



Chinney Investments, Limited

Stock Code: 216

*Interim Report
2025/26*



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CORPORATE INFORMATION

DIRECTORS

James Sing-Wai Wong (*Chairman*)
Yuen-Keung Chan (*Vice Chairman*)
Raymond Ming-Joe Chow (*Managing Director*)
Donald Yin-Shing Lam
Emily Yen Wong
Richard Chi-Ho Lo*
Winfred Wai-Lap Fan*
Randall Todd Turney*
Stephen Henry Chu*

* *Independent non-executive directors*

AUDIT COMMITTEE

Winfred Wai-Lap Fan (*Chairman*)
Richard Chi-Ho Lo
Randall Todd Turney

REMUNERATION COMMITTEE

Winfred Wai-Lap Fan (*Chairman*)
Richard Chi-Ho Lo
Randall Todd Turney
James Sing-Wai Wong
Yuen-Keung Chan

NOMINATION COMMITTEE

Richard Chi-Ho Lo (*Chairman*)
Winfred Wai-Lap Fan
Randall Todd Turney
James Sing-Wai Wong
Emily Yen Wong

COMPANY SECRETARY

Ka-Yee Wan

PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited
The Bank of East Asia, Limited
Chong Hing Bank Limited
Dah Sing Bank, Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Shanghai Commercial Bank Limited

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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STOCK CODE

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18 December 2025

CHAIRMAN'S STATEMENT

To Our Shareholders and Stakeholders,

I am presenting our interim results for the six months ended 30 September 2025. The short version: we have made real progress, but we are also facing tough realities.

PERFORMANCE AND PERSPECTIVE

Our Group delivered revenue of HK\$447.0 million compared to HK\$322.9 million last year, a jump of 38.4%. More importantly, we returned to core profitability – HK\$15.3 million versus a loss of HK\$1.2 million a year ago. This was not luck. It was the result of disciplined execution and strong performance at our Guangzhou residential project, *The Riverside*, which proved resilient in a difficult property market.

That said, we do not sugarcoat reality. Revaluation losses on investment properties totalled HK\$245.3 million, up sharply from HK\$68.1 million last year. As a result, we are showing a net loss of about HK\$230.0 million. These are the facts, and we deal with them head-on.

THE MACRO BACKDROP

The global economy is unsettled. The U.S. government just reopened after a 40-day shutdown, unemployment is ticking up across major economies, and inflation and interest rates remain elevated. Consumer sentiment is cautious heading into the holiday season. China's property sector is stabilising but not yet growing. Hong Kong's office and retail markets are under pressure, though hospitality and technology show promise. Shenzhen is emerging as a tech hub, backed by national policy and investment – a trend we are watching closely.

INTERIM DIVIDEND

The Board does not recommend an interim dividend for the six months ended 30 September 2025 (2024: Nil).

BUSINESS REVIEW

- **Commercial & Retail Leasing (Mainland China):** Shenzhen, Guangzhou, and Chongqing delivered steady results. HONKWORK co-working and HonLink leasing programs are attracting tenants with flexible, sustainable solutions.
- **Hong Kong Portfolio:** Hon Kwok Jordan Centre and our fully leased data centre continue to provide reliable recurring income.
- **Residential:** *The Riverside* contributed HK\$56.6 million in operating profit. Sales remain consistent, and the retail podium *Tung Hing Fong* is performing well with a curated tenant mix.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

- **Hospitality:** Our Japan hotels in Tokyo and Osaka continue to outperform, validating our long-term thesis. In Hong Kong, The Bauhinia Hotel (Central) will reopen in January 2026 with retail space fully leased.
- **Construction:** The sector is deteriorating, now a major driver of Hong Kong's unemployment. To offset this, we are leaning into AI, aviation, robotics, and clean energy technologies. We have also implemented ongoing cost cutting programs.
- **Technology Investments:** We are reorganising management and building structures to strengthen our edge in technology. More details will follow in the year-end report.

OUTLOOK

Interest rate cuts have lowered finance charges, but sentiment has not bounced back yet. A strong Christmas season could provide short-term support, but we are not betting on it.

We are focused on what we control: financial performance, portfolio discipline, and our people. While others falter, we are building resilience. Improvements we are making now will drive stronger results in the months ahead.

We remain cautiously optimistic. Shenzhen's rise as a tech hub, coupled with the upcoming APEC summit, opens new doors. We will continue refining our asset mix, exploring property technology and AI infrastructure, and maintaining disciplined capital allocation. Our north star has not changed: long-term value through smart investments and operational excellence.

APPRECIATION

To our shareholders, partners, and customers: thank you for your trust. To our team: your grit and commitment are what drive us forward. We are not chasing short-term wins – we are building something durable. We are building tomorrow. Together.

James Sing-Wai Wong
Chairman

Hong Kong, 25 November 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenues grew by 38.4% to HK\$447.0 million in the six months ended 30 September 2025 (2024: HK\$322.9 million), primarily derived both from the property sales of the residential project in Guangzhou "The Riverside" and the rental income generated from investment properties in Hong Kong, Mainland China and Japan.

Despite subdued property market condition, the Group successfully returned to core operating profit of HK\$15.3 million during the six months ended 30 September 2025 (2024: loss of HK\$1.2 million). The turnaround was primarily due to the contribution from our Guangzhou residential project "The Riverside". Since it was launched to market for sale as completed units, it has been well received by the market given its prime location and attractive design and product quality. Up to 25 November 2025, the date of the interim results announcement of the Company, total contracted sales of "The Riverside" amounted to approximately HK\$640 million, of which, property sales of HK\$180.2 million was recognised in this period (HK\$399.4 million in 2024/2025). It is expected that the contracted but not yet recognised sales amounting to HK\$60.4 million will be booked in the second half of financial year 2025/2026.

In view of the general decline in property market prices in Hong Kong and Mainland China, the Group recorded net revaluation losses on investment properties of HK\$245.3 million (2024: HK\$68.1 million), which in substance, is non-cash in nature and will not affect the overall financial position of the Group.

