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CHEUK NANG (HOLDINGS) LIMITED

卓能（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 131)

RESULTS FOR THE YEAR ENDED 30 JUNE 2025

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present the financial results of Cheuk Nang (Holdings) Limited (the “Company”, together with its subsidiaries, the “Group”) for the year ended 30 June 2025 (the “Year”).

RESULTS AND DIVIDEND

The consolidated loss after income tax of our Group for the year ended 30 June 2025 is HK\$1,144,071,000 comparing to profit after income tax of 2024: HK\$171,004,000. Details are set out in the consolidated statement of profit or loss.

The Directors resolved to recommend the payment of a final dividend of HK2.00 cents (2024: HK4.00 cents) per share payable to those shareholders whose names appeared in the register of members as at the close of business on 28 November 2025, which together with the interim dividend of HK2.25 cents (2024: HK2.25 cents) per share, makes a total distribution of HK4.25 cents (2024: HK6.25 cents) per share this year, which is 32% decrease when compare to last year.

After approval by the shareholders at the Annual General Meeting, the final dividend will be paid on 15 December 2025.

REVIEW OF OPERATIONS AND PROSPECTS

The year under review has witnessed encouraging signs of recovery in Hong Kong's property market, particularly in the residential sector. Home sales in the city are reaching a four-year high, with residential transactions forecast to increase by 13% to 64,000 units within 2025, while the total transaction value also shows steady strength. This positive momentum has been supported by various factors, including policy initiatives such as the reduction in stamp duty for homes, and an improving market sentiment as property prices showed signs of growth.

The residential rental market has also demonstrated resilience, recording seven consecutive months of growth, with the official index reaching 195.6, approaching levels last seen in September 2019. This recovery trend, coupled with expectations of potential interest rate cuts by the US Federal Reserve, has contributed to a more optimistic market outlook.

Hong Kong Properties

The progress of our projects in Hong Kong are as follows:

1. One Kowloon Peak at No. 8 Po Fung Terrace, Ting Kau, Tsuen Wan

Residential project developed in two phases.

Phase 1 comprised of a block of 21-storey building with 49 residential units (including 6 duplex units) and 39 car parking spaces. The net floor area of the units ranged from 1,075 square feet to 2,095 square feet. Phase 2 comprised of clubhouse, 29 car parking spaces and five 3-storey garden villas. The net floor area of the villas ranged from approximately 1,497 square feet to 2,329 square feet. The clubhouse provides recreational facilities and swimming pool.

The development is currently used as rental purpose. The occupancy rate is 50%. We intend to put the properties to market for sale in early 2026 focused on the featured units with brand new renovation.

2. Villa Cecil Phase II, 192 Victoria Road, Pokfulam

Residential development comprised of three blocks of 4-storey low density residential building provides 29 residential units. The net floor area of the apartments ranged from approximately 876 square feet to 3,099 square feet.

The occupancy rate of Phase 2 maintained at 60%.

3. *Villa Cecil Phase III, 216 Victoria Road, Pokfulam*

Residential development comprised of two blocks of 4-storey building for rental purpose. The total marketable gross floor area is about 97,000 square feet (net floor area is about 68,973 square feet). Block 1 provides 9 residential units and Block 2 provides 32 units. The gross floor area of the apartments ranged from 760 square feet to 3,800 square feet (net floor area ranged from 586 square feet to 2,555 square feet).

The occupancy rate of the two blocks has reached 90%.

4. *Cheuk Nang Lookout, 30 Severn Road, The Peak*

The development comprises of two luxury residential villas. During the year under review, a public sale by invitation to tender was launched for Villa Crocus. While we had received a few serious offers, the prices received did not match our expectations for the property, therefore over the future months we will continue to carry out asset enhancement strategies on the two villas in a concerted manner.

5. *New Villa Cecil, No. 33 Cheung Chau Sai Tai Road, Cheung Chau*

A residential project developed into 2 phases with total marketable gross floor area approximately 58,000 square feet, the net sales area is approximately 31,266 square feet.

Phase I comprises of 19 2-storey of residential villas which has already been granted an Occupation Permit. The gross floor area of the villas ranged from 1,450 square feet to 2,700 square feet (net floor area ranged from 1,106 square feet to 2,070 square feet). Phase II comprises of four 2-storey residential villas. The gross floor area of the villas ranged from approximately 2,000 square feet to 12,000 square feet (net floor area from 1,564 square feet to 9,260 square feet). Recreational facilities including swimming pool and landscape garden are provided.

Over 20% of the villas in Phase 1 are leased out.

China Properties

During the second half of 2024, the Central Government has implemented a series of supportive measures to stabilise the property market. Key initiatives included the relaxation of home purchase restrictions in several tier-one and tier-two cities, reduction of down payment requirements for first or second time homebuyers, and the lowering of mortgage rates and encouraging banks to provide financing support for property developers. Local governments were also granted more flexibility to adjust policies according to their specific market conditions, leading to city-specific measures to stimulate demand.

Looking ahead, while the broader property market faces ongoing challenges, we believe both Shenzhen and Hangzhou are relatively well-positioned due to their enduring economic fundamentals and strategic importance. Having said that, market recovery will likely be gradual and policy-dependent. The Group maintains a prudent approach while remaining ready to capture opportunities in these key markets as they arise all the while we remain mindful of potential challenges, including ongoing economic uncertainties and the need for further market stabilisation measures. The Group will continue to monitor market developments closely and adjust our strategies accordingly to capture opportunities in these key markets.

Shenzhen

In Shenzhen, as one of China's core tier-one cities, the property market has shown notable resilience, supported by the city's strong economic fundamentals and its strategic position within the Greater Bay Area. The average residential property prices have stabilised following the implementation of local support measures, including the optimisation of the housing provident fund policy and the introduction of talent-attraction housing schemes. Transaction volumes have shown modest improvement, particularly in the mid to high-end segment.

Cheuk Nang Garden

Longhwa, Shenzhen

The sale campaign continued throughout the Year. Uptill now, a total of 835 units were sold and the aggregate sales amounts to RMB4,092 million.

Hangzhou

Hangzhou's residential market has demonstrated even more robust sentiments, benefiting from its growing digital economy attracting young talent from all over the country and the spillover effects of the Yangtze River Delta integration. The city's property market has been particularly responsive to the recent policy adjustments, with improved transaction volumes in both the primary and secondary markets. The successful hosting of the Asian Games last year has further enhanced the city's infrastructure and international profile, contributing to sustained housing demand.

