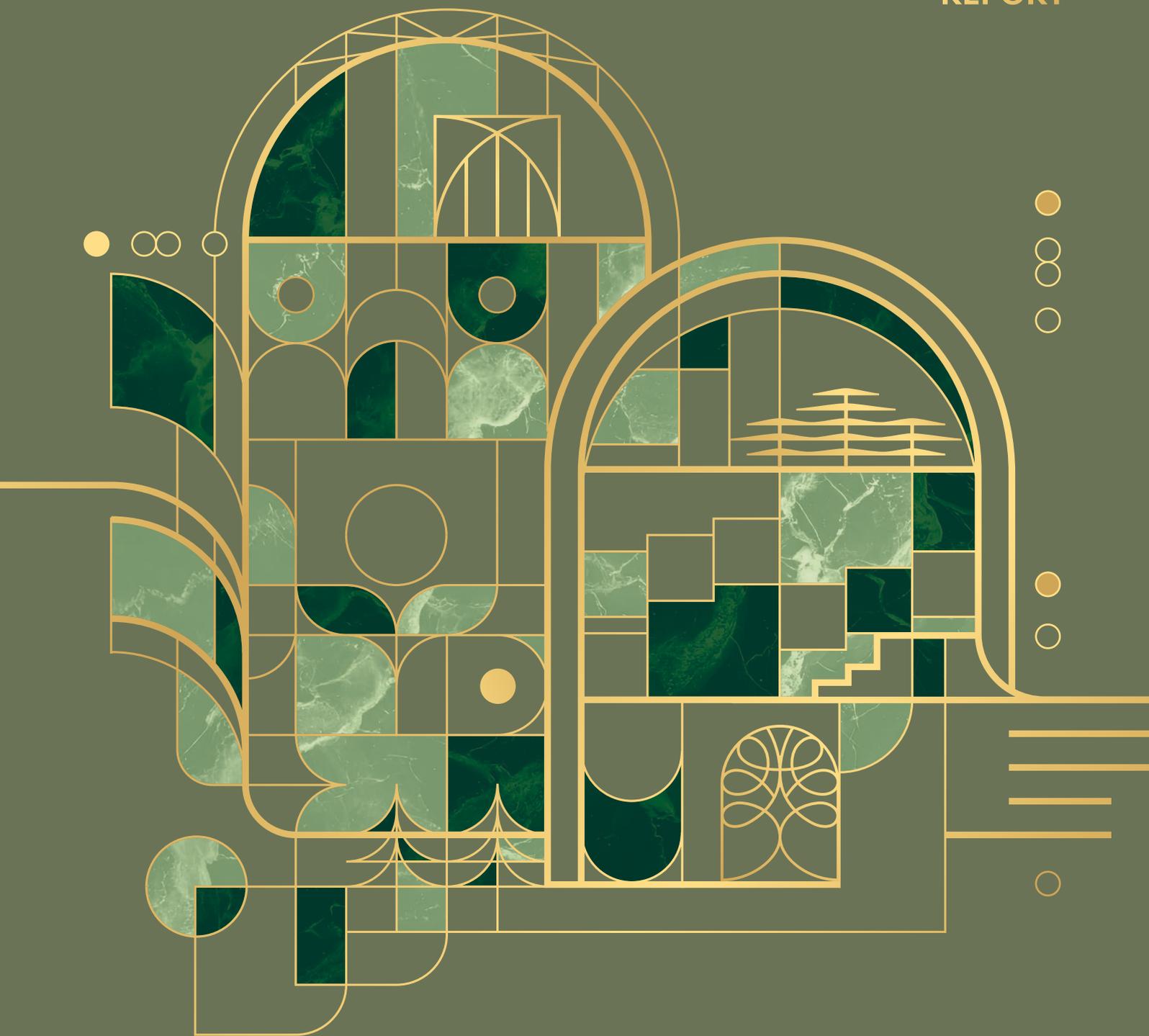


2025/2026  
INTERIM  
REPORT



New World Development Company Limited

(Stock Code: 0017)



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New World's brand vision is to cultivate and orchestrate creativity to harness the power of business in advancing the modern living experience.

The embodiment of this vision is The Artisanal Movement, a cultural vision and a timeless philosophy of living, whereby we aspire to inspire by unlocking boundless imagination, and offering bespoke and one-of-a-kind experiences.

At the heart of it all are culture, creativity, and sustainability. They together empower us to craft lasting masterpieces and remarkable places, where people can live, thrive and envision new possibilities.



## Financial Highlights

### Contracted Sales

- The Group's total attributable contracted sales from property development projects and asset disposals amounted to approximately HK\$13.8 billion.
- The Group's attributable contracted sales in Hong Kong amounted to approximately HK\$10.3 billion, mainly contributed by residential projects including Deep Water Pavilia, House Muse, The Pavilia Forest, The Knightsbridge, The Pavilia Farm, State Pavilia and The Legacy, as well as several asset disposals.
- The Group's attributable contracted sales in the Chinese Mainland amounted to approximately RMB3.2 billion, with the Southern Region led by the Greater Bay Area being the largest contributor, accounting for approximately 60%.

### Capital Expenditure and Treasury Management

- Capital expenditure (CAPEX) amounted to HK\$3.5 billion, representing a year-on-year decrease of 29% primarily as a result of the Group's continuous stringent control over CAPEX.
- Total capital resources amounted to approximately HK\$37.4 billion, including cash and bank balances of approximately HK\$21.5 billion and undrawn facilities from banks of approximately HK\$15.9 billion.
- Total debt amounted to approximately HK\$144.3 billion, a reduction of approximately HK\$1.7 billion during 1HFY2026. Net debt amounted to approximately HK\$122.7 billion, an increase of approximately HK\$2.6 billion during 1HFY2026.
- On 5 December 2025, the Group completed a debt exchange for the Group's perpetual securities and guaranteed notes totalling approximately HK\$20 billion.
- The Board has resolved not to declare an interim dividend for the financial year ending 30 June 2026.

### Remarks:

- (1) Include share of results of joint ventures and associated companies, but exclude changes in fair value of investment properties and impairment loss
- (2) The aggregate of bank loans, other loans, fixed rate bonds and notes payable less cash and bank balances (including restricted cash balances)
- (3) Consolidated net debt divided by total equity

## Financial Highlights

### Continuous Stringent Control on CAPEX and OPEX

In 1HFY2026, the Group continued to exercise stringent measures regarding the Group's CAPEX spending, as well as general administrative and other operating expenses, resulting in a year-on-year reduction of approximately 29% and 18% respectively.

CAPEX covers all the land and construction costs incurred for the Group's property development, property investment projects and property, plant and equipment during the financial year. For 1HFY2026, CAPEX amounted to HK\$3.5 billion, an approximately 29% reduction compared with HK\$4.9 billion in 1HFY2025. The Group is on track to meet the FY2026 guidance of less than HK\$12.0 billion, underscoring the Group's disciplined approach to capital spending.

General administrative and other operating expenses amounted to HK\$1.5 billion, representing a year-on-year saving of 18% from HK\$1.8 billion in 1HFY2025.

### Net Debt and Cash Flow

During the period under review, the Group's net debt amounted to HK\$122.7 billion, representing a year-on-year increase of HK\$2.6 billion. This increase was mainly driven by the following three factors.

Although a sizable portion of buyers of the Group's development properties opted for cash-payment, the remaining balance, net of initial deposit, are typically collected after a period of 120 to 180 days. This applies to projects such as House Muse in Kowloon City and Austin Bohemian in West Kowloon. As a result, most of these cash inflows will only be expected during the second half of FY2026.

In addition, a significant portion of the Group's contracted sales in 2HFY2025 and 1HFY2026 were derived from joint venture projects, including Deep Water Pavilia, The Pavilia Forest, The Knightsbridge, Double Coast and The Legacy. Cash generated from these joint venture projects would not be consolidated at the Group level until distributions to the Group were made.

Furthermore, during the period under review, construction of several joint venture projects has been completed, and the respective construction loans fell due. The joint venture partners, including the Group, were required to settle the remaining outstanding loan balances. During the period under review, financial guarantee attributable to the Group has decreased by HK\$2.7 billion. The remaining HK\$2.7 billion is expected to be fully repaid by cash proceeds from sales.

### Debt Exchange

On 3 November 2025, the Group launched exchange offers (the Exchange Offers) for its perpetual securities and guaranteed notes, aiming to provide holders with instruments linked to an enhanced credit profile associated with Victoria Dockside.

As of the final settlement date on 5 December 2025, investors tendered a total of approximately HK\$18 billion in perpetual bonds and HK\$1.8 billion in senior secured notes. Upon the completion of the debt exchange, on a pro forma basis, the Group's perpetual bonds and senior secured notes outstanding principal amount would be reduced by approximately HK\$8.7 billion and HK\$400 million, respectively. At the same time, shareholders' fund increased by approximately HK\$8.7 billion.

# Chairman's Statement

## DEAR SHAREHOLDERS,

As the seasons change and new chapters unfold, New World has remained unwavering in its strategic resolve amid cyclical and policy shifts in the real estate sector, fortifying its foundation in the face of uncertainty while steadily forging new paths through adversity. This has been possible due to the steadfast dedication of all our colleagues. With extraordinary resilience and professional expertise, we have overcome challenges in business development and value creation. We are also grateful for the unwavering understanding and support from our shareholders. I would therefore like to take this opportunity to express my sincere gratitude for this collective effort, both internal and external, which has empowered New World to transcend cycles and forge a new beginning.

The Analects of Confucius states: "Honourable and wise persons cultivate their foundations; once foundations are established, the proper way shall emerge". In the face of change, we recognise that strengthening our financial and operational foundations is key to forging a sustainable path for high-quality development.

In a volatile market, our focus is not only on growing our business, but also on the continuous optimisation of our financial structure. Through proactive capital management, we have bolstered our financial resilience. This has provided us with a stronger buffer against uncertainty, as well as a solid basis on which to seize opportunities and embark on new ventures when the market recovers.

Our unwavering commitment to enhancing property quality remains as the core of our persistence. In 2025, we capitalised on the recovery of Hong Kong's real estate market to seize new opportunities. Guided by the belief that "good products are always scarce", all of New World's projects, including State Pavilia and Deep Water Pavilia in Hong Kong, and Canton View and The Sillage in Guangzhou, have maintained market dominance and strong sales, perfectly exemplifying the Group's high-quality development philosophy. In an era fraught with uncertainty, high-quality residential properties remains our brand's competitive moat.

We have steadily expanded our commercial and retail footprint, showcasing high-quality, vibrant human-city symbiosis through premium urban landmarks. In 2025, we witnessed record footfall at K11 MUSEA and K11 Art Mall in Hong Kong. We also saw the grand opening of K11 ECOAST in Shenzhen's Prince Bay and Hanxi K11 in Guangzhou, which have become new landmarks igniting regional economic vitality. With the imminent launch of projects in Shanghai and Hangzhou, the Group's commercial capabilities are set to reach new heights. Each project embodies our profound understanding of the city's vital dynamics, while building commercial resilience that transcends cycles.

Fellow shareholders, changing landscapes never favour those who hesitate, but always reward those who act with conviction. New World Development is building a more robust financial and business foundation, while charting a clear roadmap for sustainable growth. At the same time, we remain deeply committed to upholding the pre-eminent brand we have so diligently established. Although the journey ahead is long, our conviction is unshakeable, and with determined efforts, we will make resolute progress. Moving forward, let us continue to grow side by side, opening a new chapter of high-quality development and generating greater value for all shareholders and the community.

**Dr Cheng Kar-Shun, Henry**

*Chairman*

Hong Kong, China, 27 February 2026

# CEO's Report

## BUSINESS REVIEW

### Hong Kong Property Development, Property Investment and Others

During the six months ended 31 December 2025, Hong Kong's residential property market continued to display signs of recovery. In 2025, driven by a record number of A+H listings, Hong Kong has reclaimed its position as the world's top IPO venue for the first time since 2019, underscoring renewed investor interest in Hong Kong's financial markets. The initiation of the interest rate reduction cycle, a visible pickup in homebuyers' confidence and transaction volume, and the continued impact of the Hong Kong Government's talent-attraction initiatives such as the Top Talent Pass Scheme (TTPS) and the Quality Migrant Admission Scheme (QMAS) collectively supported stronger demand and enhanced the overall attractiveness of the Hong Kong residential market. Furthermore, the strong performance of the Hong Kong stock market over the past year has led some prospective buyers to redirect gains from the stock market into property purchases, contributing to the rebound in the Hong Kong residential market.

According to public data from the Land Registry, the total number of sale and purchase agreements (SPAs) signed for residential properties rose by 34% year-on-year, from 25,323 during the period from July to December 2024, to 33,885 during the period from July to December 2025. Total consideration of SPAs for residential building units also grew by 37% year-on-year, from approximately HK\$212 billion during the period from July to December 2024, to approximately HK\$290 billion during the period from July to December 2025.

During the period under review, the Group's revenues and segment results of property development in Hong Kong were HK\$1,389 million and HK\$649 million, respectively. The major contributions were attributed by The Pavilia Farm, Uptown East and The Masterpiece.

During the period under review, the Group achieved attributable contracted sales in Hong Kong of approximately HK\$10.3 billion, mainly contributed by residential projects including Deep Water Pavilia, House Muse, The Pavilia Forest, The Knightsbridge, The Pavilia Farm, State Pavilia and The Legacy, as well as several asset disposals.

Capitalising on the Group's premium branding and effective sales strategies, sales of the Group's "PAVILIA COLLECTION" sustained strong momentum during the period under review. "DEEP WATER PAVILIA", an ultra-luxury residential project in Island South co-developed by New World Development, Empire Group, CSI Properties, Lai Sun Development and MTR Corporation became the top-selling first-hand project in Hong Kong in 2025 based on gross contracted sales. During the period under review, 367 units were sold and achieved gross contracted sales of approximately HK\$5.8 billion. As of 22 February 2026, 768 units were sold since launch with gross contracted sales of approximately HK\$13.3 billion. Among its homebuyers, approximately half were from Hong Kong. The project also attracted overseas homebuyers, including those from Singapore, Japan, and South Korea.

Two other residential projects under the "PAVILIA COLLECTION" also performed strongly. "THE PAVILIA FOREST", a luxury residential landmark surrounded by water on three sides in the prime Kai Tak runway area and jointly developed by the Group and Far East Consortium Group, has been well received by both investors and end users, including both local and expatriate buyers, recording the highest gross contracted sales among all the pre-sale residential projects in the Kai Tak runway area. During the period under review, 221 units were sold and achieved gross contracted sales of approximately HK\$1.7 billion. As of 22 February 2026, the project has sold approximately 891 units since launch and achieved gross contracted sales of approximately HK\$6.4 billion. "STATE PAVILIA," a large-scale heritage residence in the heart of Hong Kong Island, continued to attract strong interest from investors. During the period under review, 61 units were sold and achieved gross contracted sales of approximately HK\$579 million. As of 17 December 2025, all 388 units of the project had been sold, achieving gross contracted sales of exceeding HK\$4.2 billion.

## CEO's Report

The Group's "BOHEMIAN COLLECTION" sets a benchmark for contemporary urban living, integrating bespoke craftsmanship with innovative designs that resonate with the new generation of discerning homeowners. The BOHEMIAN COLLECTION's market appeal was underscored by the robust performance of two of its project-launches during the period under review.

House Muse, a project under the BOHEMIAN COLLECTION located in Nga Tsin Long Road, Kowloon City, achieved a 100% sell-through of all 115 price-list units on the first day of launch on 15 September 2025. The project is strategically located within one of the most prestigious Primary One Admission (POA) School Net of 41, and is within walking distance to Kai Tak, an area that showed resilience and continued appeal among homebuyers.

Austin Bohemian, another residential project located in West Kowloon under the BOHEMIAN COLLECTION, also received overwhelming response from the market, with all 63 units sold out on its first day of launch on 12 December 2025. The project is in close proximity to the Austin Station, which is connected to the High-Speed Rail network and is also strategically linked to four railway lines in Hong Kong. As of 31 December 2025, House Muse and Austin Bohemian recorded gross contracted sales of HK\$826 million and HK\$418 million, respectively.

Another notable launch during the period under review was The Legacy located at the Mid-Levels. Launched in September 2025, the project was jointly developed by the Group and Henderson Land and is well received by the market, being the record holder for the highest number of transactions over HK\$100 million in 2025. As of 22 February 2026, 36 units were sold and achieved gross contracted sales of approximately HK\$6.1 billion.

