



CAPITAL ESTATE LIMITED
冠中地產有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 193

Interim Report
2025/2026



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Sio Lai Na (*Chairman*)
Chu Nin Yiu, Stephen (*Chief Executive Officer*)

Non-Executive Director

Sio Lai Nga

Independent Non-Executive Directors

Hung Ka Hai, Clement
Yeung Wai Hung, Peter
Wong Kwong Fat

COMPANY SECRETARY

Cham Wing Yeung, Andrew

AUTHORISED REPRESENTATIVES

Chu Nin Yiu, Stephen
Cham Wing Yeung, Andrew

AUDIT COMMITTEE

Hung Ka Hai, Clement (*Chairman*)
Yeung Wai Hung, Peter
Wong Kwong Fat

REMUNERATION COMMITTEE

Yeung Wai Hung, Peter (*Chairman*)
Hung Ka Hai, Clement
Wong Kwong Fat
Chu Nin Yiu, Stephen

NOMINATION COMMITTEE

Wong Kwong Fat (*Chairman*)
Hung Ka Hai, Clement
Yeung Wai Hung, Peter
Sio Lai Na
Chu Nin Yiu, Stephen

LEGAL ADVISER

CFN Lawyers LLP

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKER

Industrial and Commercial Bank of
China (Asia) Limited
The Hongkong and Shanghai Banking
Corporation Limited

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Rooms 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

REGISTERED OFFICE

Room 1211-1220
12/F, Sun Hung Kai Centre
30 Harbour Road
Wan Chai
Hong Kong

STOCK CODE

193

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 JANUARY 2026

	NOTES	Six months ended	
		31.1.2026 HK\$'000 (unaudited)	31.1.2025 HK\$'000 (unaudited)
Revenue			
Contracts with customers	3	8,434	16,533
Interest under effective interest method	3	13,287	14,930
Cost of sales		(524)	(5,243)
Direct operating costs		(2,174)	(2,177)
Gross profit		19,023	24,043
Other income		5,379	6,973
Other gain and loss	4	11,347	(5,067)
Impairment losses under expected credit loss ("ECL") model, net		(6,985)	(3,682)
Marketing expenses		(2,013)	(1,533)
Administrative expenses		(21,533)	(25,511)
Other hotel operating expenses		(7,234)	(7,166)
Share of profit of an associate		1,639	3,765
Finance costs		(153)	(328)
Loss before taxation		(530)	(8,506)
Income tax credit (expense)	5	360	(730)
Loss for the period	6	(170)	(9,236)
Other comprehensive income (expense):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		7,629	(1,783)
Total comprehensive income (expense) for the period		7,459	(11,019)
Profit (loss) for the period attributable to:			
Owners of the Company		1,505	(7,986)
Non-controlling interests		(1,675)	(1,250)
		(170)	(9,236)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		7,232	(9,334)
Non-controlling interests		227	(1,685)
		7,459	(11,019)
Earnings (loss) per share			
Basic – HK cents	7	0.65	(4.11)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 JANUARY 2026

	NOTES	31.1.2026 HK\$'000 (unaudited)	31.7.2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	210,510	210,592
Right-of-use assets	8	27,453	28,642
Interest in an associate		171,762	170,123
Deposit and prepayment for a life insurance policy		11,513	11,521
Receivables from customers of consumer finance service	9	16,313	12,102
		437,551	432,980
Current assets			
Properties held for sale		23,575	23,381
Inventories		574	608
Trade and other receivables	10	9,263	10,087
Receivables from customers of consumer finance service	9	47,709	46,714
Amount due from an associate	17(b)	7,748	7,511
Prepaid income tax		6,230	5,988
Financial assets at fair value through profit or loss ("FVTPL")	11	192,842	256,724
Derivative financial instruments	12	1,257	766
Pledged bank deposit	16	656	655
Bank balances and cash		95,417	47,117
		385,271	399,551
Current liabilities			
Trade and other payables	13	11,336	13,281
Contract liabilities		254	246
Derivative financial instruments	12	10,442	22,021
Lease liabilities		2,425	2,439
Amounts due to related parties	17(b)	1,034	1,034
Tax payable		6,203	5,846
Bank overdrafts		–	2,829
		31,694	47,696
Net current assets		353,577	351,855
Total assets less current liabilities		791,128	784,835
Non-current liabilities			
Deferred tax liability		17,990	17,975
Lease liabilities		2,249	3,430
		20,239	21,405
Net assets		770,889	763,430
Capital and reserves			
Share capital	14	1,528,492	1,528,492
Reserves		(700,206)	(707,438)
Equity attributable to owners of the Company		828,286	821,054
Non-controlling interests		(57,397)	(57,624)
Total equity		770,889	763,430