Cheuk Nang • Riverside

Yue Hang Qu, Hangzhou

The development comprises a land area of 38,983 square metres (approximately 419,613 square feet). The total net floor area is 122,483 square metres (approximately 1,318,407 square feet) with multi-storey buildings providing 849 residential units, 22 deluxe villas by the riverside, 780 car parking spaces, clubhouse, recreational facilities and shopping promenade. The size of the residential units and villas ranged from 65 square metres (700 square feet) to 270 square metres (2,906 square feet).

The building acceptance and the property certificate for strata ownership have not yet been completed but is expected sometime in 2026.

Macau Properties

The Macau government's overall objective is focused on increasing economic diversification, improving people's livelihoods, enhancing governance, and integrating into the overall development of the country. The government will continue to adopt the 1+4 appropriate diversification strategy and will step up efforts to accelerate the construction of the Guangdong-Macao Intensive Cooperation Zone in Hengqin.

Golden Cotai No. 1

Estrada de Seac Pai Van, Coloane

New development plans "ante-projecto" were submitted to The Direcção dos Serviços de Solos e Construção Urbana ("DSSCU") in the middle of August 2025. Our local submission architect will closely monitor the progress of the plan approval process.

Malaysia Properties

The Malaysian economy has achieved a growth of 4.4% in the second quarter of 2025, driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects.

Phase I "Parkview"

Lot 1359, Section 57, Lorong Perak, Kuala Lumpur

The development is a ready built 41-storey residential building providing 417 residential units and 163 car parking spaces. Most units have been sold by our Parkview joint venture partner. The remaining 27 unsold units are operated as serviced apartments.

The occupancy of our serviced apartments currently is 95% and upgrading of the property to improve occupancy is still in progress.

Phase II "Cecil Central Residence"

Lot 11385 and 11386, Section 57, Lorong Perak, Kuala Lumpur

The development currently comprises of 4 blocks of residential condominium with total approved gross floor area is 1,708,648 square feet. We have received several serious offers from a few Malaysian developers desiring to buy or collaborate on the project. As the price is not yet satisfactory, we will continue discussions with other developers for the possibility of either sale or joint venture to develop the project.

INVESTMENT IN BONDS AND STOCK

The investment in Bond market as at 30 June 2025 was HK\$23,238,000. During the year, no bonds was redeemed and HK\$57,969,000 were sold.

During the year, all the investment in Hong Kong stock in the amount of HK\$12,836,000 were sold.

OUTLOOK

Despite the challenging global economic environment characterised by monetary tightening and inflationary pressures, Hong Kong's property market has demonstrated remarkable resilience. The first-hand market has shown particular strength. While we maintain a cautiously optimistic outlook given the anticipated 3-5% rise in home prices, we remain mindful of the broader economic landscape. The potential shifts in US fiscal policies and their implications for trade relations and inflation could present both challenges and opportunities for our market.

In response to these market conditions, we will continue to adopt a prudent approach to our development strategy while remaining alert to opportunities that may arise from the market's recovery phase. Our focus remains on delivering quality properties that meet market demands while maintaining operational efficiency and financial stability.

DIRECTORS AND STAFF

I would like to express my sincere gratitude to my fellow Board members, our dedicated management team, and all staff members for their unwavering commitment and contributions during the Year. Their collective efforts continue to be instrumental in strengthening our position in the market and creating sustainable value for our shareholders.

By order of the Board
CECIL CHAO
Executive Chairman

Hong Kong, 23 September 2025

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Dr. Chao Gigi (Vice Chairman), Mr. Chao Howard and Ms. Ho Sau Fun, Connie; the Non-Executive Director is Mr. Lee Ding Yue Joseph; the Independent Non-Executive Directors are Mr. Lam Ka Wai, Graham, Mr. Sun Dai Hoe, Harold and Mr. Lee Tsung Hei David Chris.

RESULTS

The Group's audited consolidated Statement of Profit or Loss for the year ended 30 June 2025 is listed as follows:

Consolidated Statement of Profit or Loss

For the year ended 30 June 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------|---------------------------|------------------|
| Revenue | 5 | 168,516 | 188,042 |
| Direct costs | | <u>(125,870)</u> | <u>(81,246)</u> |
| Gross profit | | 42,646 | 106,796 |
| Other income | 7 | 21,697 | 22,132 |
| Changes in fair value of investment properties | 6 | (914,881) | (154,070) |
| Changes in fair value of financial assets at fair value through profit or loss ("FVTPL") | 6 | 12,838 | 6,000 |
| Net expected credit loss ("ECL") of financial assets at fair value through other comprehensive income ("FVTOCI") | | – | (4,975) |
| Administrative expenses | | (289,646) | (56,570) |
| Finance costs | 8 | <u>(53,855)</u> | <u>(53,831)</u> |
| Loss before income tax | 9 | (1,180,201) | (134,518) |
| Income tax credit | 10 | <u>37,130</u> | <u>305,522</u> |
| (Loss)/Profit for the year | | <u>(1,144,071)</u> | <u>171,004</u> |
| (Loss)/Profit for the year attributable to: | | | |
| Owners of the Company | | (989,199) | 171,678 |
| Non-controlling interests | | <u>(154,872)</u> | <u>(674)</u> |
| | | <u>(1,144,071)</u> | <u>171,004</u> |
| (Loss)/Earnings per share for profit attributable to the owners of the Company during the year | | | |
| Basic | 12 | <u>HK\$(1.52)</u> | <u>HK\$0.26</u> |
| Diluted | 12 | <u>HK\$(1.52)</u> | <u>HK\$0.26</u> |

Consolidated Statement of Financial Position

As at 30 June 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|------------------|------------------|
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Investment properties | | 3,682,520 | 5,365,067 |
| Property, plant and equipment | | 187,465 | 190,569 |
| Other non-current asset | | 950 | 950 |
| Other financial assets | | 23,238 | 49,248 |
| Deferred tax assets | | 15,001 | 15,001 |
| | | <u>3,909,174</u> | <u>5,620,835</u> |
| Current assets | | | |
| Properties under development for sale | | 2,076,838 | 1,394,106 |
| Completed properties for sale | | 1,513,738 | 1,586,016 |
| Other financial assets | | – | 628 |
| Financial assets at fair value through profit or loss | | 2,955 | 57,216 |
| Trade and other receivables | 13 | 21,436 | 21,095 |
| Pledged time deposits | | 4,036 | – |
| Bank balances and cash | | 834,506 | 881,792 |
| | | <u>4,453,509</u> | <u>3,940,853</u> |
| Current liabilities | | | |
| Other payables | 14 | 144,672 | 146,092 |
| Contract liabilities | | 38,803 | 12,785 |
| Amounts due to non-controlling shareholders | 15 | 239,990 | 239,990 |
| Amount due to a related company | 15 | 4,911 | 4,645 |
| Interest-bearing borrowings | | 543,520 | 1,131,508 |
| Advance from a director | | 250,134 | 211,617 |
| Lease liabilities | | 2,229 | 1,290 |
| Long service payment obligations | | 570 | – |
| Tax payable | | 192,260 | 215,495 |
| | | <u>1,417,089</u> | <u>1,963,422</u> |
| Net current assets | | <u>3,036,420</u> | <u>1,977,431</u> |
| Total assets less current liabilities | | <u>6,945,594</u> | <u>7,598,266</u> |