Taking into account the net revaluation deficit on investment properties, net loss attributable to shareholders was HK\$230.0 million (2024: HK\$69.3 million). Basic loss per share was HK\$0.417 (2024: HK\$0.126). As at 30 September 2025, shareholders' equity was HK\$7,006 million (as at 31 March 2025: HK\$7,118 million) and net assets per share attributable to shareholders stood at HK\$12.71 (as at 31 March 2025: HK\$12.91). Gearing ratio of the Group edged up slightly to 61.8% as at 30 September 2025 (as at 31 March 2025: 59.8%) which remains at acceptable level.

1. Property

(1) Property Development

During the six months ended 30 September 2025, the property development segment revenue surged by 258.7% to HK\$188.7 million (2024: HK\$52.6 million) with operating profit increased by 197.2% to HK\$94.8 million (2024: HK\$31.9 million). This was generated from the property sales of "The Riverside" as well as the remaining car parking spaces in Metropolitan Oasis and Botanica. The significant increase in revenue was due to the property sales recognised from "The Riverside".

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

1. Property *(Continued)*

(1) Property Development *(Continued)*

(i) Property Development – Mainland China

The Group's property development projects located in Mainland China consist of (i) The Riverside, a wholly-owned residential project on Beijing Road in the Yue Xiu District of Guangzhou under Hon Kwok Land Investment Company, Limited (Stock Code: 160) ("Hon Kwok", together with its subsidiaries, "Hon Kwok Group"); (ii) the Metropolitan Oasis, a wholly-owned residential project in Nanhai under Hon Kwok Group; and (iii) the Enterprise Square in the Nanshan District of Shenzhen in which Hon Kwok Group owns a 20% interest.

The Riverside offers 144 units for sale and was first launched for sale in late 2023. Up to 25 November 2025, 68 residential units were sold contributing contracted sales of approximately HK\$640 million.

All residential units in Metropolitan Oasis have been sold in prior years, whereas the remaining car parking spaces were left in inventory for continuing sale.

Enterprise Square, of which Hon Kwok Group owns a 20% interest, reported revenue of HK\$120 million (2024: HK\$102 million). Net loss attributable to Hon Kwok Group in respect of its 20% interest in Enterprise Square amounted to HK\$2.3 million (2024: net profit of HK\$29.3 million), which included the fair value losses of the investment properties of HK\$10.7 million (2024: HK\$4 million).

(ii) Property Development – Hong Kong

Hon Kwok Group holds 50% interest in a development project at South Bay Road, Repulse Bay. This project is being developed into luxury residences with panoramic sea view. Construction works are progressing well according to development schedule.

(2) Property Investment

During the six months ended 30 September 2025, rental income from the Group's investment properties slipped by 3.3% only to HK\$238.0 million (2024: HK\$246.0 million), with operating loss of HK\$232.2 million (2024: operating profit of HK\$78.8 million) booked, which is attributable to the changes in fair market valuations of losses HK\$370 million (2024: HK\$65.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

1. Property *(Continued)*

(2) Property Investment *(Continued)*

(i) Property Investment – Mainland China

Our Group's Mainland China portfolio of investment properties consists of eight key projects with an aggregate gross floor area of approximately 494,000 square meters. These include (i) Hon Kwok City Commercial Centre, a commercial/office building at the Fu Tian District of Shenzhen, (ii) City Square/The Bauhinia Hotel (Shenzhen), a commercial podium comprising shops and hotel rooms at the Luo Hu District of Shenzhen, (iii) City Suites, serviced apartment units atop of City Square, (iv) Ganghui Dasha, a commercial/office building at Beijing Road of the Yue Xiu District of Guangzhou, (v) Hon Kwok Building and Tung Hing Fong, an office building and the commercial podium adjacent to Ganghui Dasha, (vi) Chongqing Hon Kwok Centre, a twin-tower office building at the Bei Bu Xin Qu of Chongqing, (vii) Chongqing Jinshan Shangye Zhongxin, an office tower and a hotel/office tower adjacent to Chongqing Hon Kwok Centre; and (viii) HF608, a four-storey premises in Jing'an, Shanghai.

The newly completed "Hon Kwok Building" and the commercial podium "Tung Hing Fong" at Beijing Road exhibited satisfactory occupancy since they were launched for leasing in 2025, achieving occupancy rates of 21% and 53%, respectively.

The portfolio achieved an average occupancy rate of 68% for the period under review (2024: 72%) due to newly completed properties included during the year.

(ii) Property Investment – Hong Kong

Our Hong Kong portfolio covers office, hotel and data centre properties, with an aggregate gross floor area of approximately 497,000 square feet: (i) Hon Kwok Jordan Centre, a commercial/office building at Hillwood Road, Tsim Sha Tsui; (ii) The Bauhinia Hotel (Central), a hotel cum serviced apartment property at Connaught Road Central; (iii) The Bauhinia Hotel (TST), a hotel property at Observatory Court, Tsim Sha Tsui, (iv) Digital Realty Kin Chuen (HKG11), the data centre at Kin Chuen Street, Kwai Chung; and (v) Hilder Centre (whole floor of 8/F), a commercial building at Hunghom.

The property portfolio achieved an average occupancy of 98% for the period under review (2024: 95%).

The revamp project of The Bauhinia Hotel (Central) has been completed and this hotel/serviced apartment is scheduled to reopen officially in January 2026. The building has been rebranded with stylish and luxury lifestyle together with green and sustainability features.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

1. Property *(Continued)*

(2) Property Investment *(Continued)*

(iii) Property Investment – Japan

The Group's portfolio of Japan hotel properties located in Tokyo, Osaka and Okinawa. Benefited from the booming tourism market in Japan, the property portfolio achieved excellent occupancy rate with growing rental income.

