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周大福創建有限公司 CTF Services Limited

(incorporated in Bermuda with limited liability)

(stock code: 00659)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

HIGHLIGHTS

- **Profit attributable to shareholders of the Company rose 15% year-on-year to HK\$1,334.3 million.**
- **The Group's diversified businesses delivered a steady overall AOP year-on-year growth of 3% to HK\$2,283.9 million, despite subdued market conditions.**
- **Financial Services segment delivered robust earnings growth.**
- **The Group's financial position remained solid. Total available liquidity stood at approximately HK\$31.0 billion as at 31 December 2025, comprising cash and bank balances of approximately HK\$20.9 billion and unutilized committed banking facilities of approximately HK\$10.1 billion.**
- **Prudent and proactive balance sheet management. As at 31 December 2025, the Group's debt due within one year lowered 28% to HK\$6.8 billion, with net debt reduced 6% to HK\$13.8 billion, and net gearing ratio reduced to 34%.**
- **Committed to sustainable and progressive dividend policy. The Group's Interim Dividend is HK\$0.28 per share (representing an approximate 3% year-on-year increase on a comparable basis, after adjusting FY2025 interim ordinary dividend to reflect the enlarged share capital base following the 1-for-10 bonus issue in December 2025). The total interim ordinary dividend amount rose by approximately 6% to HK\$1.27 billion, reflecting the Group's commitment to delivering progressive shareholder returns underpinned by the strong cash flow generation of its diversified business portfolio.**

The board of directors (the "Board") of CTF Services Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2025 (the "Current Period"), together with comparative figures for the six months ended 31 December 2024 (the "Last Period").

BUSINESS REVIEW

Group overview

The financial year unfolded amid persistent global economic uncertainty and subdued market conditions. During the Current Period, the Group's diversified business portfolio demonstrated resilience, reporting a 3% year-on-year increase in Attributable Operating Profit ("AOP", a non-HKFRS measure) to HK\$2,283.9 million. Disciplined cost control and operational agility supported overall stability, while segment performance was mixed, with strength in certain businesses partially offset by softer results in others. The increase in the Group's overall AOP was mainly driven by (i) continued robust earnings growth of the Financial Services segment; and (ii) the disposal of the loss-making Free Duty business in December 2024 and the turnaround of Gleneagles Hospital Hong Kong ("GHK") to a positive AOP contribution from an Attributable Operating Loss ("AOL") in the Last Period within the Facilities Management segment. These positive impacts were partly offset by weak performances in the Construction segment and Logistics segment amid a challenging economic backdrop.

In addition to AOP growth, decreased net loss from non-operating items, mainly due to the absence of the loss related to the divestment of the Group's entire stake in Hyva III B.V. and its subsidiaries and a decrease in fair value loss on investment properties, partially offset by an impairment loss associated with the Roads segment, drove a 15% year-on-year increase in profit attributable to shareholders of the Company to HK\$1,334.3 million.

The Group continues to enhance its business portfolio, directing capital toward segments with sustainable long-term potential. This disciplined approach of capital allocation involves both the strategic divestments of stagnant assets and targeted investments in areas of clear strategic importance. As part of this ongoing effort, the Group monetized its investment in Shoucheng Holdings Limited ("Shoucheng") under the Strategic Investment segment through the issuance of HK\$2,218 million 0.75% exchangeable bonds due 2028 (the "0.75% Exchangeable Bonds") in October 2025. This transaction enables the Group to diversify its funding source and strengthen its financial flexibility to support future growth initiatives while potentially divest this investment with an attractive return.

The Group also advanced selective acquisitions to reinforce its core business segments. Within the Logistics segment, the Group acquired a logistics property in Dongguan in December 2025. After the end of the reporting period, the Group further completed the acquisition of three logistics properties in the Yangtze River Delta. These acquisitions expanded the scale of the Group's logistics portfolio and broadened our presence in key economic regions across the Chinese Mainland.

Concurrently, the Group continued to expand the Financial Services segment to capture growing demand for wealth management solutions. During the Current Period, the Group announced the acquisition of a 65% interest in Blackhorn Group Limited ("Blackhorn"), a Hong Kong-based external asset manager, and completed the acquisition of a 13.05% stake in uSmart Inlet Group Ltd ("uSMART"), a technology-driven financial services provider. uSMART is accounted for as an associated company and is expected to contribute to the development of the Financial Services segment and enhance the Group's wealth management capabilities. Collectively, these acquisitions are intended to strengthen the Group's financial services platform and broaden its products offerings.

During the Current Period, Hong Kong accounted for 58% of the Group's AOP (Last Period: 58%), while the Chinese Mainland contributed 36% (Last Period: 39%). Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA", a non-HKFRS measure of the Group's operating profitability) remained stable at HK\$3,591.4 million. Basic earnings per share was HK\$0.30, representing a 14% year-on-year growth.

The Group continued to manage finance costs effectively. Favourable Secured Overnight Financing Rate ("SOFR") movements and the redemption of US\$268.2 million of perpetual capital securities in the Last Period led to a 14% reduction in profit attributable to holders of perpetual capital securities. Besides, average borrowing costs decreased to approximately 4.0% (Last Period: approximately 4.2%) per annum, reflecting the decline in Hong Kong Interbank Offered Rate ("HIBOR") during the Current Period. The Group further increased its fixed-rate borrowings to 76% of total debt, compared with 70% as at 30 June 2025. Renminbi ("RMB") debt accounted for 61% of total debt as at 31 December 2025, compared with 62% as at 30 June 2025. The ratio of RMB liabilities to RMB assets slightly reduced to approximately 76% (30 June 2025: approximately 80%).

Following the expiry of the 2023 Panda Bond Programme¹, the Group has made an application in January 2026 to the National Association of Financial Market Institutional Investors (the "NAFMII") for the registration of up to RMB5.0 billion in debt financing instruments (the "2026 Panda Bond Programme"), issuable within two years upon receipt of the NAFMII's notice of acceptance of registration. Subject to approval, the timing, tenor and size of issuance will be determined based on market conditions. Depending on the market conditions, the 2026 Panda Bond Programme would provide a cost-effective financing channel for, *inter alia*, refinancing the Group's medium-term notes maturing in 2026 and 2027. As a portion of the Group's assets, operations and income are denominated in RMB, the issuance of panda bonds would also serve as a natural hedge against RMB exchange rate fluctuations.

During the Current Period, the Company continued to implement measures to address its public float. In July 2025, the Company issued HK\$850 million of 2.8% convertible bonds due 2027 (the "2.8% Convertible Bonds"). Following subsequent conversions, public float increased to approximately 25.08% as at 21 November 2025, complying with the minimum 25% requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). As at 24 February 2026, the public float had further risen to approximately 26.05%.

The Group maintains a disciplined approach to financial management, underpinned by consistently strong credit ratings. In January 2026, China Lianhe Credit Rating Co., Ltd. reaffirmed the Company's "AAA" rating with a stable outlook. In May 2025, Japan Credit Rating Agency, Ltd. assigned the Group "A+" for both Foreign Currency and Local Currency Long-term Issuer Ratings with a stable outlook, marking the second consecutive year of such recognition. These ratings enhance the Group's funding capabilities and support continued access to competitive financing.

Demonstrating its commitment to Environmental, Social and Governance ("ESG") principles, the Group continues to explore sustainable, social and green financing options. As at 31 December 2025, sustainability-linked and green facilities amounted to approximately HK\$19.2 billion (30 June 2025: approximately HK\$18.6 billion).

¹ The 2023 Panda Bond Programme was the Group's prior registration with NAFMII for RMB-denominated debt financing instruments, filed under the same framework as the 2026 Panda Bond Programme.

The Group's financial position remained solid, supported by ample liquidity and prudent capital management. As at 30 June 2025, approximately HK\$9.4 billion of debt scheduled to mature within one year, lowered 28% to approximately HK\$6.8 billion as at 31 December 2025.

As at 31 December 2025, total available liquidity amounted to approximately HK\$31.0 billion, comprising cash and bank balances of approximately HK\$20.9 billion and unutilized committed banking facilities of approximately HK\$10.1 billion, comfortably exceeding near-term maturities. As at 31 December 2025, net debt reduced 6% to approximately HK\$13.8 billion (30 June 2025: approximately HK\$14.7 billion), with the net gearing ratio, calculated as net debt over total equity, further edging down to 34%² (30 June 2025: 37%), demonstrating prudent leverage management and maintaining financial flexibility for future growth and strategic initiatives.

The Company is committed to delivering a sustainable and progressive dividend policy. The aim of its dividend policy is to steadily increase or at least maintain the Hong Kong dollar value of total ordinary dividend annually. The prospective total dividend growth, however, remains dependent upon the financial performance and future funding needs of the Group.

The Board has accordingly resolved to declare an interim ordinary dividend of HK\$0.28 per share for the year ending 30 June 2026 ("FY2026") (the "Interim Dividend"), representing an approximate 3%³ year-on-year increase on a comparable basis, after adjusting the interim ordinary dividend for the financial year ended 30 June 2025 ("FY2025") to reflect the enlarged share capital base following the 1-for-10 bonus issue in December 2025. The total interim ordinary dividend amount rose by approximately 6% to HK\$1.27 billion, reflecting the Group's commitment to delivering progressive shareholder returns underpinned by the strong cash flow generation of its diversified business portfolio.

² The 0.75% Exchangeable Bonds are being accounted for as financial liabilities at fair value through profit or loss and are excluded from both the net debt and net gearing ratio calculations. If the 0.75% Exchangeable Bonds were included as debt, the net gearing ratio would be 39% as at 31 December 2025.

³ The Interim Dividend for FY2026 of HK\$0.28 per share is not directly comparable with the interim ordinary dividend for FY2025 of HK\$0.30 per share due to the effect of the bonus issue.

Profit Contribution

For the six months ended 31 December

	2025	2024
	HK\$'m	HK\$'m
Attributable Operating Profit⁽¹⁾	2,283.9	2,225.3
<i>Non-operating items</i>		
Net loss on fair value of investment properties, net of tax	(37.8)	(89.7)
Impairments, remeasurement and provisions, net	(105.0)	(307.4)
Gain on disposal of a project	-	42.7
Share of non-operating income of joint ventures, net	7.9	81.1
Share-based payment	(27.7)	-
<i>Unallocated corporate office items</i>		
Net finance costs	(495.4)	(505.3)
Expenses and others	(197.5)	(180.1)
	(855.5)	(958.7)
Profit for the period after tax and non-controlling interests⁽²⁾	1,428.4	1,266.6
Profit attributable to:		
Shareholders of the Company	1,334.3	1,157.6
Holders of perpetual capital securities	94.1	109.0
	1,428.4	1,266.6

Notes:

- (1) Attributable Operating Profit/(Loss) is a non-HKFRS measure used by the Executive Committee of the Company to assess the performance of the operating segments as detailed in note 2 to the "Results" section of this announcement. The overall AOP of the Group represents the profit available for appropriation before non-operating and unallocated corporate office items. It may not be comparable to similar measures presented by other companies.
- (2) Reconciliation from Attributable Operating Profit to profit for the period after tax and non-controlling interests and related details of reconciling to condensed consolidated income statement and notes thereto are set out in note 2 to the "Results" section of this announcement.