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Non-current liabilities | | |
| Interest-bearing borrowings | 480,000 | — |
| Lease liabilities | 1,533 | 744 |
| Deferred tax liabilities | 639,183 | 704,926 |
| Long service payment obligations | 113 | — |
| | <u>1,120,829</u> | <u>705,670</u> |
| Net assets | <u><u>5,824,765</u></u> | <u><u>6,892,596</u></u> |
| EQUITY | | |
| Share capital | 2,468,985 | 2,468,985 |
| Reserves | <u>3,302,424</u> | <u>4,215,383</u> |
| Equity attributable to the owners of the Company | <u>5,771,409</u> | <u>6,684,368</u> |
| Non-controlling interests | <u>53,356</u> | <u>208,228</u> |
| Total equity | <u><u>5,824,765</u></u> | <u><u>6,892,596</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. GENERAL INFORMATION

Cheuk Nang (Holdings) Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is disclosed in the Corporate Information section of the annual report and, its principal place of business is Hong Kong and the People’s Republic of China (the “PRC”). The Company’s shares are listed on The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (the “Group”) are controlled by Yan Yin Company Limited (“Yan Yin”), a limited liability company incorporated and domiciled in Hong Kong. At the reporting date, the directors consider the ultimate parent company of the Group is also Yan Yin.

The Group is principally engaged in property development and investment and provision of property management and related services.

The consolidated financial statements for the year ended 30 June 2025 were approved for issue by the board of directors on 23 September 2025.

2. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations (“HKFRS Accounting Standards”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the requirements of the Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The material accounting policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRS Accounting Standards and the impacts on the Group’s consolidated financial statements, if any, are disclosed in Note 3.

The consolidated financial statements have been prepared on the historical cost basis, except for:

- investment properties;
- financial assets at fair value through profit or loss (“FVTPL”);
- financial assets at fair value through other comprehensive income (“FVTOCI”); and
- land and building classified under property, plant and equipment.

which are stated at their fair values.

2. BASIS OF PREPARATION *(Continued)*

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 July 2024

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 July 2024:

| | |
|----------------------------------|---|
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

Except for those mentioned below, the adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

3. **ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS** *(Continued)*

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” (“2020 Amendments”) and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (“2022 Amendments”)

The amendments clarified the classification of debt and other liabilities as current or non-current, depending on whether an entity has a right to defer settlement of the liability for at least twelve months from the reporting date and this right has to be existed at the reporting date. Any expectations about events after the reporting period do not impact the assessment of the classification of the liabilities make at the reporting date as to the classification of the liability.

Covenants of a loan arrangement that an entity must comply with on or before the reporting date (even if the covenant is only assessed after the reporting date) affect the classification of that liability as current or non-current. Covenants that the entity is required to comply with after the reporting date do not affect the classification at the reporting date.

The amendments also define “settlements” of a liability, which includes transfer of entity’s own equity instrument. However, if the holder’s conversion option in a convertible bond is classified as equity in accordance with HKAS 32 “Financial Instruments: Presentation”, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liability is current or non-current. If the holder’s conversion option is classified as liability, such option must be considered for the determination of current/non-current classification of a convertible bond.

The amendments are applied retrospectively.

Based on the Group’s outstanding liabilities as at 1 July 2024, the application of amendments did not result in reclassification of the Group’s liabilities.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS *(Continued)*

Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of the consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

| | |
|--|--|
| HKFRS 18 | Presentation and Disclosure in Financial Statements ³ |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosure ³ |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ² |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Native – dependent Electricity ² |
| Amendments to HKAS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |
| Amendments to HKAS 21 | Lack of exchangeability ¹ |
| Amendments to HKFRS Accounting Standards | Annual improvements to HKFRS Accounting Standards – Volume 11 ² |
| Amendment to Hong Kong Interpretation 5 | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³ |

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

3. **ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS** *(Continued)*

HKFRS 18 “Presentation and Disclosure in Financial Statements” (“HKFRS 18”)

HKFRS 18 “Presentation and Disclosure in Financial Statements” (“HKFRS 18”) and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements” (“HKAS 1”). It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax” and “discontinued operation”), depending on the reporting entity’s main business activities, in the consolidated statement of profit or loss;
- Disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 ESTIMATION UNCERTAINTY

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of properties

The best evidence of fair value is current prices in an active market for similar property in similar location and condition and subject to lease and other contracts. In making its judgement, the Group considers information from a variety of sources including:

- (i) the floor areas of the properties with respect to the consideration from the independent and identified buyer;
- (ii) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
- (iv) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and using discount rate that reflect current market assessments of the uncertainty in the amount and timing of the cash flows; and
- (v) costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan.

The Group's properties have been valued individually, on market value basis, which conforms to The Hong Kong Institute of Survey Valuation Standards. In estimating the fair value of the properties, the management of the Group has considered the highest and best use of the properties. The carrying amount of the investment properties and land and buildings as at 30 June 2025 are approximately HK\$3,682,520,000 and HK\$180,660,000 respectively (2024: HK\$5,365,067,000 and HK\$186,254,000 respectively).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.1 ESTIMATION UNCERTAINTY *(Continued)*

Allowance for properties under development and completed properties for sale

In determining whether allowances should be made for the Group's properties under development for sale, the Group takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs of selling expenses less estimated costs to completion of the properties). An allowance is made if the estimated market value is less than the carrying amount. If the actual market value on properties under development for sale is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. The carrying amount of the properties under development for sale as at 30 June 2025 is approximately HK\$2,076,838,000 (2024: HK\$1,394,106,000). Provision for properties under development for sale amounted to HK\$166,068,000 have been written down to net realisable value during the year ended 30 June 2025 (2024: Nil).