(iv) Property Investment – Valuation

The Group's investment property portfolio is measured on a fair value basis, marked at HK\$15,205 million as at 30 September 2025 (as at 31 March 2025: HK\$15,391 million), including the Mainland China portfolio of HK\$9,608 million, Hong Kong portfolio of HK\$4,951 million and Japan portfolio of HK\$646 million. Taking into account the additions to investment properties and the exchange rates differences, the Group recorded a decrease in fair value (net of deferred taxation) of HK\$245.3 million (2024: HK\$68.1 million). The Group's Hong Kong and Mainland property portfolio exhibited revaluation losses, whereas its Japan property portfolio showed revaluation gains.

(3) Property, carpark management and others

The property management and carpark management business contributed revenue of HK\$20.3 million (2024: HK\$24.4 million) and operating loss of HK\$7.2 million (2024: HK\$5.3 million) for the period under review. It is expected to achieve a monthly breakeven by the end of 2025 as a result of market re-positioning and cost control.

2. Construction and Trading

Chinney Alliance Group Limited ("Chinney Alliance") (Stock Code: 385), a 29.1% owned associate recorded turnover of HK\$3,296 million (2024: HK\$3,447 million) and net profit attributable to shareholders of HK\$20.6 million (2024: HK\$21.5 million) for the six months ended 30 June 2025.

Chinney Alliance's foundation piling and ground investigation businesses are conducted by Chinney Kin Wing Holdings Limited ("Chinney Kin Wing") (Stock Code: 1556). Chinney Kin Wing contributed revenue of HK\$1,204 million (2024: HK\$1,102 million) and operating profit of HK\$75.5 million (2024: HK\$65.3 million). Increase in revenue and operating profit was primarily due to satisfactory performance of certain foundation and pile cap works contracts, resulted in improvement in gross profit contribution.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

2. Construction and Trading *(Continued)*

The Building Construction division, engaged in superstructure construction works in Hong Kong and Macau, contributed revenue of HK\$429 million (2024: HK\$302 million) with operating loss of HK\$27.5 million (2024: HK\$1.4 million). The business environment remained difficult under the sluggish property market and keen competition. Nevertheless, it is expected that the long-term prospect remains bright as supported by the steady investment in public transport and industrial infrastructure.

Our Building related contracting services are conducted by Shun Cheong Engineering Group, contributed revenue of HK\$1,363 million (2024: HK\$1,510 million) and operating profit of HK\$22.6 million (2024: loss of HK\$13.6 million). Decrease in revenue was due to completion of certain substantial projects during the period. The turning of operating loss to profit in this period was due to the improved performance in data centre projects, which contributed higher profit margin with shorter contract period.

The Plastic Trading division contributed revenue of HK\$163 million (2024: HK\$246 million) and reported an operating loss of HK\$1.9 million (2024: profit of HK\$4.1 million). The division was hit by the US-China tariff war on imported goods, resulting in drop in revenue and profit contribution. Nevertheless, the division will diversifying its products, including the disinfectants and hygiene products.

The Aviation division, contributed revenue of HK\$138 million (2024: HK\$286 million) with an operating profit of HK\$2.0 million (2024: HK\$18.8 million). Since substantial part of major projects has completed, both revenue and profit contribution dropped. It continues to explore further opportunities across aviation systems, weather radar and airport-related projects.

FINANCIAL REVIEW

Liquidity and financial resources

The total interest-bearing debts of the Group amounted to approximately HK\$7,512 million as at 30 September 2025 (as at 31 March 2025: HK\$7,568 million), of which approximately 15% (as at 31 March 2025: 13%) of the debts were classified as current liabilities. Included therein were debts of HK\$238 million related to project loans which will be refinanced during the forthcoming twelve months. Assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts would be approximately 12%.

Total cash and cash equivalents including time deposits were approximately HK\$903 million as at 30 September 2025 (as at 31 March 2025: HK\$1,106 million). Included in cash and cash equivalents are restricted bank deposits of HK\$169 million (as at 31 March 2025: HK\$252 million) which can only be applied in the designated property development projects prior to their completion of construction. The Group had committed but undrawn banking facilities of a total of approximately HK\$197 million at period end available for its working capital purpose.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Liquidity and financial resources *(Continued)*

Total shareholders' funds as at 30 September 2025 were approximately HK\$7,006 million (as at 31 March 2025: HK\$7,118 million). The decrease was primarily resulting from current period's net loss attributable to the shareholders less the appreciation in value of assets less liabilities denominated in Renminbi.

The gearing ratio of the Group, as measured by the net interest-bearing debts of approximately HK\$6,609 million (as at 31 March 2025: HK\$6,462 million) over the shareholders' funds plus non-controlling interests totalling of approximately HK\$10,697 million (as at 31 March 2025: HK\$10,806 million), was 61.8% as at 30 September 2025 (as at 31 March 2025: 59.8%).

Funding and treasury policies

The Group adopts prudent funding and treasury policies. Surplus funds are primarily maintained in the form of cash deposits with leading banks. The Group manages its funding requirements primarily on a short-to-medium term basis and refinances the maturing borrowings at appropriate time.

Acquisition and development of properties are financed partly by internal resources and partly by bank loans. Repayments of bank loans are scheduled to match asset lives and project completion dates. Bank loans are mainly denominated in Hong Kong dollars and Renminbi and bear interest at floating rates. The Group entered into cross currency interest rate swap agreements with financial institutions for the purpose of hedging interest rate risk of certain bank borrowings. As at 30 September 2025, the notional principal amount of the cross currency interest rate swap contracts was approximately HK\$170 million (as at 31 March 2025: HK\$170 million).

Foreign currency exposure is closely monitored by management and hedged to the extent desirable. As at 30 September 2025, the Group had no material exposure under foreign exchange contracts or any other hedging instruments.

Pledge of assets

Properties with an aggregate carrying value of approximately HK\$15,723 million as at 30 September 2025 and shares in certain subsidiaries were pledged to secure certain banking facilities of the Group.

Employees and remuneration policies

The Group, not including its associates and joint ventures, employed approximately 300 employees as at 30 September 2025 (as at 31 March 2025: approximately 330). There have been no significant changes in the remuneration policies and benefits to the employees of the Group.