As of 31 December 2025, among the unrecognised attributable income of the Group from contracted sales of properties in Hong Kong, HK\$18,979 million would be booked in 2HFY2026 and FY2027. Key projects expected to be booked in 2HFY2026 and FY2027 include State Pavilia, The Pavilia Forest, The Pavilia Farm III, Deep Water Pavilia and The Legacy.

While the overall Hong Kong economy showed signs of resilience, the Hong Kong retail sector remained relatively challenging during the period under review. Inbound tourism continued to recover, with the city recording approximately 26.26 million visitor arrivals from July to December 2025, up 12% from 23.35 million during the same period in 2024. A stronger Renminbi during the second half of 2025 also encouraged greater spending by mainland tourists in Hong Kong. However, sustained trends of northbound and overseas spending diverted a sizable portion of local consumption, which continued to pose persistent challenges to the Hong Kong retail market.

During the period under review, consumers' preference continued to shift toward experience-led consumption, favouring retail destinations with cultural experiences. There was also heightened interest in sports and wellness related offerings and experiences, which created new opportunities for Hong Kong retailers. In response to these structural shifts, the Group remained committed to curating differentiated retail experiences that align with emerging consumer preferences and strengthen the long-term positioning of its flagship destinations. During the period under review, the Group's revenues and segment results from property investment in Hong Kong amounted to HK\$1,685 million and HK\$1,301 million, respectively. K11, leveraging its retail assets' strategic locations, unique positioning and strong foot traffic, continued to attract major international brands and strategic retailers, enabling further optimisation of tenant mix at both K11 MUSEA and K11 Art Mall.

## CEO's Report

K11 MUSEA, a luxury and premium lifestyle cultural-retail landmark under the Group, continued to cement its status as the premier destination for world-class mega events and exhibitions. During the period under review, mall sales increased by approximately 7% year-on-year, driven primarily by improved performance in luxury, jewellery and watches sales categories, which recorded approximately 21% increase year-on-year. As at 31 December 2025, K11 MUSEA achieved an occupancy rate of 98%, and footfall increased by 2% year-on-year.

In July 2025, the Asia debut of the CR7® LIFE Museum at K11 MUSEA attracted numerous football fans. Bringing an immersive experience from Cristiano Ronaldo's hometown in Portugal, the Museum featured highlights from his legendary career, an impressive collection of his trophies and interactive exhibits. Cristiano Ronaldo's visit to K11 MUSEA during his trip to Hong Kong also drew large crowd and generated extended media coverage. In August 2025, the large-scale themed exhibition "CHIIKAWA DAYS" by AllRightsReserved (ARR) was also unveiled at K11 MUSEA, featuring more than one hundred 3D sculptures, a nine-meter-tall giant inflatable set, and recreations of beloved manga scenes. Both events were effective in driving mall sales and visitors traffic, contributed to a 30% increase in tourist average spending per transaction during the period, with August 2025 also breaking the record for highest monthly footfall since opening.

Capitalising on the rising popularity of music festivals and sporting events, K11 MUSEA launched Hong Kong's largest Sports and Music City Rave series, "BEATS, BURNS & BREWS" campaign, in collaboration with seven renowned sports and fashion brands including adidas, HOKA, Lululemon, Mardi Mercredi, NBA ATELIER, On and Wilson, as well as Social Club Series, the pioneer in daytime-rave during the period under review. Notably, three sports-themed raves were held at K11 MUSEA from September to November 2025, including the first after mall hours night run and rave, a yoga rave, and a rooftop party that took place at the Sculpture Park at K11 MUSEA, overlooking the city's iconic Victoria Harbour skyline. Several leading sports and fashion brands also presented exclusive pop-ups and experiential events, including Hong Kong's first adidas Pickleball Fest, HOKA's experiential pop-up "Mafate Studio", and a limited-time On run hub, coinciding with the opening of Swiss athleisure icon On's largest specialty store in Hong Kong at K11 MUSEA in November 2025.

During the period under review, the tenant mix of K11 MUSEA was further optimised. Notable openings or upgrades during the period included Rolex's first concept store, Van Cleef & Arpels' duplex expansion, Audemars Piguet (AP) expanded AP HOUSE and the opening of On's largest specialty store in Hong Kong. For the second half of FY2026, exclusive Dior Pop-up and Delvaux's New Flagship Store have made their debut in January and February 2026 respectively, and upcoming openings include Balenciaga's Duplex Expansions and Miu Miu's New Store.

K11 Art Mall, the Group's first K11 project with a strategic focus on the Gen Z market, has continuously attracted a new generation of customers by combining anime and collectible toy brands with first-in-Hong Kong stores from renowned international names, exclusive pop-up shops, and unique cross-over collaborations during the period under review. Overall occupancy remained at a high level of 99%, while August marked the mall's highest monthly footfall ever recorded since its opening in 2009.

During the period under review, K11 Art Mall welcomed a wave of new partnerships across multiple categories. These include Jo Malone London in luxury beauty and fragrance, Club Med in travel and resorts, Nikon in electronics and photography, and Sapporo beer in food and beverages, which helped further expand the mall's reach to new customer segments. Successful co-creation events with the merchants at K11 Art Mall continued to drive traffic, mall sales, licence income and media value.

## CEO's Report

During the period under review, the Hong Kong office sector had shown signs of recovery. According to data published by CBRE, on a full year basis, overall office rents in 2025 contracted by 2.9% year-on-year, marking the smallest full-year decline since 2019.

Leveraging its prime locations and premium positioning, the leasing enquiries and activity of the Group's office portfolio remain robust. As at 31 December 2025, K11 ATELIER Victoria Dockside and K11 ATELIER King's Road recorded impressive occupancy of 99% and 88% respectively, outperforming market averages during the same period. As of 22 February 2026, the occupancy of K11 ATELIER King's Road has further improved to 95%. According to data published by CBRE, the average office vacancy rates in the fourth quarter of 2025 were 10.3% for Tsim Sha Tsui district, and 15% for Island East district.

Other office properties under the Group's portfolio in Hong Kong remained resilient during the period. 83 King Lam Street, completed in March 2024, is the first twin-tower Grade-A office development in the district and has quickly become a new landmark in the area. The property's occupancy rate has been steadily increasing during the period under review, rising from 50% as at 30 June 2025, to approximately 74% as at 31 December 2025. The project has also attracted a diverse tenant mix, including AECOM, Ralph Lauren, Sushiro, Delsey Paris, Lush, Pepsi and LOJEL.

The Group's office properties in Central also delivered solid performance during the period under review. Occupancy at Manning House rose from 94% on 30 June 2025 to 97% on 31 December 2025, while occupancy at New World Tower rose from 83% to 90% during the same period.

### Hong Kong Landbank

As at 31 December 2025, the Group had a landbank with a total attributable GFA of approximately 6.95 million square feet in Hong Kong available for immediate development, of which approximately 3.18 million square feet was for property development use.

During the 2025 Policy Address, the Hong Kong Government has reaffirmed the Northern Metropolis as the new engine for Hong Kong's economic development. Serving as the city's strategic development area in close proximity to Shenzhen, the Northern Metropolis covers a land area and planned population intake accounting for about one-third of Hong Kong's total. It represents a substantial source of economic value and development potential, creating many jobs and boosting productivity.

The Group is well-positioned to capture emerging opportunities brought about by the Northern Metropolis. The Group held an agricultural landbank with a total attributable land area of approximately 14 million square feet pending land use conversion in the New Territories, of which 12 million square feet are within the Northern Metropolis. The successful conversion of these agricultural land resources would serve as a key strategy for the Group to effectively lower its average land cost and capital expenditure, while unlocking long-term value of the Group's agricultural land resources.

## CEO's Report

The Group has made notable progress on the above mentioned projects during the period under review, of which two projects had already commenced construction. Ma Sik Road, the Group's first Northern Metropolis project jointly developed by the Group and China Merchants Shekou, commenced construction in March 2025. This project spans a GFA of over 1.1 million square feet, providing approximately 2,300 residential units and featuring the largest shopping mall in the area, set to inject fresh vitality into the Northern Metropolis development. Sales are expected as early as FY2027.

Phase 4 of Lung Tin Tsuen in Yuen Long, the Group's second Northern Metropolis project, which is a collaboration with China Resources Land Limited (CR land), completed land exchange in September 2025, and construction commenced in November 2025. This project spans across a GFA of approximately 173,000 square feet, and will provide over 700 units, with sales also expected as early as FY2027. Located within the High-end Professional Service and Logistics Hub of the Northern Metropolis, the project is strategically positioned near the mature Yuen Long Town Centre which offer convenient transit to the Chinese Mainland. The development will benefit from the enhanced integration with the Greater Bay Area, supporting the Government's vision of transforming the Zone into a modern service centre for financial and professional services, advanced logistics, and cross-boundary commerce.

Besides Northern Metropolis projects, the Group's other farmland projects are also progressing well. Phase 2 of Sha Ha, Sai Kung, recently had its planning application for residential use approved by the Town Planning Board on 7 November 2025. Phase 1 of the project has already been approved since January 2022, and the two phases combined will have a total attributable GFA of approximately 790,000 square feet and will provide around 1,250 residential units.

The Group's converted and planned agricultural land conversions are expected to provide approximately 14.5 million square feet of GFA, with around 8.7 million square feet of GFA being short-to-medium-term projects (including those converted projects), and the remaining 5.8 million square feet GFA being long-term development projects.

The Group expects to complete the land premium process for several projects within the next 1 to 2 years, which includes the Sha Ha, Sai Kung project, phases 2 of Lung Tin Tsuen, which is developed in partnership with CR Land, phase 5 of Lung Tin Tsuen and Lam Hau Tsuen in Yuen Long. These projects are expected to provide approximately 2.0 million square feet of GFA.

In the medium term, the Group expects to expand its landbank by approximately 6.2 million square feet over the next 3 to 5 years through planning and land exchange applications. Key sites include Tong Yan San Tsuen, Wing Kei Tsuen, Wing Ning Tsuen and Shap Pat Heung Road. Notably, the proposed statutory plan amendment for rezoning to residential for Wing Ning Tsuen, located in Yuen Long has already been gazetted by Town Planning Board in September 2025.

In the longer term, major planned projects such as Lin Barn Tsuen, Ngau Tam Mei, and Lau Fau Shan are expected to provide approximately 5.8 million square feet of GFA.

The Group will continue to expedite agricultural land conversion to unlock value and replenish its landbank, aligning with government development policies to meet housing demand.

Landbank by District

	<b>Property Development Total Attributable GFA (sq ft'000)</b>	<b>Property Investment and Others Total Attributable GFA (sq ft'000)</b>	<b>Total Attributable GFA (sq ft'000)</b>
<b>As at 31 December 2025</b>			
Hong Kong Island	665.6	—	665.6
Kowloon	892.8	—	892.8
New Territories	1,621.0	3,767.4	5,388.4
<b>Total</b>	<b>3,179.4</b>	<b>3,767.4</b>	<b>6,946.8</b>

In addition to the landbank resources outlined above, the Group also holds an inventory of completed joint development projects with potential for future revenue and cash flow contributions. These include Pavilia Forest, The Knightsbridge, Miami Quay and Double Coast, all of which are located at the Kai Tak Runway; Uptown East at Kowloon Bay; as well as The Legacy at Mid-Levels. The GFA of unsold units attributable to the Group is approximately 543,000 square feet.

Agricultural Landbank by District

	<b>Total Land Area (sq ft'000)</b>	<b>Total Attributable Land Area (sq ft'000)</b>
<b>As at 31 December 2025</b>		
Yuen Long District	11,587	10,514
North District	1,480	1,480
Sha Tin District and Tai Po District	1,220	1,166
Sai Kung District	1,135	964
<b>Total</b>	<b>15,422</b>	<b>14,124</b>

**Agricultural Landbank Conversion Status**

<b>Agricultural Land (Selected)</b>	<b>Status</b> <sup>note 1</sup>	<b>Proposed Plot Ratio (Subject to Government Approval)</b> <sup>note 2</sup>	<b>Attributable GFA (sq ft'000)</b> <sup>note 2</sup>
<b>I. High-end professional services and logistics hub</b>			
1 Lam Hau Tsuen	Short term	3.5	504
2 Yuen Long Lungtin Tsuen (Phase 2)	Short term	5.0	275
3 Yuen Long Lungtin Tsuen (Phase 4) <sup>note 3</sup>	Land Grant Executed	5.0	173
4 Yuen Long Lungtin Tsuen (Phase 5) <sup>note 4</sup>	Short term	6.5 (Approved by TPB)	397
5 Yuen Long Tai Shu Ha Road East	Short term	4.3	25
6 Tong Yan San Tsuen (Mountain) (Site A)	Medium term	3.6	1,597
7 Tong Yan San Tsuen (Mountain) (Site B)	Medium term	3.6	1,417
8 Wing Ning Tsuen <sup>note 5</sup>	Medium term	6.0 (private portion) (Rezone to Residential)	889
9 Tong Yan San Tsuen 4	Medium term	3.6	743
10 Shap Pat Heung Road, Yuen Long <sup>note 6</sup>	Medium term	6.0 (Approved by TPB)	240
11 Lau Fau Shan	Long term	3.0	661
<b>II. Innovation and technology zone</b>			
12 Wing Kei Tsuen <sup>note 7</sup>	Medium term	0.4 to 1.55 (+388% Approved)	1,086
13 Sha Po North (Phase 2A + 2B)	Medium term	1.2 & 1.7	265
14 Sha Po North (Phase 3)	Long term	1.2	7
15 Lin Barn Tsuen	Long term	2.5	3,994
16 Ngau Tam Mei	Long term	5.0	1,090
<b>III. Boundary commerce and industry zone</b>			
17 Ma Sik Road, Fanling	Land Grant Executed	7.2	336
<b>IV. Miscellaneous</b>			
18 Sha Ha, Sai Kung (Phase 1 + 2 <sup>note 8</sup> )	Short Term	1.5 (Approved by TPB)	790

<sup>note 1</sup> Short Term: Land Exchange expected within 1–2 years, Medium Term: Land Exchange expected within 3–5 years, Long Term: Land Exchange expected in 5 years or more.

<sup>note 2</sup> All proposed plot ratios and estimated developable GFAs are subject to change and Government's approval.

<sup>note 3</sup> Land Grant executed on 26 September 2025

<sup>note 4</sup> Application for rezoning was approved by TPB on 20 December 2024

<sup>note 5</sup> Statutory plan amendment for rezoning to residential had already been gazetted by Town Planning Board on 26 September 2025

<sup>note 6</sup> Application for rezoning was approved by TPB on 10 January 2025

<sup>note 7</sup> Next to Au Tau Station, which is under construction; application for up-zoning was approved by TPB on 10 November 2023

<sup>note 8</sup> Planning application for Phase 2 residential development was approved by TPB on 7 November 2025, while Phase 1 was already approved on 14 January 2022.

### **Chinese Mainland Property Development, Property Investment and Others**

Since July 2025, policy signals aimed at “stabilising expectations” have been clear in the Chinese Mainland real estate market, and high-quality projects and improvement-oriented demand in some core cities have shown resilience. As 2026 marks the inaugural year of the “15th Five-Year Plan”, policy direction continues to emphasise the overarching principle of “prioritising stability while pursuing progress.” The long-term goal remains “high-quality development”, with continued financial support and subsidy policies aimed to facilitate the orderly release of potential demand.

During the period under review, the Group proactively responded to changing market dynamics. Leveraging its strong brand influence, forward-looking strategic planning and robust product delivery capabilities, many of its projects continued to lead in their respective regional markets. This represents not only positive market recognition of the Group's longstanding commitment to high quality standards, but also clear evidence that value-driven, premium products remain the cornerstone of earning customer trust.

In Guangzhou, the New Metropolis • New Metropolis Mansion, was fully delivered, unleashing the full value of mixed-use TOD, with footfall during the National Day Golden Week surging by 106%. The Bai'etan landmark project, THE SILLAGE, secured its top position in both the number of units sold and total sales area in 2025. THE CO-CENTRAL MANSION also maintained its leading position in the upgraders housing market, supported by its scarce duplex offerings. In the Northern Region, the PARKSVILLE in Shenyang has topped the sales chart in its regional sector for several consecutive months, leveraging the scarcity value of its high-quality among the completed properties.

During the period under review, the Group's revenues and segment results of property development in the Chinese Mainland totalled HK\$2,510 million and HK\$1,304 million, respectively. The contributions were mainly from the residential projects, including Guangzhou New World • Canton Bay, Guangzhou New Metropolis • New Metropolis Mansion, and Shenyang New World Garden.