Management exercises its judgement in making allowance for completed properties for sale with reference to the existing market environment and the estimated market value of the properties, i.e. the estimated selling price less estimated costs of selling expenses. A specific allowance for completed properties for sale is made if the estimate market value of the property is lower than its carrying amount. If the actual market values of the completed properties for sale are less than expected, as a result of change in market condition, material provision for impairment losses may result. The carrying amount of the completed properties as at 30 June 2025 is approximately HK\$1,513,738,000 (2024: HK\$1,586,016,000). No completed properties for sale have been written down to net realisable value during the year ended 30 June 2025 (2024: Nil).

4.2 CRITICAL ACCOUNTING JUDGEMENTS

Accounting for taxation

The Group is subject to income taxes in Hong Kong, the PRC, Malaysia and Macau. There are transactions and calculations for which the ultimate tax determination is uncertain. Significant management judgement is required in determining the provision of income taxes. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax assets and liabilities in the period in which such determination is made.

In measuring the Group's deferred tax on investment properties measured at fair value, management of the Group have determined that the presumption that the carrying amounts of these investment properties measured using the fair value model were recovered entirely through sales was not rebutted. Deferred tax has been provided at tax rates that are expected to apply upon sales of the investment properties held by the subsidiaries of the Group in Hong Kong, Macau, Malaysia and the PRC.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.2 CRITICAL ACCOUNTING JUDGEMENTS *(Continued)*

Accounting for taxation *(Continued)*

For the properties in the PRC, the tax expenses on changes in fair value of investment properties and properties sales are recognised taking into account the Land Appreciation Tax (“LAT”) and Enterprise Income Tax (“EIT”) payable upon sales of those properties in the PRC. The LAT is determined based on management’s best estimates according to the requirements set forth in the relevant PRC tax laws and regulations and provided at ranges of progressive rates of the appreciation value, with certain allowable deductions including land costs, borrowing costs and the relevant property development expenditures. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expenses and tax provision in periods in which such taxes have been finalised with local tax authorities. As at 30 June 2025, deferred tax liabilities in relation to the fair value changes of properties of approximately HK\$639,183,000 (2024: HK\$704,926,000) have been recognised in the Group’s consolidated statement of financial position as at 30 June 2025.

In addition, deferred tax assets of approximately HK\$42,678,000 (2024: HK\$42,678,000) in relation to tax losses have been recognised in the Group’s consolidated statement of financial position as at 30 June 2025. The recognition of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

5. REVENUE

The Group’s principal activities are disclosed in Note 1 to these consolidated financial statements. Revenue from the Group’s principal activities recognised during the year is as follows:

| | 2025 <i>HK\$’000</i> | 2024 <i>HK\$’000</i> |
|-------------------|-------------------------|-------------------------|
| Property sales | 135,484 | 155,629 |
| Property rentals | 32,992 | 31,794 |
| Estate management | 40 | 619 |
| | <u>168,516</u> | <u>188,042</u> |

5. REVENUE (Continued)

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines and geographical market:

| Year ended 30 June 2025 | | | | |
|--|-------------------------------|---------------------------------|----------------------------------|-------------------|
| | Property sales HK\$'000 | Property rentals HK\$'000 | Estate management HK\$'000 | Total HK\$'000 |
| Segments | | | | |
| Geographical markets | | | | |
| PRC | 135,484 | 861 | – | 136,345 |
| Hong Kong | – | 31,116 | 40 | 31,156 |
| Malaysia | – | 1,015 | – | 1,015 |
| | <u>135,484</u> | <u>32,992</u> | <u>40</u> | <u>168,516</u> |
| Timing of revenue recognition under HKFRS 15 from external customers | | | | |
| At a point in time | 135,484 | – | – | 135,484 |
| Over time | – | – | 40 | 40 |
| Revenue not in the scope of HKFRS 15 | – | 32,992 | – | 32,992 |
| | <u>135,484</u> | <u>32,992</u> | <u>40</u> | <u>168,516</u> |
| Year ended 30 June 2024 | | | | |
| | Property sales HK\$'000 | Property rentals HK\$'000 | Estate management HK\$'000 | Total HK\$'000 |
| Segments | | | | |
| Geographical markets | | | | |
| PRC | 53,654 | – | – | 53,654 |
| Hong Kong | 101,975 | 31,032 | 619 | 133,626 |
| Malaysia | – | 762 | – | 762 |
| | <u>155,629</u> | <u>31,794</u> | <u>619</u> | <u>188,042</u> |
| Timing of revenue recognition under HKFRS 15 from external customers | | | | |
| At a point in time | 155,629 | – | – | 155,629 |
| Over time | – | – | 619 | 619 |
| Revenue not in the scope of HKFRS 15 | – | 31,794 | – | 31,794 |
| | <u>155,629</u> | <u>31,794</u> | <u>619</u> | <u>188,042</u> |

6. SEGMENT REPORTING

The executive directors of the Company, being the chief operating decision makers, have identified the Group's reportable segments. These reportable segments are monitored and strategic decisions are made on the basis of adjusted segment operating results:

2025

| | Property sales <i>HK\$'000</i> | Property rentals <i>HK\$'000</i> | Estate management <i>HK\$'000</i> | Others <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|--------------------------------------|--|---|---------------------------|--------------------------|
| Revenue | | | | | |
| From external customers | 135,484 | 32,992 | 40 | – | 168,516 |
| Inter-segment revenue | – | 840 | 16,074 | – | 16,914 |
| Reportable segment revenue | 135,484 | 33,832 | 16,114 | – | 185,430 |
| Reportable segment (loss)/profit | (175,286) | (905,055) | 1,082 | (23,629) | (1,102,888) |
| Other information: | | | | | |
| Depreciation of property, plant and equipment | 120 | 4,164 | 1 | – | 4,285 |
| Depreciation of right-of-use assets | – | – | 2,712 | – | 2,712 |
| Income tax credit | (35,336) | (1,794) | – | – | (37,130) |
| Decrease in fair value of investment properties | – | 914,881 | – | – | 914,881 |
| Increase in fair value of financial assets at FVTPL | – | – | – | (12,838) | (12,838) |
| Loss on disposal of financial assets at FVTOCI | – | – | – | 39,627 | 39,627 |
| Provision for properties under development for sale | 166,068 | – | – | – | 166,068 |
| Reportable segment assets | 3,605,374 | 3,689,260 | 5,841 | 2,955 | 7,303,430 |
| Reportable segment liabilities | 160,078 | 262,599 | 7,196 | 2,265 | 432,138 |
| Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year | 202 | 5,352 | 243 | – | 5,797 |