Adjusted EBITDA⁽³⁾

For the six months ended 31 December

	2025	2024
	HK\$'m	HK\$'m
Operating profit	1,844.9	1,846.6
<i>Adjustments</i>		
Depreciation and amortization ⁽⁴⁾	958.9	903.2
Other non-operating/non-cash items		
Loss on fair value of investment properties ⁽⁵⁾	70.0	223.2
Impairment loss on intangible concession rights ⁽⁵⁾	105.0	-
Profit on disposal of assets held-for-sale ⁽⁵⁾	-	(42.7)
Share-based payment ⁽⁶⁾	36.4	-
Dividends received from associated companies and joint ventures	442.3	581.0
Other adjustment ⁽⁷⁾	133.9	45.5
Adjusted EBITDA⁽³⁾	<u>3,591.4</u>	<u>3,556.8</u>

Notes:

- (3) Adjusted EBITDA is a non-HKFRS measure of the Group's operating profitability and calculated as operating profit excluding depreciation and amortization and other non-operating/non-cash items, plus dividends received from associated companies and joint ventures, and any other relevant adjustments. It may not be comparable to similar measures presented by other companies.
- (4) Being the sum of amortization of intangible assets and intangible concession rights as well as depreciation of property, plant and equipment and right-of-use assets as individually disclosed in note 3 to the "Results" section of this announcement.
- (5) As disclosed in note 4 to the "Results" section of this announcement.
- (6) As disclosed in note 3(a) to the "Results" section of this announcement.
- (7) Adjustment is made to include dividends from a joint venture which was reinvested by the Group.

OPERATIONAL REVIEW

AOP Contribution by Segment

For the six months ended 31 December

	2025 HK\$'m	2024 HK\$'m	Change % Fav./Unfav.)
Roads	771.1	767.1	1
Financial Services	728.8	614.3	19
Logistics	331.8	387.8	(14)
Construction	310.0	390.9	(21)
Facilities Management [#]	42.8	9.3	360
Strategic Investments	99.4	55.9	78
Total	<u>2,283.9</u>	<u>2,225.3</u>	3

[#] If excluding the divested Free Duty business, the Facilities Management segment reported an AOP of HK\$48.5 million in the Last Period.

Roads

As at 31 December 2025, the Group managed thirteen toll roads projects across Guangdong Province, Zhejiang Province, Tianjin Municipality, Hubei Province, Hunan Province and Guangxi Zhuang Autonomous Region, representing a combined roadway length of approximately 880 kilometers.

During the Current Period, the Roads segment recorded a modest year-on-year AOP increase of 1% to HK\$771.1 million. Excluding Shanxi Taiyuan-Gujiao Roadway (Gujiao Section), which the Group disposed of in April 2025, AOP from the remaining thirteen toll roads rose 4% year-on-year. This was attributable to lower finance costs, which were partially offset by uneven traffic recovery. However, like-for-like average daily traffic flow and toll revenue declined 1% year-on-year, mainly due to partial closures on Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Guangzhou-Zhaoqing Expressway during their ongoing expansion works. In addition, a competing expressway that opened in July 2025 diverted some truck traffic away from Hangzhou Ring Road. These headwinds were partially offset by improving toll revenue from Tangjin Expressway (Tianjin North Section), which recorded steady traffic recovery following the completion of a key connecting road expansion in October 2025.

As at 31 December 2025, the road portfolio's average remaining concession period stood at approximately 11.4 years. Expansion works on both Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Guangzhou-Zhaoqing Expressway, commenced in late 2022 and late 2023 respectively, have been progressing on schedule. Their estimated completion by the financial year ending 2028 will make the Group eligible to apply for concession period extensions, which, if approved, would enhance the toll road portfolio's average remaining concession period.

Financial Services

During the Current Period, the Financial Services segment recorded a robust 19% year-on-year increase in AOP to HK\$728.8 million, primarily driven by strong performance of Chow Tai Fook Life Insurance Company Limited (“CTF Life”). Profitable new business growth and favourable financial market movements contributed to a 17% year-on-year increase in Contractual Service Margin (“CSM”) release to HK\$664.6 million, which remained the major driver of AOP. As at 31 December 2025, the CSM balance (net of reinsurance) rose 18% to HK\$10.8 billion compared with 30 June 2025, reflecting positive financial market movements and solid new business momentum, and supporting a continued build-up of future earnings. The sustained growth underscores the strength and scalability of its business model.

CTF Life achieved robust business growth in the Current Period, with Annual Premium Equivalent (“APE”) increasing 48% year-on-year to HK\$2,287.8 million, supported by broad-based demand, attractive product offerings and improved distribution execution.

Agency channel has grown significantly, with its APE rising 32% year-on-year, driven by a 24% year-on-year uplift in productivity following ongoing agency force transformation. Agency channel’s persistency ratio⁴ improved by 13% year-on-year, and agency headcount expanded 7% year-on-year to approximately 2,100 agents. With a recruitment strategy that emphasizes diversified backgrounds, the agency network has become increasingly resilient and inclusive. The quality of the agency force continued to improve, reflected by a year-on-year 29% increase in Million Dollar Round Table (MDRT) registered members as at 31 December 2025.

The partnership channel also delivered strong momentum, with APE up 78% year-on-year, supported by deeper broker collaboration and strengthened sales capabilities across key partners. As a result of successful penetration into key local brokers, growth in overseas market also contributed to this strong APE growth of the partnership channel.

CTF Life continued to broaden its customer reach. Chinese Mainland Visitors (“CMV”) remained a significant contributor, accounting for 61% of total APE (Last Period: 57%). Overseas business also gained traction, with APE increasing 86% year-on-year to HK\$191.0 million, attributed to a closer broker engagement, and leverage of the broader Chow Tai Fook Group (“CTF Group”) ecosystem to foster customer loyalty and deliver an exceptional service experience.

CTF Life’s market position ranked 12th among life insurers in Hong Kong by APE in the first nine months of 2025.

Value of New Business (“VONB”) continued to expand in line with APE growth, increasing 39% to HK\$733.3 million during the Current Period. VONB margin (representing VONB as a percentage of APE) improved from 27% in the first half of 2025 to 32% in the Current Period due to higher premium growth and improved cost efficiency (Last Period: 34%).

CTF Life’s investment profile remained solid. As at 31 December 2025, assets under management reached HK\$98.8 billion, representing 9% growth from 30 June 2025, driven by business expansion and favourable financial market movements. Asset-liability management remained disciplined, with the Hong Kong Risk Based Capital (“HKRBC”) effective duration gap maintained within a prudent range. Over 90% of the bond portfolio remained investment-grade, and investment income of the fixed-income portfolio improved to 4.7% per annum (Last Period: 4.6%).

⁴ The percentage of insurance policies still in force (i.e. not lapsed or surrendered) after the 19th month.

CTF Life also maintained a strong financial position. As at 31 December 2025, its solvency ratio under the HKRBC regime stood at 282%, well above the minimum regulatory requirement of 100%, underscoring its capital strength. As at 31 December 2025, embedded value increased by 10% from 30 June 2025 to HK\$27.8 billion, supported by expected return on embedded value, new business growth, and favourable equity market performance. Moody's maintained CTF Life's insurance financial strength rating at A3 (stable), and Fitch Ratings affirmed its A-(stable) rating.

CTF Life kept on having good track record of fulfillment ratios across three signature product series, including Regent Series, HealthCare 168 Series, and Fortune Saver Series. Also, the accumulation interest rate on annual dividends has been maintained at 4.25% per annum on United States dollar participating policies for 13 consecutive years. Building on this track record of reliability and consistency, CTF Life introduced two innovative savings insurance plans during the Current Period to address customer needs in wealth accumulation and legacy planning. The Ever Shine Savings Insurance Plan offers guaranteed cash value, non-guaranteed dividends, a policy split option and a dual succession scheme to support intergenerational wealth transfer. The Regent Leap Savings Insurance Plan provides flexibility for customers to switch between "Advance, Balance and Conservative" wealth accumulation strategies depending on market conditions, with the same policy split and dual succession features to support adaptable legacy planning. Furthermore, CTF Life is making significant strides in forming strategic collaboration agreements with regional market players via its Bermuda operation. This move is a part of CTF Life's ongoing effort to expand our presence in the high-net-worth individual segment and ensure that the dynamic market demands and evolving needs of our customers can be met.

During the Current Period, CTF Life has advanced a series of strategic initiatives centred on enhancing customer experience, strengthening its healthcare ecosystem, and cultivating talent development. To bolster its digital service capabilities, CTF Life forged a strategic partnership with AlipayHK, becoming the first life insurer in Hong Kong to facilitate premium payments via this widely adopted online payment platform. This milestone has significantly streamlined the payment process, thereby delivering enhanced convenience and operational efficiency to customers. In parallel, CTF Life has expanded its healthcare collaborative network by establishing partnerships with leading hospitals and medical centres in Hong Kong and across the Greater Bay Area ("GBA"), with the network now expanding to 23 partner medical institutions offering priority access and direct billing services. The launch of the "CTF Life+" platform further reinforced its commitment to nurturing future talent and fostering innovation. Collectively, these initiatives exemplify CTF Life's customer-centric core philosophy and ecosystem-driven strategic development roadmap.

CTF Life earned broad industry recognition during the Current Period, securing four Top-3 Finalist positions at the Hong Kong Insurance Awards 2025, covering product innovation, health protection, ESG, and community intermediary categories. The agency force also achieved notable accolades, including CTF Life's first "Best of the Best Financial Planner" at Life Underwriters Association of Hong Kong's the Best Financial Planner Awards and the "Rookie Insurance Agent of the Year" at the 10th Asia Trusted Life Agents and Advisers Awards.

Following completion of Stage 1 acquisition of uSMART in November 2025, the Group now holds 13.05% equity interest in uSMART, which is accounted for as an associated company. Although Stage 2 did not proceed due to timing of regulatory approval, the existing stake provides the Group with access to uSMART's digital capabilities and contributed positive AOP during the Current Period. The Group will continue exploring further collaboration opportunities with uSMART to strengthen the financial services platform and its products offering.

Logistics

The Logistics segment reported total AOP of HK\$331.8 million for the Current Period, representing a 14% year-on-year decline. While China United International Rail Containers Co., Limited (“CUIRC”) delivered solid growth, this was offset by declining profits from ATL Logistics Centre Hong Kong Limited (“ATL”) in Hong Kong and logistics properties in the Chinese Mainland. Nonetheless, there are early signs of stabilization in the Chinese Mainland, as occupancy has begun to recover, indicating improving market conditions and rising underlying demand.

