house credit risk model. The management is dedicated to refining the AI credit risk model as to achieve an equilibrium between credit risk and return and maximizing interest income from the operation.

Financial investments

Investment objectives, strategy and scope

The Group continues its securities investment as one of its principal activities and in the ordinary and usual course of business. Its strategy is to maintain a diversified portfolio of marketable securities, including listed equity securities, debt securities and listed funds, for effective treasury and risk management. The Group will continue to invest its surplus funds in marketable securities with attractive return and satisfactory rating. The investment portfolio, under close monitoring by the management, is expected to generate stable income and can be liquidated swiftly to support the Group's operations and cash requirements when needed. By allocating surplus funds into income-generating and satisfactory-rated marketable securities, the Group optimises yields on surplus cash while mitigating overall operational and market risks through portfolio diversification. This investment strategy directly aligns with the Group's broader corporate strategy and supports principal operating activities by ensuring capital preservation, generating a stable supplementary income stream while maintaining high liquidity.

Under the investment policy which is formulated and reviewed from time to time by the Company's investment committee (which comprises the Chairman of the Board, the Chief Executive Officer and the Group Financial Controller, the "Investment Committee") and approved by the Board, the Company invests in:–

(1) Investments with an investment grade rating;

(2) Companies and other entities with a stable dividend pay-out history in the past five years; or

(3) Companies and other entities with a market capitalisation of over USD10 billion.

Approval and oversight mechanism

The Chief Executive Officer of the Group, who has over 20 years of experience in financial investment, has overall responsibility for its investments portfolio, including proposing potential investments and divestments. The Group's financial investments are generally in listed securities and the latest accounts of issuers are generally reviewed before an investment proposal is made.

Proposed investments that are not notifiable transactions and meet the criteria set out in the investment policy may be made on the authority of the Chief Executive Officer, and are reported to the Investment Committee. Proposed investments that do not meet the criteria set out in the investment policy require pre-approval of the Investment Committee. If any proposed investment is identified as a notifiable transaction, such transaction will be passed to the Board which will then decide whether to approve the proposed transaction.

Risk management and control measures

To mitigate concentration risk, value of any single investment shall not exceed 5% of the Group's total assets. All investments of the Group will be monitored to check their performance and whether they measure up to the expectations of the Company and continue to be appropriate to its investment strategy.

The Group's investments will be monitored by the Chief Executive Officer on a daily basis. The finance department will prepare reports on the performance of the investments for the financial controller, who in turn will provide a summary to the Board to facilitate decisions about portfolio adjustments from time to time. Any adjustments will be subject to the approval procedures.

Investment portfolio

As at 31 July 2026, the Group's investment portfolio of financial assets at fair value through profit or loss consisted of listed equity securities of HK$26.6 million (2025: HK$134.4 million), debt securities of HK$114.4 million (2025: HK$107.3 million), exchange traded fund of HK$2.8 million (2025: nil) and no money market fund (2025: HK$15.0 million). None of these investments individually recorded a market value that accounted for 5% or more of the Group's total assets as at 31 July 2026.

As at 31 July 2026, listed equity securities of approximately HK$26.6 million (2025: HK$134.4 million), representing approximately 18.5% (2025: 52.4%) of the investment portfolio, consist of 3 equity securities (2025: 8 equity securities) of which 3 equity securities are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (2025: 6 equity securities listed on the Stock Exchange and 2 equity securities on the New York Stock Exchange). The mark to market valuation of the largest single equity security within the portfolio represents approximately 2.3% (2025: 4.3%) of the Group's total assets, and that of the three (2025: five) largest equity securities held represents approximately 3.4% (2025: 13.2%). The remaining 3 equity securities held as at 31 July 2025 represent 2.9% of the Group's total assets, each ranging from 0.7% to 1.2%. All (2025: 61.2%) of the equity securities are constituents of the Hang Seng Index.

During the year, the equity portfolio gave rise to a net fair value loss of HK$22.5 million (2025: gain of HK$23.7 million) and dividend income of HK$1.0 million (2025: HK$3.7 million).

As at 31 July 2026, the Group had 10 listed (2025: 8) and 1 unlisted (2025: 1) debt securities representing approximately 79.6% (2025: 41.8%) of the investment portfolio. The mark to market valuation of the largest single debt security within the portfolio represents approximately 3.0% (2025: 2.9%) of the Group's total assets, and that of the five largest debt securities held represents approximately 11.4% (2025: 10.3%) of the Group's total assets. The remaining 6 debt securities (2025: 4) held represent 3.1% (2025: 2.6%) of the Group's total assets, each ranging from 0.0% to 1.5% (2025: 0.0% to 1.3%). Approximately 75.4% (2025: 73.7%) of these debt securities are related to the banking industry.

During the year, the debts portfolio gave rise to a net fair value loss of HK$4.7 million (2025: HK$8.4 million) and interest income of HK$6.6 million (2025: HK$7.5 million).

As at 31 July 2026, the Group had 1 (2025: nil) exchange traded fund which is listed on the Stock Exchange representing approximately 2.0% of the investment portfolio. The mark to market valuation of the exchange traded fund represents approximately 0.4% of the Group's total assets. During the year, the exchange traded fund portfolio gave rise to a net fair value loss of HK$0.7 million and dividend income of HK$0.4 million.

As at 31 July 2025, the Group held money market fund of HK$15.0 million (2026: nil) representing approximately 5.9% of the investment portfolio. The mark to market valuation of the money market fund representing approximately 1.8% of the Group's total assets as at 31 July 2025 and gave rise to a fair value gain of HK$0.1 million (2026: HK$0.1 million) during the year ended 31 July 2025.