6. SEGMENT REPORTING (Continued)

2024

| | Property sales <i>HK\$'000</i> | Property rentals <i>HK\$'000</i> | Estate management <i>HK\$'000</i> | Others <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|--------------------------------------|--|---|---------------------------|--------------------------|
| Revenue | | | | | |
| From external customers | 155,629 | 31,794 | 619 | – | 188,042 |
| Inter-segment revenue | – | 840 | 49,252 | – | 50,092 |
| Reportable segment revenue | <u>155,629</u> | <u>32,634</u> | <u>49,871</u> | <u>–</u> | <u>238,134</u> |
| Reportable segment (loss)/profit | <u>71,231</u> | <u>(156,436)</u> | <u>5,747</u> | <u>22,589</u> | <u>(56,869)</u> |
| Other information: | | | | | |
| Depreciation of property, plant and equipment | 27 | 462 | 130 | – | 619 |
| Depreciation of right-of-use assets | – | 777 | 2,394 | – | 3,171 |
| Income tax (credit)/expense | (325,405) | 20,284 | – | – | (305,121) |
| Decrease in fair value of investment properties | – | 154,070 | – | – | 154,070 |
| Increase in fair value of financial assets at FVTPL | <u>–</u> | <u>–</u> | <u>–</u> | <u>(6,000)</u> | <u>(6,000)</u> |
| Reportable segment assets | <u>3,779,612</u> | <u>4,584,165</u> | <u>3,847</u> | <u>57,216</u> | <u>8,424,840</u> |
| Reportable segment liabilities | <u>132,033</u> | <u>262,555</u> | <u>4,801</u> | <u>6,157</u> | <u>405,546</u> |
| Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year | <u>29</u> | <u>7,620</u> | <u>1,663</u> | <u>–</u> | <u>9,312</u> |

6. SEGMENT REPORTING (Continued)

The totals presented for the Group's reportable segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------------------------|--------------------|------------------|
| Reportable segment revenue | 185,430 | 238,134 |
| Elimination of inter segment revenue | (16,914) | (50,092) |
| Revenue of the Group | <u>168,516</u> | <u>188,042</u> |
| Reportable segment loss | (1,102,888) | (56,869) |
| Unallocated corporate income | 18,548 | 17,698 |
| Unallocated corporate expenses | (43,006) | (41,516) |
| Finance costs | (53,855) | (53,831) |
| Loss before income tax of the Group | <u>(1,181,201)</u> | <u>(134,518)</u> |
| | 2025 HK\$'000 | 2024 HK\$'000 |
| Reportable segment assets | 7,303,430 | 8,424,840 |
| Bank balances and cash | 834,506 | 881,792 |
| Other corporate assets | 209,746 | 240,055 |
| Deferred tax assets | 15,001 | 15,001 |
| Total assets of the Group | <u>8,362,683</u> | <u>9,561,688</u> |
| Reportable segment liabilities | 432,138 | 405,546 |
| Tax payable | 192,260 | 215,495 |
| Interest-bearing borrowings | 1,023,520 | 1,131,508 |
| Other corporate liabilities | 250,817 | 211,617 |
| Deferred tax liabilities | 639,183 | 704,926 |
| Total liabilities of the Group | <u>2,537,918</u> | <u>2,669,092</u> |

6. SEGMENT REPORTING (Continued)

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

| | Revenue from external customers | | Non-current assets | |
|----------------------|---------------------------------|----------------|--------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Hong Kong (domicile) | 31,156 | 133,626 | 3,000,200 | 3,250,960 |
| PRC | 136,345 | 53,654 | 453,302 | 453,328 |
| Macau | – | – | – | 1,448,441 |
| Malaysia | 1,015 | 762 | 417,433 | 403,857 |
| | <u>168,516</u> | <u>188,042</u> | <u>3,870,935</u> | <u>5,556,586</u> |

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets (other than financial instruments and deferred tax assets) is based on the physical location of the assets.

The Company is an investment holding company and the principal place of the Group's operation mainly are Hong Kong and PRC.

No revenue from transaction with single external customer is amounted to 10% or more for the Group's revenue for the year.

7. OTHER INCOME, NET

| | 2025 | 2024 |
|--|---------------|---------------|
| | HK\$'000 | HK\$'000 |
| Dividend income from listed equity investments | 3,149 | 4,425 |
| Interest income | 18,032 | 15,829 |
| Sundry income | <u>516</u> | <u>1,878</u> |
| | <u>21,697</u> | <u>22,132</u> |

8. FINANCE COSTS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------------------------|------------------|------------------|
| Interest charges on: | | |
| Bank loans and overdrafts | 37,978 | 38,577 |
| Advance from a director | 14,756 | 13,043 |
| Other incidental borrowing costs | 939 | 2,163 |
| Finance charges on lease liabilities | 182 | 48 |
| | <u>53,855</u> | <u>53,831</u> |

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging the following:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Staff costs (include directors' emoluments) | | |
| Salaries, wages and other benefits | 24,909 | 23,571 |
| Contribution to defined contribution plans (<i>Note (a)</i>) | 721 | 713 |
| | <u>25,630</u> | <u>24,284</u> |
| Auditors' remuneration | | |
| Current year | 912 | 838 |
| Contract interest payment (<i>Note (b)</i>) | 24,468 | 5,200 |
| Cost of stock properties recognised as expenses | 86,339 | 52,532 |
| Depreciation of property, plant and equipment | 4,432 | 1,396 |
| Depreciation of right-of-use assets | 2,566 | 2,394 |
| Direct outgoings in respect of investment properties that generate rental income | 16,568 | 15,431 |
| Direct outgoings in respect of investment properties that did not generate rental income | 188 | 184 |
| Net exchange loss | 4,779 | 534 |
| Lease charges: | | |
| Short-term leases | 158 | 143 |
| Loss on disposal of financial assets at FVTOCI | 39,627 | – |
| Loss on disposal of investment properties | – | 5,949 |
| Provision for properties under development for sale | <u>166,068</u> | <u>–</u> |

9. LOSS BEFORE INCOME TAX (Continued)

Notes:

- (a) As at 30 June 2025 and 2024, there was a sum of approximately HK\$21,000 in the forfeited account of the Group under the MPF Scheme. During the years ended 30 June 2025 and 2024, the Group did not utilise any amount in the forfeited account to reduce the existing level of contributions.
- (b) During the year ended 30 June 2025, the Group has made a contract interest payment of HK\$24,468,000 (2024: HK\$5,200,000).