As at 31 December 2025, the Logistics Asset & Management portfolio comprised ATL in Hong Kong and eight logistics properties in the Chinese Mainland, with gross leasable areas of approximately 5.9 million sq ft and 6.9 million sq ft respectively, totalling around 12.8 million sq ft.

ATL’s operational performance was temporarily affected by market volatility arising from reciprocal tariffs, although this was partially offset by a gradually improving economic environment in Hong Kong. As at 31 December 2025, ATL recorded a year-on-year average rental growth of 3%, offset by a decline in occupancy to 75.2% (30 June 2025: 80.7%). To counter near-term pressures and heightened tenant caution, ATL implemented a series of initiatives to strengthen operational resilience, including deepening relationships with a diversified tenant base and upgrading amenities and facilities to enhance service quality. Leveraging ATL’s inherent advantages, such as full-building ramp access and its prime location, these initiatives continued to support tenant operational efficiency and help stabilize the segment’s performance.

The logistics property sector in the Chinese Mainland continued its recovery, supported by improving demand and rising occupancy. The Group effectively capitalized on this trend through dynamic rental realignments and flexible leasing strategies, successfully maintaining high occupancy levels and reinforcing the portfolio’s defensive strength. As at 31 December 2025, the average occupancy rate across the seven logistics assets in Chengdu, Wuhan, and Suzhou rose to 90.9% (30 June 2025: 87.5%). A standout achievement was the rapid revitalization of the Suzhou logistics property. Following the proactive termination of a tenancy agreement in the second quarter of 2025, when the occupancy stood at 40.7%, occupancy rebounded sharply to 75.7% as at 31 December 2025, supported by premium service offerings and strong tenant relationships. This underscores the Group’s proficiency in operational execution and value optimization.

In pursuit of strengthening its logistics asset network and enhancing synergies across the Chinese Mainland, the Group completed the acquisition of a logistics property in Dongguan, Guangdong Province, in December 2025. This transaction marks the inaugural investment under CTF Logistics and represents a significant milestone in the Group’s strategic expansion into the GBA, a region with strong economic activity and substantial growth potential. Situated in a prime logistics hub, the property is close to fully leased and is expected to contribute steadily growing cash flow. Following this addition, the overall average occupancy rate across the eight logistics assets in Chengdu, Wuhan, Suzhou and Dongguan stood at 91.2% as at 31 December 2025.

CUIRC currently operates thirteen railway container terminals across the Chinese Mainland, including Kunming, Chongqing, Chengdu, Zhengzhou, Wuhan, Xi'an, Dalian, Qingdao, Ningbo, Tianjin, Urumqi, Qinzhou and Guangzhou. Driven by strong demand for multimodal transportation services, particularly the China-Europe Railway Express and the New International Land-Sea Trade Corridor Railway Express, together with expanded terminal handling capacity and increased demand for ancillary logistics services, CUIRC achieved notable year-on-year AOP growth of 19% during the Current Period. Throughput rose by 10% year-on-year to 3,842,000 TEUs. To meet sustained market demand, CUIRC has been actively upgrading its terminal infrastructure, including the expansion of the Urumqi terminal, completed in October 2025.

Construction

The Construction segment, represented by CTFS Construction Group, comprises four well-established professional entities: (i) Hip Hing Group, which focuses on building design and construction; (ii) Vibro Group, Hong Kong's long-standing foundation specialist; (iii) Quon Hing Group, a leading concrete supplier; and (iv) Hsin Chong Aster, a prominent provider of electrical and mechanical engineering services.

During the Current Period, CTFS Construction Group leveraged its deep technical expertise and proven track record to maintain its competitive edge in Hong Kong's construction industry. It achieved solid progress in expanding its order book despite a challenging two-year period marked by the softness in the private developer project pipeline. Supported by its strong reputation in the industry, newly secured contracts surged by 115% year-on-year to HK\$9.7 billion, lifting the gross value of contracts on hand to approximately HK\$65.4 billion as at 31 December 2025. Remaining works to be completed also increased to HK\$39.6 billion, providing visibility for future revenue.

This growth reflected the effectiveness of CTFS Construction Group's agility and strategic realignment toward government and institutional clients, who remained active in launching projects and accounted for approximately 67% of remaining works as at 31 December 2025, up from 61% as at 30 June 2025. Projects from the private sector accounted for the remaining 33%. Major contracts awarded during the Current Period included the design and build of a joint-user complex and public open space at Cheung Sha Wan Road in Sham Shui Po, the construction of a public housing development at Yip On Factory Estate and the management contract for maintenance and completion works for the subsidized sale flats development at Anderson Road Quarry Site R2-2.

Despite the strengthened order book and solid project delivery, AOP of the Construction segment declined 21% year-on-year to HK\$310.0 million, mainly due to lower gross margins recognized from projects during the Current Period and the absence of Last Period's reversals of expected credit loss provision, leading to a contraction in overall net profit margins. Major projects undertaken by CTFS Construction Group in the Current Period included commercial development at Caroline Hill Road in Causeway Bay, residential development at Ma Wo Road, Tai Po and dedicated rehousing estate at Kwu Tung North Area 24.

Facilities Management

The Facilities Management segment recorded a year-on-year AOP increase of 360% to HK\$42.8 million in the Current Period. Excluding the Free Duty business which was divested in December 2024, the segment reported a year-on-year AOP decrease of 12%. GHK contributed positively to the Group's profitability, delivering sustained solid growth and making a turnaround from AOL in the Last Period. However, this was partially offset by the decline in AOP from the Hong Kong Convention and Exhibition Centre ("HKCEC"), due to increased depreciation and higher capital expenditure, subdued food and beverage revenue as a result of fewer events, and an AOL incurred by Kai Tak Sports Park Limited ("KTSPL"), in which the Group holds a 25% interest, driven by higher operational expenses during the ramp-up phase of Kai Tak Sports Park ("KTSP").

During the Current Period, total attendance at the HKCEC decreased by 4% year-on-year, reaching approximately 4.4 million across 378 events (Last Period: 426). HKCEC remains committed to delivering premium services and facilities to event organizers and continues to attract a diverse portfolio of exhibitions, conferences, corporate meetings, entertainment events, seminars and banquets.

As Hong Kong's top-tier private hospital, GHK offers a comprehensive range of healthcare services supported by experienced medical specialists and advanced medical equipment. GHK delivered notable improvement, reporting an AOP in the Current Period compared with an AOL in the Last Period. Revenue recorded steady growth, and EBITDA increased by 11% year-on-year. The number of inpatients, outpatients and day cases rose by 1%, 2% and 8%, respectively. As at 31 December 2025, the number of regularly utilized beds increased to 352 (30 June 2025: 337), with an average occupancy rate of 58% (30 June 2025: 64%).

To support GHK's service offerings and long-term development roadmap, Parkway Medical Services (Hong Kong) Limited ("Parkway Medical"), a business venture between the Group and IHH Healthcare Berhad, continued to expand its integrated healthcare network. A major milestone was the opening of the Gleneagles MediCentre in Admiralty in October 2025, offering ambulatory care services including oncology outpatient consultation and chemotherapy, endoscopy, minor surgeries, plastic surgery and medical aesthetics. By integrating Artificial Intelligence ("AI") and Augmented Reality ("AR") technologies throughout the patient journey, the MediCentre provides smarter, faster, and more personalized care. Together with Gleneagles Healthcare Wong Chuk Hang Hong Kong, Gleneagles Healthcare South Horizons Hong Kong, Gleneagles Healthcare Novum Place Hong Kong, Gleneagles Medical Clinic Central Hong Kong, Gleneagles Pro-HEART Cardiac Centre, Gleneagles Primo Surgical Centre and Parkway Laboratory Services Central Hong Kong, this expansion forms a robust and complementary service network for GHK.

GHK is also committed to advancing healthcare through clinical research and professional training. Since launching Hong Kong's pioneering histotripsy treatment for liver cancer patients in March 2025, the medical team had performed this innovative procedure on more than a hundred patients from Hong Kong and overseas up to 31 December 2025. GHK has been designated as the regional training centre for this technology, providing training to doctors globally.

GHK further strengthened its leadership in digital healthcare. Through Gleneagles TeleCare, the hospital became the first in the Asia-Pacific region to obtain accreditation from the Australian Council on Healthcare Standards (ACHS) International for telehealth and remote care services. This accreditation affirms that its telemedicine services meet international standards for safety, effectiveness, and accessibility, ensuring a high-quality and reliable patient experience.

KTSP manages the KTSP, a state-of-the-art 28-hectare sports and entertainment complex that commenced operations in March 2025. As Hong Kong's largest sports infrastructure project, KTSP serves as the flagship venue under the "Sports + Mega-events" initiatives.

During the Current Period, 29 sports events and 11 entertainment events were held at KTSP, attracting over 7 million visitors precinct wide. Notable events included the Hong Kong Football Festival 2025, selected competitions of the 15th National Games (Hong Kong), and the Boccia competition of the 12th National Games for Persons with Disabilities and the 9th National Special Olympic Games (Hong Kong). KTSP achieved remarkable global recognition in its first year of operation. According to leading industry magazine *Pollstar*, KTSP ranked third globally and first in Asia in ticket sales for 2025, despite having only opened in March 2025 while other venues reported a full year of operations. In addition, the 700,000 sq ft retail mall, Kai Tak Mall, achieved an occupancy rate of approximately 90% as at 31 December 2025, offering visitors a diverse "sportainment" experience that integrates retail and food and beverage options with the vibrant atmosphere of the KTSP.

Strategic Investments

This segment comprises investments that hold strategic value of the Group and offer potential for future growth, thereby enhancing and creating value for our shareholders. During the Current Period, AOP increased significantly by 78% to HK\$99.4 million (Last Period: HK\$55.9 million). This strong performance primarily reflected the share of results, net fair value changes, and interest and dividend income from a diversified portfolio of investments. The notable growth in AOP was mainly driven by improved performance in certain businesses and a net fair value gain recorded for some strategic investments during the Current Period.

The Group has continued to diversify its funding sources and optimize its business portfolio to support long-term value creation for the shareholders. One of the investments in this segment is an approximately 10% stake in Shoucheng. Capitalizing on the recent share price surge, the Group decided to monetize this investment through the issuance of the 0.75% Exchangeable Bonds, which was completed in October 2025 and issued at 103.0% of the aggregate principal amount of HK\$2,218 million. This transaction enables the Group to secure financing on attractive terms while also providing an opportunity to divest its stake in Shoucheng at a premium if bondholders exercise their exchange rights, thereby capturing favourable market conditions and further enhancing the Group's portfolio. Net proceeds of approximately HK\$2.25 billion has been and will be deployed for general corporate purposes to be determined on an on-going basis, including approximately 50% intended for investing into resilient, cash generative and growth segments aligned with the Group's priorities if and when such opportunities arise, further strengthening the Group's liquidity position and enhancing its capacity for capital deployment.