During the period under review, the Group's attributable contracted sales of properties in the Chinese Mainland amounted to approximately RMB3.2 billion. The attributable contracted sales area was approximately 150,000 sq.m., with an average price of residential contracted sales of approximately RMB26,113 per sq.m. In terms of the geographical distribution of contracted sales proceeds, the Southern Region, led by the Greater Bay Area, was the largest contributor, accounting for approximately 60%. Contributions mainly came from the Guangzhou projects, including Canton View of Central Parkview, THE SILLAGE, Guangzhou New Metropolis • New Metropolis Mansion, Guangzhou New World • Canton Bay, and PARKSVILLE in Shenyang, as well as commercial projects including Ningbo New World office building and Guangzhou Central Park-view apartments.

**Contracted Sales by Region**

<b>As at 31 December 2025</b>	<b>Area</b>	<b>Proceeds</b>
<b>Region</b>	<b>('000 sq.m.)</b>	<b>(RMB million)</b>
Southern Region (i.e. the Greater Bay Area)	59.0	1,883
Eastern Region (i.e. the Yangtze River Delta Region)	36.0	506
Central Region	4.8	28
Northern Region	14.6	106
North-Eastern Region	35.7	635
<b>Total</b>	<b>150.1</b>	<b>3,158</b>

As at 31 December 2025, among the unrecognised gross revenues of the Group from contracted sales of properties in the Chinese Mainland, approximately RMB947 million would be recognised during 2HFY2026. In addition, approximately RMB329 million and RMB226 million will be recognised in FY2027 and FY2028 respectively.

During the period under review, the total GFA of the Group's completed projects in the Chinese Mainland (excluding car parks) was approximately 182,000 sq.m., most of which were located in the Greater Bay Area. The total GFA of the Group's completed projects in the Chinese Mainland (excluding car parks) is expected to reach approximately 184,000 sq.m. in FY2026.

**1HFY2026 Project Completion in the Chinese Mainland — Property Development**

<b>Region</b>	<b>Project/Total GFA (sq. m.)</b>	<b>Residential</b>	<b>Commercial</b>	<b>Total (excluding carparks)</b>	<b>Total (including carparks)</b>
Guangzhou	Guangzhou Covent Garden	124,752	1,043	125,795	182,907
	Guangzhou Zengcheng Stars Apartment	—	1,207	1,207	1,207
Shanghai	City   Gather	54,945	—	54,945	78,693
	<b>Total</b>	<b>179,697</b>	<b>2,250</b>	<b>181,947</b>	<b>262,807</b>

**2HFY2026 Project Completion Plan in the Chinese Mainland — Property Development**

<b>Region</b>	<b>Project/Total GFA (sq. m.)</b>	<b>Commercial</b>	<b>Total (excluding carparks)</b>	<b>Total (including carparks)</b>
Guangzhou	Guangzhou Zengcheng Stars Apartment	1,916	1,916	1,916
	<b>Total</b>	<b>1,916</b>	<b>1,916</b>	<b>1,916</b>

## CEO's Report

According to data released by the National Bureau of Statistics, total retail sales of consumer goods for 2025 broke through the RMB50 trillion mark for the first time, reaching RMB50,120.2 billion, representing a year-on-year increase of 3.7%, 0.2 percentage points higher than 2024. Driven by the effective implementation of consumption-boosting initiatives, the synergy of fiscal and financial policies to spur domestic demand, and supply-side innovation and empowerment, the consumer market has demonstrated tremendous resilience and continued growth. Final consumption expenditure contributed 52.0% to economic growth, up by 5 percentage points from the preceding year, remaining as the core engine of economic expansion.

Along with the transformation of the economic development landscape in the Chinese Mainland, the consumption ecosystem has been evolving and upgrading, with cross-border consumption gradually becoming the mainstream behaviour. Enhanced travel convenience and robust commercial infrastructure are driving market integration across the Greater Bay Area. This synergy supports both local consumption in Hong Kong and 'northbound' spending in the Chinese Mainland, creating sustained economic momentum for the region. At the same time, by cultivating local premium consumer brands, developing consumption IP unique to the Greater Bay Area, and creating innovative and diversified consumption scenarios, emerging consumer demand is being stimulated, further releasing the consumption potential of the Greater Bay Area's "one-hour consumption circle".

During the period under review, the Group's revenues and segment results from property investments in the Chinese Mainland amounted to HK\$934 million and HK\$526 million, respectively. The overall occupancy rate of major projects in the investment property portfolio remained stable.

Guided by policies promoting consumption upgrades and domestic market activation in the Chinese Mainland, the Group's K11 adopted an innovative "Art + Commercial" model to empower consumption, consistently achieving new highs in footfall and sales. During the National Day Golden Week, the overall sales of K11 in the Chinese Mainland increased by 23% year-on-year. This momentum continued through the 2025 year-end festive season, which saw a further year-on-year sales growth of approximately 20%.

Shanghai K11 Art Mall's new member growth increased by around 20%, driven by its multi-channel synergies in membership activities and social media promotions. As at 31 December 2025, the occupancy rate reached 92%, supported by ongoing brand upgrades and optimisation. During the anniversary celebration in 2025, Shanghai K11 partnered the popular IP WAKAKU, to hold a debut event and launch a Christmas celebration series, driving a significant increase of approximately 60% in foot traffic and 53% surge in sales, year-on-year, achieving breakthroughs in both performance and brand value.

Shenzhen K11 ECOAST fully leveraged its positioning as a waterfront cultural landmark and, since its opening on 28 April 2025, has continued to cultivate the "debut economy", delivering outstanding operational performance. As at the end of December 2025, cumulative footfall exceeded 13 million visitors. During the National Day holiday, average daily customer traffic surpassed 100,000, and sales performance concurrently hit a new record. Leveraging its unique geographical advantage, the project hosted 166 special events during the period under review. Among them, the 20th anniversary-themed exhibition in collaboration with Hong Kong Disneyland stood out in particular, driving 54% growth in foot traffic and approximately 50% surge in sales during the event period, firmly establishing its status as a cultural tourism consumption landmark in the Greater Bay Area.

## CEO's Report

Guangzhou Hanxi K11 officially opened on 29 September 2025. Adhering to its "Future Living+" positioning, it strategically introduced about 50 debut stores in the Chinese Mainland, Guangzhou and Panyu, successfully creating diverse commercial scenarios with an international vision and local characteristics. Since its opening, the project has demonstrated a strong ability to attract visitors, receiving approximately 700,000 visits during the National Day holiday and over 650,000 during the Christmas and New Year period. In addition, through the dedicated cultivation of a pet-friendly community, it has attracted a large number of families and young visitors. At the same time, Guangzhou Hanxi K11 innovatively integrated Lingnan's intangible cultural heritage into modern commercial spaces. While establishing as a regional landmark, it actively responded to the spot demand for high-quality development, realising the organic integration of cultural heritage and commercial value.

During the period under review, Wuhan Hankou K11 Art Mall completed a phased restructuring of its tenant mix, achieving an occupancy rate of approximately 90% as at 31 December 2025. The project focuses on three core pillars – "night economy, pet-friendly offerings, and trendy lifestyles" – to build a youth consumption hub, leveraging its differentiated positioning to precisely penetrate the regional market. During the period under review, with proactive government guidance and support, Wuhan Hankou K11 Atelier, the office tower, has successfully developed itself into a specialised healthcare industry hub. This has created a significant industry clustering effect, enabling the project to maintain stable performance with an occupancy rate of 82% as at 31 December 2025.

During the period under review, Wuhan Guanggu K11 utilised government resources to roll out the "Do Lok Street 多樂街", creating a brand-new outdoor creative street area. Many new stores debuted in the mall, with a total of 29 new brand leases secured throughout the period, contributing to a solid average occupancy rate of 90%. In terms of community engagement, the project continued to deepen the development of its proprietary IP "DISTRICT 11", hosting several benchmark events centred around e-sports and anime. During the period under review, a total of seven e-sports tournaments and anime events were organised, precisely targeting "Gen Z" customers. This further optimised the customer mix and drove a rebound in foot traffic.

During the period under review, Shenyang K11 successfully introduced five city-wide debut stores and trending 'influencer' brands, including the professional-grade Olymer K11 Ice Sports Centre. The project maintained a steady average occupancy rate of 83%, with sales recording modest year-on-year growth. The project focuses on creating an iconic urban commercial landmark. By leveraging deep integration with government resources, it organised signature events such as the Snow Beer Festival, New Year's drone display, and the city's first dessert festival, stimulating regional consumption momentum and driving growth in both footfall and sales.

Ningbo K11 celebrated its first anniversary during the period under review. A number of major events were held to mark the milestone, including anniversary celebrations, Christmas promotions, and New Year activities, which further strengthened its brand presence in the regional commercial market. The mall prioritises first store recruitment as its primary leasing strategy, introducing regional debuts such as ROARGUNS and SPAO. Through precise brand positioning, it has cultivated a highly loyal customer base, creating strong momentum for sustained long-term growth.

In response to evolving market demand, Guangzhou Yunmen NEW PARK continued to enhance its service experience. During the period under review, both average transaction value and volume increased, while themed events attracted over 10 million visitors. As at 31 December 2025, the occupancy rate of the project reached 91%. Through an optimised and diversified business portfolio, the mall strengthened its core customer appeal and market competitiveness.

## CEO's Report

As an innovative incubation platform for high-end dining and retail brands in Guangzhou, The Canton Place underwent partial brand revitalisation and upgrades during the period under review. It introduced multiple Michelin-starred restaurants and debut/flagship stores of trendy apparel brands. Capitalising on its unique positioning as a multicultural fusion hub, footfall increased by 5% year-over-year. As at 31 December 2025, the project achieved a 96% occupancy rate. Leveraging its unique advantage as a premier open-air commercial project, combined with targeted events to attract premium consumer segments, The Canton Place was able to boost footfall, and also foster cross-brand collaborations and value enhancement.

As more large-scale commercial projects are successively completed, the Group will continue to adhere to its strategic vision of "Improving Integration and Connectivity in First-Tier Cities in the Greater Bay Area and the Yangtze River Delta Region" and diversify its business to further increase recurring rental income.

### Chinese Mainland Landbank

As at 31 December 2025, the Group had a landbank (excluding carparks) with a total GFA of approximately 2.89 million sq.m. available for immediate development in the Chinese Mainland, of which approximately 1.554 million sq.m. was zoned for residential use. Of the total GFA of the landbank (excluding carparks), approximately 2.284 million sq.m. were core property development projects mainly located in Guangzhou, Shenzhen, Foshan, Wuhan, Shanghai, Hangzhou, Beijing and Shenyang, with approximately 0.957 million sq.m. for residential use.

### Landbank by Region

	<b>Total GFA (excluding carparks) (sq.m.'000)</b>	<b>Residential Total GFA (sq.m.'000)</b>
<b>As at 31 December 2025</b>		
Southern Region (i.e., the Greater Bay Area)	1,081.4	957.0
Eastern Region (i.e., the Yangtze River Delta Region)	316.6	—
Central Region	733.5	435.7
Northern Region	95.2	17.9
North-Eastern Region	663.6	143.5
<b>Total</b>	<b>2,890.3</b>	<b>1,554.1</b>
<b>Of Which, Core Projects</b>	<b>2,283.9</b>	<b>957.0</b>

Over the years, the Group has focused on developing core cities in the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta. The industrial and demographic advantages of these core city clusters have strengthened the projects' consumption momentum and risk resilience, laying a solid foundation for the Group's improved performance. At the same time, the Group has actively deepened its strategic cooperation with major central and state-owned enterprises, integrating resources and leveraging complementary strengths to jointly explore new pathways for high-quality development in the industry.

### Hotel

During the period under review, the Group's properties across Hong Kong, the Chinese Mainland, and Southeast Asia ("SEA") reported positive growth in both revenue and GOP as compared with the same period last year. While the hotel market faced ongoing instability from geopolitical concerns and trade tensions, the Group's overall occupancy rate and ADR trended upward.

The Hong Kong hotel market experienced a highly divergent recovery during the period under review, shaped by intense rate competition and an increasing reliance on event-led performance. Despite these challenges, the total number of arrivals to Hong Kong rose by 12% year-on-year, and the Group's hotel properties registered growth in occupancy rate and ADR, up by 2% and 5% year-on-year, respectively. Market conditions in the third quarter were challenging amid continued cautiousness in consumer sentiment across the market. Performance improved toward late summer and delivered a clearer rebound in the fourth quarter, led by the National Day Golden Week, National Games, the core trade fair season, and high-profile financial summits. However, softer F&B demand and subdued celebratory activities weighed on overall profitability toward the end of the year.

Supported by domestic and inbound tourism, the Group's 11 properties in the Chinese Mainland outperformed the same period last year, with total revenue and GOP growing by 2% and 8% year-on-year, respectively. Both ADR and occupancy rate registered mild growth, with the three hotels in Beijing outperforming those in other cities. The F&B business stabilised and slightly outperformed last year. However, the corporate segment remained soft. During periods of demand softness, the Group's hotels employed an occupancy-driven strategy to maintain market share. Facing challenges such as consumption downgrade and rising outbound travel, the Group remains cautious about the F&B segment.

## CEO's Report

During the period under review, performance across Southeast Asia was mixed. The Group's hotels in Vietnam maintained strong growth momentum, supported by favourable visa policies and robust international demand. As Ho Chi Minh City welcomed approximately 8.5 million international visitors, the Group's hotels there performed beyond expectations. In contrast, the Group's hotel property in Thailand faced challenges as macro security concerns in the region weakened overall travel sentiment. In Phuket, while international arrivals achieved a new record high, increased supply and a substantial decline in visitors from China posed major challenges.

As at 31 December 2025, the Group operated a total of 17 hotel properties in Hong Kong, the Chinese Mainland and SEA, representing a total of approximately 6,455 rooms.

### Supplementary information

Reconciliation of loss for the period to core operating profit

	<b>(Unaudited)</b>	
	<b>For the six months ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
	<b>HK\$m</b>	HK\$m
Loss for the period	<b>(3,058.3)</b>	(5,700.6)
Changes in fair value of investment properties, include share of results of joint ventures and associated companies	<b>1,146.3</b>	1,582.8
Taxation	<b>797.7</b>	1,976.9
Financing income	<b>(224.4)</b>	(294.2)
Financing costs	<b>2,265.3</b>	2,532.6
Impairment loss on properties held for sale and properties under development, include share of results of joint ventures and associated companies	<b>2,126.3</b>	3,367.9
Impairment loss on property, plant and equipment, right-of-use assets and interests in associated companies	<b>411.0</b>	—
Impairment on goodwill, include share of results of joint ventures and associated companies	<b>200.0</b>	—
(Gain)/loss on assets disposal	<b>(27.6)</b>	951.0
<b>Core operating profit</b>	<b>3,636.3</b>	4,416.4



### OUTLOOK

In Hong Kong, while the mild uplift in the general market sentiment supported by its resilient economy and renewed investors' interest in Hong Kong has provided some support to its property market, the market remained constrained by lingering economic challenges, geopolitical risks and broader global uncertainties, all of which cast doubt on whether the current momentum can be sustained. During the period under review, the successful completion of the HK\$20 billion debt exchange, together with encouraging sales and leasing performances across the Group's property development and property investment segments, provided the Group with additional financial headroom and flexibility.

Going forward, the Group will continue its strategic direction to focus on its core businesses of property development and property investment, and will fully leverage on the Group's premium brands and products, effective sales and operating strategies as well as a disciplined and prudent management approach to navigate challenges and to assure sustainable business growth. In addition, the Group's top priority is to continue to prioritise cash flow and reduce overall indebtedness. To achieve this, the Group will continue to operate as "business as usual" and make every effort to implement the "Seven Measures to Reduce Indebtedness". These include 1) accelerated development property sales, 2) asset disposals, 3) unlocking value of the Group's agricultural land, 4) ramp up of recurring income with rental yield improvement, 5) capital and operating expenditure optimisation, 6) temporary halt of the stock dividend payments and temporary distribution deferral on group Perpetual Capital Securities, and 7) prudent treasury management strategies.

For the Chinese Mainland market, the systematic implementation of various measures is expected to gradually transform the Chinese Mainland real estate market towards a new development paradigm characterised by balanced supply and demand, optimised structure as well as stable operations, providing solid support for high-quality economic development. Current policies are synergistically addressing supply-demand dynamics, financial support measures, urban renewal and more, showcasing the central government's determination to stabilise the real estate market while carving out a clear growth path for developers capable of high-quality delivery.