The investment portfolio gave rise to a net realised fair value gain of HK$5.0 million (2025: HK$7.2 million), a net unrealised fair value loss of HK$32.9 million (2025: gain of HK$8.2 million) and dividend and interest income of HK$8.1 million (2025: HK$11.2 million) during the year.

The Group also entered into certain derivative contracts in relation to the listed equity securities held by the Group. As at 31 July 2026, the Group has no derivative assets or liabilities (2025: assets of HK$0.8 million and liabilities of HK$22.0 million). During the year, the derivative contracts recorded a fair value gain of HK$21.3 million (2025: loss of HK$21.3 million).

Property investment and development

Sales activities of the residential project alongside Hotel Fortuna, Foshan, the PRC continue and revenue from sales of property amounting to approximately HK$1.3 million (2025: HK$11.9 million) has been recognised for the year ended 31 July 2026. The unsold saleable floor area of approximately 4.2% of this high-rise residential development, which mainly attributable to approximately 140 car park space, is expected to further contribute to the Group's revenue in the near term.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 July 2026.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as those disclosed in this announcement, the Group did not have any material acquisitions nor disposals of subsidiaries, associates and joint ventures during the year ended 31 July 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in this announcement, the Group currently has no other plans for material investments and capital assets as at 31 July 2026 and up to the date of this announcement.

CAPITAL COMMITMENT

The Group has no capital commitment as at 31 July 2026 and 31 July 2025.

SIGNIFICANT INVESTMENT

The Group had no significant investment held with a value of 5% or more of the Company's total assets at the year end.

EMPLOYEES

The Group offers its employees competitive remuneration packages to commensurate with their experience, performance and job nature, which include basic salary, bonuses, share options, medical scheme, retirement and other benefits.

At 31 July 2026, the Group had approximately 95 employees of whom approximately 70 employees were stationed in Chinese Mainland. Total staff remuneration incurred for the year ended 31 July 2026 amounted to approximately HK$25.4 million (2025: HK$27.1 million).

PROSPECTS

The Group maintained a healthy financial position and the management will continue to closely monitor market developments and evaluate opportunities to enhance the Group's performance. The management will allocate resources as appropriate to support further development and expansion of the existing business with a view to generating sustainable value for the shareholders.

Hotel Operation

The Group remains cautiously optimistic regarding the steady recovery and growth of the hotel business.

The renovation project completed during the last financial year at Hotel Fortuna, Foshan has enhanced the hotel's competitiveness. Building on the recent success of penetrating new international demographics, the management will continue to strive to expand the customers base as to achieve sustained growth in occupancy rate.

Consumer Finance

The Group has been actively preparing to participate in the Multiple Credit Reference Agencies ("MCRA") framework. As part of this initiative, the operation plans to utilise the credit reference services provided by selected credit reference agencies under the MCRA model. As at the date of this announcement, our application to become a member of the MCRA framework has been formally approved.

In the coming year, the Group will deploy the necessary infrastructure to seamlessly integrate the MCRA platform into our proprietary consumer finance system. Through this system integration, detailed information from customer credit reports will be automatically retrieved, extracted, and imported directly into our internal processing workflows. This automation will substantially reduce the human capital required to perform repetitive tasks, shorten application turnaround times, and mitigate the risk of human error.

By utilizing the credit reference services provided by selected agencies under the MCRA model, this automated process will significantly enhance the overall efficiency and accuracy of the Company's back-end operations while strengthening our overarching credit assessment and risk management practices. Furthermore, the successful approval and impending integration of the MCRA application strongly demonstrate the Group's robust in-house IT capabilities in the fintech space – a strategic advantage the Company will continue to leverage to optimize lending decisions and support the sustainable growth of the consumer finance business.

The Board will continue to closely monitor the global economies development, formulate strategies and plans to utilise its resources effectively and capture viable business opportunities to maintain sustainable long term growth of the Group.

PLEDGE OF ASSETS

Bank deposit of HK$656,000 (2025: HK$655,000) was pledged to bank to secure credit facilities to the extent of HK$600,000 (2025: HK$600,000) granted to the Group, whereas none (2025: nil) of which were utilised by the Group.

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

During the year ended 31 July 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the Group after the year ended 31 July 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

In order to attain a high standard of corporate governance, the Company is committed to continuously adopting and improving effective measures and practices to achieve a high level of transparency and accountability in the interests of its shareholders.

During the year ended 31 July 2026, the Company complied with all applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Listing Rules and adopted certain recommended best practice of the Code so far as they are relevant and practical.

MODEL CODES FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code for the year ended 31 July 2026.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 July 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 30 October 2026. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with the Code. The Audit Committee comprises Mr. Hung Ka Hai, Clement (Chairman), Mr. Yeung Wai Hung, Peter and Mr. Wong Kwong Fat, all of whom are independent non-executive Directors.

The principal functions of the Audit Committee include, but are not limited to, the following: (i) making recommendations to the Board on the appointment and removal of the external auditor; (ii) reviewing the financial statements of the Group and monitoring the integrity of such financial statements; and (iii) overseeing the financial reporting system and internal control procedures and the Group's internal audit function.

The Audit Committee has reviewed the preliminary results announcement and the audited consolidated financial statements of the Company for the year ended 31 July 2026.

By Order of the Board
Capital Estate Limited
Chu Nin Yiu, Stephen
Chief Executive Officer and Executive Director

Hong Kong, 30 October 2026

As at the date of this announcement, the Board comprises Ms. Sio Lai Na, Mr. Chu Nin Yiu, Stephen as executive directors, Ms. Sio Lai Nga as non-executive director and Mr. Hung Ka Hai, Clement, Mr. Yeung Wai Hung, Peter and Mr. Wong Kwong Fat as independent non-executive directors.