BUSINESS OUTLOOK

Roads

The Group expects a broader economic recovery to gradually take shape in the Chinese Mainland, but the toll road sector will continue to face persistent uncertainties that could lead to revenue volatility. Traffic patterns remain fluid, competition from alternative transport options is rising, and newly developed road networks are reshaping travel flows, all contributing to a more challenging operating landscape.

Against this backdrop, and given the sector-wide headwinds, increasing execution complexity, and a limited pipeline of opportunities that meet our stringent return thresholds, the Group will prioritize operational agility, ensuring our existing assets adapt effectively to the evolving transportation environment.

The Group will also continue to review and optimize the current toll road portfolio, with disciplined capital allocation focused on long-term strategic value and sustainable financial returns.

Financial Services

Demand from CMV and broader cross-border wealth management needs is expected to remain a major growth engine for the Financial Services segment. Affluent Chinese Mainland customers continue to seek Hong Kong's diversified insurance, multi-currency savings and wealth management solutions, while rising life expectancy and stronger protection awareness further reinforce the long-term need for comprehensive financial planning across the region. Against this backdrop, the Financial Services segment is well positioned to play an increasingly strategic role in the Group's long-term growth, with insurance serving as a cornerstone for long-duration returns.

CTF Life's outlook remains highly positive. Hong Kong insurance products continue to offer compelling structural advantages: competitive illustrated returns supported by broader offshore investment options and favourable cross-border interest-rate differentials; multi-currency product features that enhance asset diversification; wider medical coverage complemented by efficient claims processes; and continuous product innovation that enables customers to meet protection, savings and legacy planning needs more precisely. These advantages underpin sustained demand from local, CMV and international customers.

Building on these fundamentals, the Group will continue to advance an integrated wealth management strategy with insurance as its core strategic pillar. Insurance provides recurring, non-correlated revenue that strengthens earnings resilience through economic cycles, while embedding protection solutions across the financial planning journey enhances client stickiness and deepens long term engagement. This strategic focus particularly targets affluent and high-net-worth clients, who demand diversified asset allocation strategies, long-term wealth preservation mechanisms, and customized legacy planning solutions aligned with their unique requirements. A key strategic priority involves expanding the diversified product portfolio, optimizing end-to-end distribution efficiency and amplifying cross-business referral synergies across the broader CTF Group ecosystem. These efforts are designed to accelerate high-quality customer acquisition and maximize long-term client lifetime value.

The acquisition of a 13.05% stake in uSMART positions the Group to collaborate with a fast-growing digital brokerage platform. It enables access to uSMART's digital capabilities, data-driven customer engagement tools, and customer base in Greater China and Southeast Asia, expanding the Group's market reach and opening new digitally enabled onboarding channels. Upon completion of the acquisition of a 65% equity stake in Blackhorn, the Group will gain a full-service wealth management platform spanning asset allocation, investment advisory and legacy planning. Together, uSMART and Blackhorn will significantly broaden our financial services platform's offerings beyond traditional insurance, enabling online securities brokerage, multi-asset wealth solutions and advisory services for individual clients.

Looking ahead, the Group will enhance coordination across its ecosystem to unlock deeper synergies in origination, professional advisory and service delivery. Key initiatives include leveraging data and analytics to personalize client engagement, aligning digital and advisory channels to optimize customer journeys, and forging targeted strategic partnerships to accelerate market penetration into high priority customer segments. Supported by favourable long-term industry fundamentals and expanding ecosystem connectivity, the Financial Services segment is well positioned to deliver sustained high-quality growth alongside a more resilient, diversified earnings profile.

Logistics

While ATL's position as Hong Kong's preeminent logistics hub remains unrivalled, it is proactively managing near-term occupancy pressures arising from softening leasing demand amid broader macroeconomic uncertainties. In response, ATL is implementing a series of strategic recalibrations focused on diversifying and strengthening its tenant base toward more resilient sectors such as e-commerce, intensifying marketing and branding efforts to enhance asset visibility and enforcing rigorous cost and vacancy controls. These targeted measures are designed not only to mitigate the current cyclical downturn but also to enhance tenant mix quality and operational resilience. Collectively, they will reinforce ATL's foundation to capture premium demand and reaffirm its long-term market leadership as conditions normalize.

The Group maintains a positive outlook for high-standard logistics properties in affluent regions with strong consumption potential, particularly the GBA, the Yangtze River Delta and major metropolises in Western China. These markets continue to benefit from improving business conditions for manufacturers and exporters, the ongoing development of e-commerce, and strong growth in Chinese Mainland's domestic parcel-delivery market, which expanded notably during the Current Period. While selling prices of logistics properties have corrected more sharply than rents, and with some operators exiting the market due to geopolitical factors or fund-cycle maturities, the Group sees attractive opportunities to selectively acquire high-quality stabilized assets, especially those in core logistics cities with superior transportation connectivity and strong tenant appeal. These currently undervalued properties are expected to deliver sustainable and attractive long-term returns.

As part of its strategic expansion, the Group completed the acquisition of three logistics properties in Shanghai, Ningbo and Changzhou in January 2026 with a total gross leasable area of approximately 1.7 million sq ft. The Group's logistics portfolio has now expanded to 12 properties, increasing its total gross leasable area to approximately 14.5 million sq ft. This acquisition not only enhances the scale of the portfolio but also deepens the Group's presence in the core economic regions of the Chinese Mainland. The Group remains disciplined in assessing market opportunities and will continue to pursue selective investments that meet its stringent thresholds, with a consistent focus on delivering sustainable long-term returns to shareholders.

To capture rising demand driven by the Chinese Mainland's rapid AI adoption, sovereign cloud requirements, and accelerating digitalization, the Group is also actively exploring potential investments in next-generation digital infrastructure situated within digitally advanced regions and core nodes of the national computing power network. With strong state support for computational power development and AI data-centre expansion, demand for modern, high-density and energy-efficient facilities is expected to continue rising. Data centres offer resilient, long-duration returns and present a compelling opportunity for strategic portfolio expansion.

Supported by favourable national policies promoting railway network expansion, CUIRC is well positioned for robust growth. These policies stimulate regional trade flows and boost freight volumes, resulting in a steady rise in CUIRC's container throughput. With strategically located terminals along key Belt and Road Initiative routes, CUIRC is well placed to capture growing cross-border rail demand while strengthening regional economic connectivity. To capitalize on these opportunities and address capacity constraints, CUIRC is progressing terminal expansion and intelligent system upgrades. This includes ongoing automation projects at its Wuhan and Qingdao terminals, both of which remain on track for completion and commissioning by the end of FY2026.

Construction

Improving private residential demand, supported by interest rate cuts, peaked inventory, easing market restrictions, and government policies aimed at attracting talent inflows from the Chinese Mainland, continues to provide the structural drivers needed to navigate near-term challenges. At the same time, government and institutional projects remain the primary engines for the segment. This momentum is further reinforced by initiatives such as the Hong Kong Government's launch of the first open tender for a pilot area under the large-scale land disposal in the Northern Metropolis, an extensive development zone covering one-third of Hong Kong that integrates living and economic functions, offering greater visibility into the medium to long-term project pipeline. With its sound reputation, extensive expertise and competitive advantages, CTFS Construction Group is well positioned to capitalize on these opportunities.

To mitigate cost pressures, CTFS Construction Group is enhancing operational efficiency through process optimization while targeting higher-margin clients and premier private developers. Safety remains its top priority. CTFS Construction Group has introduced innovative monitoring tools and continues to conduct regular workshops to strengthen the safety culture among employees and subcontractors. These initiatives, together with disciplined execution and technology-driven solutions, will enable CTFS Construction Group to sustain growth and reinforce its market leadership in an evolving industry landscape.

Facilities Management

The Group remains confident in the long-term prospects of the Facilities Management segment.

To reinforce Hong Kong's position as a leading international convention and exhibition hub, Hong Kong Government is rolling out several incentive and subsidy schemes. These include the Incentive Scheme for Recurrent Exhibitions 2.0, which provides venue rental subsidies to eligible international exhibition organizers for events commencing on or after 1 July 2025. As Hong Kong's preferred venue for international organizers, HKCEC will continue to leverage its world-class infrastructure and integrate technologies and event formats to deliver exceptional service. It is strategically positioned to cultivate a diverse event pipeline by proactively introducing new events in high-growth sectors such as cryptocurrency, Web3 and fintech. Looking ahead, HKCEC will focus on attracting high-value mega events, serving as a platform to enhance integration within the GBA, improving attendee engagement, and further strengthening Hong Kong's international image.

For the development of GHK, the Group's priorities remain firmly centred on advancing innovation and digitalization, expanding specialty and subspecialty services, and deepening strategic partnerships. This strategy will continue to empower GHK to deliver safe, efficient, and highly personalized patient care. Enhanced service levels and broader clinical capabilities will enable GHK to capture rising demand for premium healthcare services and further strengthen its financial performance as a leading integrated healthcare provider in the region.

To further elevate the patient experience and optimize operational workflows while maintaining first-class facilities, GHK will undertake a series of renovation and reconfiguration projects. Key initiatives include consolidating three Specialist Outpatient Clinics into a new integrated outpatient centre with additional consultation rooms; expanding the Professorial Clinic to accommodate rising patient volumes; adding consultation rooms and upgrading facilities with redesigned patient flow in the 24-hour Outpatient and Emergency Department; and refurbishing general wards and single rooms to enhance comfort and overall inpatient experience. Furthermore, Parkway Medical's strategy to expand clinics network into the community will continue, with the opening of a new Gastrointestinal, Hepatobiliary and Pancreatic Specialists Clinic at Central planned for the first half of 2026.

Following the successful launch of the Gleneagles Dispensary, a one-stop shop for health products and advisory services, GHK plans to introduce Gleneagles PharmaHome, a new pharmacy e-shop in the first quarter of 2026. This platform will offer a seamless online shopping experience with convenient door-to-door delivery, extending accessibility for patients and the wider community.

KTSP maintains a promising growth trajectory, supported by a strong and prestigious events pipeline. This includes landmark occasions such as the popular international sporting event, the Hong Kong Sevens in April 2026, alongside a steady calendar of international and local concerts, elite sports competitions and community activities. KTSP is also entering a strategic operational ramp-up phase, with a focus on enhancing venue performance, driving cost efficiency, and ensuring long-term financial sustainability. Through professional management and proactive partnership development, KTSP is well positioned to cement Hong Kong's reputation as the "Events Capital of Asia", delivering lasting economic, cultural, and sporting value.