Regarding the Property Development segment, several of the Group projects in Hong Kong and Chinese Mainland are underway and are progressing according to plan.

In Hong Kong, the Pavilia Farm III, a residential project jointly developed by the Group and MTR Corporation in Shatin, is expected to be completed by the second half of FY2026. Located directly above Tai Wai MTR Station and adjacent to one of the district's largest malls, The Wai, the development integrates transit convenience with premium residential living and is well received by both homebuyers and investors. Around 540 remaining units of the Pavilia Farm III are expected to be relaunched in FY2026.

Another notable project is the Group's low rise luxury residential development, PAVILIA ROSA, located on Rose Street in Kowloon. It will be a new addition to the Pavilia Collection, the Group's most prestigious and luxurious series. The project is situated within a traditional upscale neighbourhood, in close proximity to major shopping malls and provide convenient access to comprehensive transportation network. The surrounding area is also known for its international schools and renowned universities, reinforcing the district's long-standing reputation as a highly sought-after neighbourhood for discerning families.

## CEO's Report

Spanning a total GFA of approximately 117,000 square feet, the project will feature around 100 units, primarily featuring spacious three and four-bedroom signature units, as well as a small number of special units. The inclusion of basement parking, a rare feature in the district, further enhances the project's appeal. As the neighbourhood has not had any low-density luxury housing supply for more than a decade, all units will be launched for sale through tender. Sales are expected as early as the first quarter of 2026.

Another upcoming residential project in West Kowloon under the "BOHEMIAN COLLECTION" is Grand Austin Bohemian. Similar to Austin Bohemian, the project is in close proximity to Austin Station, which connects to the High-Speed Rail network and is strategically linked with four railway lines, a neighbourhood that has shown great buyer appeal, as reflected by the positive reception of the nearby Austin Bohemian in recently launched in December 2025. Sales for the Grand Austin Bohemian are expected as early as March 2026.

In the Chinese Mainland, New World 188, an urban renewal project in Shenzhen, has fully entered the development phase. This sizable 628,000 square meters super urban complex is set to deliver approximately 3,000 premium residential units, with the first phase, Well Spring, slated for launch in the second quarter of 2026. Additionally, the project features 60,000 square metres of pedestrianised commercial streets focused on culture and creativity to create a premium Hong Kong-style community. By seamlessly integrating residential, retail, and business functions, the project creates a vibrant, multi-dimensional ecosystem. Furthermore, the project occupies a prime location near the Shenzhen Universiade Sports Centre, and at the intersection of three districts, offering exceptional transportation connectivity. With direct access to the border and the high-speed rail station within 30 minutes, along with efficient cross-border and intercity connectivity, the project possesses strong location value.

The development of the urban renewal project in Xili, Shenzhen, is progressing smoothly, with sales expected in the third quarter of 2026. The project is strategically located in the heart of the Nanshan science and technology innovation zone, and has a total planned GFA of approximately 148,000 square metres. This includes over 65,000 square metres of residential space, complemented by large-scale commercial and public facilities designed to attract technology innovation talent in the region. As a future super transportation hub, the project benefits from the connectivity of 10 multi-level rail transit networks, offering residents highly efficient and convenient urban commuting experiences.

In addition, in the Chinese Mainland, the Group will continue to promote the sale of key projects, including Canton View of Central Parkview, THE SILLAGE, Guangzhou New Metropolis • New Metropolis Mansion, THE PARKSVILLE in Shenyang and Hangzhou Wangjiang New Town Office Project.

Regarding the property investment market in Hong Kong, despite the persistent challenges faced the Hong Kong retail market due to changes in consumption patterns among tourists and local residents, the Group remains cautiously optimistic about the prospects of retail investment properties. The Group will continue to provide innovative experiences for customers, stay attuned to market dynamics, flexibly adjust tenant mix, and actively introduce sought-after international and mainland brands to enhance foot traffic and boost consumer activity. K11 MUSEA, the cultural-retail destination, will continue to attract renowned luxury brands as well as premium lifestyle brands and optimise tenant mix. Leveraging its unique positioning and series of large scale cultural events, K11 MUSEA will further drive foot traffic and sales.

K11 Art Mall, will continue to capture the attention of the Gen Z market, enhance its brand portfolio and optimise pop-up stores and event spaces, offering customers diverse new retail experiences. This will solidify its trendy positioning in the Gen Z market, benefiting from high occupancy rates and strong foot traffic.

## CEO's Report

"11 SKIES", located within the SKYCITY COMPLEX at the Hong Kong International Airport, spans a total GFA of over 3,800,000 square feet, in which three Grade A office buildings, K11 ATELIER 11 SKIES, are already in use. Physical access to 11 SKIES from the Hong Kong International Airport (HKIA) is via a footbridge connected to the new Terminal 2 of the HKIA, and the opening of its entertainment, retail, dining and professional services offerings will take into consideration the development timeline of the new Terminal 2 and the broader SKYCITY complex project. According to the Hong Kong Airport Authority, the new Terminal 2 has begun phased operations since late 2025, with its indoor Coach Hall opened on 23 September 2025. The next phase of opening will be the departure hall and related facilities of Terminal 2, which is expected to be launched in May of 2026.

Performance of the Group's office portfolio in Hong Kong is expected to remain resilient, and shall continue to capture the sustainable growth in semi-retail and service-oriented sectors such as wellness, lifestyle and medical services. The Group will continue its strategic focus on further optimising tenant mix and recruiting more business partners in the future.

In terms of property investments in the Chinese Mainland, Shenzhen K11 ECOAST and Guangzhou Hanxi K11, which opened in April and September 2025, respectively, have become pioneers in the commercial and retail sectors in Guangzhou and Shenzhen. At the same time, the Group continues to strategically expand K11's footprint. K11 Atelier, the office component of the Group's landmark Shanghai project K11 ELYSEA, is slated for inauguration in 2026. The project has already secured a pre-leasing rate of over 50%, with its first cohort of anchor tenants comprising leading enterprises from sectors such as legal services, finance, consulting and fashion.

New World Arts Centre, situated in the prime location of Wangjiang New City, Hangzhou and meticulously developed by the Group, has now reached its final stages of development. The commercial segment, comprising Hangzhou K11 Art Mall and K11 Atelier, is scheduled to gradually open from the fourth quarter of 2027. The project will feature a spatial design of nine floors above ground and three floors below ground, dedicated to creating an innovative new retail environment.

Regarding the hotel sector, the prospects for Hong Kong's hotel market from January to June 2026 remain cautiously positive, underpinned by a strong calendar of citywide exhibitions, conferences, and diversified event schedules covering influential summits in finance, medicine, education, and trade, which are expected to provide solid support for occupancy levels. Furthermore, an active IPO market, continuation of large scale sports and entertainment activities, and the ongoing government promotion of the "mega event economy" are expected to drive resilient leisure demand during long weekends and event periods. However, ADR growth is expected to remain modest as corporate travel budgets remain selective and the Chinese Mainland travellers exhibit increasingly prudent consumption. In addition, intensified competition from new supply and aggressive pricing strategies across segments will continue to pose structural rate pressure.

In the Chinese Mainland, domestic and inbound travel, supported by rising demand for cultural tourism experiences and favourable visa policies, are expected to continuously drive demand influx and help hotels maintain revenue per available room. However, room rates will continue to face pressure from the tightening of corporate travel budgets and intense pricing competition across markets. Other persistent challenges include consumption downgrading, rising outbound travel, and the downsizing of MICE events. As for the F&B segment, its outlook remains cautious due to abundant local dining options available to travellers and residents.

## CEO's Report

In Southeast Asia, preparations for the 2027 Asia-Pacific Economic Cooperation meetings and the forthcoming opening of Long Thanh International Airport are expected to further boost international arrivals and strengthen hotel demand in Ho Chi Minh City. However, renovation of the Renaissance Riverside Hotel Saigon in the second quarter of 2026 may affect overall occupancy rates. In Thailand, the market projects more than 36 million international arrivals in 2026, with renewed focus on higher-spending travelers and wellness tourism. Nevertheless, challenges such as geopolitical uncertainties, slower domestic economic growth and rising operational costs remain, potentially further influence travel patterns and the industry landscape across the region.

The Group will strategically focus on the development of the Greater Bay Area and key cities in the Yangtze River Delta. With the dual advantages of an international perspective and localised decision-making, the Group will adhere to a "dual-engine" strategy driven by property development and investment, with high-quality development as its primary pathway. Additionally, the Group will leverage its strategic positioning in core regions and capitalise on policy directives and market recovery opportunities to drive steady and positive business development. With national strategies advancing Hong Kong's Northern Metropolis, the Greater Bay Area and the Yangtze River Delta integration, the Group will draw on its profound expertise in mid-to-high-end product development and integrated operations to create stable and sustainable long-term value for its stakeholders, including shareholders, customers, and the society.

**Ms. Huang Shaomei, Echo**

*Executive Director and Chief Executive Officer*

Hong Kong, China, 27 February 2026

# Condensed Consolidated Income Statement

For the six months ended 31 December 2025

	Note	(Unaudited)	
		2025 HK\$m	2024 HK\$m
Revenues	3	<b>8,390.8</b>	16,788.8
Cost of sales		<b>(3,353.0)</b>	(10,113.5)
<b>Gross profit</b>		<b>5,037.8</b>	6,675.3
Other income		<b>11.3</b>	23.9
Other losses, net		<b>(2,041.3)</b>	(1,928.9)
Selling and marketing expenses		<b>(372.9)</b>	(560.0)
Expenses of department store's operation		<b>(321.0)</b>	(401.1)
Administrative and other operating expenses		<b>(1,509.1)</b>	(1,844.8)
Changes in fair value of investment properties		<b>(1,146.3)</b>	(1,233.3)
<b>Operating (loss)/profit</b>	4	<b>(341.5)</b>	731.1
Financing income		<b>224.4</b>	294.2
Financing costs		<b>(2,265.3)</b>	(2,532.6)
		<b>(2,382.4)</b>	(1,507.3)
Share of results of			
Joint ventures		<b>(66.6)</b>	(2,173.0)
Associated companies		<b>188.4</b>	(43.4)
<b>Loss before taxation</b>		<b>(2,260.6)</b>	(3,723.7)
Taxation	5	<b>(797.7)</b>	(1,976.9)
<b>Loss for the period</b>		<b>(3,058.3)</b>	(5,700.6)
Attributable to:			
Shareholders of the Company		<b>(3,729.6)</b>	(6,632.8)
Holders of perpetual capital securities		<b>1,037.6</b>	927.1
Non-controlling interests		<b>(366.3)</b>	5.1
		<b>(3,058.3)</b>	(5,700.6)
Basic and diluted losses per share (HK\$)	6	<b>(1.48)</b>	(2.64)

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2025

	(Unaudited)	
	2025 HK\$m	2024 HK\$m
<b>Loss for the period</b>	<b>(3,058.3)</b>	(5,700.6)
<b>Other comprehensive income/(loss)</b>		
Items that will not be reclassified to profit or loss		
Net fair value changes of equity instruments as financial assets at fair value through other comprehensive income	(6.2)	(22.9)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	—	17.1
Items that had been reclassified/may be reclassified subsequently to profit or loss		
Share of other comprehensive income of joint ventures and associated companies	139.3	35.7
Release and reclassification of reserves upon disposal of subsidiaries	14.7	(17.6)
Release and reclassification of reserves upon disposal of interests in joint ventures and associated companies	85.5	—
Cash flow hedges	88.0	(94.5)
Translation differences	2,194.9	(500.0)
<b>Other comprehensive income/(loss) for the period</b>	<b>2,516.2</b>	(582.2)
<b>Total comprehensive loss for the period</b>	<b>(542.1)</b>	(6,282.8)
Attributable to:		
Shareholders of the Company	(1,509.1)	(7,151.6)
Holders of perpetual capital securities	1,037.6	927.1
Non-controlling interests	(70.6)	(58.3)
	<b>(542.1)</b>	(6,282.8)

# Condensed Consolidated Statement of Financial Position

As at 31 December 2025

		(Unaudited) As at 31 December 2025 HK\$m	As at 30 June 2025 HK\$m
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	8	<b>205,910.6</b>	204,885.0
Property, plant and equipment		<b>15,445.7</b>	16,034.3
Right-of-use assets	9	<b>3,847.6</b>	3,898.8
Intangible assets		<b>783.0</b>	791.5
Interests in joint ventures	10	<b>32,997.9</b>	32,186.1
Interests in associated companies	11	<b>9,445.2</b>	9,199.5
Financial assets at amortised costs		<b>32.4</b>	111.9
Financial assets at fair value through profit or loss		<b>4,257.9</b>	4,420.4
Financial assets at fair value through other comprehensive income		<b>2,337.7</b>	2,331.5
Derivative financial instruments		<b>10.1</b>	—
Properties for development		<b>15,991.0</b>	15,377.5
Deferred tax assets		<b>2,034.3</b>	1,714.5
Other non-current assets	12	<b>23,108.6</b>	22,737.8
		<b>316,202.0</b>	313,688.8
<b>Current assets</b>			
Properties under development		<b>37,739.6</b>	37,328.4
Properties held for sale		<b>28,419.9</b>	28,773.9
Inventories		<b>152.3</b>	153.3
Debtors, prepayments and contract assets	13	<b>12,238.3</b>	12,266.2
Financial assets at fair value through profit or loss		<b>537.5</b>	536.7
Derivative financial instruments		<b>23.7</b>	106.0
Restricted bank balances		<b>477.4</b>	400.4
Cash and bank balances		<b>21,059.8</b>	25,456.4
		<b>100,648.5</b>	105,021.3
Assets classified as held for sale	14	<b>1,223.6</b>	1,554.9
		<b>101,872.1</b>	106,576.2
<b>Total assets</b>		<b>418,074.1</b>	420,265.0

## Condensed Consolidated Statement of Financial Position

As at 31 December 2025

		(Unaudited) As at 31 December 2025 HK\$m	As at 30 June 2025 HK\$m
	Note		
<b>EQUITY</b>			
Share capital	15	<b>78,382.1</b>	78,382.1
Reserves		<b>91,994.6</b>	85,333.7
Shareholders' funds		<b>170,376.7</b>	163,715.8
Perpetual capital securities		<b>27,546.2</b>	35,178.0
Non-controlling interests		<b>7,751.3</b>	7,843.1
<b>Total equity</b>		<b>205,674.2</b>	206,736.9
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	16	<b>140,488.5</b>	143,942.1
Lease liabilities		<b>3,419.9</b>	3,415.1
Deferred tax liabilities		<b>8,284.5</b>	7,766.9
Derivative financial instruments		<b>807.4</b>	666.1
Other non-current liabilities		<b>90.8</b>	91.8
		<b>153,091.1</b>	155,882.0
<b>Current liabilities</b>			
Creditors, accrued charges and contract liabilities	17	<b>40,288.2</b>	40,173.9
Current portion of long-term borrowings	16	<b>7,986.3</b>	6,520.0
Short-term borrowings	16	<b>463.4</b>	474.0
Lease liabilities		<b>588.8</b>	655.8
Derivative financial instruments		<b>101.4</b>	67.5
Current tax payable		<b>9,880.7</b>	9,754.9
		<b>59,308.8</b>	57,646.1
<b>Total liabilities</b>		<b>212,399.9</b>	213,528.1
<b>Total equity and liabilities</b>		<b>418,074.1</b>	420,265.0

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2025 (Unaudited)