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 JANUARY 2026

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Capital reserve	Share option reserve	Capital reduction reserve	Translation reserve	Revaluation reserve	FVTOCI reserve	Accumulated losses	Sub-total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 August 2024 (audited)	1,518,519	157	23,542	170,583	(16,290)	51,510	(73,778)	(851,195)	823,048	(56,611)	766,437	
Loss for the period	-	-	-	-	-	-	-	(7,986)	(7,986)	(1,250)	(9,236)	
Other comprehensive expense for the period	-	-	-	-	(1,348)	-	-	-	(1,348)	(435)	(1,783)	
Total comprehensive expense for the period	-	-	-	-	(1,348)	-	-	(7,986)	(9,334)	(1,685)	(11,019)	
Deregistration of a subsidiary	-	-	-	-	-	-	-	-	-	1,020	1,020	
Balance at 31 January 2025 (unaudited)	1,518,519	157	23,542	170,583	(17,638)	51,510	(73,778)	(859,181)	813,714	(57,276)	756,438	
Balance at 1 August 2025 (audited)	1,528,492	157	23,542	170,583	(14,362)	51,510	(73,778)	(865,090)	821,054	(57,624)	763,430	
Profit (loss) for the period	-	-	-	-	-	-	-	1,505	1,505	(1,675)	(170)	
Other comprehensive income for the period	-	-	-	-	5,727	-	-	-	5,727	1,902	7,629	
Total comprehensive income for the period	-	-	-	-	5,727	-	-	1,505	7,232	227	7,459	
Balance at 31 January 2026 (unaudited)	1,528,492	157	23,542	170,583	(8,635)	51,510	(73,778)	(863,585)	828,286	(57,397)	770,889	

Note: "FVTOCI" represents fair value through other comprehensive income.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 JANUARY 2026

	Six months ended	
	31.1.2026 HK\$'000 (unaudited)	31.1.2025 HK\$'000 (unaudited)
Net cash from (used in) operating activities		
Loss before taxation	(530)	(8,506)
Depreciation of property, plant and equipment	6,622	6,509
Impairment loss under ECL model, net	6,985	3,682
Share of profit of an associate	(1,639)	(3,765)
Decrease in fair value of financial assets at FVTPL	1,617	3,291
(Increase) decrease in fair value of derivative financial instruments	(12,070)	3,072
Decrease in properties held for sale	524	5,243
Decrease (increase) in trade and other receivables	1,076	(83)
Increase in receivables from customers of consumer finance service	(12,191)	(10,586)
Decrease (increase) in financial assets at FVTPL	62,265	(146,889)
Decrease in trade and other payables	(2,238)	(1,732)
Income tax paid	(58)	(1,784)
Other items	1,866	(650)
	52,229	(152,198)
Net cash used in investing activities		
Interest received	244	1,377
Purchase of property, plant and equipment	(247)	(5,954)
	(3)	(4,577)
Net cash (used in) from financing activities		
Interest paid	(158)	(322)
Repayment of lease liabilities	(1,191)	–
Drawdown of bank overdrafts	–	13,531
	(1,349)	13,209
Net increase (decrease) in cash and cash equivalents	50,877	(143,566)
Cash and cash equivalents at beginning of the period	44,288	175,038
Effect of foreign exchange rate changes	252	(64)
Cash and cash equivalents at end of the period, represented by bank balances and cash	95,417	31,408

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 JANUARY 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Capital Estate Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 July 2025 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory consolidated 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 consolidated 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.

The Company’s auditor has reported on those consolidated financial statements for the year ended 31 July 2025. The auditor’s report was qualified and contain a statement under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance. The auditor’s report did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2) of the Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 January 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 July 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 August 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended	
	31.1.2026 HK\$'000	31.1.2025 HK\$'000
Type of goods or service		
Revenue from hotel operations		
– Room rentals	6,350	5,231
– Food and beverage sales	815	796
– Rendering of ancillary services	46	35
Revenue from sale of properties	1,223	10,471
	8,434	16,533
Geographical market		
Mainland China	8,434	16,533
Timing of revenue recognition		
A point in time	2,084	11,302
Overtime	6,350	5,231
	8,434	16,533

Interest under effective interest method

	Six months ended	
	31.1.2026 HK\$'000	31.1.2025 HK\$'000
Interest income from receivables from customers of consumer finance service	13,287	14,930

Segment information

The Group's reportable and operating segments, based on information reported to the chief operating decision maker ("CODM"), representing the executive directors of the Company, for the purpose of allocating resource to segments and assessing their performance 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

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information regarding these segments is reported below.