LOOKING FORWARD

The Group will continue to pursue disciplined growth across its core businesses while maintaining a prudent approach to capital and risk management. It will also continue to review and optimize its portfolio, ensuring capital is deployed to segments with the strongest prospects to maximize long-term value for stakeholders. The Group remains focused on strengthening portfolio resilience, deepening the development of its Financial Services and Logistics segments, and capturing opportunities that drive sustainable, long-term value creation.

Against a backdrop of ongoing macroeconomic uncertainty, the Group's solid balance sheet, diversified business segments and commitment to operational excellence provide a strong foundation for navigating evolving market conditions. By monitoring external developments closely and responding with agility, the Group aims to stay well-positioned to seize emerging opportunities.

Furthermore, the Group's capital markets positioning is set to benefit from its re-inclusion into the Hang Seng Composite Index, effective 9 March 2026, which makes the Company eligible for both the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes. Participation in these programmes, if approved, would allow the Company's shares to be traded by a broader base of Chinese Mainland investors, enhancing share liquidity and overall market visibility. The Group believes that this expanded investors access, underpinned by its strong business fundamentals, will deepen market engagement and support the creation of long-term shareholder value for the shareholders.

FINANCIAL RESOURCES

Treasury management and cash funding

The Group's funding and treasury policy is designed to maintain a diversified and balanced debt profile and financing structure. The Group operates a centralized treasury function to monitor its cash position, cash flow and debt profile as well as optimize its funding cost-efficiency. In order to maintain maximum financial flexibility with adequate liquidity for the Group's operations, potential investments and growth plans, the Group has built a strong base of funding resources and will continue to expand our sources of funding which include perpetual capital securities and debt issuance in the capital markets as well as bank borrowings, both offshore and onshore, for which the proportion will change from time to time depending on the financial market conditions. The capital structure of the Group was 46% debt and 54% equity as at 31 December 2025⁵, compared with 47% debt and 53% equity as at 30 June 2025.

In July 2025, the Company repurchased HK\$566 million in aggregate principal amount of the HK\$780 million of 4.0% convertible bonds due July 2025 (the "4.0% Convertible Bonds") and issued the 2.8% Convertible Bonds concurrently. The issuance of the 4.0% Convertible Bonds and the 2.8% Convertible Bonds has successfully increased the public float of the Company to over 25%, thereby fulfilling the minimum public float requirement and enhancing the liquidity and trading volume of the shares of the Company. Up to 31 December 2025, HK\$448 million in aggregate principal amount of the 2.8% Convertible Bonds has been converted into ordinary shares of the Company.

In October 2025, the Company also issued the 0.75% Exchangeable Bonds. Holders of the 0.75% Exchangeable Bonds have the right to exchange the bonds into the Group's investment in the shares of Shoucheng ("Shoucheng Shares"). Through the issuance of the 0.75% Exchangeable Bonds, the Group is able to raise financing on attractive terms to capitalize on the current favourable capital market conditions to further refine and strengthen its business portfolio by divesting its stake in Shoucheng at a premium if the exchange rights are exercised by the holders of the 0.75% Exchangeable Bonds.

In January 2026, the Company made an application to NAFMII for registration of 2026 Panda Bond Programme issuable within two years from the receipt of the notice of acceptance of registration and issuance could be made by the Company in multiple tranches as and when appropriate. Depending on the market conditions, the 2026 Panda Bond Programme could provide the Group with a cost-effective means of, inter alia, refinancing the outstanding principal amount of RMB3.6 billion under the 2023 Panda Bond Programme which will be due for repayment in the years 2026 and 2027. Additionally, as a significant portion of the Group's assets, operations and income are denominated in RMB, the 2026 Panda Bonds Programme would continue to act as a natural hedge against the currency exchange fluctuations in RMB.

⁵ The 0.75% Exchangeable Bonds are being accounted for as financial liabilities at fair value through profit or loss and are excluded from the debt calculation. If the 0.75% Exchangeable Bonds were included as debt, the capital structure of the Group would be 47% debt and 53% equity as at 31 December 2025.

The Group manages its financial risks including mainly interest rate exposure and foreign exchange risks. Interest rate swap contracts are used to hedge against the Group's exposures to changes in interest rates, while foreign exchange forward contracts are used to hedge against foreign currency exposures of the Group's businesses which involve foreign currencies. Cross currency swap contracts and RMB borrowings are used to hedge the exposure to foreign exchange risk, stemmed mainly from RMB denominated assets. The Group's insurance business enters into cross currency swaps and bond forward contracts to hedge against its foreign currency risk and interest rate risk for bond investments respectively. The Group operates mainly in Hong Kong and the Chinese Mainland and did not have any material exposure to foreign exchange risk other than RMB and United States dollar during the Current Period. Through RMB borrowings including Panda Bonds, offshore and onshore RMB bank loans and cross currency swap contracts, about 76% of the Group's RMB denominated assets were hedged as at 31 December 2025 (30 June 2025: about 80%).

Liquidity and capital resources

As at 31 December 2025, the Group's total cash and bank balances amounted to HK\$20,919.6 million, compared with HK\$20,210.7 million as at 30 June 2025. Cash and bank balances as at 31 December 2025 were mainly denominated as to 29% in Hong Kong dollar, 52% in United States dollar and 19% in RMB. The Group's net debt as at 31 December 2025 was HK\$13,809.9 million, decreasing by 6% from HK\$14,651.1 million as at 30 June 2025. The decrease in net debt was mainly due to proceeds from issuance of the 0.75% Exchangeable Bonds, partial conversion of the convertible bonds and net operating cash inflow, partly offset by certain acquisitions and capital expenditures and payment of dividend during the Current Period. The Group's net gearing ratio decreased from 37% as at 30 June 2025 to 34% as at 31 December 2025. If the 0.75% Exchangeable Bonds were included as debt balance, the net gearing ratio would be 39% as at 31 December 2025. Total unutilized committed banking facilities amounted to approximately HK\$10.1 billion as at 31 December 2025 (30 June 2025: approximately HK\$9.6 billion), demonstrating sound financing capabilities.

Debt profile and maturity

As at 31 December 2025, the Group's total debt was HK\$34,729.5 million, which was maintained at similar level compared with HK\$34,861.8 million as at 30 June 2025. The Group has managed to spread out its debt maturity profile to reduce refinancing risks. Amongst the total debt as at 31 December 2025, 19% will mature in the next 12-month, 30% will mature in the second year, 46% will mature in the third to fifth year and 5% will mature after the fifth year.

The Group continues to maintain a balanced debt structure with RMB borrowings acting as a natural hedge to its RMB denominated assets. As at 31 December 2025, RMB borrowings and Hong Kong dollar borrowings accounted for 61% and 39% respectively of the Group's total debt (30 June 2025: 62% and 38%).

As a result of the favorable movement in both HIBOR in Hong Kong and Loan Prime Rate in the Chinese Mainland as well as the continued proactive management of our debt mix, the average borrowing cost of the Group's debt portfolio further decreased to approximately 4.0% per annum, lower than approximately 4.2% per annum in Last Period.

As at 31 December 2025, the Group provided pledges over the concession rights of operation of Changliu Expressway and Sui-Yue Expressway as security for bank loans made to the subsidiary companies which own and operate these expressways. The Group also provided a pledge over a proportion of equity interest in a joint venture as a security for bank loans of that joint venture. Besides, the Group provided pledges over the investment properties which include a logistics centre in Suzhou as well as certain office units and carpark spaces in Hong Kong as security for certain bank loans of the Group. As at 31 December 2025, secured bank loans accounted for 11% (30 June 2025: 11%) of the total debt of the Group.

Commitments

The Group's total commitments for capital expenditures were HK\$2,096.5 million as at 31 December 2025, compared with HK\$3,006.5 million as at 30 June 2025. These comprised mainly for acquisition of subsidiaries together with capital contributions to certain associated companies and joint ventures of HK\$1,832.7 million as well as additions of property, plant and equipment/intangible assets of HK\$186.6 million. Sources of funds for capital expenditures include internal resources of the Group and committed external financing from reputable international banks. Besides, the Group's insurance business had HK\$4,298.7 million as at 31 December 2025 (30 June 2025: HK\$2,905.5 million) commitments for investment funds which will be supported by its internal resources.

Financial guarantee

Financial guarantee contracts of the Group were HK\$4,795.0 million as at 31 December 2025, compared with HK\$5,133.3 million as at 30 June 2025. These comprised guarantees for banking facilities of associated companies and joint ventures.

Under the main transaction agreement and the related transaction documents in relation to the disposal of aircraft leasing business by Goshawk Aviation Limited ("Goshawk") to SMBC Aviation Capital Limited ("SMBC"), the Group provides a financial guarantee to support the performance of Goshawk of its payment obligation to satisfy claims that may be brought by SMBC against Goshawk. The Group's potential liability under the financial guarantee is limited to a total amount of US\$197.1 million (equivalent to approximately HK\$1,537.4 million) as at 31 December 2025 and 30 June 2025.

MAJOR ACQUISITIONS AND DISPOSALS

On 3 October 2025, the Company issued HK\$2,218.0 million exchangeable bonds at a price of 103.0% of the principal amount bearing a coupon rate of 0.75% per annum. These bonds are unsecured, have maturity of three years falling due October 2028 and listed on the Vienna MTF operated by the Vienna Stock Exchange. The bondholders have the right to require the Company to redeem all or part of the bonds on 3 October 2027 at their principal amount, together with accrued but unpaid interest. The bondholders also have the right ("Exchange Rights") to exchange the bonds into the Group's investment in Shoucheng Shares which are listed on The Stock Exchange of Hong Kong Limited.

As of the date of this announcement, the Group holds approximately 10% of the total issued shares in Shoucheng, which is accounted for as an associated company of the Group. Pursuant to the terms and conditions of the exchangeable bonds, the Group may dispose of substantially all its entire shareholding in Shoucheng, if the Exchange Rights are fully exercised by the bondholders.

During the Current Period, no exchangeable bond was exchanged into Shoucheng Shares.

RESULTS

The unaudited consolidated interim results of the Group for the Current Period together with comparative figures for the Last Period are set out as follows:

Condensed Consolidated Income Statement

		(Unaudited)	
		For the six months ended	
		31 December	
		2025	2024
	<i>Note</i>	HK\$'m	HK\$'m
Revenue			
Non-insurance		10,485.3	10,120.8
Insurance		<u>2,341.5</u>	<u>1,988.9</u>
	2	12,826.8	12,109.7
Cost of sales	3,5	(9,279.5)	(8,770.6)
Insurance service expenses	3	(1,620.8)	(1,420.7)
Net expenses from reinsurance contracts held		(18.0)	(18.9)
Insurance finance expenses		(4,081.5)	(890.5)
Other income and gains, net	4	4,541.9	1,329.7
Selling and marketing expenses	3	(36.6)	(85.7)
General and administrative expenses	3	<u>(487.4)</u>	<u>(406.4)</u>
Operating profit	3	1,844.9	1,846.6
Finance costs		(743.5)	(727.2)
Share of results of			
Associated companies		146.9	111.1
Joint ventures		<u>461.6</u>	<u>357.8</u>
Profit before income tax		1,709.9	1,588.3
Income tax expenses	6	<u>(281.4)</u>	<u>(323.3)</u>
Profit for the period		<u>1,428.5</u>	<u>1,265.0</u>
Profit/(loss) attributable to			
Shareholders of the Company		1,334.3	1,157.6
Holders of perpetual capital securities		94.1	109.0
Non-controlling interests		<u>0.1</u>	<u>(1.6)</u>
		<u>1,428.5</u>	<u>1,265.0</u>
Earnings per share attributable to			
shareholders of the Company	7		
Basic		HK\$0.30	HK\$0.26*
Diluted		<u>HK\$0.29</u>	<u>HK\$0.26*</u>

* Adjusted for the bonus shares allotted and issued in December 2025.