Contingent liabilities

Particulars of the Group's contingent liabilities are set out in note 12 to the condensed interim consolidated financial statements.

CONNECTED TRANSACTIONS

On 26 September 2022, Honour Well Development Limited (“Honour Well”), an indirect wholly-owned subsidiary of Hon Kwok and an indirect non wholly-owned subsidiary of the Company, entered into a framework agreement with each of Chinney Construction Company, Limited (“Chinney Construction”) and Shun Cheong Building Services Limited (“Shun Cheong”), both being indirect wholly-owned subsidiaries of Chinney Alliance, pursuant to which, Chinney Construction was appointed by Honour Well as the contractor for the builder’s works at the contract sum of not exceeding HK\$96,300,000 and Shun Cheong was appointed by Honour Well as the contractor for the mechanical and electrical engineering works and façade works at the contract sum of not exceeding HK\$141,000,000 relating to the revamp project of the building located at 119-121 Connaught Road Central, Sheung Wan, Hong Kong. The related transactions constituted connected transactions for each of the Company, Hon Kwok and Chinney Alliance under the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The transactions were approved by the independent shareholders of the Company, Hon Kwok and Chinney Alliance at the respective general meetings held by each of the companies on 28 November 2022.

Details of the transactions were set out in the joint announcement of the Company, Hon Kwok and Chinney Alliance dated 26 September 2022 and the Company’s circular dated 8 November 2022. During the six months ended 30 September 2025, HK\$3,202,000 was paid to Shun Cheong and HK\$400,000 was paid to Chinney Construction, respectively in respect of the transactions.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended	
		30 September	
		2025	2024
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	3	447,032	322,921
Cost of sales		<u>(191,132)</u>	<u>(128,584)</u>
Gross profit		255,900	194,337
Other income and gains, net	3	22,745	33,269
Fair value losses on investment properties, net		(370,010)	(65,674)
Administrative and other operating expenses		(55,227)	(53,065)
Finance costs	4	(130,781)	(173,167)
Share of profits of associates, net		3,725	35,540
Share of loss of a joint venture		<u>(497)</u>	<u>(1,245)</u>
Loss before tax	5	(274,145)	(30,005)
Income tax expense	6	<u>(4,044)</u>	<u>(19,105)</u>
Loss for the period		<u>(278,189)</u>	<u>(49,110)</u>
Attributable to:			
Owners of the Company		(229,969)	(69,268)
Non-controlling interests		<u>(48,220)</u>	<u>20,158</u>
		<u>(278,189)</u>	<u>(49,110)</u>
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted	7	<u>HK\$(0.417)</u>	<u>HK\$(0.126)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(278,189)	(49,110)
Other comprehensive income/(loss)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income of associates	5,916	18,281
Exchange differences on translation of foreign operations	168,682	485,694
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	174,598	503,975
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(463)	–
Other comprehensive income for the period, net of tax	174,135	503,975
Total comprehensive income/(loss) for the period	(104,054)	454,865
Attributable to:		
Owners of the Company	(111,731)	240,827
Non-controlling interests	7,677	214,038
	(104,054)	454,865

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At	At
	30 September	31 March
	2025	2025
	(Unaudited)	(Audited)
<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	243,854	232,252
Goodwill	36,369	36,369
Investment properties	15,205,438	15,391,331
Investments in joint ventures	390,770	391,267
Investments in associates	1,293,333	1,286,662
Financial assets at fair value through other comprehensive income	55,969	46,978
Financial assets at fair value through profit or loss	540	7,864
	17,226,273	17,392,723
CURRENT ASSETS		
Tax recoverable	35,106	35,614
Properties held for sale under development and completed properties held for sale	1,089,971	1,074,838
Trade receivables	9 38,338	24,308
Contract costs	18,447	18,401
Financial assets at fair value through profit or loss	8,862	9,138
Amount due from a joint venture	81,166	56,616
Prepayments, deposits and other receivables	449,203	391,787
Cash and cash equivalents	903,089	1,105,641
	2,624,182	2,716,343
CURRENT LIABILITIES		
Trade payables, other payables, accrued liabilities and others	10 166,459	248,752
Derivative financial instruments	4,698	1,435
Interest-bearing bank and other borrowings	1,106,355	738,157
Loan from a related company	–	250,000
Lease liabilities	20,634	16,933
Contract liabilities	56,052	42,395
Customer deposits	80,352	74,932
Tax payable	99,264	81,589
	1,533,814	1,454,193
NET CURRENT ASSETS	1,090,368	1,262,150
TOTAL ASSETS LESS CURRENT LIABILITIES	18,316,641	18,654,873

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

		At 30 September 2025 (Unaudited) HK\$'000	At 31 March 2025 (Audited) HK\$'000
	<i>Note</i>		
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		6,111,691	6,551,148
Loan from a related company		250,000	–
Lease liabilities		23,716	11,483
Deferred tax liabilities		1,234,533	1,286,623
		7,619,940	7,849,254
Total non-current liabilities		7,619,940	7,849,254
Net assets		10,696,701	10,805,619
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	405,411	405,411
Reserves		6,600,380	6,712,111
		7,005,791	7,117,522
Non-controlling interests		3,690,910	3,688,097
		3,690,910	3,688,097
Total equity		10,696,701	10,805,619

