亞證地產有限公司

ASIASEC PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2026

The board of directors ("Board") of Asiasec Properties Limited ("Company") announces that the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30th June, 2026 with the comparative figures for the corresponding period in 2025 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30th June, 2026

		(Unaudited) Six months ended 30th June,	
	Notes	**2026**	2025
		HK$'000	*HK$'000*
Revenue	*(4)*	**27,270**	23,370
Other income	*(5)*	**801**	2,612
Other gain		**337**	686
Rent and rates		**(1,538)**	(1,757)
Building management fees		**(3,845)**	(4,980)
Staff costs (including directors' emoluments)		**(5,353)**	(5,079)
Depreciation and amortisation		**(22)**	(33)
Repairs and maintenance		**(3,336)**	(3,250)
Other expenses		**(8,345)**	(4,213)
Finance costs		**(10,795)**	(13,368)
Operating loss before change in fair value of investment properties and financial instruments and reversal of impairment losses (impairment losses) under expected credit loss model, net		**(4,826)**	(6,012)
Loss from change in fair value of investment properties		**(117,679)**	(60,047)
Reversal of impairment losses (impairment losses) under expected credit loss model, net		**635**	(274)
Net increase in fair value of financial assets at fair value through profit or loss		**1,557**	1,728
Loss before taxation		**(120,313)**	(64,605)
Income tax credit	*(6)*	**6,173**	1,342
Loss for the period	*(7)*	**(114,140)**	(63,263)
		HK cents	*HK cents*
Loss per share			
Basic	*(8)*	**(9.20)**	(5.10)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30th June, 2026

	(Unaudited) Six months ended 30th June,	
	2026	2025
	HK$'000	*HK$'000*
Loss for the period	**(114,140)**	(63,263)
Other comprehensive income (expense) for the period, net of tax:		
Item that will not be reclassified subsequently to profit or loss:		
Change in fair value of equity instrument at fair value through other comprehensive income	**200**	(2,730)
Total comprehensive expense for the period	**(113,940)**	(65,993)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30th June, 2026

	Notes	(Unaudited) 30th June, 2026 HK$'000	(Audited) 31st December, 2025 HK$'000
Non-current assets			
Property, plant and equipment		**262**	284
Investment properties		**1,984,180**	2,096,980
Interests in an associate		**–**	–
Equity instrument at fair value through other comprehensive income		**20,390**	20,190
Club memberships		**4,261**	4,261
		2,009,093	2,121,715
Current assets			
Trade and other receivables, prepayments and deposits	*(10)*	**19,108**	17,392
Loan receivable		**–**	–
Financial assets at fair value through profit or loss		**43,521**	43,465
Income tax recoverable		**995**	2,209
Cash and cash equivalents		**19,876**	48,992
		83,500	112,058
Current liabilities			
Creditors and accruals	*(11)*	**30,615**	30,417
Income tax payable		**116**	57
Bank and other borrowings		**230,000**	180,000
		260,731	210,474
Net current liabilities		**(177,231)**	(98,416)
Total assets less current liabilities		**1,831,862**	2,023,299

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
at 30th June, 2026

	Notes	**(Unaudited) 30th June, 2026** *HK$'000*	(Audited) 31st December, 2025 *HK$'000*
Capital and reserves			
Share capital		**681,899**	681,899
Reserves		**726,283**	840,223
Total equity		**1,408,182**	1,522,122
Non-current liabilities			
Deferred tax liabilities		**123,680**	131,177
Other borrowings		**300,000**	370,000
		423,680	501,177
		1,831,862	2,023,299

Notes:

(1) Reviewed by auditor

The interim financial report of the Group for the six months ended 30th June, 2026 has been reviewed by our auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and an unmodified review conclusion has been issued.

(2) Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The Company has delivered the financial statements for the year ended 31st December, 2025 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance ("CO").

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

In preparing the condensed consolidated financial statements, the directors of the Company ("Directors") have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred operating loss for HK$114,140,000 for the six months ended 30th June, 2026 and, as of that date, the Group's current liabilities exceeded its current assets by HK$177,231,000, which mainly due to bank and other borrowings of HK$230,000,000 which was due for settlement within twelve months and was classified as current liability.