	Share capital HK\$m	Retained profits HK\$m	Other reserves HK\$m	Shareholders' funds HK\$m	Perpetual capital securities HK\$m	Non- controlling interests HK\$m	Total HK\$m
At 1 July 2025	78,382.1	79,024.2	6,309.5	163,715.8	35,178.0	7,843.1	206,736.9
<b>(Loss)/profit for the period</b>	–	(3,729.6)	–	(3,729.6)	1,037.6	(366.3)	(3,058.3)
<b>Other comprehensive income/(loss)</b>							
Net fair value changes of equity instruments as financial assets at fair value through other comprehensive income	–	–	(6.2)	(6.2)	–	–	(6.2)
Share of other comprehensive income of joint ventures and associated companies	–	–	139.3	139.3	–	–	139.3
Release and reclassification of reserves upon disposal of subsidiaries	–	–	14.7	14.7	–	–	14.7
Release and reclassification of reserves upon disposal of interests in joint ventures and associated companies	–	–	85.5	85.5	–	–	85.5
Cash flow hedges	–	–	88.0	88.0	–	–	88.0
Translation differences	–	–	1,899.2	1,899.2	–	295.7	2,194.9
<b>Other comprehensive income for the period</b>	–	–	2,220.5	2,220.5	–	295.7	2,516.2
<b>Total comprehensive (loss)/income for the period</b>	–	(3,729.6)	2,220.5	(1,509.1)	1,037.6	(70.6)	(542.1)
<b>Transactions with owners</b>							
Contributions/(distributions to) by owners							
Redemption of perpetual capital securities, including transaction costs	–	8,170.0	–	8,170.0	(17,838.7)	–	(9,668.7)
Issuance of perpetual capital securities	–	–	–	–	9,169.3	–	9,169.3
	–	8,170.0	–	8,170.0	(8,669.4)	–	(499.4)
Change in ownership interests in subsidiaries							
Acquisition of additional interest in a subsidiary	–	–	–	–	–	(21.2)	(21.2)
	–	–	–	–	–	(21.2)	(21.2)
<b>Total transactions with owners</b>	–	8,170.0	–	8,170.0	(8,669.4)	(21.2)	(520.6)
<b>At 31 December 2025</b>	<b>78,382.1</b>	<b>83,464.6</b>	<b>8,530.0</b>	<b>170,376.7</b>	<b>27,546.2</b>	<b>7,751.3</b>	<b>205,674.2</b>

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2025 (Unaudited)

	Share capital HK\$m	Retained profits HK\$m	Other reserves HK\$m	Shareholders' funds HK\$m	Perpetual capital securities HK\$m	Non- controlling interests HK\$m	Total HK\$m
At 1 July 2024	78,382.1	95,327.4	6,122.4	179,831.9	36,280.5	8,776.4	224,888.8
<b>(Loss)/profit for the period</b>	—	(6,632.8)	—	(6,632.8)	927.1	5.1	(5,700.6)
<b>Other comprehensive income/(loss)</b>							
Net fair value changes of equity instruments as financial assets at fair value through other comprehensive income	—	—	(22.9)	(22.9)	—	—	(22.9)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	—	—	17.1	17.1	—	—	17.1
Share of other comprehensive income of joint ventures and associated companies	—	—	35.7	35.7	—	—	35.7
Release and reclassification of reserves upon disposal of subsidiaries	—	—	(18.7)	(18.7)	—	1.1	(17.6)
Cash flow hedges	—	—	(94.5)	(94.5)	—	—	(94.5)
Translation differences	—	—	(435.5)	(435.5)	—	(64.5)	(500.0)
<b>Other comprehensive loss for the period</b>	—	—	(518.8)	(518.8)	—	(63.4)	(582.2)
<b>Total comprehensive (loss)/income for the period</b>	—	(6,632.8)	(518.8)	(7,151.6)	927.1	(58.3)	(6,282.8)
<b>Transactions with owners</b>							
(Distributions to)/contributions by owners							
Dividend	—	—	—	—	—	(174.0)	(174.0)
Redemption of perpetual capital securities	—	—	—	—	(846.8)	—	(846.8)
Distribution to perpetual capital security holders	—	—	—	—	(917.8)	—	(917.8)
Transfer of reserves	—	2.0	(2.0)	—	—	—	—
	—	2.0	(2.0)	—	(1,764.6)	(174.0)	(1,938.6)
Change in ownership interests in subsidiaries							
Disposal of subsidiaries	—	—	—	—	—	(22.0)	(22.0)
	—	—	—	—	—	(22.0)	(22.0)
<b>Total transactions with owners</b>	—	2.0	(2.0)	—	(1,764.6)	(196.0)	(1,960.6)
<b>At 31 December 2024</b>	78,382.1	88,696.6	5,601.6	172,680.3	35,443.0	8,522.1	216,645.4

# Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2025

	(Unaudited)	
	2025 HK\$m	2024 HK\$m
<b>Net cash generated from operating activities</b>	<b>2,320.5</b>	4,488.9
<b>Cash flows from investing activities</b>		
Additions of investment properties, property, plant and equipment, and intangible assets	<b>(1,426.6)</b>	(1,952.2)
Increase in investments in and advances to joint ventures	<b>(851.3)</b>	—
(Increase)/decrease in investments in and advances to associated companies	<b>(43.5)</b>	28.9
Proceeds received from disposal/partial disposal of subsidiaries (net of cash and cash equivalents)	—	969.3
Net settlement of financial assets at fair value through profit or loss ("FVPL"), financial assets at fair value through other comprehensive income ("FVOCI") and financial assets at amortised costs	<b>320.4</b>	163.9
Decrease in short-term bank deposits maturing after more than three months	<b>108.9</b>	0.2
Proceeds received from disposal of investment properties and property, plant and equipment	<b>660.7</b>	1,084.9
Others	<b>(178.0)</b>	458.6
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,409.4)</b>	753.6
<b>Cash flows from financing activities</b>		
Net decrease in borrowings	<b>(1,213.8)</b>	(7,879.7)
Redemption of fixed rate bonds and notes payable, including transaction costs	<b>(1,815.5)</b>	(357.7)
Proceeds from issue of fixed rate bonds	<b>1,455.2</b>	3,082.6
Dividends paid to non-controlling shareholders	—	(174.0)
Distribution to holders of perpetual capital securities	—	(917.8)
Redemption of perpetual capital securities, including transaction costs	<b>(9,668.7)</b>	(846.8)
Proceeds from issue of perpetual capital securities	<b>9,169.3</b>	—
Interest paid	<b>(2,963.3)</b>	(3,899.0)
Others	<b>(388.9)</b>	(262.9)
<b>Net cash used in financing activities</b>	<b>(5,425.7)</b>	(11,255.3)
Net decrease in cash and cash equivalents	<b>(4,514.6)</b>	(6,012.8)
Cash and cash equivalents at beginning of the period	<b>24,290.2</b>	25,951.6
Translation differences	<b>226.9</b>	(53.4)
<b>Cash and cash equivalents at end of the period</b>	<b>20,002.5</b>	19,885.4
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	<b>21,059.8</b>	21,418.2
Bank deposits — unrestricted and maturing after more than three months	<b>(1,057.3)</b>	(1,532.8)
	<b>20,002.5</b>	19,885.4

# Notes to Condensed Accounts

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) for the six months ended 31 December 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) (the “Listing Rules”). The Interim Financial Statements should be read in conjunction with the 30 June 2025 annual financial statements.

For the six months ended 31 December 2025, the Group recorded a loss of HK\$3,058.3 million which are mainly due to changes in market value of property projects. As at 31 December 2025, the Group’s borrowings, comprising bank loans, other loans and fixed rate bonds and notes payable, totalled HK\$144,258.7 million, of which HK\$7,633.3 million was repayable within 12 months, while the Group’s cash and bank balances amounted to HK\$21,059.8 million and restricted bank balances amounted to HK\$477.4 million.

On 25 September 2025, the Group successfully entered into a facility agreement (the “Facility Agreement”) with, among others, Deutsche Bank AG as arranger, original lender and agent, and certain group companies of the Group as borrower and/or obligor. Under the Facility Agreement, a term loan facility (the “Facility”) of up to HK\$5.9 billion, including an initial committed tranche of up to HK\$3.95 billion, was made available to support the Group’s ordinary course financing activities. The Facility is secured, or will be secured, by a first ranking mortgage over the property known as “Victoria Dockside”, which comprises K11 ARTUS, K11 ATELIER, K11 MUSEA, Rosewood Hong Kong and certain carparks, together with assets related to the development. Despite such security arrangements, the Group continues to retain the ability to utilise Victoria Dockside as collateral for obtaining additional financing to support its ongoing business and operational requirements.

On 3 November 2025, CS Treasury Management Services (P) Limited (“PerpCo”) and CS Treasury Management Services (B) Limited (“BondCo”), both wholly-owned subsidiaries of the Company, launched exchange offers for the Existing Perpetual Securities and certain Existing Notes. After the exchange offers were completed and settled on 5 December 2025, approximately US\$2.29 billion of Existing Perpetual Securities and US\$236 million of Existing Notes were exchanged and cancelled. In return, PerpCo issued about US\$1.18 billion of new 9.000% senior perpetual capital securities, and BondCo issued about US\$187 million of new 7.000% senior secured notes due 2031. The details of the exchange offers are set out on pages 49 to 50 of this report.

Given the Group’s successful financing and the circumstances described above, the Directors have carefully assessed the Group’s future liquidity, operational performance and available financing sources in preparing the Interim Financial Statements. Based on these assessments, the Directors are confident that the Group has sufficient financial resources to continue as a going concern for at least the 12 month period from 31 December 2025, and will continue to taking into account the following plans and measures:

- (i) The Group will continue to actively arrange for the sales and pre-sale activities to respond to market changes, capture demands and generate cash inflow, including implementation of its sales plans and measures to achieve its budgeted sales and pre-sale volumes and amounts, and to speed up the collection of sales proceeds. During this period, the Group achieved attributable contracted sales in Hong Kong of approximately HK\$10.3 billion, mainly contributed by residential projects including Deep Water Pavilia, House Muse, The Pavilia Forest, The Knightsbridge, The Pavilia Farm, State Pavilia and The Legacy, as well as several asset disposals;
- (ii) The Group will continue to actively execute its assets disposal plan including identifying potential buyers or seeking other opportunities for the realisation of certain assets, including but not limited to property projects and investments, to reduce its debt and finance cost;
- (iii) The Group will continue to monitor compliance with financial covenants across all borrowings through robust oversight and reporting. To optimise operations, reduce leverage and strengthen the capital structure, the Group is evaluating the long-term prospects of its significant investments. While no definitive plan or proposals has been approved, any potential transactions will be carefully assessed for their impact on financial covenant compliance, and appropriate mitigation actions will be identified and implemented before any decision is finalised. If potential non-compliance is anticipated, the Group will proactively engage with lenders to renegotiate terms or seek waivers to mitigate risks, with confidence that these efforts would be successful.

Notwithstanding the above, whether the Group is able to achieve its plans and measures as described above, involves management’s judgement, at a particular point in time, about inherent uncertain outcome of future events and conditions. The directors of the Company, in making assessment and identifying whether there is any material uncertainty, have reviewed the Group’s cash flow projections which cover a period of not less than twelve months from 31 December 2025 and are of the opinion that, in the absence of unforeseeable circumstances, considering the successful implementation of the above-mentioned plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, the Group will be able to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

The accounting policies used in the preparation of these Interim Financial Statements are consistent with those set out in the annual report for the year ended 30 June 2025.

### (a) Adoption of amendments to standards

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year ending 30 June 2026:

Amendments to HKAS 21	Lack of Exchangeability
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The adoption of the amendments to standards does not have significant effect on the results and financial position of the Group as the Group has not entered into foreign currency transactions in which the foreign currency is not exchangeable into another currency.

### (b) New standards and amendments to standards which are not yet effective

The following new standards and amendments to standards are mandatory for accounting periods beginning on or after 1 July 2026 or later periods but which the Group has not early adopted:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 18	Presentation and Disclosure in Financial Statements
HKFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to HKFRSs	Annual Improvements to HKFRSs — Volume 11

The Group has commenced the assessment on the impact of adoption of all new standards and amendments to standards, certain of which may be relevant to the Group's operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the condensed consolidated financial statements.

## 2 FINANCIAL RISKS MANAGEMENT AND FAIR VALUE ESTIMATION

### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk.

The Interim Financial Statements do not include all financial risks management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the financial year 2025.

There has been no significant change in the Group's financial risks management policies since the last year end.

### (b) Fair value estimation

The Group's financial instruments that are measured at fair value are disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## 2 FINANCIAL RISKS MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

### (b) Fair value estimation (continued)

The carrying amounts of the financial instruments of the Group are as follows:

Listed investments are stated at market prices. The quoted market price used for financial assets held by the Group is the bid price at the end of the reporting period. They are included in level 1.

Unlisted investments are stated at fair values which are estimated using other prices observed in recent transactions or valuation techniques when the market price is not readily available. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. If all significant inputs required to estimate the fair value of an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of long-term financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying values of bank balances, receivables, payables and short-term borrowings approximately their fair values due to the short-term maturities of these assets and liabilities.

The carrying amounts of mortgage loans receivables, which carry interest rates with reference to bank's lending rates, approximate their fair values.

The following table presents the Group's financial assets at FVOCI, financial assets at FVPL and derivative financial instruments that are measured at fair value:

<b>As at 31 December 2025</b>	<b>Level 1 HK\$m</b>	<b>Level 2 HK\$m</b>	<b>Level 3 HK\$m</b>	<b>Total HK\$m</b>
Financial assets at FVOCI	270.6	2.3	2,064.8	2,337.7
Financial assets at FVPL	172.7	132.4	4,490.3	4,795.4
Derivative financial instruments				
Derivative financial assets	—	33.8	—	33.8
	<b>443.3</b>	<b>168.5</b>	<b>6,555.1</b>	<b>7,166.9</b>
Derivative financial instruments				
Derivative financial liabilities	—	(908.8)	—	(908.8)
<b>As at 30 June 2025</b>	<b>Level 1 HK\$m</b>	<b>Level 2 HK\$m</b>	<b>Level 3 HK\$m</b>	<b>Total HK\$m</b>
Financial assets at FVOCI	263.4	2.3	2,065.8	2,331.5
Financial assets at FVPL	212.1	132.4	4,612.6	4,957.1
Derivative financial instruments				
Derivative financial assets	—	106.0	—	106.0
	475.5	240.7	6,678.4	7,394.6
Derivative financial instruments				
Derivative financial liabilities	—	(733.6)	—	(733.6)

## 2 FINANCIAL RISKS MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

### (b) Fair value estimation (continued)

The following table presents the changes in financial assets at FVOCI and financial assets at FVPL in level 3 financial instruments for the six months ended 31 December 2025:

	Financial assets at FVOCI HK\$m	Financial assets at FVPL HK\$m
As at 1 July 2025	2,065.8	4,612.6
Additions	—	0.2
Transfer out	(1.2)	(92.5)
Net gain recognised in the condensed consolidated statement of comprehensive income/income statement	0.2	94.4
Disposals	—	(124.4)
As at 31 December 2025	2,064.8	4,490.3

## 3 REVENUES AND SEGMENT INFORMATION

Revenues recognised during the period are as follows:

	For the six months ended 31 December	
	2025 HK\$m	2024 HK\$m
<b>Revenues</b>		
Property development	3,899.0	8,377.8
Property investment	2,619.2	2,558.9
Construction	99.4	3,858.4
Hotel operations	748.2	712.6
Others	1,025.0	1,281.1
<b>Total</b>	<b>8,390.8</b>	16,788.8

The Executive Committee of the Company, being the chief operating decision-maker, determines and reviews the Group's internal reporting in order to assess performance and allocate resources. The operating segments are determined based on the aforementioned internal reporting and are reviewed occasionally.

The Executive Committee considers the business from products and services perspectives, which comprises property development, property investment, construction, hotel operations and others (including facilities management, department store and other strategic businesses) segments.

The Executive Committee assesses the performance of the operating segments based on each segment's operating results. The measurement of segment results excludes the effects of unallocated items (including corporate expenses, corporate financing income and corporate financing costs). In addition, taxation is not allocated to segments.

Sales between segments are carried out in accordance with terms agreed by the parties involved.