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital (Unaudited) HK\$'000	Other reserve (Unaudited) HK\$'000	Asset revaluation reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Fair value reserve of financial asset at fair value through other comprehensive income (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
At 1 April 2024	405,411	440,250	91,165	(489,948)	–	7,091,949	7,538,827	3,802,718	11,341,545
Profit/(loss) for the period	–	–	–	–	–	(69,268)	(69,268)	20,158	(49,110)
Other comprehensive income/(loss) for the period:									
Exchange differences on translation of foreign operations	–	–	–	310,095	–	–	310,095	193,880	503,975
Total comprehensive income/(loss) for the period	–	–	–	310,095	–	(69,268)	240,827	214,038	454,865
Investment in a subsidiary	–	–	–	–	–	–	–	4,502	4,502
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	–	(14,370)	(14,370)
Final dividend in respect of previous financial year	–	–	–	–	–	(13,784)	(13,784)	–	(13,784)
At 30 September 2024	<u>405,411</u>	<u>440,250</u>	<u>91,165</u>	<u>(179,853)</u>	<u>–</u>	<u>7,008,897</u>	<u>7,765,870</u>	<u>4,006,888</u>	<u>11,772,758</u>
At 1 April 2025	405,411	440,250	91,165	(314,921)	(19,368)	6,514,985	7,117,522	3,688,097	10,805,619
Loss for the period	–	–	–	–	–	(229,969)	(229,969)	(48,220)	(278,189)
Other comprehensive income/(loss) for the period:									
Exchange differences on translation of foreign operations	–	–	–	118,701	–	–	118,701	55,897	174,598
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	–	–	–	–	(463)	–	(463)	–	(463)
Total comprehensive income/(loss) for the period	–	–	–	118,701	(463)	(229,969)	(111,731)	7,677	(104,054)
Investment in a subsidiary	–	–	–	–	–	–	–	2,034	2,034
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	–	(6,898)	(6,898)
At 30 September 2025	<u>405,411</u>	<u>440,250</u>	<u>91,165</u>	<u>(196,220)</u>	<u>(19,831)</u>	<u>6,285,016</u>	<u>7,005,791</u>	<u>3,690,910</u>	<u>10,696,701</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended	
		30 September	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(274,145)	(30,005)
Adjustments for:			
Finance costs	4	130,781	173,167
Share of profits of associates, net		(3,725)	(35,540)
Share of loss of a joint venture		497	1,245
Interest income	3	(3,476)	(7,800)
Depreciation of property, plant and equipments	5	3,507	3,198
Depreciation of right-of-use assets	5	18,721	20,705
Fair value losses on derivative financial instruments	5	3,263	–
Fair value losses on investment properties, net		370,010	65,674
Fair value (gain)/loss on a financial asset at fair value through profit or loss	5	276	(391)
		245,709	190,253
Increase in properties held for sale under development and completed properties held for sale		(11,644)	(84,685)
(Increase)/decrease in trade receivables, prepayments, deposits and other receivables		(69,148)	136,364
(Increase)/decrease in contract costs		154	(3,343)
Increase/(decrease) in trade payables, other payables, accrued liabilities and others		(98,702)	15,333
Increase in contract liabilities		13,324	82,339
Increase/(decrease) in customer deposits		4,629	(4,172)
Cash generated from operations		84,322	332,089
Interest paid		(1,537)	(1,663)
Overseas taxes paid		(30,929)	(30,858)
Hong Kong tax paid		–	(260)
Net cash flows from operating activities		51,856	299,308

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash flows from operating activities	<u>51,856</u>	<u>299,308</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,476	7,800
Purchases of items of property, plant and equipment	(1,057)	(2,973)
Proceeds from disposal of financial assets designated at fair value through profit or loss	7,864	–
Purchase of financial assets designated at fair value through profit or loss	(540)	–
Additions to investment properties	(23,180)	(94,122)
Dividends received from an associate	–	4,327
(Increase)/decrease in non-pledged time deposits with original maturity of more than three months when acquired	(915)	23,943
Advance of loans to a joint venture	(24,550)	(9,875)
Net cash flows used in investing activities	<u>(38,902)</u>	<u>(70,900)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	254,324	153,633
Repayment of bank loans	(349,459)	(213,531)
Interest paid	(153,860)	(214,687)
Principal portion of lease payments	(14,959)	(18,136)
Capital contribution from minority shareholder	2,034	4,501
Net cash flows used in financing activities	<u>(261,920)</u>	<u>(288,220)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(248,966)	(59,812)
Cash and cash equivalents at beginning of period	1,103,769	1,296,029
Effect of foreign exchange rates changes, net	45,499	64,427
CASH AND CASH EQUIVALENTS AT END OF PERIOD	900,302	1,300,644
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	849,983	1,152,066
Non-pledged time deposits	53,106	148,578
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	903,089	1,300,644
Non-pledged time deposits with original maturity of more than three months when acquired	(2,787)	—
Cash and cash equivalents as stated in the statement of cash flows	900,302	1,300,644

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Basis of preparation

The unaudited condensed interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure requirements of Appendix D2 to the Listing Rules.

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

The financial information relating to the year ended 31 March 2025 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 September 2025 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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

Changes in accounting policies and disclosures

The unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. The accounting policies adopted in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2025, except as described below. The Group has applied, for the first time, the following amended HKFRS Accounting Standard issued by the HKICPA for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the amended HKFRS Accounting Standard does not have material impact on the Group’s unaudited condensed interim consolidated financial statements.

2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in property development, property investment and property related activities. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Operating segments are reported in a manner consistent with the internal reporting provided to key management personnel.

(a) Business segments

	Six months ended 30 September 2025 (Unaudited)			
	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
Segment revenue:				
Sales to external customers	<u>188,689</u>	<u>238,079</u>	<u>20,264</u>	<u>447,032</u>
Segment results	<u>94,840</u>	<u>(232,205)</u>	<u>(7,236)</u>	<u>(144,601)</u>
<i>Reconciliation:</i>				
Interest income				3,476
Corporate and other unallocated expenses				(3,465)
Fair value losses on derivative financial instruments				(3,263)
Fair value loss on a financial asset at fair value through profit or loss				(276)
Finance costs (other than interest on lease liabilities)				(129,244)
Share of profits of associates, net				3,725
Share of loss of a joint venture				(497)
Loss before tax				<u>(274,145)</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Business segments *(Continued)*