The Directors have reviewed the Group's cash flow projections prepared by the management, which cover a period of twelve months from the date of approval of the condensed consolidated financial statements. The Group expects to continue to enhance its liquidity and operating cash flows for the next twelve months upon completion of renovation and commencement of generation of rental income from Laneway, a commercial property held by the Group. The Group also has unutilised facility from the intermediate holding company and its subsidiary with aggregate amount of HK$550,000,000 as at 30th June, 2026. Thus, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the Directors have, at the date of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

(3) Principal accounting policies

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2026 are the same as those presented in the Group's annual financial statements for the year ended 31st December, 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1st January, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim 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 the condensed consolidated financial statements.

(4) Revenue and segment information

	(Unaudited) Six months ended 30th June,	
	2026	2025
	HK$'000	*HK$'000*
Rental income from investment properties that is fixed	**22,986**	19,932
Estate management fees	**3,684**	2,613
Dividend income from equity instrument at fair value through other comprehensive income	**600**	825
	27,270	23,370

Revenue from estate management fees is recognised over time. The Group applied the practical expedient in HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15") to recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant lease agreements. As permitted under HKFRS 15, the transaction price of estate management services allocated to the remaining performance obligations as at 30th June, 2026 and 2025 is not disclosed.

The Executive Directors of the Company have been identified as the chief operating decision maker. The Executive Directors regard the Group's business as a single operating segment, which is property leasing and estate management, and review financial information as a whole accordingly. Therefore, no segment analysis of the Group's revenue, results, assets and liabilities are presented.

As at 30th June, 2026, other than financial instruments, the total of non-current assets located in Hong Kong and the People's Republic of China are HK$1,988,092,000 and HK$611,000 (31st December, 2025: HK$2,100,914,000 and HK$611,000) respectively. During the six months ended 30th June, 2026 and 2025, the revenue is solely derived from Hong Kong.

(5) Other income

	(Unaudited) Six months ended 30th June,	
	2026	2025
	HK$'000	*HK$'000*
Bank interest income	**3**	1,267
Interest income from other receivables	**134**	137
Management fee income from intermediate holding company and fellow subsidiaries	**537**	601
Others	**127**	607
	801	2,612

(6) Income tax credit

	(Unaudited) Six months ended 30th June,	
	2026	2025
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Hong Kong Profits Tax		
– Current period	**1,326**	550
– Overprovision in prior years	**(3)**	–
	1,323	550
Deferred taxation	**(7,496)**	(1,892)
Income tax credit for the period	**(6,173)**	(1,342)

(7) Loss for the period

	(Unaudited) Six months ended 30th June,	
	2026	2025
	HK$'000	*HK$'000*
Loss for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	**22**	33
Direct operating expenses of investment properties that generated rental income	**5,120**	8,284
Direct operating expenses of investment properties that did not generate rental income	**1,322**	2,837

(8) Loss per share

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

	(Unaudited) Six months ended 30th June,	
	2026	2025
	HK$'000	*HK$'000*
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**114,140**	63,263

	(Unaudited) Six months ended 30th June,	
	2026	2025
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of basic loss per share	**1,240,669**	1,240,669

No diluted loss per share was presented as there were no potential ordinary shares in issue for the six months ended 30th June, 2026 and 2025.

(9) Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30th June, 2026 (six months ended 30th June, 2025: Nil).

(10) Trade and other receivables, prepayments and deposits

	(Unaudited) **30th June,** **2026** ***HK$'000***	(Audited) 31st December, 2025 *HK$'000*
Trade receivables	**9,050**	8,216
Other receivables	**7,360**	6,490
Prepayments and deposits	**2,698**	2,686
	19,108	17,392

Trade receivables represent rental receivable which are receivable on the presentation of debit notes. The Group generally allows a credit period of 30 days to its tenant. The ageing of these trade receivables of the Group, net of provisions and in accordance with the revenue recognition dates, is as follows:

	(Unaudited) **30th June,** **2026** ***HK$'000***	(Audited) 31st December, 2025 *HK$'000*
Within 30 days	**7,246**	6,250
31-60 days	**1,484**	1,000
61-90 days	**310**	–
91-120 days	**–**	592
121-180 days	**10**	374
	9,050	8,216

(11) Creditors and accruals

	(Unaudited) 30th June, 2026 *HK$'000*	(Audited) 31st December, 2025 *HK$'000*
Trade creditors	**2,204**	2,178
Other creditors	**6,106**	6,679
Tenants deposits	**18,418**	17,501
Accrued operating expenses	**3,887**	4,059
	30,615	30,417