10. INCOME TAX CREDIT

Hong Kong profits tax has not been provided in the consolidated financial statements as the respective group companies did not have assessable profit in Hong Kong for the years ended 30 June 2025 and 2024 or the assessable profit was set-off against tax loss brought forward from previous years.

Under The New Law and Implementation Regulations, the tax rate of PRC subsidiaries is 25% (2024: 25%).

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Current tax | | |
| PRC EIT | | |
| – Charge for the year | 13,255 | 7,484 |
| – Over-provision in respect of prior years (<i>Note (a)</i>) | – | (353,163) |
| | 13,255 | (345,679) |
| PRC LAT | 18,671 | 55,244 |
| Withholding tax on dividend | – | 20,436 |
| | 31,926 | (269,999) |
| Deferred tax | | |
| Current year | (69,056) | (35,523) |
| Total income tax credit | (37,130) | (305,522) |

11. DIVIDENDS

(a) Dividends attributable to the year

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Interim dividend of HK2.25 cents (2024: HK2.25 cents) per ordinary share | 14,685 | 14,685 |
| Proposed final dividend of HK2.0 cents (2024: HK4.0 cents) per ordinary share (<i>Note</i>) | 13,054 | 26,107 |
| | <u>27,739</u> | <u>40,792</u> |

Note:

The final dividend proposed after the reporting date has not been recognised as a liability at the reporting date.

(b) Dividends attributable to the previous financial year, approved and paid during the year

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Final dividend in respect of the previous financial year, of HK4.0 cents (2023: HK3.0 cents) per ordinary share | 26,107 | 19,580 |

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------------|------------------|------------------|
| Dividends: | | |
| Cash | 26,107 | 19,580 |

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share is based on the following data:

Earnings

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| (Loss)/profit attributable to the owners of the Company for the purpose of calculating basic and diluted earnings per share | (989,199) | 171,678 |

12. (LOSS)/EARNINGS PER SHARE (Continued)

Number of shares

| | 2025 | 2024 |
|---|---------------------------|---------------------------|
| Weighted average number of ordinary shares for the purposes of basic earnings per share | <u>652,676,781</u> | <u>652,676,781</u> |

Dilutive (loss)/earnings per share for 2025 and 2024 are the same as basic (loss)/earnings per share as there was no potential ordinary share outstanding as at 30 June 2025 and 2024.

13. TRADE AND OTHER RECEIVABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------------------|-------------------------|-------------------------|
| Trade receivables | | |
| From third parties | <u>3,666</u> | <u>4,197</u> |
| Other receivables | | |
| Prepaid expenses | 6,446 | 6,527 |
| Utilities deposits | 2,601 | 2,669 |
| Other deposits | 1,117 | 1,213 |
| Others | <u>7,606</u> | <u>6,489</u> |
| | <u>17,770</u> | <u>16,898</u> |
| | <u>21,436</u> | <u>21,095</u> |

The trade receivables of the Group represent rental and management fee in arrears. The Group maintains a credit policy to minimise any credit risk associated with trade receivables. As at the end of the reporting period, the ageing analysis of the trade receivables (which is included in trade and other receivables), based on the debit note or invoice date, is as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------|-------------------------|-------------------------|
| 0-30 days | 71 | 826 |
| 31-60 days | – | 56 |
| 61-90 days | – | 27 |
| Over 90 days | <u>3,595</u> | <u>3,288</u> |
| | <u>3,666</u> | <u>4,197</u> |

13. TRADE AND OTHER RECEIVABLES *(Continued)*

Trade receivables are due upon presentation of invoices.

The Group has no significant concentrations of credit risk, and sufficient rental deposits are held to cover potential exposure to credit risk.

Costs for obtaining contracts mainly represent the incremental costs, primarily sales commission, as a result of obtaining the pre-sale property contracts. The Group has capitalised the amounts and amortised when the related revenue are recognised. No amount has been recognised in profit or loss in current and prior years.

Other receivables included deposits paid to constructors to perform repair and maintenance works for the Group's investment properties and properties under development. The credit risk of deposits paid is considered to be low, therefore the impact on ECL is considered immaterial.

14. OTHER PAYABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------------------|-------------------------|-------------------------|
| Tenant deposits | 7,165 | 6,227 |
| Other payable and accruals | <u>137,507</u> | <u>139,865</u> |
| | <u><u>144,672</u></u> | <u><u>146,092</u></u> |

The carrying values of other payables are considered to be a reasonable approximation of their fair value.

Other payable and accruals mainly included value-added tax and other tax payable for sales of properties in PRC amounted to HK\$93,557,000 (2024: HK\$93,557,000).

15. AMOUNTS DUE TO A RELATED COMPANY/NON-CONTROLLING SHAREHOLDERS

The amounts due are unsecured, interest-free and repayable on demand. The carrying amounts of the amounts due approximate their fair values.

Two directors of the Company are also the beneficial owner of the related companies.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Financial Highlights

Revenue for the year ended 30 June 2025 (the “Year”) amounted to HK\$168,516,000 (2024: HK\$188,042,000), a 10.4% decrease as compared with last year. It was mainly due to no properties sold in Hong Kong during Year.

For property leasing, the Year recorded an increase of 3.8% in rental income as compared with the corresponding year in 2024, amounting HK\$32,992,000 (2024: HK\$31,794,000). Gross profit for the Year amounted to HK\$42,646,000, as compare to a gross profit of HK\$106,796,000 with the corresponding year. Other income recorded a decrease of 2.0% to HK\$21,697,000 when compared with last year.

The other income for the Year were mainly attributed to dividend income and interest income. Positive change in fair value of financial assets at fair value through profit or loss amounted to HK\$12,838,000 (2024: HK\$6,000,000). Negative change in fair value of investment properties amounted to HK\$914,881,000 (2024: Negative change in fair value of HK\$154,070,000). No expected credit loss of financial assets at fair value through other comprehensive income was recognised during the year (2024: expected credit loss of HK\$4,975,000) which related to debentures default in interest payment and downgrading on credit rating. Administrative expenses increased by 412.0% to HK\$289,646,000 as compared with last year and the increase in administration expenses was mainly due to the provision for properties under development for sale of HK\$166,068,000 and loss on disposal of perpetual note and debenture of HK\$39,627,000 during this Year. Finance costs decreased by 0.1% to HK\$53,855,000 as compared with last year.

