



漢國置業有限公司

Hon Kwok Land Investment Company, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 160)

PROFIT WARNING

This announcement is made by Hon Kwok Land Investment Company, Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) hereby informs the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2025, it is expected that profit before revaluation of the Group will be positive at the range of approximately HK\$10 million to HK\$15 million, as compared to profit before revaluation of HK\$132.1 million for the year ended 31 March 2024. As of date of this announcement, total contract sales generated from Guangzhou residential units which would be delivered to buyers after 31 March 2025 amounted to approximately HK\$230 million, which was not yet recognised as revenue for the year ended 31 March 2025.

Taking into account the revaluation loss of investment properties, which is non-cash in nature, totalling approximately HK\$690 million to HK\$710 million for the year ended 31 March 2025 (2024: HK\$127.5 million), it is expected that the Group may record a net loss attributable to shareholders in the range of HK\$680 million to HK\$695 million for the year ended 31 March 2025, compared to the net profit attributable to shareholders of HK\$4.6 million in the last corresponding year.

The Board considers that the expected turnaround from profit to loss was primarily due to the combined effect of the following factors:

- (1) the deferral in recognition of contract sales derived from the residential project “The Riverside” in Guangzhou. Owing to the delay in obtaining the Certificate of Completion to late 2024, only a portion of the units sold were delivered to buyers before 31 March 2025 with the corresponding sales booked in this financial year. The contracted but not yet recognised sales amounted to approximately HK\$230 million is expected to be recorded in the following financial year 2025/2026.
- (2) net fair value losses in the range of approximately HK\$690 million to HK\$710 million arising from revaluation of the Group’s investment properties as at 31 March 2025 (2024: HK\$127.5 million), resulting from further downward adjustment of the property markets in Hong Kong and Mainland China. Nonetheless, such fair value losses are non-cash in nature and will not affect the cashflow and overall financial position of the Group.

Notwithstanding the above information, the overall operation, financial position and cash flow condition of the Group remain healthy. Overall impact on the gearing ratio from 46% last year to 49% remains at acceptable level.

The Company is still in the process of finalising the consolidated annual results of the Group for the year ended 31 March 2025. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 March 2025 and the information currently available to it, which was neither reviewed by the Company's audit committee nor audited by the Company's auditor. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 March 2025, which is expected to be published in late June 2025.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
James Sing-Wai Wong
Chairman

Hong Kong, 12 June 2025

At the date of this announcement, the directors of the Company are Mr. James Sing-Wai Wong (Chairman), Mr. Donald Yin-Shing Lam (Managing Director), Mr. Xiao-Ping Li and Mr. Philip Bing-Lun Lam as executive directors; Dr. Emily Yen Wong as non-executive director; and Ms. Janie Fong, Mr. David Tak-Wai Ma, Mr. James C. Chen and Mr. Raymond Ming-Joe Chow as independent non-executive directors.