	Six months ended 30 September 2024 (Unaudited)			
	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property, carpark management and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Sales to external customers	52,643	245,925	24,353	322,921
Segment results	31,903	78,777	(5,334)	105,346
<i>Reconciliation:</i>				
Interest income				7,800
Corporate and other unallocated expenses				(6,333)
Fair value gain on a financial asset at fair value through profit or loss				391
Finance costs (other than interest on lease liabilities)				(171,504)
Share of profits of associates, net				35,540
Share of loss of a joint venture				(1,245)
Loss before tax				(30,005)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Business segments *(Continued)*

	At 30 September 2025 (Unaudited)			
	Property development	Property investment	Property, carpark management and others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	1,721,527	15,870,296	3,320,861	20,912,684
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(3,798,265)
Investments in joint ventures				390,770
Investments in associates				1,293,333
Financial assets at fair value through profit or loss				9,402
Financial assets at fair value through other comprehensive income				55,969
Corporate and other unallocated assets				986,562
Total assets				<u>19,850,455</u>
Segment liabilities	1,236,690	2,386,298	524,926	4,147,914
<i>Reconciliation:</i>				
Elimination of intersegment payables				(3,798,265)
Corporate and other unallocated liabilities				8,804,105
Total liabilities				<u>9,153,754</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Business segments *(Continued)*

	At 31 March 2025 (Audited)			
	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property, carpark management and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	1,661,920	16,034,514	3,115,323	20,811,757
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(3,585,855)
Investments in joint ventures				391,267
Investments in associates				1,286,662
Financial assets at fair value through profit or loss				17,002
Financial assets at fair value through other comprehensive income				46,978
Corporate and other unallocated assets				<u>1,141,255</u>
Total assets				<u><u>20,109,066</u></u>
Segment liabilities	1,264,407	2,333,248	391,880	3,989,535
<i>Reconciliation:</i>				
Elimination of intersegment payables				(3,585,855)
Corporate and other unallocated liabilities				<u>8,899,767</u>
Total liabilities				<u><u>9,303,447</u></u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. OPERATING SEGMENT INFORMATION *(Continued)*

(b) Geographical segments – Revenue

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Hong Kong	91,713	92,683
Mainland China	340,729	226,192
Japan	14,590	4,046
	447,032	322,921

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. REVENUE, OTHER INCOME AND GAINS

Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	Six months ended 30 September 2025 (Unaudited)			
	Property development HK\$'000	Property investment HK\$'000	Property, carpark management and others HK\$'000	Total HK\$'000
Segment				
Type of goods or services				
Sales of properties	188,689	–	–	188,689
Property management income	–	22,163	3,898	26,061
Total revenue from contracts with customers	188,689	22,163	3,898	214,750
Revenue from other sources				
Gross rental income	–	215,916	16,366	232,282
Total revenue from other sources	–	215,916	16,366	232,282
Revenue disclosed in the segment information	<u>188,689</u>	<u>238,079</u>	<u>20,264</u>	<u>447,032</u>
Timing of revenue recognition				
Goods transferred at a point in time	188,689	–	–	188,689
Services transferred over time	–	22,163	3,898	26,061
Total revenue from contracts with customers	<u>188,689</u>	<u>22,163</u>	<u>3,898</u>	<u>214,750</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Disaggregation of revenue *(Continued)*

	Six months ended 30 September 2024 (Unaudited)			
	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property, carpark management and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment				
Type of goods or services				
Sales of properties	52,643	–	–	52,643
Property management income	–	20,066	1,262	21,328
Total revenue from contracts with customers	<u>52,643</u>	<u>20,066</u>	<u>1,262</u>	<u>73,971</u>
Revenue from other sources				
Gross rental income	–	225,859	23,091	248,950
Total revenue from other sources	<u>–</u>	<u>225,859</u>	<u>23,091</u>	<u>248,950</u>
Revenue disclosed in the segment information	<u>52,643</u>	<u>245,925</u>	<u>24,353</u>	<u>322,921</u>
Timing of revenue recognition				
Goods transferred at a point in time	52,643	–	–	52,643
Services transferred over time	–	20,066	1,262	21,328
Total revenue from contracts with customers	<u>52,643</u>	<u>20,066</u>	<u>1,262</u>	<u>73,971</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Other income and gains, net

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Bank interest income	3,476	7,800
Others	<u>19,269</u>	<u>25,469</u>
	<u>22,745</u>	<u>33,269</u>

4. FINANCE COSTS

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank and other loans	153,860	225,687
Interest on lease liabilities	1,537	1,663
Less: Interest capitalised under properties under development and investment properties	<u>(24,616)</u>	<u>(54,183)</u>
	<u>130,781</u>	<u>173,167</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. LOSS BEFORE TAX

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

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipments	3,507	3,198
Depreciation of right-of-use assets*	18,721	20,705
Fair value losses on derivative financial instruments	3,263	–
Fair value loss/(gain) on a financial asset at fair value through profit or loss	276	(391)
Employee benefit expenses (including directors' remuneration)	39,519	41,062
Less: Amounts capitalised under investment properties under development	<u>(14,500)</u>	<u>(18,800)</u>
	<u>25,019</u>	<u>22,262</u>

* Included in the amount are the depreciation of leased car parks of HK\$10,745,000 (2024: HK\$14,421,000) which are included in "Cost of sales" in the condensed consolidated statement of profit or loss.

6. INCOME TAX

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong	–	–
Elsewhere	29,275	18,293
Land appreciation tax in Mainland China	28,261	–
	57,536	18,293
Deferred tax	<u>(53,492)</u>	<u>812</u>
Total tax charge for the period	<u>4,044</u>	<u>19,105</u>

6. INCOME TAX *(Continued)*

No Hong Kong profits tax has been provided as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Land appreciation tax has been calculated in conformity with the prevailing rules and practices on the Group's completed projects in Mainland China at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company of HK\$229,969,000 (2024: HK\$69,268,000) and the weighted average number of 551,368,153 ordinary shares in issue during both periods.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 September 2025 and 2024 in respect of a dilution as the Group has no potential dilutive ordinary shares in issue during both periods.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (2024: Nil).