The ageing of the trade creditors of the Group in accordance with invoice date is as follows:

	(Unaudited) 30th June, 2026 *HK$'000*	(Audited) 31st December, 2025 *HK$'000*
Within 30 days	**1,573**	1,576
31-60 days	**608**	519
61-90 days	**8**	68
Over 180 days	**15**	15
	2,204	2,178

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The revenue of the Group for the six months ended 30th June, 2026 was HK$27,270,000 (2025: HK$23,370,000), an increase of HK$3,900,000 or 17% compared to the same period in 2025. The loss for the six months ended 30th June, 2026 was HK$114,140,000 (2025: HK$63,263,000). The reason for the decline in the financial performance of the Group was primarily attributable to the higher decrease in the fair value of investment properties of HK117,679,000 for the reporting period as compared with the corresponding figure of HK$60,047,000 for the same period of last year.

Business Review

The Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

For the six months ended 30th June, 2026, the Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 95% and the performance of rental income was satisfactory.

The shopping arcade, Laneway was formally opened in January 2026 by phases. Over 70% occupancy rate for leasable area of phase one, consisting of three floors out of a total of six floors, is being operated by tenants, and leasing works are proactively in progress for phase two.

Financial Review

Group Assets and Charges

The total assets of the Group have decreased from HK$2,233,773,000 as at 31st December, 2025 to HK$2,092,593,000 as at 30th June, 2026. The net assets of the Group have decreased from HK$1,522,122,000 as at 31st December, 2025 to HK$1,408,182,000 as at 30th June, 2026. At 30th June, 2026, carrying value of investment properties of the Group of HK$1,117,000,000 (31st December, 2025: HK$1,184,000,000) in Hong Kong were pledged as security for a bank borrowing. The Group has a bank borrowing of HK$180,000,000 (31st December, 2025: HK$180,000,000) and will undergo a discussion with the bank for the renewal of banking facilities.

Group Financial Position, Liquidity and Financial Resources

The total liabilities of the Group have decreased from HK$711,651,000 as at 31st December, 2025 to HK$684,411,000 as at 30th June, 2026. The Group had cash and bank balances of HK$19,876,000 as at 30th June, 2026 (31st December, 2025: HK$48,992,000) which were mainly denominated in Hong Kong dollars. The ratio of total liabilities to total assets was approximately 33% (31st December, 2025: 32%). As at 30th June, 2026, the Group had two other borrowings, one of HK$50,000,000 which is repayable within one year and another of HK$300,000,000 which is repayable in more than two years but not exceeding five years. The Group also had bank borrowing of HK$180,000,000 which is repayable within one year with repayment on demand clause. As at 31st December, 2025, the Group had other borrowings of HK$370,000,000 which is repayable in more than one year but not exceeding two years and bank borrowing of HK$180,000,000 which is repayable within one year with repayment on demand clause. The total equity was HK$1,408,182,000 (31st December, 2025: HK$1,522,122,000). The gearing ratio (net debt over total equity) of the Group was 36% (31st December, 2025: 33%).

The Group's outstanding borrowings are interest-bearing at floating rates and are denominated in Hong Kong dollars which will be repaid in the same currency.

To maintain flexible and sufficient cashflow, the Group has unutilized facilities from the intermediate holding company and its subsidiary with aggregate amount of HK$550,000,000 (31st December 2025: from the intermediate holding company of HK$230,000,000) and intends to obtain proper bank and other borrowings with reasonable pricing terms. The management continuously monitors the gearing ratio and raises new external borrowings when necessary.

For the six months ended 30th June, 2026, the Group had no material exposure to fluctuations in exchange rates and no related hedges.

Material Lending Transaction

The Group focuses on property investment, property leasing and estate management as its principal business, and a limited number of transactions may be carried out by the Group as part of its treasury activities with the intention to effectively utilise its available financial resources on hand from time to time, including (i) subscription of loan notes for investment purpose; and (ii) grant of loans to borrowers, both of which contributed to the loan interest income of the Group. Taking advantage of its cash position and after considering the working capital needs, available business and investment opportunities, a comparison between the fixed deposit interest rate at the material time and the expected rate of return of alternative use of such cash resources, the Group will allocate its resources accordingly with the intention to enhance the returns of its shareholders, including subscribing loan notes as well as providing short term loans.