Condensed Consolidated Statement of Comprehensive Income

	(Unaudited)	
	For the six months ended	
	31 December	
	2025	2024
	HK\$'m	HK\$'m
Profit for the period	<u>1,428.5</u>	<u>1,265.0</u>
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Net fair value change on equity instruments as financial assets at fair value through other comprehensive income (“FVOCI”)	309.3	(80.9)
Remeasurement of post-employment benefit obligation	-	0.5
Items that have been reclassified/may be subsequently reclassified to profit or loss		
Net fair value change on debt instruments as financial assets at FVOCI and other net movement	194.8	7.6
Release of reserve upon disposal of debt instruments as financial assets at FVOCI	81.2	66.9
Share of other comprehensive loss of associated companies and joint ventures	(4.0)	(1.2)
Cash flow hedges	47.8	(113.6)
Insurance finance expenses	(41.8)	(2.3)
Currency translation differences	<u>145.5</u>	<u>(66.8)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>732.8</u>	<u>(189.8)</u>
Total comprehensive income for the period	<u>2,161.3</u>	<u>1,075.2</u>
Total comprehensive income/(loss) attributable to		
Shareholders of the Company	2,066.9	967.9
Holders of perpetual capital securities	94.1	109.0
Non-controlling interests	<u>0.3</u>	<u>(1.7)</u>
	<u>2,161.3</u>	<u>1,075.2</u>

Condensed Consolidated Statement of Financial Position

	(Unaudited) As at 31 December 2025 HK\$'m	(Audited) As at 30 June 2025 HK\$'m
	<i>Note</i>	
ASSETS		
Intangible assets	6,167.2	6,186.8
Intangible concession rights	10,430.7	10,961.9
Investment properties	5,280.9	4,949.6
Property, plant and equipment	1,115.8	1,226.9
Right-of-use assets	871.7	949.9
Associated companies	5,259.6	4,720.1
Joint ventures	16,493.3	16,151.7
Insurance contract assets	1,387.4	1,418.6
Reinsurance contract assets	115.6	97.4
Debt instruments as financial assets at amortized cost	1,324.3	1,419.7
Financial assets at FVOCI	13,714.5	13,236.1
Financial assets at fair value through profit or loss ("FVPL")	79,551.2	69,888.4
Derivative financial instruments	258.9	255.8
Inventories	23.0	20.8
Trade and other receivables	9 8,655.5	11,491.1
Investments related to unit-linked contracts	10,592.0	9,710.1
Cash and bank balances	20,919.6	20,210.7
Total assets	<u>182,161.2</u>	<u>172,895.6</u>
EQUITY		
Share capital	4,500.6	4,009.8
Reserves	34,318.6	33,507.0
Shareholders' funds	38,819.2	37,516.8
Perpetual capital securities	2,348.2	2,347.8
Non-controlling interests	17.2	17.1
Total equity	<u>41,184.6</u>	<u>39,881.7</u>
LIABILITIES		
Deferred tax liabilities	1,089.1	1,152.1
Insurance contract liabilities	85,788.6	77,481.8
Financial liabilities related to unit-linked contracts	4,391.0	4,183.6
Borrowings and other interest-bearing liabilities	34,729.5	34,861.8
Financial liabilities at FVPL	10 2,253.5	-
Derivative financial instruments	1,305.7	1,267.2
Trade and other payables	11 10,360.9	12,907.2
Lease liabilities	635.3	716.9
Taxation	423.0	443.3
Total liabilities	<u>140,976.6</u>	<u>133,013.9</u>
Total equity and liabilities	<u>182,161.2</u>	<u>172,895.6</u>

Notes:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements (the “interim financial statements”) 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 Listing Rules. The interim financial statements should be read in conjunction with the annual financial statements for FY2025.

The accounting policies used in the preparation of the interim financial statements are consistent with those set out in the annual report for FY2025 except as described in note 1(a) below.

(a) Adoption of amendments to standards

During the Current Period, the Group has adopted the following amendments to standards which are relevant to the Group’s operations and are mandatory for FY2026:

HKAS 21 (Amendments)	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.

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

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

HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 18	Presentation and Disclosure in Financial Statements
HKFRS 19 and HKFRS 19 (Amendments)	Subsidiaries without Public Accountability: Disclosures
HKFRSs Amendments	Annual Improvements to HKFRS Accounting Standards – Volume 11

The Group has commenced the assessment on the impact of adoption of the 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 consolidated financial statements.

2. Revenue and segment information

The Group's revenue is analyzed as follows:

HK\$m	For the six months ended 31 December 2025		
	Hong Kong	The Chinese Mainland	Total
Roads	-	1,415.2	1,415.2
Financial Services	2,341.5	-	2,341.5
Logistics	-	58.1	58.1
Construction	8,240.4	-	8,240.4
Facilities Management	762.1	9.5	771.6
	11,344.0	1,482.8	12,826.8

HK\$m	For the six months ended 31 December 2024		
	Hong Kong	The Chinese Mainland	Total
Roads	-	1,439.6	1,439.6
Financial Services	1,988.9	-	1,988.9
Logistics	-	75.7	75.7
Construction	7,365.8	-	7,365.8
Facilities Management	1,236.4	3.3	1,239.7
	10,591.1	1,518.6	12,109.7

Management has determined the operating segments based on the reports reviewed by the Executive Committee of the Company that are used to make strategic decisions in accordance with HKFRS 8 "Operating Segments". The Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. The Executive Committee considers the businesses of the Group from product and service perspectives, which comprised (i) Roads; (ii) Financial Services; (iii) Logistics; (iv) Construction; (v) Facilities Management; and (vi) Strategic Investments.

The Executive Committee assesses the performance of the operating segments based on a measure of Attributable Operating Profit (including share of results from associated companies and joint ventures). This measurement basis excludes the effects of non-operating and unallocated corporate office items. Corporate interest income, finance costs and expenses are not allocated to segments.

2. Revenue and segment information (continued)

- (a) The information of the reportable segments provided to the Executive Committee for the Current Period and related comparative figures is as follows:

HK\$m	Roads	Financial Services	Logistics	Construction	Facilities Management	Strategic Investments	Total
For the six months ended 31 December 2025							
Total revenue	1,415.2	2,343.2	58.1	8,240.4	773.2	-	12,830.1
Inter-segment	-	(1.7)	-	-	(1.6)	-	(3.3)
Revenue – external	1,415.2	2,341.5	58.1	8,240.4	771.6	-	12,826.8
Revenue from contracts with customers							
Recognized at a point in time	1,415.2	-	-	-	96.7	-	1,511.9
Recognized over time	-	91.0	-	8,240.4	674.9	-	9,006.3
	1,415.2	91.0	-	8,240.4	771.6	-	10,518.2
Revenue from other sources	-	2,250.5	58.1	-	-	-	2,308.6
	1,415.2	2,341.5	58.1	8,240.4	771.6	-	12,826.8
Attributable Operating Profit/(Loss)							
Company and subsidiaries	451.8	725.8	34.2	274.5	93.1	62.0	1,641.4
Associated companies	93.3	3.0	8.5	35.5	(50.3)	101.5	191.5
Joint ventures	226.0	-	289.1	-	-	(64.1)	451.0
	771.1	728.8	331.8	310.0	42.8	99.4	2,283.9
Reconciliation							
Non-operating items							
Loss on fair value of investment properties							(37.8) (i)
Impairment (note 4)							(105.0)
Share of non-operating income of joint ventures, net							7.9
Share-based payment							(27.7) (ii)
Unallocated corporate office items							
Net finance costs							(495.4)
Expenses and others							(197.5)
Profit for the period after tax and non-controlling interests							1,428.4
Profit attributable to holders of perpetual capital securities							(94.1)
Profit attributable to shareholders of the Company							1,334.3

- (i) Loss on fair value of investment properties recognized in the condensed consolidated income statement is HK\$70.0 million (note 4), in which a loss of HK\$49.0 million is recognized as part of Attributable Operating Profit in various reportable segments. The amount also includes loss on fair value of an investment property shared from an associated company of HK\$16.8 million which is included in “share of results of associated companies”.
- (ii) The total share-based payment expenses recognized in the condensed consolidated income statement is HK\$36.4 million (note 3(a)), in which the above HK\$27.7 million represents share-based payment expenses in relation to share options granted by the Company and HK\$8.7 million is recognized as part of Attributable Operating Profit in various reportable segments.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for the Current Period and related comparative figures is as follows: (continued)

HK\$'m	Financial		Logistics	Construction	Facilities	Strategic	Corporate	Total
	Roads	Services			Management	Investments		
For the six months ended 31 December 2025								
Amortization of intangible assets	-	54.1	-	3.3	15.6	-	-	73.0
Amortization of intangible concession rights	598.9	-	-	-	-	-	-	598.9
Depreciation of property, plant and equipment	49.2	11.9	-	27.8	68.4	-	7.3	164.6
Depreciation of right-of-use assets	0.2	50.9	0.3	22.4	44.1	-	4.5	122.4
Insurance finance expenses	-	4,081.5	-	-	-	-	-	4,081.5
Net (gain)/loss on fair value of financial assets at FVPL	-	(2,084.6)	-	1.0	-	(66.9)	-	(2,150.5)
Interest income	(31.8)	(1,573.4)	(2.3)	(9.7)	(37.4)	(14.0)	(169.4)	(1,838.0)
Finance costs	43.6	4.6	3.4	19.1	7.2	0.8	664.8	743.5
Income tax expenses	146.2	71.2	9.5	39.8	11.8	2.9	-	281.4
Additions to assets (remark)	10.6	61.9	215.7	189.6	21.3	-	2.2	501.3
As at 31 December 2025								
Company and subsidiaries	13,700.1	117,331.5	3,689.3	10,556.4	2,537.0	3,411.9	9,182.1	160,408.3
Associated companies	2,621.5	315.2	235.6	188.1	151.5	1,744.9	2.8	5,259.6
Joint ventures	5,794.5	-	9,620.1	-	-	827.0	251.7	16,493.3
Total assets	22,116.1	117,646.7	13,545.0	10,744.5	2,688.5	5,983.8	9,436.6	182,161.2
Total liabilities	4,646.9	91,580.3	333.1	8,773.3	838.0	75.3	34,729.7	140,976.6