The Board did not recommend the payment of a final dividend for the year ended 31 March 2025.

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice/contract date, is as follows:

	At 30 September 2025 (Unaudited) HK\$'000	At 31 March 2025 (Audited) HK\$'000
Within 30 days	25,163	14,610
31 to 60 days	2,209	402
61 to 90 days	433	430
Over 90 days	10,533	8,866
Total	38,338	24,308

Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of the sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Overdue trade debts are closely monitored by management and are provided for in full in case of non-recoverability. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate to their fair values.

10. TRADE PAYABLES, OTHER PAYABLES, ACCRUED LIABILITIES AND OTHERS

Included in the trade payables, other payables, accrued liabilities and others are trade payables of HK\$8,565,000 (as at 31 March 2025: HK\$16,623,000). An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 September 2025 (Unaudited) HK\$'000	At 31 March 2025 (Audited) HK\$'000
Within 30 days	8,565	16,623

11. SHARE CAPITAL

There were no movements in the issued and fully paid share capital of the Company in the current interim period.

12. CONTINGENT LIABILITIES

- (a) As at 30 September 2025, the Group has given a guarantee of HK\$487,500,000 (as at 31 March 2025 (audited): HK\$487,500,000) to a bank in connection with a facility granted to a joint venture and such banking facility guaranteed by the Group to the joint venture was utilised to the extent of HK\$255,300,000 (as at 31 March 2025 (audited): HK\$237,500,000).
- (b) As at 30 September 2025, the Group has given guarantees of HK\$21,930,000 (as at 31 March 2025 (audited): HK\$178,200,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property ownership certificates to the purchasers.

13. OPERATING LEASE ARRANGEMENTS

As lessor

The Group leases certain of its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 30 September 2025, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	At 30 September 2025 (Unaudited) HK\$'000	At 31 March 2025 (Audited) HK\$'000
Within one year	356,717	306,024
After one year but within two years	300,507	254,717
After two years but within three years	250,333	217,883
After three years but within four years	210,087	196,563
After four years but within five years	181,028	177,254
After five years	814,343	797,307
	<u>2,113,015</u>	<u>1,949,748</u>

14. COMMITMENTS

At 30 September 2025, the Group had authorised and contracted commitments in respect of property development expenditure amounting to HK\$205,250,000 (as at 31 March 2025 (audited): HK\$248,279,000).

15. RELATED PARTY TRANSACTIONS

(a) Connected Transactions

During the six months ended 30 September 2025, Hon Kwok Group paid builder's works, mechanical and electrical engineering works and façade works relating to the revamp project of the building located in Sheung Wan, Hong Kong to Chinney Construction and Shun Cheong, both are indirect wholly-owned subsidiaries of Chinney Alliance, amounted to HK\$400,000 and HK\$3,202,000 respectively. The above transactions were negotiated between the concerned parties by reference to the prevailing market rate. The transactions constituted connected transactions of the Company and were approved by the independent shareholders of the Company at an extraordinary general meeting held on 28 November 2022.

(b) Loan from a related company

The loan from a related company represented advance from Chinney Kin Wing, a subsidiary of the Company's associate, Chinney Alliance pursuant to a loan agreement dated 25 July 2024. The loan is unsecured, interest-bearing at 6% per annum and repayable within 12 months from the date of drawdown with an option for extension for further 12 months subject to the approval of Chinney Kin Wing. Pursuant to the notice to request for extension dated 5 September 2025, Chinney Kin Wing has granted approval to extend the term of loan facility for twelve months to 7 October 2026. The relevant interest expense of HK\$7,521,000 (2024: Nil) was recognised during the period. Details of the transactions were set out in the voluntary announcement of the Company dated 25 July 2024.

(c) Compensation of key management personnel of the Group

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	16,015	9,986

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Financial liabilities				
Interest-bearing bank and other borrowings	7,218,046	7,289,305	7,218,046	7,289,305

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayments, deposits and other receivables and amount due from a joint venture, financial liabilities included in trade payables, other payables, accrued liabilities, contract liabilities, customer deposits, the current portion of interest-bearing bank and other borrowings, and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 September 2025 was assessed to be insignificant.

The Group did not have any financial liabilities measured at fair value as at 30 September 2025 and 31 March 2025. As at 30 September 2025, the Group's financial liabilities not measured at fair value but for which fair values were disclosed included interest-bearing bank and other borrowings (non-current portion) of HK\$6,111,691,000 (as at 31 March 2025 (audited): HK\$6,551,148,000) and lease liabilities (non-current portion) of HK\$23,716,000 (as at 31 March 2025 (audited): HK\$11,483,000). The fair values of these financial liabilities disclosed were measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are unobservable (Level 3).

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities of the Group.

17. EVENT AFTER REPORTING PERIOD

On 28 October 2025, HKL Holdings (BVI) Limited (“HKL Holdings (BVI)”, a direct wholly-owned subsidiary of Hon Kwok) entered into the Provisional Sale and Purchase Agreement with an independent third party to dispose of its interests in the hotel property located at Knutsford Place, Hong Kong via sale of share together with assignment of shareholder’s loans in Oseling Investments Limited, a direct wholly-owned subsidiary of HKL Holdings (BVI), and its subsidiaries (altogether the “Target Group”) at a cash consideration based on agreed property value of HK\$338,000,000 plus net asset value of the Target Group. The loss on disposal, estimated to be HK\$9,500,000, will be recognised in the Group upon completion of the transaction.

18. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These condensed interim consolidated financial statements were approved and authorised for issue by the board of directors on 25 November 2025.

OTHER INFORMATION

CORPORATE GOVERNANCE

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for directors’ securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 September 2025.

Compliance with the Corporate Governance Code

In the Board’s opinion, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules for the six months ended 30 September 2025, except for the following deviations:

1. CG Code provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Article 109(A) of the articles of association of the Company require that at each annual general meeting of the Company, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that no director holding office as an executive chairman and/or a managing director of the Company shall be subject to retirement by rotation or taken into account in determining the number of directors to retire. The Board will ensure the retirement of each director, other than the one who holds the office as executive chairman and/or managing director, by rotation at least once every three years in order to comply with the CG Code provisions.