Segment revenue and results

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

Six months ended 31 January 2026

	Hotel operations HK\$'000	Financial investment HK\$'000	Property HK\$'000	Consumer finance HK\$'000	Total HK\$'000
Gross proceeds	7,211	304,348	1,223	13,287	326,069
Segment revenue	7,211	–	1,223	13,287	21,721
Segment (loss) profit	(7,662)	14,766	603	(2,452)	5,255
Unallocated income					2
Unallocated expenses					(7,273)
Finance costs					(153)
Share of profit of an associate					1,639
Loss before taxation					(530)

Six months ended 31 January 2025

	Hotel operations HK\$'000	Financial investment HK\$'000	Property HK\$'000	Consumer finance HK\$'000	Total HK\$'000
Gross proceeds	6,062	62,788	10,471	14,930	94,251
Segment revenue	6,062	–	10,471	14,930	31,463
Segment (loss) profit	(9,342)	(1,224)	5,074	(99)	(5,591)
Unallocated income					1,166
Unallocated expenses					(7,518)
Finance costs					(328)
Share of profit of an associate					3,765
Loss before taxation					(8,506)

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

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

Other segment information

The following other segment information is included in the measure of segment (loss) profit:

For the six months ended 31 January 2026

	Hotel operations HK\$'000	Financial investment HK\$'000	Property HK\$'000	Consumer finance HK\$'000	Unallocated HK\$'000	Segment total HK\$'000
Depreciation of property, plant and equipment	(6,514)	-	-	(29)	(79)	(6,622)
Depreciation of right-of-use assets	(719)	-	-	(184)	(996)	(1,899)
Bank and other interest income	2	200	-	231	2	435
Interest income from financial assets at FVTPL	-	3,289	-	-	-	3,289

For the six months ended 31 January 2025

	Hotel operations HK\$'000	Financial investment HK\$'000	Property HK\$'000	Consumer finance HK\$'000	Unallocated HK\$'000	Segment total HK\$'000
Depreciation of property, plant and equipment	(6,479)	-	-	(28)	(2)	(6,509)
Depreciation of right-of-use assets	(687)	-	-	-	(61)	(748)
Bank and other interest income	5	138	-	255	1,167	1,565
Interest income from financial assets at FVTPL	-	3,601	-	-	-	3,601

4. OTHER GAIN AND LOSS

	Six months ended	
	31.1.2026 HK\$'000	31.1.2025 HK\$'000
Decrease in fair value of financial assets at FVTPL	(1,617)	(3,291)
Increase (decrease) in fair value of derivative financial instruments	12,070	(3,072)
Dividend income from financial assets at FVTPL	894	1,296
	11,347	(5,067)

5. INCOME TAX CREDIT (EXPENSE)

	Six months ended	
	31.1.2026 HK\$'000	31.1.2025 HK\$'000
Income tax credit (expense) comprises:		
Current tax		
PRC land appreciation tax	(177)	(1,520)
Deferred taxation	537	790
	360	(730)

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

Under the Law of the People's Republic of China ("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 periods.

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 enterprise income tax has been made for both periods as the subsidiary in the PRC did not generate any assessable profit for both periods.

6. LOSS FOR THE PERIOD

	Six months ended	
	31.1.2026 HK\$'000	31.1.2025 HK\$'000
Loss for the period has been arrived at after charging (crediting):		
Depreciation included in:		
– other hotel operating expenses	6,514	6,479
– administrative expenses	108	30
Depreciation of right-of-use assets	1,899	748
Included in other income:		
– Bank and other interest income	(435)	(1,565)
– Interest income from financial assets at FVTPL	(3,289)	(3,601)

7. EARNINGS (LOSS) PER SHARE

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

	Six months ended	
	31.1.2026 HK\$'000	31.1.2025 HK\$'000
Profit (loss) for the period attributable to owners of the Company for the purposes of basic earnings (loss) per share	1,505	(7,986)
	Number of shares	Number of shares
Number of ordinary shares for the purposes of basic earnings (loss) per share	233,202,559	194,337,559

No diluted earnings (loss) per share is presented for both interim periods as there are no dilutive potential ordinary shares during both periods.

8. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the period, the Group acquired property, plant and equipment for a cash consideration of HK\$247,000 (six months ended 31 January 2025: HK\$5,954,000).

During the six months ended 31 January 2025, the Group entered into a new office lease. Right-of-use assets and lease liabilities of HK\$735,000 and HK\$735,000 were recognised at the commencement of the lease respectively. No new lease was entered by the Group during the six months ended 31 January 2026.

9. RECEIVABLES FROM CUSTOMERS OF CONSUMER FINANCE SERVICE

Receivables from customers of consumer finance service represent receivables from the provision of consumer loan to a large number of customers with loan to individual customer ranging from HK\$2,000 to HK\$109,000 (31 July 2025: HK\$2,000 to HK\$300,000). The receivables are unsecured and carry interest at fixed rate ranged from 33% to 47% (31 July 2025: from 4% to 47%) which is determined based on factors including loan term, principal amount and credit history of individual customer. The amounts are to be settled by customers through installments over the loan term.

As at 31 January 2026, the balance of impairment loss allowance under ECL model was HK\$9,452,000 (31 July 2025: HK\$7,817,000). At the end of reporting period, aggregate net balances with customers of consumer finance service with payment past due are HK\$1,235,000 (31 July 2025: HK\$1,223,000).

The analysis of the Group's receivables from customers of consumer finance service by their respective contractual maturity dates, net of provision, is as follows:

	31.1.2026 HK\$'000	31.7.2025 HK\$'000
Within one month	3,400	3,470
Six months or less but over one month	22,132	21,727
One year or less but over six months	22,177	21,517
Over one year	16,313	12,102
	64,022	58,816
Analysed as:		
Current portion	47,709	46,714
Non-current portion	16,313	12,102
	64,022	58,816

10. 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 its trade customers of hotel business. The following is an analysis of trade receivables, presented based on invoice date.

	31.1.2026 HK\$'000	31.7.2025 HK\$'000
0 to 30 days	224	243
31 to 60 days	12	9
61 to 90 days	8	2
91 days or above	408	390
	652	644

As part of the Group's credit risk management, the Group uses debtors' past due status to assess the impairment for its customers because these customers consist of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure that relevant information about specific debtors is updated.

No impairment allowance was recognised for trade receivables based on the provision matrix for both periods.

11. FINANCIAL ASSETS AT FVTPL

	31.1.2026 HK\$'000	31.7.2025 HK\$'000
Listed debt securities overseas	115,770	107,256
Listed equity securities in Hong Kong	58,894	108,243
Listed equity securities overseas	14,746	26,193
Exchange-traded fund in Hong Kong	3,432	–
Money market fund in Hong Kong	–	15,032
	192,842	256,724

The fair values of the above investments were determined based on the quoted market bid prices at the close of business at the end of the reporting period.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	31.1.2026	31.7.2025
	HK\$'000	HK\$'000
Mandatorily measured at fair value:		
Derivative financial assets	1,257	766
Derivative financial liabilities	(10,442)	(22,021)
	(9,185)	(21,255)

	Notes	31.1.2026	31.7.2025
		HK\$'000	HK\$'000
Accumulator contracts	(i)	(328)	(2,329)
Decumulator contracts	(ii)	(8,857)	(18,926)
		(9,185)	(21,255)

Notes:

(i) Accumulator contracts

The general terms of the outstanding accumulator contracts as at 31 January 2026 are set out below:

	Maturity	Strike price
To buy 12,000 shares of BYD Electronic International Co. Ltd.	20 February 2026	HK\$41.6959
To buy 60,000 shares of China Telecom Corp. Ltd.	20 February 2026	HK\$5.3058
To buy 60,000 shares of China Telecom Corp. Ltd.	20 February 2026	HK\$5.3534

The general terms of the outstanding accumulator contracts as at 31 July 2025 are set out below:

	Maturity	Strike price
To buy 137,000 shares of BYD Electronic International Co. Ltd.	20 February 2026	HK\$41.6959
To buy 685,000 shares of China Telecom Corp. Ltd.	20 February 2026	HK\$5.3058
To buy 685,000 shares of China Telecom Corp. Ltd.	20 February 2026	HK\$5.3534
To buy 3,405 shares of QUALCOMM Inc.	26 June 2026	US\$138.9774
To buy 24,000 shares of Advanced Micro Devices, Inc.	16 July 2026	US\$125.1951

12. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Notes: (Continued)

(ii) Decumulator contracts

The general terms of the outstanding decumulator contracts as at 31 January 2026 are set out below:

	Maturity	Strike price
To sell 84,000 shares of BYD Electronic International Co. Ltd.	8 April 2026	HK\$40.0568
To sell 2,400 shares of Advanced Micro Devices, Inc.	10 April 2026	US\$123.8504
To sell 1,440 shares of Qualcomm Inc.	10 April 2026	US\$169.6410
To sell 47,000 shares of BYD Electronic International Co. Ltd.	15 April 2026	HK\$42.1268
To sell 61,000 shares of China Life Insurance Co. Ltd.	6 May 2026	HK\$17.8290
To sell 72,000 shares of China International Capital Corp. Ltd.	20 May 2026	HK\$17.1680
To sell 19,000 shares of China International Capital Corp. Ltd.	3 March 2026	HK\$23.8909
To sell 88,500 shares of China Life Insurance Co. Ltd.	6 May 2026	HK\$17.0216

The general terms of the outstanding decumulator contracts as at 31 July 2025 are set out below:

	Maturity	Strike price
To sell 57,000 shares of China Mobile Ltd.	22 October 2025	HK\$79.0927
To sell 69,000 shares of China Mobile Ltd.	10 November 2025	HK\$74.9840
To sell 334,000 shares of BYD Electronic International Co. Ltd.	8 April 2026	HK\$40.0568
To sell 8,700 shares of Advanced Micro Devices, Inc.	10 April 2026	US\$123.8504
To sell 5,220 shares of Qualcomm Inc.	10 April 2026	US\$169.6410
To sell 172,000 shares of BYD Electronic International Co. Ltd.	15 April 2026	HK\$42.1268
To sell 186,000 shares of China Life Insurance Co. Ltd.	6 May 2026	HK\$17.8290
To sell 197,000 shares of China International Capital Corp. Ltd.	20 May 2026	HK\$17.1680
To sell 49,000 shares of New China Life Insurance Co. Ltd.	19 December 2025	HK\$43.5172
To sell 101,000 shares of China International Capital Corp. Ltd.	24 December 2025	HK\$21.6799
To sell 56,500 shares of New China Life Insurance Co. Ltd.	14 January 2026	HK\$49.5677
To sell 276,000 shares of China Life Insurance Co. Ltd.	6 May 2026	HK\$17.0216

13. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables, presented based on invoice date.

	31.1.2026 HK\$'000	31.7.2025 HK\$'000
0 to 30 days	92	57
31 to 60 days	65	21
61 to 90 days	18	15
91 days or above	53	35
	228	128

14. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Issued and fully paid:		
Ordinary shares with no par value		
At 1 August 2024	194,337,559	1,518,519
Issue of shares (Note (a))	38,865,000	9,973
At 31 July 2025 and 31 January 2026	233,202,559	1,528,492

Note:

- (a) On 28 February 2025, the Company placed an aggregate of 38,865,000 new shares to independent third parties, at the placing price of HK\$0.267 per placing share. The gross proceeds of the placing were approximately HK\$10,377,000. The net proceeds of the placing were approximately HK\$9,973,000 after deducting the relevant expenses for the placing. Details of this share placing are set out in the Company's announcements dated 6 February 2025 and 28 February 2025.

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial instruments are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs and sensitivity analysis
	31.1.2026 HK\$'000	31.7.2025 HK\$'000			
Listed debt securities at FVTPL	115,770	107,256	Level 1	Quoted bid prices in active market	N/A
Listed equity securities at FVTPL	73,640	134,436	Level 1	Quoted bid prices in active market	N/A
Exchange-traded fund	3,432	-	Level 1	Quoted bid prices in active market	N/A
Money market fund	-	15,032	Level 1	Quoted bid prices in active market	N/A
Accumulator contracts	(328)	(2,329)	Level 2	Black-Scholes model with Monte Carlo Simulation method	N/A
Decumulator contract	(8,857)	(18,926)	Level 2	Black-Scholes model with Monte Carlo Simulation method	N/A

There were no transfers among Level 1, 2 and 3 during both periods.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their respective fair values.

16. PLEDGE OF BANK DEPOSITS

At 31 January 2026, bank deposit of HK\$656,000 (31 July 2025: HK\$655,000) was pledged to banks to secure credit facilities to the extent of HK\$600,000 (31 July 2025: HK\$600,000) granted to the Group, none (31 July 2025: none) of which was utilised by the Group.

17. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel:

The remuneration of directors, who are the key management personnel of the Group, during the period was as follows:

	Six months ended	
	31.1.2026 HK\$'000	31.1.2025 HK\$'000
Short-term benefits	2,291	2,454
Post-employment benefits	18	18
	2,309	2,472

The remuneration of the key management personnel is determined by the board of directors of the Company after considering recommendation from the Remuneration Committee, having regard to the performance of individuals and market trends.

(b) Other related party transactions and balances

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

The amounts due to related parties are unsecured, non-interest bearing, non-trade in nature and repayable on demand. They comprise amounts due to the following parties:

	31.1.2026 HK\$'000	31.7.2025 HK\$'000
Non-controlling shareholder of certain subsidiaries of the Company	1,034	1,034

18. FINANCIAL GUARANTEES

At 31 January 2026, the Group provided guarantees of HK\$3,154,000 (31 July 2025: HK\$3,060,000) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted. The directors of the Company consider that the fair value on initial recognition and ECL of such guarantees and at the end of reporting period was insignificant.

INTERIM DIVIDEND

The directors do not recommend the payment of any dividends for the six months ended 31 January 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE RESULTS

The Group reported revenue of HK\$21.7 million for the six months ended 31 January 2026 (six months ended 31 January 2025: HK\$31.5 million), which comprised mainly income from consumer finance service of HK\$13.3 million (six months ended 31 January 2025: HK\$14.9 million); hotel operations of HK\$7.2 million (six months ended 31 January 2025: HK\$6.1 million); and sale of properties of HK\$1.2 million (six months ended 31 January 2025: HK\$10.5 million).

Net profit attributable to owners of the Company for the six months ended 31 January 2026 was HK\$1.5 million, as compared to net loss of HK\$8.0 million for the same period last year.

The turnaround from loss to profit in the six-month period ended 31 January 2026 was mainly attributable to the combined effect of (i) the fair value gain from the Group's financial investment portfolio of HK\$10.5 million in compared to a fair value loss of HK\$6.4 million in the six months period ended 31 January 2025; (ii) the slowdown of sale of properties by HK\$9.2 million; and (iii) increase in impairment losses under expected credit loss model by HK\$3.3 million due to expansion in the loan portfolio and rise in default rate.

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to maintain a liquid position. At 31 January 2026, the Group had bank balances and cash of HK\$96.1 million (31 July 2025: HK\$47.8 million) mainly in Hong Kong dollars and Renminbi and marketable securities totalling HK\$192.8 million (31 July 2025: HK\$256.7 million).

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

The Group's gearing ratio, expressed as a percentage of the Group's total liabilities over the shareholders' funds was 6.3% at 31 January 2026 (31 July 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 required.

BUSINESS REVIEW

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

PROPERTY INVESTMENT AND DEVELOPMENT

Sales activities of the residential project alongside Hotel Fortuna, Foshan, the People's Republic of China ("PRC") continue and revenue from sales of property amounting to HK\$1.2 million has been recognised for the six months ended 31 January 2026 (six months ended 31 January 2025: HK\$10.5 million). The unsold saleable floor area of approximately 4.2% of this highrise 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.

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 PRC. Renovation works to refresh the hotel facilities completed during the last financial year has brought positive impact to the hotel operation. Average room rate has increased by approximately 11.0% to HK\$381 per night as compared to HK\$343 per night during the six months ended 31 January 2025. During the six months ended 31 January 2026, the hotel recorded occupancy rate of approximately 23.3% and turnover of approximately HK\$7.2 million (six months ended 31 January 2025: HK\$6.1 million).

The Group also holds a 32.5% interest in Hotel Fortuna, Macau through Tin Fok Holding Company Limited, an associated company of the Group. The hotel's recorded occupancy rate of approximately 96.3% and turnover of approximately HK\$84.0 million during the period in compared to approximately HK\$101.2 million in the six months ended 31 January 2025.