Remark: Represented assets expected to be recovered more than 12 months after the reporting period other than financial instruments, deferred tax assets, post-employment benefit assets, insurance contract assets and reinsurance contract assets.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for the Current Period and related comparative figures is as follows: (continued)

HK\$'m	Roads	Financial Services	Logistics	Construction	Facilities Management	Strategic Investments	Total
For the six months ended 31 December 2024							
Total revenue	1,439.6	1,990.3	75.7	7,365.8	1,243.7	-	12,115.1
Inter-segment	-	(1.4)	-	-	(4.0)	-	(5.4)
Revenue – external	1,439.6	1,988.9	75.7	7,365.8	1,239.7	-	12,109.7
Revenue from contracts with customers							
Recognized at a point in time	1,439.6	-	-	-	619.6	-	2,059.2
Recognized over time	-	91.9	-	7,365.8	620.1	-	8,077.8
	1,439.6	91.9	-	7,365.8	1,239.7	-	10,137.0
Revenue from other sources							
	-	1,897.0	75.7	-	-	-	1,972.7
	1,439.6	1,988.9	75.7	7,365.8	1,239.7	-	12,109.7
Attributable Operating Profit/(Loss)							
Company and subsidiaries	448.2	614.3	46.6	356.9	86.5	32.2	1,584.7
Associated companies	129.2	-	(1.9)	34.0	(77.2)	43.3	127.4
Joint ventures	189.7	-	343.1	-	-	(19.6)	513.2
	767.1	614.3	387.8	390.9	9.3	55.9	2,225.3
Reconciliation							
Non-operating items							
Net loss on fair value of investment properties, net of tax							(89.7) (iii)
Impairments, remeasurement and provisions, net							(307.4) (iv)
Gain on disposal of a project							42.7 (v)
Share of non-operating income of a joint venture, net							81.1 (vi)
Unallocated corporate office items							
Net finance costs							(505.3)
Expenses and others							(180.1)
Profit for the period after tax and non-controlling interests							1,266.6
Profit attributable to holders of perpetual capital securities							(109.0)
Profit attributable to shareholders of the Company							1,157.6

(iii) Loss on fair value of investment properties recognized in the condensed consolidated income statement was HK\$223.2 million (note 4), in which a loss of HK\$37.6 million was recognized as part of Attributable Operating Profit in various reportable segments. The amount also included gain on fair value of an investment property shared from a joint venture of HK\$93.5 million (net of tax) which was included in “share of results of joint ventures”.

(iv) The amount mainly represented share of remeasurement loss of a joint venture of HK\$319.9 million which was included in “share of results of joint ventures”.

(v) The amount represented profit on disposal of assets held-for-sale of HK\$42.7 million (note 4) which was included in “other income and gains, net”.

(vi) The amount represented share of non-operating income of a joint venture of HK\$95.6 million less professional fee incurred, which was included in “share of results of joint ventures”.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for the Current Period and related comparative figures is as follows: (continued)

HK\$'m	Financial		Logistics	Construction	Facilities	Strategic	Corporate	Total
	Roads	Services			Management	Investments		
For the six months ended 31 December 2024								
Amortization of intangible assets	-	41.0	-	1.4	15.6	-	-	58.0
Amortization of intangible concession rights	570.8	-	-	-	-	-	-	570.8
Depreciation of property, plant and equipment	50.4	15.8	-	26.3	52.4	-	7.4	152.3
Depreciation of right-of-use assets	0.2	53.8	-	18.6	45.1	-	4.4	122.1
Insurance finance expenses	-	890.5	-	-	-	-	-	890.5
Net loss/(gain) on fair value of financial assets at FVPL	-	224.3	-	1.4	-	(0.9)	-	224.8
Interest income	(27.0)	(1,482.8)	(1.0)	(22.1)	(53.1)	(44.9)	(123.1)	(1,754.0)
Finance costs	54.1	9.9	4.2	20.2	10.2	0.2	628.4	727.2
Income tax expenses	155.2	60.0	12.0	69.5	21.1	5.5	-	323.3
Additions to assets (remark)	47.3	163.1	0.1	35.7	14.8	-	2.4	263.4
As at 30 June 2025								
Company and subsidiaries	14,130.6	110,327.9	2,950.2	10,107.6	2,558.1	3,202.3	8,747.1	152,023.8
Associated companies	2,392.6	-	264.2	167.8	183.4	1,709.4	2.7	4,720.1
Joint ventures	5,543.2	-	9,454.8	-	-	893.9	259.8	16,151.7
Total assets	22,066.4	110,327.9	12,669.2	10,275.4	2,741.5	5,805.6	9,009.6	172,895.6
Total liabilities	4,810.6	85,582.9	317.8	8,873.4	864.5	72.2	32,492.5	133,013.9

Remark: Represented assets expected to be recovered more than 12 months after the reporting period other than financial instruments, deferred tax assets, post-employment benefit assets, insurance contract assets and reinsurance contract assets.

2. Revenue and segment information (continued)

(b) Additional information of assets and liabilities by the following line items:

As at 31 December 2025

HK\$m	Non-financial services and corporate	Financial Services	Total
Assets			
Intangible assets	289.1	5,878.1	6,167.2
Intangible concession rights	10,430.7	-	10,430.7
Investment properties	4,779.5	501.4	5,280.9
Associated companies	4,944.4	315.2	5,259.6
Joint ventures	16,493.3	-	16,493.3
Insurance contract assets	-	1,387.4	1,387.4
Reinsurance contract assets	-	115.6	115.6
Debt instruments as financial assets at amortized cost	29.9	1,294.4	1,324.3
Financial assets at FVOCI	934.6	12,779.9	13,714.5
Financial assets at FVPL	2,848.6	76,702.6	79,551.2
Trade and other receivables	8,092.7	562.8	8,655.5
Investments related to unit-linked contracts	-	10,592.0	10,592.0
Cash and bank balances	13,701.9	7,217.7	20,919.6
Others	1,969.8	299.6	2,269.4
	<u>64,514.5</u>	<u>117,646.7</u>	<u>182,161.2</u>
Liabilities			
Insurance contract liabilities	-	85,788.6	85,788.6
Financial liabilities related to unit-linked contracts	-	4,391.0	4,391.0
Borrowings and other interest-bearing liabilities	34,372.1	357.4	34,729.5
Financial liabilities at FVPL	2,253.5	-	2,253.5
Trade and other payables	9,988.3	372.6	10,360.9
Others	2,782.4	670.7	3,453.1
	<u>49,396.3</u>	<u>91,580.3</u>	<u>140,976.6</u>

(c) Information by geographical areas:

HK\$m	Assets expected to be recovered more than 12 months (remark)	
	As at 31 December 2025	As at 30 June 2025
Hong Kong	10,236.9	10,345.5
The Chinese Mainland	13,602.1	13,902.2
Others	27.3	27.4
	<u>23,866.3</u>	<u>24,275.1</u>

Remark: Represented assets expected to be recovered more than 12 months after the reporting period other than financial instruments, deferred tax assets, post-employment benefit assets, insurance contract assets and reinsurance contract assets.

3. Operating profit

Operating profit of the Group is arrived at after crediting and charging the following:

	For the six months ended 31 December	
	2025	2024
<i>Note</i>	HK\$'m	HK\$'m
Crediting		
Gross rental income from investment properties	99.8	117.3
Less: outgoings	(28.5)	(29.0)
	<u>71.3</u>	<u>88.3</u>
Charging		
Cost of inventories sold	42.1	505.8
Cost of construction	6,927.0	6,156.5
Amortization of intangible assets	73.0	58.0
Amortization of intangible concession rights	598.9	570.8
Depreciation of property, plant and equipment	164.6	152.3
Depreciation of right-of-use assets	122.4	122.1
Agency commission and allowances	1,581.9	1,164.8
Expenses on short-term leases	4.4	4.8
Expenses on variable lease payments	78.3	68.9
Staff costs (including directors' emoluments and share-based payment)	(a) 1,712.5	1,484.0
Other costs and expenses	747.2	701.0
	<u>12,052.3</u>	<u>10,989.0</u>
Amounts attributed to insurance contracts	(2,248.8)	(1,726.3)
Amortization of insurance acquisition cash flows	601.3	442.8
Incurred claims and other directly attributable expenses	1,024.0	917.7
Losses on onerous contracts, net of reversal	(4.5)	60.2
	<u>11,424.3</u>	<u>10,683.4</u>
Represented by		
Cost of sales	5 9,279.5	8,770.6
Insurance service expenses	1,620.8	1,420.7
Selling and marketing expenses	36.6	85.7
General and administrative expenses	487.4	406.4
	<u>11,424.3</u>	<u>10,683.4</u>

- (a) The Group recognized the total share-based payment expense of HK\$36.4 million (2024: nil) in the Current Period.

4. Other income and gains, net

	For the six months ended 31 December	
	2025	2024
<i>Note</i>	HK\$'m	HK\$'m
Net gain/(loss) on fair value of financial assets at FVPL	2,150.5	(224.8)
Net gain associated with investments related to unit-linked contracts	1,121.8	191.1
Profit on disposal of assets held-for-sale	-	42.7
Interest income		
- Debt instruments as financial assets at FVPL	1,213.3	1,160.9
- Debt instruments as financial assets at FVOCI	330.8	279.8
- Debt instruments as financial assets at amortized cost	25.8	29.4
- Bank deposits and others	268.1	283.9
Dividend income	322.8	202.7
Others	97.7	102.5
Charges associated with financial liabilities related to unit-linked contracts	(509.8)	(89.9)
Net exchange loss	(173.9)	(67.5)
Impairment loss on intangible concession rights	(105.0)	-
Net loss on disposal of debt instruments as financial assets at FVOCI	(81.2)	(66.9)
Loss on fair value of investment properties	(70.0)	(223.2)
Net loss on fair value of derivative financial instruments	(44.9)	(304.6)
Expected credit loss provision, net of reversal		
- Debt instruments as financial assets at FVOCI	(0.2)	(8.0)
- Debt instruments as financial assets at amortized cost	(0.2)	(0.3)
- Trade and other receivables	(3.7)	21.9
	<u>4,541.9</u>	<u>1,329.7</u>
Represented by		
Net investment income and gains from insurance business	4,246.4	1,089.0
Others	295.5	240.7
	<u>4,541.9</u>	<u>1,329.7</u>

5. Cost of sales

	For the six months ended 31 December	
	2025	2024
<i>Note</i>	HK\$'m	HK\$'m
Cost of inventories sold	42.1	505.8
Cost of construction	6,927.0	6,156.5
Cost of services rendered	2,310.4	2,108.3
	<u>9,279.5</u>	<u>8,770.6</u>
3		

6. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the Current Period. Taxation on the Chinese Mainland and overseas profits has been calculated on the estimated taxable profits for the Current Period at the rates of tax prevailing in the regions in which the Group operates. These rates range from 12% to 25% (2024: 12% to 25%). Withholding tax on dividends is mainly provided at the rate of 5% or 10% (2024: 5% or 10%).