Loan notes, being investment products, are normally issued by the issuer to multiple subscribers, and the Group subscribes such loan notes for investment purpose which are generally available for trading in the financial market. By contrast, short-term loans which are granted by the Group to borrowers are not investment products, nor they are available for trade. The short-term loans are structured to allow the Group to demand repayment from the borrower at any time. Therefore, while such loans bring in interest income for the Group, it provides certain level of liquidity flexibility to the Group to improve and enhance its financial position quickly, and can use its resources to fund its business activities when favourable opportunities arise. During the period, the Group did not grant any loans to borrowers.

The Group will ensure that it has sufficient working capital for its business operations after the allocation of its resources as above mentioned.

Material Acquisition and Disposals

The Group has no material acquisitions and disposals of subsidiaries, associates and joint ventures during the period of the six months ended 30th June, 2026 and up to the date of this announcement.

Significant Investments

The Group did not have any significant investment which accounted for more than 5% of the Group's total assets as at 30th June, 2026.

Contingent Liabilities

The Group is not aware of any material contingent liabilities as at 30th June, 2026.

Event after the Reporting Date

There are no important events affecting the Group which have occurred after the end of the reporting period ended 30th June, 2026 and up to the date of this announcement.

Employees

As at 30th June, 2026, the Group employed 33 (31st December, 2025: 32) persons, all were employed in Hong Kong. The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded on performance related basis including salary and bonus.

In addition to basic salaries, full-time employees in Hong Kong are provided with medical insurance and mandatory provident fund scheme.

Business Outlook

The retail property leasing market in Hong Kong remains under pressure, as northbound travel to Shenzhen and the wider Greater Bay Area continues to draw local spending away, compounded by the ongoing shift to e-commerce. This weighs particularly on malls such as Laneway in Tsuen Wan, which depend on local catchment footfall, and to a significant extent on the Group's retail space in Harbour Crystal Centre. We therefore continue to expect some negative rental reversion across the portfolio as leases are renewed or re-let.

On a more positive note, Laneway, which officially opened in January 2026, continues to build recognition in the local area, supporting tenant attraction as the mall becomes better established. We are also pro-actively exploring non-traditional uses for retail space to capture pockets of resilient demand — for example, expanding our health and fitness leasing to include an additional pickleball court, which should drive incremental footfall.

The Company maintains a cautious but opportunistic approach, prioritizing financial discipline and selective capital deployment as leasing conditions evolve.

INTERIM DIVIDEND

The Board considers that it is prudent to retain an appropriate level of funds to take advantage of business opportunities as and when they arise, and therefore does not intend to declare an interim dividend for the six months ended 30th June, 2026 (2025: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 30th June, 2026, the Company has applied the principles of, and complied with, the applicable code provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code ("CG Code") under Appendix C1 of the Listing Rules, except for certain deviations which are summarised below:

Code Provisions E.1.2 and D.3.3

Code provisions E.1.2 and D.3.3 of the CG Code stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the remuneration committee ("Remuneration Committee") adopted by the Company are in compliance with the code provision E.1.2 of the CG Code except that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of the Executive Directors only and not senior management (as opposed to executive directors and senior management under the code provision).

The terms of reference of the audit committee ("Audit Committee") adopted by the Company are in compliance with the code provision D.3.3 of the CG Code except that the Audit Committee (i) shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems; and (iii) can promote (as opposed to ensure under the code provision) the co-ordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The reasons for the above deviations were set out in the Corporate Governance Report contained in the Company's Annual Report for the financial year ended 31st December, 2025 and remain unchanged. The Board considers that the Remuneration Committee and the Audit Committee should continue to operate according to the relevant terms of reference, and will continue to review the terms at least annually and make appropriate changes if considered necessary.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30th June, 2026. In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by HKICPA as well as reports obtained from management. The Audit Committee has not undertaken detailed independent audit checks.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2026.

On behalf of the Board
Asiasec Properties Limited
Lee Shu Yin
Executive Director and Chief Executive

Hong Kong, 20th August, 2026

As at the date of this announcement, the Board comprises Mr. Patrick Lee Seng Wei (Chairman), Mr. Lee Shu Yin (Chief Executive) and Mr. Tao Tsan Sang being the Executive Directors; and Mr. Li Chak Hung, Ms. Lisa Yang Lai Sum and Mr. Cheng Chi Kin being the Independent Non-Executive Directors.