CONSUMER FINANCE

The Group has involved in consumer finance sector in Hong Kong through self-developed online platform with AI credit risk modeling serving approximately 3,000 active users as at the period end date (31 July 2025: approximately 2,900 users). The service maintained a net loan portfolio of HK\$64.0 million (31 July 2025: HK\$58.8 million) with loans to individual users ranging from HK\$2,000 to HK\$109,000 (31 July 2025: HK\$2,000 to HK\$300,000) with credit period up to 40 months (31 July 2025: 43 months). The receivables are unsecured and carry interest at fixed rate ranged from 33% to 47% (31 July 2025: 4% to 47%) per annum which is determined based on factors including loan term, principal amount and credit history of individual customer. Loan granted to approximately 70% (31 July 2025: 72%) of the customers are with principal amount of HK\$40,000 or below and approximately 70% (31 July 2025: 72%) with credit period of 18 months or less. Gross receivable from the largest borrower and the five largest borrowers in aggregate, are below 1% of the net loan portfolio as at 31 January 2026 and 31 July 2025.

During the period, the loans recorded interest income of HK\$13.3 million (six-month period ended 31 January 2025: HK\$14.9 million) and impairment losses under expected credit loss model on receivables amounting to HK\$7.0 million (six-month period ended 31 January 2025: HK\$3.7 million).

FINANCIAL INVESTMENTS

The Group continues its securities investment, and its strategy is to maintain a diversified portfolio of marketable securities for effective treasury and risk management. The Group continues to invest its surplus funds in marketable securities with attractive return and satisfactory rating, including debt securities, money market fund and derivatives instruments. 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.

As at 31 January 2026, the Group's investment portfolio of financial assets at fair value through profit and loss consisted of listed equity securities of HK\$73.6 million (31 July 2025: HK\$134.4 million), debt securities of HK\$115.8 million (31 July 2025: HK\$107.3 million), exchange-traded fund of HK\$3.4 million (31 July 2025: Nil) and no money market fund (31 July 2025: HK\$15.0 million).

Listed equity securities of HK\$73.6 million (31 July 2025: HK\$134.4 million), representing approximately 38.2% (31 July 2025: 52.4%) of the investment portfolio, consist of 8 (31 July 2025: 8) equity securities of which 6 (31 July 2025: 6) equity securities are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and 2 (31 July 2025: 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 4.0% (31 July 2025: 4.3%) of the Group's total assets, and that of the five largest equity securities held represents approximately 8.0% (31 July 2025: 13.2%). The remaining 3 (31 July 2025: 3) equity securities represent 1.0% (31 July 2025: 2.9%) of the Group's total assets, each ranging from 0.1% to 0.5% (31 July 2025: 0.7% to 1.2%). Approximately 74.8% (31 July 2025: 61.2%) of the equity securities are constituents of the Hang Seng Index.

During the period, the equity portfolio gave rise to a net fair value loss of HK\$1.5 million (six months ended 31 January 2025: fair value gain of HK\$1.8 million) and dividend income of HK\$0.8 million (six months ended 31 January 2025: 1.3 million).

As at 31 January 2026, the Group had 9 (31 July 2025: 8) listed and 1 (31 July 2025: 1) unlisted debt securities representing approximately 60.0% (31 July 2025: 41.8%) of the investment portfolio. The mark to market valuation of the largest single debt security within the portfolio represents approximately 2.9% (31 July 2025: 2.9%) of the Group's total assets, and that of the five largest debt securities held represents approximately 10.8% (31 July 2025: 10.3%) of the Group's total assets. The remaining 5 (31 July 2025: 4) debt securities represent 3.2% (31 July 2025: 2.6%) of the Group's total assets, each ranging from 0.0% to 1.5% (31 July 2025: 0.0% to 1.32%). Approximately 72.7% (31 July 2025: 73.7%) of these debt securities are related to the banking industry.

During the period, the debts portfolio gave rise to a net fair value loss of HK\$0.1 million (six-month period ended 31 January 2025: HK\$5.1 million) and interest income of HK\$3.3 million (six-month period ended 31 January 2025: HK\$3.6 million).

As at 31 January 2026, the Group held exchange-traded fund of HK\$3.4 million (31 July 2025: Nil), approximately 1.8% of the investment portfolio and the mark to market valuation approximately 0.4% of the Group's total assets. During the period, the exchange-traded fund portfolio gave rise to a fair value loss of HK\$0.1 million (six-month period ended 31 January 2025: Nil) and dividend income of HK\$0.1 million (six months ended 31 January 2025: Nil).

The Group held no money market fund as at 31 January 2026 (31 July 2025: HK\$15.0 million, approximately 5.9% of the investment portfolio and the mark to market valuation approximately 1.8% of the Group's total assets). During the period, the money market fund portfolio gave rise to a fair value gain of HK\$0.1 million (six-month period ended 31 January 2025: HK\$0.1 million).