The assessable profits of the Group's insurance business are computed in accordance with the special provisions of the Hong Kong Inland Revenue Ordinance ("IRO"). Profits tax for the life insurance business, as defined by IRO, is computed at a rate of 16.5% (2024: 16.5%) of 5% of net premiums (gross premiums received less reinsurance premiums ceded) of the life insurance business in accordance with Section 23(1)(a) of IRO and for non-life long term insurance business, is computed using the adjusted surplus method upon implementation of the HKRBC regime in accordance with Cap. 41 of the Insurance Ordinance.

The amount of income tax charged to the condensed consolidated income statement represents:

	For the six months ended	
	31 December	
	2025	2024
	HK\$m	HK\$m
Current tax		
Hong Kong profits tax	109.8	139.9
The Chinese Mainland and overseas taxation	236.4	233.7
Deferred tax credit	(64.8)	(50.3)
	<u>281.4</u>	<u>323.3</u>

Share of taxation of associated companies and joint ventures of HK\$76.7 million (2024: HK\$59.2 million) and HK\$94.3 million (2024: HK\$160.3 million) respectively are included in the condensed consolidated income statement as share of results of associated companies and joint ventures respectively.

Pillar Two income taxes

The Group, as a subsidiary of a wider in-scope multinational enterprise group, is subject to the Pillar Two tax reform.

Pillar Two legislation in Hong Kong were enacted on 6 June 2025, with the domestic minimum top-up tax ("HKMTT") and income inclusion rule ("IIR") retroactively effective from 1 January 2025, which are applicable to the Group from FY2026 onwards. An annual top-up tax return in Hong Kong shall be filed by 30 September 2027. Based on the Group's internal assessment with the information currently available, top-up tax under Pillar Two legislations in Hong Kong is not expected to be material, however it is subject to further assessment and the relevant internal charging mechanism to be determined, if applicable, by the wider group.

Other major jurisdictions where the Group operates, including the Chinese Mainland, have not enacted or substantively enacted the Pillar Two legislations. The Group will continue the assessment on the potential impact of Pillar Two legislations to the Group's operations.

7. Earnings per share

The calculation of basic earnings per share is based on earnings of HK\$1,334.3 million (2024: HK\$1,157.6 million) which represented profit attributable to shareholders of the Company; and on the weighted average of 4,449,467,410 (2024: 4,397,294,094 shares after adjusting for the issuance of bonus shares in December 2025) ordinary shares outstanding during the Current Period.

The calculation of diluted earnings per share was based on earnings of HK\$1,334.3 million as stated above; and on the weighted average number of ordinary shares outstanding adjusted by effects of all dilutive potential ordinary shares. The calculation of weighted average number of shares for calculating diluted earnings per share for the Current Period is as follows:

	<u>Number of shares</u>
Weighted average number of shares for calculating basic earnings per share	4,449,467,410
Effect of dilutive potential ordinary shares	
4.0% Convertible Bonds	9,424,458
2.8% Convertible Bonds	89,408,983
Share options	<u>1,580,567</u>
Weighted average number of shares for calculating diluted earnings per share	<u><u>4,549,881,418</u></u>

For the Current Period, there would be a potential dilutive impact on earnings per share if the outstanding convertible bonds of the Company as at period end have been converted into ordinary shares at the date of the issuance under the if-converted method, resulting in a decrease from basic earnings per share of HK\$0.300 to diluted earnings per share of HK\$0.294.

There was no dilutive potential ordinary share outstanding for the Last Period.

8. Dividend

A final dividend of HK\$1,422.5 million that related to FY2025 was paid in December 2025 (final dividend for the financial year ended 30 June 2024 paid: HK\$1,399.1 million).

On 26 February 2026, the Board resolved to declare an Interim Dividend of HK\$0.28 per share for FY2026, payable in cash (FY2025: interim ordinary dividend of HK\$0.30 per share and special dividend of HK\$0.30 per share, both payable in cash), on or about 9 April 2026, to the shareholders whose names appear on the register of members of the Company on 20 March 2026. This Interim Dividend, amounting to HK\$1.27 billion, has not been recognized as liability in the interim financial statements but will be reflected as an appropriation of the retained profits in the annual financial statements for FY2026 (FY2025: interim ordinary dividend of HK\$1.20 billion and special dividend of HK\$1.20 billion, both paid).

9. Trade and other receivables

Included in trade and other receivables are trade receivables which are analyzed based on invoice date as follows:

	As at 31 December 2025 HK\$'m	As at 30 June 2025 HK\$'m
Under 3 months	1,625.5	1,711.3
4 to 6 months	8.4	22.9
Over 6 months	118.6	119.0
	<u>1,752.5</u>	<u>1,853.2</u>

10. Financial liabilities at fair value through profit or loss

The balance as at 31 December 2025 represented HK\$2,218.0 million exchangeable bonds issued by the Company in October 2025 at a price of 103.0% of the principal amount bearing a coupon rate of 0.75% per annum. These bonds are unsecured and have maturity of three years falling due October 2028. The bondholders have the right to require the Company to redeem all or part of the bonds on 3 October 2027 at their principal amount, together with accrued but unpaid interest. The bondholders also have the right, at any time on or after the issue date and up to the maturity date, to exchange the bonds into exchange property initially consisting of the Group's investment in Shoucheng Shares, which is subject to adjustments pursuant to the terms and conditions of the exchangeable bonds.

During the Current Period, no exchangeable bond was exchanged into Shoucheng Shares.

11. Trade and other payables

Included in trade and other payables are trade payables which are analyzed based on invoice date as follows:

	As at 31 December 2025 HK\$'m	As at 30 June 2025 HK\$'m
Under 3 months	265.9	872.1
4 to 6 months	4.6	24.0
Over 6 months	37.3	46.9
	<u>307.8</u>	<u>943.0</u>

12. Event subsequent to period end

Subsequent to the end of the Current Period and up to the preceding day of this announcement, as a measure to optimize the business portfolio to enhance long-term value creation for the shareholders of the Company, the Group has disposed of certain interest in a listed associated company under the Strategic Investments segment with an aggregate carrying amount of approximately HK\$255.6 million and is expected to recognize a disposal loss, including the related release of reserves, of approximately HK\$115.3 million in the second half of FY2026. These transactions, in aggregate, did not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

13. Comparative figures

Certain comparative figures for the Last Period have been reclassified to conform with the presentation for the Current Period.

INTERIM DIVIDEND

The Company is committed to delivering a sustainable and progressive dividend policy. The aim of its dividend policy is to steadily increase or at least maintain the Hong Kong dollar value of total ordinary dividend annually. The prospective total dividend growth, however, remains dependent upon the financial performance and future funding needs of the Group.

The Board has accordingly resolved to declare an Interim Dividend of HK\$0.28 per share for FY2026 (FY2025: interim ordinary dividend of HK\$0.30 per share and special dividend of HK\$0.30 per share), payable in cash, to the shareholders of the Company whose names appear on the register of members of the Company on 20 March 2026. It is expected that the Interim Dividend will be paid on or about 9 April 2026. Total interim ordinary dividend amount rose by approximately 6% to HK\$1.27 billion, reflecting the Group’s commitment to delivering progressive shareholder returns underpinned by the strong cash flow generation of its diversified business portfolio.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders’ entitlement to the Interim Dividend, the register of members of the Company will be closed with details as set out below:

Latest time to lodge transfer documents for registration	4:30 pm on 19 March 2026
Closure of register of members	20 March 2026
Record date	20 March 2026
Interim Dividend payment date	on or about 9 April 2026

On the abovementioned closure date, no transfer of shares will be registered. In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, approximately 10,800 staff were employed by entities under the Group’s management of which approximately 3,800 staff were employed in Hong Kong. Total staff related costs including provident funds, staff bonus and deemed share option benefits but excluding directors’ remunerations and their deemed share option benefits during the Current Period were HK\$1.670 billion (2024: HK\$1.459 billion). Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed according to general market conditions every year. Structured training programmes were provided by the Group to employees on an ongoing basis.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee of the Company was set up by the Board with specific terms for the purpose of reviewing and providing supervision over the Group's financial reporting process, and risk management and internal control systems. It currently comprises three independent non-executive directors of the Company. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial statements of the Group for the Current Period with the management and the external auditor. The Audit Committee has also reviewed the interim report.

The unaudited consolidated interim results of the Group for the Current Period have been reviewed by the Company's external auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

CORPORATE GOVERNANCE PRACTICES

The Company has been striving to achieve good corporate governance which is the system of rules, processes and practices that the Company is managed and overseen for the purpose of balancing the interests of shareholders, the community and other stakeholders. Good corporate governance could contribute to long-term success and sustainability of the Company.

Throughout the Current Period, the Company has complied with all the applicable code provisions under the Corporate Governance Code as contained in Appendix C1 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 18 July 2025, the Company completed the repurchase of the 4.0% Convertible Bonds at a price equivalent to 100% of the principal amount. An aggregate outstanding principal amount of HK\$566 million of the 4.0% Convertible Bonds has been repurchased.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Current Period.

DEALINGS IN THE COMPANY'S SECURITIES BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") as its own code of conduct for securities transactions by directors. Specific enquiry was made with all directors of the Company and it was established that they had all complied with the required standard of the Model Code during the Current Period.

The Company has also adopted a set of code, which is no less exacting than the Model Code, for governing the securities transactions of specified employees ("Relevant Employees") who, because of their positions, are likely to come across unpublished inside information. Following specific enquiry by the Company, all Relevant Employees had confirmed that they complied with the standard set out in the code during the Current Period.

THE BOARD

As at the date of this announcement, (a) the executive directors of the Company are Dr Cheng Kar Shun, Henry, Mr Cheng Chi Ming, Brian, Mr Ho Gilbert Chi Hang, Mr Lam Jim and Mr Cheng Chi Leong, Christopher; (b) the non-executive directors of the Company are Mr William Junior Guilherme Doo (alternate director to Mr William Junior Guilherme Doo: Mr Lam Wai Hon, Patrick) and Mr Tsang On Yip, Patrick; and (c) the independent non-executive directors of the Company are Mr Shek Lai Him, Abraham, Mr Lee Yiu Kwong, Alan, Mrs Oei Wai Chi Grace Fung, Mr Wong Kwai Huen, Albert, Professor Chan Ka Keung, Ceajer and Ms Ng Yuen Ting, Yolanda.

By order of the Board
CTF Services Limited
Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 26 February 2026