## 3 REVENUES AND SEGMENT INFORMATION (CONTINUED)

	Property development HK\$m	Property investment HK\$m	Construction HK\$m	Hotel operations HK\$m	Others HK\$m	Total HK\$m
<b>For the six months ended 31 December 2025</b>						
Total revenues	3,899.0	2,634.7	128.6	748.2	1,111.2	8,521.7
Inter-segment	—	(15.5)	(29.2)	—	(86.2)	(130.9)
<b>Revenues-external</b>	<b>3,899.0</b>	<b>2,619.2</b>	<b>99.4</b>	<b>748.2</b>	<b>1,025.0</b>	<b>8,390.8</b>
Revenues from contracts with customers:						
— Recognised at a point in time	3,899.0	—	—	238.6	433.9	4,571.5
— Recognised over time	—	—	99.4	509.6	591.1	1,200.1
	3,899.0	—	99.4	748.2	1,025.0	5,771.6
Revenues from other source:						
— Rental income	—	2,619.2	—	—	—	2,619.2
	—	2,619.2	—	—	—	2,619.2
	3,899.0	2,619.2	99.4	748.2	1,025.0	8,390.8
Segment results	1,969.9	1,809.0	(3.5)	(82.6)	(436.8)	3,256.0
Other (losses)/gains, net (note a)	(2,282.0)	(3.0)	—	(604.6)	848.3	(2,041.3)
Changes in fair value of investment properties	—	(1,146.3)	—	—	—	(1,146.3)
	(312.1)	659.7	(3.5)	(687.2)	411.5	68.4
Unallocated items						
Corporate expenses						(409.9)
Financing income						224.4
Financing costs						(2,265.3)
						(2,382.4)
Share of results of						
Joint ventures (note b)	(512.5)	493.5	—	(44.5)	(3.1)	(66.6)
Associated companies	188.4	—	—	—	—	188.4
<b>Loss before taxation</b>						<b>(2,260.6)</b>
Taxation						(797.7)
<b>Loss for the period</b>						<b>(3,058.3)</b>
<b>As at 31 December 2025</b>						
Segment assets	99,787.9	211,075.7	14,484.1	8,841.2	17,836.8	352,025.7
Interests in joint ventures	22,117.3	6,163.8	—	2,743.3	1,973.5	32,997.9
Interests in associated companies	7,017.8	360.9	41.8	—	2,024.7	9,445.2
Unallocated assets						23,605.3
Total assets						418,074.1
Segment liabilities	31,426.5	5,345.6	189.4	1,131.9	6,294.3	44,387.7
Unallocated liabilities						168,012.2
Total liabilities						212,399.9
<b>For the six months ended 31 December 2025</b>						
Additions to non-current assets (note c)	289.6	1,321.4	61.0	64.1	16.0	1,752.1
Depreciation and amortisation	32.5	53.9	—	237.2	287.3	610.9
Impairment charge and provision	2,312.4	—	—	610.9	3.3	2,926.6

## 3 REVENUES AND SEGMENT INFORMATION (CONTINUED)

	Property development HK\$m	Property investment HK\$m	Construction HK\$m	Hotel operations HK\$m	Others HK\$m	Total HK\$m
For the six months ended 31 December 2024						
Total revenues	8,377.8	2,558.9	3,874.6	712.6	1,323.1	16,847.0
Inter-segment	—	—	(16.2)	—	(42.0)	(58.2)
Revenues-external	8,377.8	2,558.9	3,858.4	712.6	1,281.1	16,788.8
Revenues from contracts with customers:						
— Recognised at a point in time	8,377.8	—	—	220.7	603.6	9,202.1
— Recognised over time	—	—	3,858.4	491.9	677.5	5,027.8
	8,377.8	—	3,858.4	712.6	1,281.1	14,229.9
Revenues from other source:						
— Rental income	—	2,558.9	—	—	—	2,558.9
	—	2,558.9	—	—	—	2,558.9
	8,377.8	2,558.9	3,858.4	712.6	1,281.1	16,788.8
Segment results	3,483.1	1,725.1	(122.6)	(105.5)	(620.0)	4,360.1
Other (losses)/gains, net (note a)	(1,540.5)	(10.6)	(15.5)	6.3	(368.6)	(1,928.9)
Changes in fair value of investment properties	—	(1,233.3)	—	—	—	(1,233.3)
	1,942.6	481.2	(138.1)	(99.2)	(988.6)	1,197.9
Unallocated items						
Corporate expenses						(466.8)
Financing income						294.2
Financing costs						(2,532.6)
						(1,507.3)
Share of results of						
Joint ventures (note b)	(2,114.5)	6.1	—	(61.6)	(3.0)	(2,173.0)
Associated companies	(44.2)	1.4	—	—	(0.6)	(43.4)
Loss before taxation						(3,723.7)
Taxation						(1,976.9)
Loss for the period						(5,700.6)
As at 30 June 2025						
Segment assets	98,997.5	210,009.1	14,490.1	9,018.9	18,686.5	351,202.1
Interests in joint ventures	21,500.4	6,163.8	—	2,683.8	1,838.1	32,186.1
Interests in associated companies	6,910.8	221.9	41.8	—	2,025.0	9,199.5
Unallocated assets						27,677.3
Total assets						420,265.0
Segment liabilities	31,368.4	5,195.6	189.4	1,176.0	6,407.2	44,336.6
Unallocated liabilities						169,191.5
Total liabilities						213,528.1
For the six months ended 31 December 2024						
Additions to non-current assets (note c)	59.0	2,219.7	525.5	37.6	77.2	2,919.0
Depreciation and amortisation	26.6	53.5	—	292.1	294.9	667.1
Impairment charge and provision	1,619.4	10.6	—	0.1	145.5	1,775.6

## 3 REVENUES AND SEGMENT INFORMATION (CONTINUED)

	Hong Kong HK\$m	Chinese Mainland HK\$m	Others HK\$m	Total HK\$m
<b>For the six months ended 31 December 2025</b>				
<b>Revenues</b>				
Property development	1,389.4	2,509.6	—	3,899.0
Property investment	1,685.2	934.0	—	2,619.2
Construction (note d)	97.0	2.4	—	99.4
Hotel operations	209.8	450.8	87.6	748.2
Others	183.6	841.4	—	1,025.0
<b>Total</b>	<b>3,565.0</b>	<b>4,738.2</b>	<b>87.6</b>	<b>8,390.8</b>
<b>As at 31 December 2025</b>				
<b>Non-current assets</b> (note c)	<b>156,862.8</b>	<b>98,838.9</b>	<b>1,065.0</b>	<b>256,766.7</b>
	Hong Kong HK\$m	Chinese Mainland HK\$m	Others HK\$m	Total HK\$m
<b>For the six months ended 31 December 2024</b>				
<b>Revenues</b>				
Property development	1,734.1	6,643.7	—	8,377.8
Property investment	1,615.1	943.8	—	2,558.9
Construction (note d)	3,794.9	63.5	—	3,858.4
Hotel operations	201.6	326.5	184.5	712.6
Others	313.1	968.0	—	1,281.1
<b>Total</b>	<b>7,658.8</b>	<b>8,945.5</b>	<b>184.5</b>	<b>16,788.8</b>
<b>As at 30 June 2025</b>				
<b>Non-current assets</b> (note c)	<b>157,223.3</b>	<b>97,420.2</b>	<b>1,065.0</b>	<b>255,708.5</b>

note:

- (a) For the six months ended 31 December 2025, property development segment includes impairment loss on properties held for sale and properties under development of HK\$2,085.2 million (2024: HK\$1,613.4 million); hotel operations segment includes impairment loss on property, plant and equipment and loan receivables of HK\$610.9 million (2024: Nil).
- (b) For the six months ended 31 December 2025, share of results of joint ventures under property development segment includes share of impairment in properties under development and properties held for sale of HK\$307.8 million (2024: HK\$1,755.0 million).
- (c) Non-current assets represent non-current assets other than financial instruments, interests in joint ventures, interests in associated companies, deferred tax assets, and long-term loans and receivables and long-term prepayments and deposits within other non-current assets.
- (d) The sale of the entire equity interest in New World Sports Development Limited ("NWSD") and the related shareholder's loan was completed on 29 November 2024. NWSD holds a 75% interest in Kai Tak Sports Park Limited, which is principally engaged in the design, construction and operation of the Kai Tak Sports Park Project. The transaction resulted in a decrease in the Group's construction revenue.

#### 4 OPERATING (LOSS)/PROFIT

Operating (loss)/profit of the Group is arrived at after crediting/(charging) the following:

	For the six months ended 31 December	
	2025 HK\$m	2024 HK\$m
Gain on redemption of fixed rate bonds	360.3	14.3
Net gain on fair value of financial assets at FVPL	100.4	2.9
Write back of loss allowance for		
Loans and other receivables	—	55.5
Other payables	—	73.7
Inventories	16.2	25.2
Rent concession, government grants and subsidies	4.6	10.5
Net (loss)/gain on fair value of derivative financial instruments	(108.6)	396.7
Net (loss)/profit on disposal/liquidation of		
Financial assets at FVPL	(2.6)	(674.1)
Investment properties and property, plant and equipment	69.7	28.9
Subsidiaries	362.0	(168.4)
Associated companies and joint ventures	27.1	86.3
Impairment loss/loss allowance/provision on		
Loans, debtors and other receivables	(221.5)	(162.2)
Properties held for sale	(1,040.0)	(607.4)
Properties under development	(1,045.2)	(1,006.0)
Property, plant and equipment	(410.9)	—
Assets held for sale	(209.0)	—
Cost of inventories sold	(1,721.2)	(3,799.9)
Cost of services rendered	(1,629.2)	(5,080.4)
Depreciation and amortisation	(610.9)	(639.5)
Net exchange gains/(losses)	56.2	(4.8)

#### 5 TAXATION

	For the six months ended 31 December	
	2025 HK\$m	2024 HK\$m
Current taxation		
Hong Kong profits tax	108.0	54.8
Chinese Mainland and overseas taxation	44.9	753.4
Chinese Mainland land appreciation tax	896.7	1,239.0
Deferred taxation	(251.9)	(70.3)
	<b>797.7</b>	<b>1,976.9</b>

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the period.

Taxation on the Chinese Mainland and overseas profits has been calculated on the estimated taxable profit for the period at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 12% to 25% (2024: 12% to 25%).

Withholding tax on dividend is mainly provided at the rate of 5% or 10% (2024: 5% or 10%).

The Chinese Mainland land appreciation tax is provided at progressive rates ranging from 30% to 60% (2024: 30% to 60%) on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

## 6 LOSSES PER SHARE

The calculation of basic and diluted losses per share for the period is based on the following:

	For the six months ended 31 December	
	2025 HK\$m	2024 HK\$m
Loss attributable to shareholders of the Company	<b>(3,729.6)</b>	(6,632.8)

	Number of shares (million) For the six months ended 31 December	
	2025	2024
Weighted average number of shares for calculating basic and diluted losses per share	<b>2,516.6</b>	2,516.6

	For the six months ended 31 December	
	2025 HK\$	2024 HK\$
Basic and diluted losses per share (before gain from redemption of perpetual capital securities)	<b>(1.48)</b>	(2.64)

Note: If considering the impact of the gain from redemption of perpetual capital securities (HK\$8,170.0 million) to be added back to the loss attributable to shareholders of the Company when calculating the basic and diluted earnings/(losses) per share, earnings per share would be HK\$1.76 for the six months ended 31 December 2025.

	For the six months ended 31 December	
	2025 HK\$m	2024 HK\$m
Loss attributable to shareholders of the Company	<b>(3,729.6)</b>	(6,632.8)
Adjust for gain from redemption of perpetual capital securities	<b>8,170.0</b>	–
	<b>4,440.4</b>	(6,632.8)

	For the six months ended 31 December	
	2025 HK\$	2024 HK\$
Adjusted basic and diluted earnings/(losses) per share	<b>1.76</b>	(2.64)

## 7 CAPITAL EXPENDITURE

For the six months ended 31 December 2025, the Group has acquired investment properties and property, plant and equipment of HK\$1,426.6 million (2024: HK\$1,952.2 million). The Group has disposed of investment properties and property, plant and equipment of net book value of HK\$591.0 million (2024: HK\$1,039.0 million).

## 8 INVESTMENT PROPERTIES

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Completed investment properties	<b>193,438.9</b>	193,310.2
Investment properties under development	<b>12,471.7</b>	11,574.8
	<b>205,910.6</b>	204,885.0

	<b>Completed investment properties HK\$m</b>	<b>Investment properties under development HK\$m</b>	<b>Total HK\$m</b>
At 1 July 2025	<b>193,310.2</b>	<b>11,574.8</b>	<b>204,885.0</b>
Translation differences	<b>1,481.7</b>	<b>269.3</b>	<b>1,751.0</b>
Additions	<b>473.5</b>	<b>813.1</b>	<b>1,286.6</b>
Transfer between investment properties, property, plant and equipment and right-of-use assets	<b>(459.5)</b>	—	<b>(459.5)</b>
Disposals	<b>(406.2)</b>	—	<b>(406.2)</b>
Changes in fair value	<b>(960.8)</b>	<b>(185.5)</b>	<b>(1,146.3)</b>
At 31 December 2025	<b>193,438.9</b>	<b>12,471.7</b>	<b>205,910.6</b>

	Completed investment properties HK\$m	Investment properties under development HK\$m	Total HK\$m
At 1 July 2024	177,725.2	29,986.6	207,711.8
Translation differences	821.9	329.0	1,150.9
Disposal of subsidiaries	(496.6)	—	(496.6)
Additions	1,007.6	3,571.7	4,579.3
Transfer between investment properties, property, plant and equipment and right-of-use assets	(3,710.4)	—	(3,710.4)
Reclassification to finance lease receivables	(8.2)	—	(8.2)
Transfer to assets classified as held for sale	(1,554.9)	—	(1,554.9)
Disposals	(1,658.3)	—	(1,658.3)
Changes in fair value	(1,520.0)	391.4	(1,128.6)
Transfer upon completion	22,703.9	(22,703.9)	—
At 30 June 2025	193,310.2	11,574.8	204,885.0

**9 RIGHT-OF-USE ASSETS**

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Leasehold land	<b>435.2</b>	436.3
Land use rights	<b>954.0</b>	958.7
Buildings, plant and equipment	<b>2,458.4</b>	2,503.8
	<b>3,847.6</b>	3,898.8

**10 INTERESTS IN JOINT VENTURES**

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Group's share of net assets	<b>7,926.6</b>	7,809.2
Goodwill on acquisition	<b>178.0</b>	178.0
Amounts receivable less provision	<b>24,893.3</b>	24,198.9
	<b>32,997.9</b>	32,186.1

**11 INTERESTS IN ASSOCIATED COMPANIES**

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Group's share of net assets		
Unlisted shares	<b>7,648.9</b>	7,329.6
Amounts receivable less provision	<b>1,796.3</b>	1,869.9
	<b>9,445.2</b>	9,199.5

## 12 OTHER NON-CURRENT ASSETS

	As at 31 December 2025 HK\$m	As at 30 June 2025 HK\$m
Long-term loans and receivables (note (a))	5,829.9	5,923.2
Long-term prepayments and deposits	2,489.9	2,093.2
Deposits and other prepayments for development projects (note (b))	1,880.8	1,904.6
Contract assets related to construction services (note (b))	12,908.0	12,816.8
	<b>23,108.6</b>	22,737.8

notes:

(a) Long-term loans and receivables

	As at 31 December 2025 HK\$m	As at 30 June 2025 HK\$m
Mortgage loans receivables (i)	1,176.5	1,223.2
Mortgage loans receivables within one year included in debtors, prepayments and contract assets	(44.3)	(47.5)
Other receivables	4,697.7	4,747.5
	<b>5,829.9</b>	5,923.2

(i) Mortgage loans receivables are advances to purchasers of development projects of the Group in Hong Kong and are secured by first or second mortgages on the related properties. The balance included first mortgage loans of HK\$1,002.3 million (30 June 2025: HK\$1,028.9 million).

The mortgage loans receivables are repayable by monthly with various tenors not more than 29 years (30 June 2025: not more than 29 years) at the period end date and carrying interest at floating rates.

Management assessed the expected credit loss allowance of mortgage loans receivables, with reference to both historical loss experience and forward-looking information. The Group had not provided any loss allowance for its mortgage loans receivables during the period (30 June 2025: Nil).

(b) In May 2018, the Group was awarded by Airport Authority Hong Kong ("AAHK") the contract for the design, construction, financing and management of 11 SKIES project located in SkyCity of the Hong Kong International Airport. As of 31 December 2025, certain construction work for 11 SKIES remains outstanding and will be completed by phases in 2026 and 2027. Following the completion of the whole development of 11 SKIES, subject to the approvals from AAHK, the Group will be granted a long lease ("Long Lease") for the 11 SKIES project for a term up to September 2066. Under the term of the Long Lease, the Group will pay the higher of a guarantee rent or revenue rent which represents 20% of the gross revenue derived from the 11 SKIES project (subject to subsequent adjustment to 30%) throughout the lease term from June 2027 pursuant to the terms and conditions of the Long Lease, and performance deposits have been issued by licensed banks in Hong Kong to AAHK. As at 31 December 2025, the Group's investment in 11 SKIES project included investment properties for office portion of HK\$1,443.0 million and prepayment and contract assets related to construction services of HK\$14,708.0 million.