Loss attributable to owners of the Company for the Year was HK\$989,199,000 (2024: Profit HK\$171,678,000). Basic loss per share was HK\$1.52 (2024: Basic earning per share HK\$0.26) and fully diluted loss per share was HK\$1.52 (2024: fully diluted earning per share HK\$0.26).

A final dividend of HK2.00 cents (2024: HK4.00 cents) was proposed together with the interim dividend of HK2.25 cents (2024: HK2.25 cents) a total of HK4.25 cents (2024: HK6.25 cents) for the year ended 30 June 2025.

Total Equity Attributable To The Owners Of The Company

As at 30 June 2025, the Group’s total equity attributable to the owners of the Company amounted to approximately HK\$5,771,409,000 (2024: HK\$6,684,368,000), a decrease of HK\$912,959,000 or 13.7% when compared with 30 June 2024. With the total number of ordinary shares in issue of 652,676,781 as at 30 June 2025 (2024: 652,676,781 shares), the total equity attributable to the owners of the Company per share was HK\$8.84, representing a decrease of 13.7% compared to HK\$10.24 as at 30 June 2024.

Other than the existing projects and those disclosed in the annual report, the Group did not have any confirmed future plans for material investment or acquiring capital assets.

Investment In Financial Assets At Fair Value Through Profit Or Loss And Other Comprehensive Income

As at 30 June 2025, the fair value of investment in fund and perpetual note and debentures amounted to HK\$2,955,000 and HK\$23,238,000 respectively were classified as the financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income. During the Year, the portfolio on listed securities was increased by gain on fair value of HK\$12,836,000 (2024: HK\$5,953,000) and all the listed securities were sold during the year at market value. During the year, the investment in fund was increased by gain on fair value of HK\$2,000 (2024: loss on fair value was HK\$47,000). During the year, no perpetual note and debenture was redeemed (2024: HK\$2,290,000 was redeemed) and no expected credit loss (2024: expected credit loss of HK\$4,975,000) was provided. During the year, perpetual note and debenture of HK\$57,969,000 was sold. The investment in financial assets as at 30 June 2025 represented 0.3% (2024: 1.1%) of the total assets, which formed part of the Group's cash management activities.

Equity

The number of issued ordinary shares as at 30 June 2025 and 30 June 2024 were 652,676,781 and 652,676,781 respectively.

Debts And Gearing

As at 30 June 2025, the Group's bank and other borrowings amounted to HK\$1,273,654,000 (2024: HK\$1,343,125,000). Cash and bank balances amounted to HK\$838,542,000 (2024: HK\$881,792,000) and net borrowing of HK\$435,112,000 (2024: HK\$461,333,000).

Total debts to equity ratio was 22.2% (2024: 20.1%) and net debts to equity ratio was 7.5% (2024: 6.9%). The increase in the total debt to equity ratio was mainly due to decrease in net assets value during the Year and increase in net debts to equity was mainly due to decrease in net assets value during the Year. As at 30 June 2025, the Group's bank and other borrowings were denominated in Hong Kong dollars. Of the Group's total bank and other borrowings HK\$1,273,654,000 (2024: HK\$1,343,125,000), 62.3% (2024: 100%) and 37.7% (2024: NIL) were repayable within 1 year and 1 to 2 years respectively reference to the repayment on demand clause based on scheduled repayments of the loan agreement. The Group's bank and other borrowings carried interest rates by reference to Hong Kong Interbank Offer Rate ("HIBOR.")

Pledge Of Assets

As at 30 June 2025, the Group's investment properties and land and building with carrying values of approximately HK\$2,368,955,000 (2024: HK\$2,546,738,000) and HK\$180,660,000 (2024: HK\$180,254,000) respectively were pledged to secure general banking facilities of the Group.

Finance Costs

Financial costs included interest expenses on bank and other loans, arrangement, facility and commitment fee expenses. No interest was capitalized for the Year (2024: HK\$Nil). Interest expenses for the Year amounted to HK\$53,855,000 (2024: 53,831,000) at similar level as last year. The average interest rate over the year under review was 4.1% (2024: 4.5%) which was expressed as a percentage of total interest expenses over the average total borrowing.

Property Valuation

A property valuation has been carried out by Messrs. Roma Appraisals Limited and K.T. Liu Surveyors Limited in respect of the Group's investment properties and certain property, plant and equipment as at 30 June 2025 and that valuation was used in preparing 2025 financial statements. The Group's investment properties and investment properties under development were valued at HK\$3,265,107,000 and HK\$417,413,000 respectively making the total HK\$3,682,520,000 (2024: investment properties and investment properties under development were valued at HK\$3,512,769,000 and HK\$1,852,298,000 respectively making the total HK\$5,365,067,000). The decrease in fair value of approximately HK\$914,881,000 (2024: The decrease in fair value of approximately HK\$154,070,000 was charged to the income statement) was debited to the income statement for the Year. The Group land and building held for the directors' quarter carried at fair value were valued at HK\$180,660,000 (2024: HK\$186,254,000). The decrease in fair value of HK\$1,869,000 (2024: increase in fair value of HK\$593,000) for the Year were recorded in property revaluation reserves. Properties under development for sale of the Group were stated at lower of cost or net realizable value in the financial statements.

RISK MANAGEMENT

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control the various types of risk it faces. This is supplemented by active management involvement and effective internal controls in the best interests of the Group.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30 June 2025, the Group employed a total of 49 staff (as at 30 June 2024: 47 staff).

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary, year end double pay and year end discretionary bonus based on market conditions and individual performance. The Executive Directors continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance. No share option scheme was adopted for the Year.

FINANCIAL KEY PERFORMANCE INDICATOR

Profit Attributable To Owners Of The Company and Earnings Per Share

The Company uses the profit attributable to owners of the company and earnings per share as the Group's as the financial key performance indicator. The Company's aim to increase the Group's profit attributable to owners of the company and earnings per share. We compare the profit against the previous period as a measure of the performance. Detail refer to Financial Highlight section.

INTERNAL CONTROL

The Group has appointed external professional firm to perform periodic review on the internal control of the Group. Current year review has completed and some minor weakness have been identified. The Group will carry out necessary procedures to improve these control weaknesses.

ENVIRONMENTAL POLICIES AND COMPLIANCE

Our environmental policy is to meet all the environmental legislations which relate to our operation. A review on the performance on our environmental policy has been carried out.