The Group also entered into certain derivative contracts in relation to the listed equity securities held by the Group. As at 31 January 2026, the Group has derivative assets of HK\$1.3 million (31 July 2025: HK\$0.8 million) and derivative liabilities of HK\$10.4 million (31 July 2025: HK\$22.0 million), and recorded a fair value gain of HK\$12.1 million for the period (six months ended 31 January 2025: fair value loss of HK\$3.1 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.

The renovation project completed during the last financial year at Hotel Fortuna, Foshan has enhanced the hotel's competitiveness. The management will continue to strive to expand the customers base as to achieve sustained growth in occupancy rate. The management remains cautiously optimistic towards the hotel business and will strive for growth in this area.

The Group also actively preparing to participate in the Multiple Credit Reference Agencies ("MCRA") framework. As part of this initiative, the operation plan to utilise the credit reference services provided by selected credit reference agencies under the MCRA model. This collaboration is expected to enhance credit assessment capabilities, strengthen risk management practices, optimize lending decisions and support the sustainable growth of the Group's 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.

CONTINGENT LIABILITY

At 31 January 2026, the Group provided guarantees of approximately HK\$3.2 million (31 July 2025: HK\$3.1 million) to banks in respect of mortgage loans provided by the banks to purchasers of the Group's developed properties. These guarantees will be released when the building ownership certificates are issued and pledged by the purchasers with the banks for the mortgage loans granted. The Directors consider that the fair value of such guarantees on initial recognition was insignificant. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loans generated by the Group in the event the purchasers default payments to the banks.

PLEDGE OF ASSETS

Bank deposit of HK\$656,000 (31 July 2025: HK\$655,000) was pledged to banks to secure credit facilities to the extent of HK\$600,000 (31 July 2025: HK\$600,000) granted to the Group, none (31 July 2025: none) of which were utilised by the Group.

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.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 January 2026, the interests of the directors and chief executive and their associates in the shares, and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

LONG POSITIONS

Ordinary shares of the Company

Name of Director	Number of shares held			Total	Percentage of the issued share capital of the Company
	Personal interest (held as beneficial owners)	Family interest (interests of spouse or child under 18)	Corporate interest (interest of controlled corporation)		
Sio Lai Na ("Ms. Lina Sio")	–	–	121,912,266 (Note 1)	121,912,266	52.3%
Chu Nin Yiu, Stephen	1,944,000	–	–	1,944,000	0.8%

Notes:

1. Ms. Lina Sio was deemed to be interested in 66,912,266 shares in the Company held through Cedarwood Ventures Limited ("Cedarwood") and 55,000,000 shares in the Company held through Nichrome Limited ("Nichrome"), which are in turn wholly owned by Ms. Lina Sio.

Other than as disclosed above, none of the directors, chief executive nor their associates had any interests or short position in any shares and underlying shares of the Company or any of its associated corporations as at 31 January 2026.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

As at 31 January 2026, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO showed that the following shareholder had notified the Company of relevant interests and short positions in the issued share capital of the Company:

LONG POSITIONS

Ordinary shares of the Company

Name of shareholder	Number of shares held			Total	Percentage of the issued share capital of the Company
	Personal interest (held as beneficial owners)	Family interest (interests of spouse or child under 18)	Corporate interest (interest of controlled corporation)		
Cedarwood	66,912,266	–	–	66,912,266	28.7%
Nichrome	55,000,000	–	–	55,000,000	23.6%
Ms. Lina Sio	–	–	121,912,266 (Note 1)	121,912,266	52.3%
CDKD Investment Limited	14,223,000	–	–	14,223,000	6.1%

Notes:

- Ms. Lina Sio was deemed to be interested in 66,912,266 shares in the Company held through Cedarwood and 55,000,000 shares in the Company held through Nichrome, which are in turn wholly owned by Ms. Lina Sio.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 January 2026.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim accounts for the six months ended 31 January 2026.

CORPORATE GOVERNANCE

The Company complied throughout the six months ended 31 January 2026 with all applicable provisions of the Corporate Governance Code (the “Code”) as set out in Appendix C1 of the Listing Rules.

MODEL CODE 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 of the Company. 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 six months ended 31 January 2026.

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

During the six months ended 31 January 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

By Order of the Board
CAPITAL ESTATE LIMITED
Sio Lai Na
Chairman

Hong Kong, 30 March 2026

As at the date hereof, 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.