## 13 TRADE DEBTORS

Aging analysis of trade debtors based on invoice date is as follows:

	As at 31 December 2025 HK\$m	As at 30 June 2025 HK\$m
Less than 30 days	367.2	230.2
31 to 60 days	13.2	15.4
Over 60 days	578.9	740.0
	<b>959.3</b>	985.6

The Group has different credit policies for different business operations depending on the requirements of the markets and businesses in which the subsidiaries operate.



**14 ASSETS CLASSIFIED AS HELD FOR SALE**

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Investment properties	<b>1,223.6</b>	1,554.9

**15 SHARE CAPITAL**

	<b>As at 31 December 2025</b>		As at 30 June 2025	
	<b>Number of shares (million)</b>	<b>HK\$m</b>	Number of shares (million)	HK\$m
<b>Issued and fully paid</b> (note):				
At beginning and end of the period	<b>2,516.6</b>	<b>78,382.1</b>	2,516.6	78,382.1

note: The shares have no par value.

**16 BORROWINGS**

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Long-term borrowings		
Secured bank loans	<b>117,035.7</b>	118,319.1
Unsecured bank loans	<b>864.2</b>	873.0
Fixed rate bonds and notes payable	<b>26,353.7</b>	26,694.8
Loans from non-controlling shareholders	<b>4,221.2</b>	4,575.2
	<b>148,474.8</b>	150,462.1
Current portion of long-term borrowings	<b>(7,986.3)</b>	(6,520.0)
	<b>140,488.5</b>	143,942.1
Short-term borrowings		
Unsecured bank loans	—	78.1
Other unsecured loans	<b>5.1</b>	5.1
Loans from non-controlling shareholders	<b>458.3</b>	390.8
	<b>463.4</b>	474.0
Current portion of long-term borrowings	<b>7,986.3</b>	6,520.0
	<b>8,449.7</b>	6,994.0
Total borrowings	<b>148,938.2</b>	150,936.1

note: As at 31 December 2025, the aggregate net book value of assets pledged as securities for the Group's borrowings amounted to HK\$225,960.9 million (As at 30 June 2025: HK\$159,787.2 million).

## 17 TRADE CREDITORS

Aging analysis of trade creditors based on invoice date is as follows:

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Less than 30 days	<b>3,213.5</b>	2,387.3
31 to 60 days	<b>101.2</b>	70.5
Over 60 days	<b>4,848.8</b>	6,082.4
	<b>8,163.5</b>	8,540.2

## 18 COMMITMENTS

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Contracted but not provided for		
Property, plant and equipment	<b>56.4</b>	40.3
Investment properties	<b>3,112.2</b>	3,578.6
Other investments	<b>352.3</b>	236.9
	<b>3,520.9</b>	3,855.8
The Group's share of capital commitments of joint ventures and associated companies not included above are as follows:		
Contracted but not provided for	<b>26.7</b>	90.1

## 19 FINANCIAL GUARANTEE AND CONTINGENT LIABILITIES

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Financial guarantee contracts:		
Mortgage facilities for certain purchasers of properties	<b>2,383.5</b>	2,490.1
Guarantees for credit facilities granted to joint ventures	<b>2,736.5</b>	5,482.1
	<b>5,120.0</b>	7,972.2

## 20 RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions have been entered into by the Group during the period:

	<b>For the six months ended 31 December</b>	
	<b>2025 HK\$m</b>	2024 HK\$m
Joint ventures and associated companies		
Interest income	<b>47.7</b>	50.8
Interest expenses on lease liabilities	<b>3.9</b>	5.7
Rental expenses	<b>27.3</b>	33.0
Related companies		
Construction services expenses	<b>874.5</b>	—
Rental income	<b>188.0</b>	163.3
Rental expenses	<b>15.8</b>	17.1
Management services fee expenses	<b>201.8</b>	80.0
Concessionaires commissions	<b>8.9</b>	10.6
Engineering and mechanical services	<b>45.3</b>	251.0
Security services expenses	<b>23.1</b>	11.2
Cleaning and landscaping expenses	<b>28.3</b>	21.6
Repair and maintenance expenses	<b>21.6</b>	13.9
Insurance expenses	<b>31.4</b>	32.0

These related party transactions were conducted in accordance with the terms as disclosed in the last annual report.

No significant transactions have been entered with the directors of the Company during the period other than the emoluments paid to them (being the key management personnel compensation).

# Liquidity and Capital Resources

## NET DEBT

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Consolidated net debt	<b>122,721.5</b>	120,113.3
New World Department Store China Limited ("NWDS") (stock code: 0825)		
— net cash and bank balances	<b>140.4</b>	(26.5)
Net debt (exclude listed subsidiary)	<b>122,581.1</b>	120,139.8

The Group's debts were primarily denominated in Hong Kong dollar, United States Dollar and Renminbi. In respect of the Group's operations in the Chinese Mainland, the Group maintains an appropriate level of external borrowings in Renminbi for natural hedging. The Renminbi currency exposure of the Group is mainly derived from the translation of non-current assets and liabilities of the subsidiaries, associated companies and joint ventures in the Chinese Mainland with functional currency of Renminbi and the Renminbi deposits held for future development costs to Hong Kong Dollar. As at 31 December 2025, the translation of non-current assets and liabilities of subsidiaries, associated companies and joint ventures with functional currency other than Hong Kong Dollar to Hong Kong Dollar by using exchange rates at that day resulted a gain of HK\$2,334.2 million is recognised in equity. Apart from this, the Group does not have any material foreign exchange exposure.

The Group's borrowings were arranged on both floating rate and fixed rate basis. The financing costs had decreased to HK\$2,265.3 million for the period. The Group used interest rate swaps, cross currency swaps and foreign exchange forward contracts to hedge part of the Group's underlying interest rate and foreign exchange exposure. As at 31 December 2025, the Group had outstanding cross currency swaps in the amounts of approximately HK\$27,652.1 million, and had outstanding interest rate swaps in the amounts of HK\$18,200.0 million.

On 3 November 2025, CS Treasury Management Services (P) Limited ("PerpCo") and CS Treasury Management Services (B) Limited ("BondCo") (both PerpCo and BondCo are wholly-owned subsidiaries of the Company) offered to exchange the existing perpetual securities (the "Existing Perpetual Securities") and certain existing notes as listed below (the "Existing Notes", and together with the Existing Perpetual Securities, the "Existing Instruments") validly tendered for the relevant exchange consideration.

Upon completion of the exchange offers and following final settlement on 5 December 2025:

- (a) US\$2,293.0 million (equivalent to approximately HK\$17,885.0 million) in aggregate principal amount of Existing Perpetual Securities and US\$236.0 million (equivalent to approximately HK\$1,840.6 million) in aggregate principal amount of Existing Notes were exchanged and cancelled pursuant to the exchange offers; and
- (b) PerpCo and BondCo issued US\$1,175.5 million (equivalent to approximately HK\$9,169.3 million) and US\$186.6 million (equivalent to approximately HK\$1,455.2 million) in aggregate principal amount of new 9.000% senior perpetual capital securities denominated in US dollar (the "New Perpetual Securities") and new 7.000% senior secured notes due 2031 denominated in US dollar (the "New Notes", and together with the New Perpetual Securities, the "New Instruments") respectively pursuant to the exchange offers.

The exchange offers are part of the Company's effort to optimise its debt maturity profile, enhance financial flexibility and liquidity and further improve its overall financial position. The New Instruments have exposure to an enhanced credit profile that is linked to Victoria Dockside and have an enhanced credit profile relative to the Existing Instruments.

Details in relation to the exchanged principal amount and remaining outstanding principal amount of each series of Existing Perpetual Securities and Existing Notes as at 31 December 2025 are set out on pages 49 to 50 to this report.

As at 31 December 2025, the Group's cash and bank balances (including restricted bank balances) stood at HK\$21,537.2 million (30 June 2025: HK\$25,856.8 million) and the consolidated net debt amounted to HK\$122,721.5 million (30 June 2025: HK\$120,113.3 million). The net gearing ratio was 59.7%; an increase of 1.6% as compared to 30 June 2025.

## Liquidity and Capital Resources

### NET DEBT (CONTINUED)

As at 31 December 2025, the Group's long-term bank loans, other loans and fixed rate bonds and notes payable amounted to HK\$144,253.6 million (30 June 2025: HK\$145,886.9 million). Short-term bank and other loans as at 31 December 2025 were HK\$5.1 million (30 June 2025: HK\$83.2 million). The maturity of bank loans, other loans and fixed rate bonds and notes payable as at 31 December 2025 and 30 June 2025 was as follows:

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Within one year	<b>7,633.3</b>	6,569.8
In the second year	<b>28,570.9</b>	22,447.8
In the third year	<b>47,662.8</b>	40,296.7
In the fourth year	<b>42,857.5</b>	42,085.0
In the fifth year	<b>4,851.1</b>	22,693.0
After the fifth year	<b>12,683.1</b>	11,877.8
	<b>144,258.7</b>	145,970.1

Equity of the Group as at 31 December 2025 decreased to HK\$205,674.2 million against HK\$206,736.9 million as at 30 June 2025.

On 25 September 2025, a facility agreement (the "Facility Agreement") was entered into by, among others, certain members of the Group (as borrower and/or obligor) and Deutsche Bank AG (as arranger, original lender and agent). Pursuant to the Facility Agreement, a term loan facility (the "Facility") of up to HK\$5.9 billion with an initial committed tranche of up to HK\$3.95 billion will be made available to certain group companies of the Group for the Group's ordinary course financing activities. The Facility is or will be secured by a first ranking mortgage over the property known as "Victoria Dockside" (which comprises five major components, namely "K11 ARTUS", "K11 ATELIER", "K11 MUSEA", Rosewood Hong Kong and certain carparks) and assets that are related to Victoria Dockside. Notwithstanding this, the Group retains the ability to use Victoria Dockside as security to obtain other additional financing to support its ongoing business needs.

The Group has been monitoring its on-going compliance with the financial covenant requirements and will continue to actively arrange for sales and pre-sale activities and execute its assets disposal plan. The Group will respond to market changes and capture demands in order to generate cash inflow and enhance liquidity. The Group will also continue to take active measures to control operating costs and capital expenditure.

## Other Information

### DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

At 31 December 2025, the Group had given financial assistance and guarantees to its joint ventures and associated companies (collectively "affiliated companies") as set out below:

	<b>As at 31 December 2025 HK\$m</b>	As at 30 June 2025 HK\$m
Amounts due by affiliated companies (Note)	<b>26,988.8</b>	26,368.0
Guarantees given for affiliated companies in respect of banking and other credit facilities	<b>2,736.5</b>	5,482.1
	<b>29,725.3</b>	31,850.1

Note:

The advances were unsecured and were interest free except for an aggregate amount of HK\$13,393.6 million (30 June 2025: HK\$13,484.4 million) which carried interest ranging from 3.45% to 10% per annum (30 June 2025: 3.45% to 10% per annum). The advances had no fixed repayment terms.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of those affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 December 2025 are presented as follows:

	<b>Combined Statement of financial position HK\$m</b>	<b>Group's attributable interests HK\$m</b>
Non-current assets	<b>35,840.7</b>	<b>17,448.7</b>
Current assets	<b>95,768.4</b>	<b>35,928.2</b>
Current liabilities	<b>(83,148.5)</b>	<b>(30,906.5)</b>
Total assets less current liabilities	<b>48,460.6</b>	<b>22,470.4</b>
Non-current liabilities	<b>(51,502.9)</b>	<b>(22,836.9)</b>
Net liabilities	<b>(3,042.3)</b>	<b>(366.5)</b>

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 31 December 2025.

## INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the financial year ending 30 June 2026 (2025: Nil).

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 3 November 2025, CS Treasury Management Services (P) Limited (“PerpCo”) and CS Treasury Management Services (B) Limited (“BondCo”) (both PerpCo and BondCo are wholly-owned subsidiaries of the Company) offered to exchange the existing perpetual securities (the “Existing Perpetual Securities”) and certain existing notes as listed below (the “Existing Notes”, and together with the Existing Perpetual Securities, the “Existing Instruments”) validly tendered for the relevant exchange consideration and subject to the terms and conditions of the exchange offers. Details and final results of the exchange offers were set out in the announcements of the Company dated 3 November 2025 and 5 December 2025 respectively.

Upon completion of the exchange offers and following final settlement on 5 December 2025:

- (a) US\$2,292,955,000 (equivalent to approximately HK\$17,885,049,000) in aggregate principal amount of Existing Perpetual Securities and US\$235,974,000 (equivalent to approximately HK\$1,840,597,000) in aggregate principal amount of Existing Notes were exchanged and cancelled pursuant to the exchange offers; and
- (b) PerpCo and BondCo issued US\$1,175,548,191 (equivalent to approximately HK\$9,169,276,000) and US\$186,563,710 (equivalent to approximately HK\$1,455,197,000) in aggregate principal amount of new 9.000% senior perpetual capital securities denominated in US dollar (the “New Perpetual Securities”) and new 7.000% senior secured notes due 2031 denominated in US dollar (the “New Notes”, and together with the New Perpetual Securities, the “New Instruments”) respectively pursuant to the exchange offers.

The exchange offers are part of the Company’s effort to optimise its debt maturity profile, enhance balance sheet flexibility and liquidity and further improve its overall financial position. The New Instruments have exposure to an enhanced credit profile that is linked to Victoria Dockside and have an enhanced credit profile relative to the Existing Instruments.

Details in relation to the exchanged principal amount and remaining outstanding principal amount of each series of Existing Perpetual Securities and Existing Notes as at 31 December 2025 are set out below:

### (A) Existing Perpetual Securities issued by NWD Finance (BVI) Limited (“NWD Finance”)

Existing Perpetual Securities	Exchange consideration		Aggregate principal amount exchanged and cancelled upon settlement	Total outstanding principal amount as at 31 December 2025
	New Perpetual Securities consideration	Cash consideration		
US\$700,000,000 (equivalent to approximately HK\$5,460,000,000) 4.800% Guaranteed Senior Perpetual Capital Securities	US\$500 in aggregate principal amount of New Perpetual Securities for each	US\$20 in cash for each US\$1,000 in deferred arrears and principal amount in respect of the relevant Existing Perpetual Securities.	US\$540,199,000 (equivalent to approximately HK\$4,213,552,000)	US\$159,801,000 (equivalent to approximately HK\$1,246,448,000)
US\$1,300,000,000 (equivalent to approximately HK\$10,140,000,000) 6.250% Guaranteed Senior Perpetual Capital Securities	US\$1,000 in deferred arrears and principal amount in respect of the relevant Existing Perpetual Securities.		US\$700,705,000 (equivalent to approximately HK\$5,465,499,000)	US\$599,295,000 (equivalent to approximately HK\$4,674,501,000)
US\$500,000,000 (equivalent to approximately HK\$3,900,000,000) 6.150% Guaranteed Senior Perpetual Capital Securities	Accrued and unpaid distributions shall be forfeited.		US\$13,770,000 (equivalent to approximately HK\$107,406,000)	US\$331,544,000 (equivalent to approximately HK\$2,586,043,000)
US\$1,000,000,000 (equivalent to approximately HK\$7,800,000,000) 5.250% Guaranteed Senior Perpetual Capital Securities			US\$255,647,000 (equivalent to approximately HK\$1,994,047,000)	US\$743,353,000 (equivalent to approximately HK\$5,798,153,000)
US\$1,200,000,000 (equivalent to approximately HK\$9,360,000,000) 4.125% Guaranteed Senior Perpetual Capital Securities			US\$782,634,000 (equivalent to approximately HK\$6,104,545,000)	US\$361,766,000 (equivalent to approximately HK\$2,821,775,000)

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES (CONTINUED)