KEY RELATIONSHIPS

Relationships with vendors

We have established relationships with numbers of suppliers for the construction and renovation work in Hong Kong, PRC and Malaysia. Other than one supplier relating to our construction work which recently has financial problem, the work originally carried by the contractor has been reassigned to other contractor. Other than this, there is no major events affecting our relationships with our suppliers.

Relationships with customers

Our sale and leasing team maintain good relationship with our customers especially our tenants.

Relationships with employees

During the Year, we are not aware of any major event affecting our relationships with our employees.

REVIEW OF OPERATION AND OUTLOOK

Hong Kong Properties

The progress of our projects in Hong Kong are as follows:–

1. *One Kowloon Peak at No. 8 Po Fung Terrace, Ting Kau, Tsuen Wan*

The development is currently used as rental purpose. The occupancy rate is 50%. We intend to put the properties to market for sale in early 2026 focused on the featured units with brand new renovation.

2. *Villa Cecil Phase II, 192 Victoria Road, Pokfulam*

The occupancy rate of Phase 2 maintained at 60%.

3. *Villa Cecil Phase III, 216 Victoria Road, Pokfulam*

The occupancy rate of the two blocks has reached 90%.

4. *Cheuk Nang Lookout, 30 Severn Road, The Peak*

During the year under review, a public sale by invitation to tender was launched for Villa Crocus. While we had received a few serious offers, the prices received did not match our expectations for the property, therefore over the future months we will continue to carry out asset enhancement strategies on the two villas in a concerted manner.

5. *New Villa Cecil, No. 33 Cheung Chau Sai Tai Road, Cheung Chau*

Over 20% of the villas in Phase 1 are leased out.

China Properties

Shenzhen

Cheuk Nang Garden

Longhwa, Shenzhen

The sale campaign continued throughout the Year. Uptill now, a total of 835 units were sold and the aggregate sales amounts to RMB4,092 million.

Hangzhou

Cheuk Nang • Riverside

Yue Hang Qu, Hangzhou

The building acceptance and the property certificate for strata ownership have not yet been completed but is expected sometime in 2026.

Macau Properties

Golden Cotai No. 1

Estrada de Seac Pai Van, Coloane

New development plans “ante-projecto” were submitted to The Direcção dos Serviços de Solos e Construção Urbana (“DSSCU”) in the middle of August 2025. Our local submission architect will closely monitor the progress of the plan approval process.

Malaysia Properties

Phase I “Parkview”

Lot 1359, Section 57, Lorong Perak, Kuala Lumpur

The occupancy of our serviced apartments currently is 95% and upgrading of the property to improve occupancy is still in progress.

Phase II “Cecil Central Residence”

Lot 11385 and 11386, Section 57, Lorong Perak, Kuala Lumpur

We have received several serious offers from a few Malaysian developers desiring to buy or collaborate on the project. As the price is not yet satisfactory, we will continue discussions with other developers for the possibility of either sale or joint venture to develop the project.

OUTLOOK

Despite the challenging global economic environment characterised by monetary tightening and inflationary pressures, Hong Kong’s property market has demonstrated remarkable resilience. The first-hand market has shown particular strength. While we maintain a cautiously optimistic outlook given the anticipated 3-5% rise in home prices, we remain mindful of the broader economic landscape. The potential shifts in US fiscal policies and their implications for trade relations and inflation could present both challenges and opportunities for our market.

In response to these market conditions, we will continue to adopt a prudent approach to our development strategy while remaining alert to opportunities that may arise from the market’s recovery phase. Our focus remains on delivering quality properties that meet market demands while maintaining operational efficiency and financial stability.

FINAL DIVIDEND

The Directors resolved to recommend the payment of a final dividend of HK2.00 cents (2024: HK4.00 cents) per share payable to those shareholders whose names appeared in the register of members as at the close of business on 28 November 2025, which together with the interim dividend of HK2.25 cents (2024: HK2.25 cents) per share, makes a total distribution of HK4.25 cents (2024: HK6.25 cents) per share this year.

After approval by the shareholders at the Annual General Meeting, the final dividend will be paid on 15 December 2025.

CLOSURE OF REGISTER

The register of members of the Company will be closed during the following periods:

- (i) from Friday, 14 November 2025 to Thursday, 20 November 2025 (both days inclusive) during which period no transfers of shares would be effected. In order to qualify to attend and vote at the 2025 Annual General Meeting, all transfer of shares together with the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 13 November 2025.
- (ii) From Wednesday, 26 November 2025 to Friday, 28 November 2025 (both days inclusive) during which period no transfers of shares would be effected. In order to qualify for the final dividend, all transfer of shares together with the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 25 November 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (THE "MODEL CODE")

The Company has adopted codes of conduct regarding securities transactions by Directors (the "Securities Code") and relevant employees on terms no less exacting than the required standard set out in the Model Code contained in Appendix C3 of the Listing Rules throughout the year ended 30 June 2025. The Company had also made specific enquiries of all Directors and the Company was not aware of any non-compliance with the required standard of dealings set out in the Model Code.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except the deviation from code provision C.2.1 which requires the role and responsibilities of Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual as we are still looking for suitable person to act as Chief Executive Officer.

BOARD AUDIT COMMITTEE

The results for the year ended 30 June 2025 have been reviewed by the Audit Committee of the Company. The Group’s consolidated financial statements have been audited by the Company’s auditor, Grant Thornton Hong Kong Limited and they have issued an unqualified opinion.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group’s results for the year ended 30 June 2025 have been agreed by the Group’s auditor, Grant Thornton Hong Kong Limited (the “Auditor”), to the amounts set out in the Group’s draft consolidated financial statements for the Year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

INFORMATION REQUIRED UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the Company for the years ended 30 June 2025 and 2024 included in the Announcement is derived from, but does not constitute the Company’s statutory annual consolidated financial statements for these two years.

The Company has delivered the financial statements for the year ended 30 June 2024 to the Registrar of Companies of Hong Kong as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 30 June 2025 to the Registrar of Companies of Hong Kong within the prescribed time limit.

The Company's auditor has reported on the financial statements of the Group for both the years ended 30 June 2025 and 2024. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

By order of the Board
HO SAU FUN CONNIE
Company Secretary

Hong Kong, 23 September 2025

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Dr. Chao Gigi (Vice Chairman), Mr. Chao Howard and Ms. Ho Sau Fun, Connie; the Non-Executive Director is Mr. Lee Ding Yue Joseph; the Independent Non-Executive Directors are Mr. Lam Ka Wai, Graham, Mr. Sun Dai Hoe Harold and Mr. Lee Tsung Hei David Chris