The Chairman and the Managing Director will not be subject to retirement by rotation; which deviates from CG Code provision B.2.2 as the Board considers that the continuity of office of the Chairman and the Managing Director provide the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

2. CG Code provision E.1.2 stipulates that the remuneration committee should review and approve the management’s remuneration proposals with reference to the board’s corporate goals and objectives.

The remuneration of the Company’s management is currently attended by the executive directors of the Company. The management report to the executive directors who therefore have a clear understanding of the management’s performance, enabling a more objective review of the management remuneration. In the Board’s opinion, it is more appropriate for the executive directors, instead of the Remuneration Committee, to perform these responsibilities.

CORPORATE GOVERNANCE *(Continued)*

Audit Committee

The Company has established an Audit Committee comprising Mr. Winfred Wai-Lap Fan, Mr. Richard Chi-Ho Lo and Mr. Randall Todd Turney.

Regular meetings have been held by the Audit Committee of the Company since its establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 September 2025 have not been audited, but have been reviewed by the Audit Committee.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2025, none of the directors of the Company had any interests or short positions 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 (Chapter 571 of Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2025, so far as is known to the directors of the Company, the following substantial shareholders and other persons had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued shares
Dr. James Sai-Wing Wong ("Dr. Wong")	1, 2 & 3	Through controlled corporations	341,439,324	61.93
	1 & 3	Directly beneficially owned	480,000	0.09
Lucky Year Finance Limited	1 & 2	Through controlled corporation	341,439,324	61.93
Chinney Holdings Limited	1 & 2	Directly beneficially owned	341,439,324	61.93

Notes:

1. All the interests stated above represent long positions.
2. Dr. Wong, Lucky Year Finance Limited and Chinney Holdings Limited are deemed to be interested in the same parcel of 341,439,324 shares by virtue of Section 316 of the SFO.
3. Dr. Wong passed away on 16 February 2025.

Save as disclosed herein, as at 30 September 2025, none of the substantial shareholders or other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2025.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

- (a) In February 2023, Hon Kwok Treasury Limited, a wholly-owned subsidiary of Hon Kwok, as borrower, entered into a facility agreement relating to term and revolving loan facilities of HK\$737 million, which may be increased to HK\$1,500 million subject to the terms and conditions as stipulated therein with a syndicate of financial institutions, as lenders. The loan facilities have a term of 48 months commencing from the date of the facility agreement and to be used for (i) refinancing the existing syndicated loan; (ii) financing the costs and expenses in relation to the loan facilities; and (iii) financing or refinancing the general working capital requirements of Hon Kwok Group.

Pursuant to the facility agreement, it shall be an event of default if (i) the Company ceases to be the major beneficial shareholder of Hon Kwok as a result of the Company ceasing to hold no less than 30% effective shareholding of Hon Kwok or does not or ceases to maintain management control of Hon Kwok; or (ii) Dr. Wong, the controlling shareholder of both Hon Kwok and the Company, or his family members collectively, do not or cease to hold the major beneficial ultimate shareholding interest in the Company.

If an event of default under the facility agreement occurs, the agent acting for the lenders may, and shall if so requested by a majority of the lenders, terminate the loan facilities and/or declare all outstanding amounts together with all interest accrued under the loan facilities to be immediately due and payable.

OTHER INFORMATION *(Continued)*

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES *(Continued)*

- (b) In September 2023, Gold Famous Development Limited (“Gold Famous”), a wholly-owned subsidiary of Hon Kwok, as borrower, entered into a facility agreement relating to term loan facilities of HK\$1,525 million with a syndicate of financial institutions, as lenders. The loan facilities will be used for (i) refinancing the existing facilities of Gold Famous; and (ii) financing the general corporate requirements of Hon Kwok Group. The loan facilities have a term of 48 months after the date of its first utilisation.

Pursuant to the facility agreement, it shall be an event of default if (i) the Company (1) ceases to be the single largest beneficial shareholder of Hon Kwok; or (2) does not or ceases to hold not less than 30% effective shareholding interests of Hon Kwok; or (3) does not or ceases to maintain management control of Hon Kwok; or (ii) Dr. Wong, the controlling shareholder of both Hon Kwok and the Company, or his family members collectively, do not or cease to hold the major beneficial ultimate shareholding interests in the Company.

If an event of default under the facility agreement occurs, the agent acting for the lenders may, and shall if so directed by a majority of the lenders, terminate the loan facilities and/or declare all outstanding amounts together with all interest accrued under the loan facilities to be immediately due and payable.

- (c) In September 2024, Chinney Treasury Limited, a wholly-owned subsidiary of the Company, as borrower, entered into a facility agreement relating to HK\$537,500,000 term loan facilities with a syndicate of banks, as lenders. The loan facilities have a term of 48 months commencing from the date of the facility agreement and will be used for refinancing the existing loan facilities.

Pursuant to the facility agreement, it shall be an event of default if Dr. Wong, the controlling shareholder of the Company, and/or his family members collectively, (a) cease(s) to maintain management control over the Company or (b) cease(s) to remain as the major beneficial ultimate shareholder(s) of the Company.

If an event of default under the facility agreement occurs, the agent acting for the lenders may, and shall if so directed by a majority of the lenders, by notice to Chinney Treasury Limited, cancel all or any part of the commitment(s); and/or declare all or part of the loan(s), together with accrued interest, and all other amounts accrued or outstanding under the loan facilities be immediately due and payable; and/or declare all or part of the loan(s) be payable on demand.

DISCLOSURE OF DIRECTORS’ INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of director(s) of the Company since the Company’s last published annual report is as follows:

Dr. Emily Yen Wong, the non-executive director of the Company, has been appointed as a non-executive director of Chinney Alliance, with effect from 14 August 2025.