## (B) Existing Notes

Existing Notes	Exchange consideration	Aggregate principal amount exchanged and cancelled upon settlement	Total outstanding principal amount as at 31 December 2025
US\$600,000,000 (equivalent to approximately HK\$4,680,000,000) 4.750% Guaranteed Notes due Jan 2027 (the "Existing Jan 2027 Notes") issued by New World China Land Limited ("NWCL")	(i) US\$910 in aggregate principal amount of New Notes for each US\$1,000 in aggregate principal amount of the Existing Jan 2027 Notes; and (ii) the relevant accrued interest amount.	US\$1,500,000 (equivalent to approximately HK\$11,700,000)	US\$456,866,000 (equivalent to approximately HK\$3,563,555,000)
US\$200,000,000 (equivalent to approximately HK\$1,560,000,000) 5.875% Guaranteed Notes due June 2027 (the "Existing Jun 2027 Notes") issued by NWD (MTN) Limited ("NWD (MTN)")	(i) US\$900 in aggregate principal amount of New Notes for each US\$1,000 in aggregate principal amount of the Existing Jun 2027 Notes; and (ii) the relevant accrued interest amount.	US\$9,410,000 (equivalent to approximately HK\$73,398,000)	US\$162,590,000 (equivalent to approximately HK\$1,268,202,000)
US\$400,000,000 (equivalent to approximately HK\$3,120,000,000) 8.625% Guaranteed Notes due Feb 2028 (the "Existing Feb 2028 Notes") issued by NWD (MTN)	(i) US\$900 in aggregate principal amount of New Notes for each US\$1,000 in aggregate principal amount of the Existing Feb 2028 Notes; and (ii) the relevant accrued interest amount.	US\$27,962,000 (equivalent to approximately HK\$218,104,000)	US\$372,038,000 (equivalent to approximately HK\$2,901,896,000)
US\$950,000,000 (equivalent to approximately HK\$7,410,000,000) 4.125% Guaranteed Notes due July 2029 (the "Existing July 2029 Notes") issued by NWD (MTN)	(i) US\$775 in aggregate principal amount of New Notes for each US\$1,000 in aggregate principal amount of the Existing July 2029 Notes; and (ii) the relevant accrued interest amount.	US\$129,413,000 (equivalent to approximately HK\$1,009,421,000)	US\$588,386,000 (equivalent to approximately HK\$4,589,411,000)
US\$600,000,000 (equivalent to approximately HK\$4,680,000,000) 4.500% Guaranteed Notes due May 2030 (the "Existing May 2030 Notes") issued by NWD (MTN)	(i) US\$765 in aggregate principal amount of New Notes for each US\$1,000 in aggregate principal amount of the Existing May 2030 Notes; and (ii) the relevant accrued interest amount.	US\$57,424,000 (equivalent to approximately HK\$447,907,000)	US\$385,163,000 (equivalent to approximately HK\$3,004,271,000)
US\$200,000,000 (equivalent to approximately HK\$1,560,000,000) 3.750% Guaranteed Notes due Jan 2031 (the "Existing Jan 2031 Notes") issued by NWD (MTN)	(i) US\$715 in aggregate principal amount of New Notes for each US\$1,000 in aggregate principal amount of the Existing Jan 2031 Notes; and (ii) the relevant accrued interest amount.	US\$10,265,000 (equivalent to approximately HK\$80,067,000)	US\$65,785,000 (equivalent to approximately HK\$513,123,000)

During the six months ended 31 December 2025, the Company has not redeemed any of its listed securities. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six months ended 31 December 2025.

### REVIEW OF INTERIM RESULTS

The Company's unaudited interim results for the six months ended 31 December 2025 have not been reviewed by external auditor, but have been reviewed by the Audit Committee of the Company.

### CORPORATE GOVERNANCE CODE

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules throughout the six months ended 31 December 2025, with the exception of code provision C.1.3.

Code provision C.1.3 is in relation to guidelines for securities dealings by relevant employees. Under code provision C.1.3, the Board should establish written guidelines on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules for its relevant employees in respect of their dealings in the securities of the Company. Instead of following the Model Code strictly, the Board has established its own guidelines which are not on no less exacting terms than the Model Code. Such deviation from the CG Code is considered necessary because of the large number of employees of the Group (around 9,500) and the Group's diversified businesses. For these reasons, to strictly follow the exact guidelines of the Model Code will cause immense administrative burden to the Company in processing written notifications from the relevant employees who deal in the securities of the Company, which can be avoided under the Company's own guidelines.

### REQUIREMENT IN CONNECTION WITH PUBLICATION OF "NON-STATUTORY ACCOUNTS" UNDER SECTION 436 OF THE COMPANIES ORDINANCE (CAP. 622 OF THE LAWS OF HONG KONG)

The financial information relating to the year ended 30 June 2025 that is included in the Interim Report 2025/2026 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 financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company had delivered the financial statements for the year ended 30 June 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 had reported on those financial statements of the Group. 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 407(3) of the Companies Ordinance.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for securities transactions by its Directors. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 31 December 2025.

### UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the date of the Company's 2025 Annual Report are set out below:

1. Dr. Cheng Kar-Shun, Henry was appointed as the chairman and executive director of New World Department Store China Limited ("NWDS") with effect from 9 January 2026.
2. Ms. Huang Shaomei, Echo ceased to be the chief executive officer of NWCL on 12 December 2025. She was appointed as the vice-chairman and executive director of NWDS with effect from 9 January 2026.
3. Ms. Cheng Chi-Man, Sonia was appointed as a trustee of The Better Hong Kong Foundation with effect from 1 September 2025. She was also appointed as a non-executive director of UMP Healthcare Holdings Limited, a listed public company in Hong Kong, with effect from 21 November 2025.
4. Mr. Ho Gilbert Chi-Hang ceased to be a member of the Hong Kong Logistics Development Council on 1 January 2026.

### UPDATE ON DIRECTORS' INFORMATION (CONTINUED)

5. Mr. Lau Fu-Keung, Edward was appointed as a board member of the Wah Yan Post-Secondary Education Trust Fund with effect from 1 September 2025. He was also appointed as a member of the Career Development Advisory Committee for Business Master Programmes of College of Business at City University of Hong Kong for a term of two years with effect from 1 October 2025. He became a fellow member of CPA Australia with effect from 3 February 2026.
6. Mr. Chan Yiu-Ho was appointed as an Executive Director and member of the Executive Committee of the Company and the chief executive officer of NWCL with effect from 12 December 2025.
7. Mr. Lee Luen-Wai, John is an executive director and the deputy chairman of Lippo Limited, the shares of which have been delisted from the Hong Kong Stock Exchange since 25 September 2025.
8. Mr. Ip Yuk-Keung, Albert was appointed as the chairman of the Career Development Advisory Committee for Business Master Programmes of College of Business at City University of Hong Kong with effect from August 2025. He was also appointed as the co-chairman of College International Advisory Board of College of Business at City University of Hong Kong from 1 September 2025.
9. Ms. Lo Wing-Sze, Anthea ceased to be the Chairlady of Tai Hang Fire Dragon Heritage Centre (Revitalising Historic Buildings Through Partnership Scheme Batch IV) on 1 December 2025.

### INVESTOR RELATIONS

The Group places great emphasis on maintaining clear and transparent communications with shareholders and other investors. We ensure timely disclosure of corporate information through various channels, including annual and interim reports, public announcements, press releases and sustainability reports. The Group also reaches out to equity and fixed-income investors by actively participating in investor forums and staging non-deal road shows to foster ongoing dialogues with the investment communities and to expand its reach to overseas and mainland investors. The Group has implemented more proactive initiatives to ensure sufficient corporate access by the investor communities and other stakeholders. This will enable the Group to interact with stakeholders and better understand their concerns and expectations so that long-term sustainable business strategies can be formulated accordingly.

### CORPORATE SUSTAINABILITY

New World Group drives its sustainable business approach through Sustainability Vision 2030+ ("SV2030+"), embedding Environmental, Social and Governance ("ESG") principles into core decisions to create long-term economic, environmental and social value for our stakeholders and the planet. Aligned with the Group's long-term business strategy and the United Nations Sustainable Development Goals ("UN SDGs"), SV2030+ sets clear targets and monitors progress annually through three pillars: Future Fit Places, Organisational Resilience, and Enriched Lives.

The Group remains committed to transparency and will continue to publish a Corporate Sustainability Chapter in the Annual Report, outlining our sustainability strategy and initiatives, including climate risk actions and innovation to strengthen organisational resilience and deliver sustainable growth.

The section also references the Global Reporting Initiative ("GRI") Standards 2021, Hong Kong Stock Exchange's ESG Reporting Guide, the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), the International Sustainability Standards Board's ("ISSB") IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, the United Nations Global Compact ("UNGC"), the recommendations of the Taskforce on Nature-related Financial Disclosures ("TNFD"), and the standard for real estate industry set by the Sustainability Accounting Standards Board ("SASB"). Supplementary information is available on the Company's website.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, around 9,500 staff were employed by entities under the Group's management. Remuneration policies are reviewed annually. Remuneration and bonuses are awarded to employees based on individual performances and are in line with market practices. Education subsidies are granted to employees who are taking job-related courses. Periodic in-house training programs are also offered. Under the share option schemes of the Company and its listed subsidiary, namely, NWDS which is not a principal subsidiary (as defined under Rule 17.14 of the Listing Rules) of the Company, share options may be granted to certain directors and employees of the Group to subscribe for shares in the Company and/or NWDS.

## SHARE OPTION SCHEME

During the six months ended 31 December 2025, no share option of the Company was granted or outstanding under the share option scheme of the Company. The number of share options available for grant under the share option scheme mandate of the Company as at 1 July 2025 and 31 December 2025 is 226,834,911.

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests of the Directors in shares, underlying shares and debentures of the Company or any of its associated corporations which were recorded in the register required to be kept by the Company under section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

### (A) Long positions in shares

	Number of shares			Total	Approximate % of shareholding as at 31 December 2025
	Personal interests	Spouse interests	Corporate interests		
<b>New World Development Company Limited</b>					
(Ordinary shares)					
Dr. Cheng Kar-Shun, Henry	5,168,909	—	—	5,168,909	0.21
Mr. Cheng Kar-Shing, Peter	213,444	141,641 <sup>(1)</sup>	—	355,085	0.01
Mr. Cheng Chi-Heng	133,444	—	—	133,444	0.01
Ms. Cheng Chi-Man, Sonia	825,672	—	—	825,672	0.03
Ms. Chiu Wai-Han, Jenny	29,899	—	—	29,899	0.00
Mr. Lau Fu-Keung	1,000	—	—	1,000	0.00
<b>NWDS</b>					
(Ordinary shares of HK\$0.10 each)					
Ms. Cheng Chi-Man, Sonia	92,000	—	—	92,000	0.01
Mr. Lau Fu-Keung	1,000	—	—	1,000	0.00
<b>Sun Legend Investments Limited</b>					
(Ordinary shares)					
Mr. Cheng Kar-Shing, Peter	—	—	9,500,500 <sup>(2)</sup>	9,500,500	50.00

Notes:

- (1) These shares were jointly held by Mr. Cheng Kar-Shing, Peter and his spouse.
- (2) These shares were beneficially owned by a controlled corporation of Mr. Cheng Kar-Shing, Peter.

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

### (B) Long positions in debentures

#### (1) NWCL

Name	Amount of debentures issued by NWCL				Approximate % to the total amount of debentures in issue as at 31 December 2025
	Personal interests HK\$	Spouse interests HK\$	Corporate interests HK\$	Total HK\$	
Mr. Doo Wai-Hoi, William	—	27,167,400 <sup>(1)</sup>	—	27,167,400	0.76

Note:

(1) These debentures were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0=HK\$7.8.

#### (2) NWD Finance

Name	Amount of debentures issued in US\$ by NWD Finance				Approximate % to the total amount of debentures in issue as at 31 December 2025
	Personal interests US\$	Spouse interests US\$	Corporate interests US\$	Total US\$	
Mr. Doo Wai-Hoi, William	—	107,875,000	10,000,000 <sup>(1)</sup>	117,875,000	5.37
Mr. Cheng Kar-Shing, Peter	4,000,000	—	—	4,000,000	0.18
Mr. Ip Yuk-Keung, Albert	—	750,000 <sup>(2)</sup>	—	750,000	0.03

Notes:

(1) These debentures were beneficially owned by a company which was wholly owned by Mr. Doo Wai-Hoi, William.

(2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse.

#### (3) NWD (MTN)

Name	Amount of debentures issued by NWD (MTN)				Approximate % to the total amount of debentures in issue as at 31 December 2025
	Personal interests HK\$	Spouse interests HK\$	Corporate interests HK\$	Total HK\$	
Mr. Doo Wai-Hoi, William	—	78,000,000 <sup>(1)</sup>	—	78,000,000	0.36
Mr. Ip Yuk-Keung, Albert	—	3,900,000 <sup>(2)</sup>	—	3,900,000	0.02
Mr. Chan Yiu-Ho	1,000,000	—	—	1,000,000	0.00

Notes:

(1) These debentures were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0=HK\$7.8.

(2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse, and were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0=HK\$7.8.

## Other Information

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive had or deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as defined in the SFO that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2025, the interests or short positions of substantial shareholders (as defined in the Listing Rules) in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

#### Long positions in shares

Name	Number of shares			Approximate % of shareholding as at 31 December 2025
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") <sup>(1)</sup>	—	1,140,728,609	1,140,728,609	45.33
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II") <sup>(2)</sup>	—	1,140,728,609	1,140,728,609	45.33
Chow Tai Fook Capital Limited ("CTFC") <sup>(3)</sup>	2,300,000	1,138,428,609	1,140,728,609	45.33
Chow Tai Fook (Holding) Limited ("CTFHL") <sup>(4)</sup>	—	1,138,428,609	1,138,428,609	45.24
Chow Tai Fook Enterprises Limited ("CTFE") <sup>(5)</sup>	1,035,392,823	103,035,786	1,138,428,609	45.24

Notes:

- (1) CYTFH holds 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFC.
- (2) CYTFH-II holds 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFC.
- (3) CTFC holds 90.52% direct interest in CTFHL and is accordingly deemed to have an interest in the shares deemed to be interested by CTFHL.
- (4) CTFHL holds 100% direct interest in CTFE and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFE.
- (5) CTFE together with its subsidiaries.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under section 336 of the SFO as at 31 December 2025.

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Dr. Cheng Kar-Shun, Henry GBM GBS (*Chairman*)  
Ms. Huang Shaomei, Echo (*Chief Executive Officer*)  
Ms. Cheng Chi-Man, Sonia  
Mr. Sitt Nam-Hoi  
Ms. Chiu Wai-Han, Jenny  
Mr. Ho Gilbert Chi-Hang  
Mr. Lau Fu-Keung (*Chief Financial Officer*)  
Mr. Chan Yiu-Ho

### Non-executive Directors

Mr. Doo Wai-Hoi, William BBS JP  
(*Non-executive Vice-chairman*)  
Mr. Cheng Kar-Shing, Peter  
Mr. Cheng Chi-Heng  
Mr. Cheng Chi-Ming, Brian

### Independent Non-executive Directors

Mr. Lee Luen-Wai, John BBS JP  
Mr. Ip Yuk-Keung, Albert  
Mr. Chan Johnson Ow  
Mrs. Law Fan Chiu-Fun, Fanny GBM GBS JP  
Ms. Lo Wing-Sze, Anthea BBS JP  
Ms. Wong Yeung-Fong, Fonia

## JOINT COMPANY SECRETARIES

Mr. Lau Fu-Keung  
Ms. Hui Ka-Wai

## INDEPENDENT AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants and  
Registered Public Interest Entity Auditor*

## SOLICITORS

Linklaters  
Clifford Chance  
Woo, Kwan, Lee & Lo  
Johnson Stokes & Master  
Simmons & Simmons  
Howse Williams  
Kao, Lee & Yip  
Dentons Hong Kong LLP

## SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## REGISTERED OFFICE

30/F., New World Tower  
16-18 Queen's Road Central, Hong Kong  
Tel: (852) 2523 1056  
Fax: (852) 2810 4673

## PRINCIPAL BANKERS

Agricultural Bank of China  
Bank of China (Hong Kong)  
Bank of Communications  
Bank of East Asia  
Bank of Nova Scotia  
China Construction Bank (Asia)  
China Merchants Bank  
Credit Agricole Corporate & Investment Bank  
DBS Bank  
Hang Seng Bank  
Hua Xia Bank  
Industrial and Commercial Bank of China (Asia)  
Malayan Banking Berhad  
Mizuho Bank  
MUFG Bank, Ltd.  
Nanyang Commercial Bank  
OCBC Bank  
Shanghai Pudong Development Bank  
Sumitomo Mitsui Banking Corporation  
Standard Chartered Bank  
The Hongkong and Shanghai Banking Corporation  
United Overseas Bank

## STOCK CODE

Hong Kong Stock Exchange 0017  
Reuters 0017.HK  
Bloomberg 17 HK

## INFORMATION FOR INVESTORS

For more information about the Group, please contact the Investor Relations Department of the Company at:  
30/F., New World Tower  
16-18 Queen's Road Central  
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Tel: (852) 2523 1056  
Fax: (852) 2810 4673  
e-mail: [ir@nwd.com.hk](mailto:ir@nwd.com.hk)

## WEBSITE

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