

WING TAI PROPERTIES LIMITED

永泰地產有限公司

STOCK CODE 股份代號 369





Lanson Place Hong Kong (Cover & Above)

封面及本頁圖片均攝於香港逸蘭酒店

Our brands,
Wing Tai Asia and Lanson Place,
are synonymous with quality
craftsmanship, a result of
the close alignment of values
and seamless cooperation of
our committed professional teams.

We strive to deliver sophisticated
yet warm homes that turn our
customers' dreams into reality.



UNI Residence (Shatin, Hong Kong 香港沙田)
*Artist impression 模擬效果圖



WE DON'T JUST BUILD,
WE CRAFT.



CONTENTS

Corporate Information	6
Group's Major Investments	7
Financial Highlights	8
Five Years Financial Summary	9
Chairman's Statement	10
Management Discussion and Analysis	12
Directors and Senior Management Profile	21
Directors' Report	27
Corporate Governance Report	48
Independent Auditor's Report	70
Consolidated Income Statement	75
Consolidated Statement of Comprehensive Income	76
Consolidated Balance Sheet	77
Consolidated Statement of Changes in Equity	79
Consolidated Cash Flow Statement	81
Notes to the Consolidated Financial Statements	83
Major Properties Held for Investment Purposes	164
Properties for Sale	166

CORPORATE INFORMATION

BOARD OF DIRECTORS**Executive Directors**

CHENG Wai Chee, Christopher *GBS OBE JP (Chairman)*

CHENG Wai Sun, Edward *GBS JP*

(Deputy Chairman and Chief Executive)

CHENG Man Piu, Francis

NG Kar Wai, Kenneth

Non-executive Directors

KWOK Ping Luen, Raymond *JP*

(KWOK Ho Lai, Edward as his alternate)

HONG Pak Cheung, William

CHOW Wai Wai, John

CHEN CHOU Mei Mei, Vivien

Independent Non-executive Directors

YEUNG Kit Shing, Jackson

LAM Kin Fung, Jeffrey *GBM GBS JP*

LAM Tin Fuk, Fred *GBS JP*

KWOK King Man, Clement *Chevalier de l'Ordre National de la
Légion d'Honneur*

AUDIT COMMITTEE MEMBERS

YEUNG Kit Shing, Jackson *(Chairman)*

HONG Pak Cheung, William

KWOK King Man, Clement *Chevalier de l'Ordre National de la
Légion d'Honneur*

REMUNERATION COMMITTEE MEMBERS

LAM Tin Fuk, Fred *GBS JP (Chairman)*

CHENG Wai Chee, Christopher *GBS OBE JP*

YEUNG Kit Shing, Jackson

NOMINATION COMMITTEE MEMBERS

LAM Tin Fuk, Fred *GBS JP (Chairman)*

CHENG Wai Chee, Christopher *GBS OBE JP*

CHENG Wai Sun, Edward *GBS JP*

CHEN CHOU Mei Mei, Vivien

YEUNG Kit Shing, Jackson

LAM Kin Fung, Jeffrey *GBM GBS JP*

KWOK King Man, Clement *Chevalier de l'Ordre National de la
Légion d'Honneur*

COMPANY SECRETARY AND**GROUP LEGAL COUNSEL**

CHUNG Siu Wah, Henry

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

LEGAL ADVISERS TO THE COMPANY

Slaughter and May *(as to Hong Kong Laws)*

Appleby *(as to Bermuda Laws)*

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

Bank of China (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

DBS Bank Limited, Hong Kong Branch

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER AGENT**

Ocorian Management (Bermuda) Limited

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

**HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited

17th Floor, Far East Finance Centre

16 Harcourt Road

Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

**HEAD OFFICE AND PRINCIPAL PLACE
OF BUSINESS**

27th Floor, AIA Kowloon Tower

Landmark East

100 How Ming Street

Kwun Tong, Kowloon

Hong Kong

COMPANY WEBSITE

<http://www.wingtaiproperties.com>

HONG KONG STOCK EXCHANGE STOCK CODE

369

GROUP'S MAJOR INVESTMENTS

	Group's Effective Interest	
Properties		
<i>Property Development</i>		
OMA OMA	100%	
OMA by the Sea	70%	
Cloudview	85%	
H18C of Gage Street/Graham Street (Newly named as Central Crossing)	50%	
Hin Wo Lane, Sha Tin (Newly named as UNI Residence)	50%	
<i>Property Investment and Management</i>		
Landmark East	100%	
Shui Hing Centre	100%	
Le Cap (certain units of houses and apartments)	100%	
La Vetta (certain units of houses and apartments)	100%	
1 Savile Row/7 Vigo Street, London	100%	
35 Berkeley Square, London	100%	
10 Fleet Place, London	25%	
3 Cavendish Square, London	33%	
30 Gresham Street, London	50%	
66 Shoe Lane, London	21%	
<i>Hospitality Investment and Management</i>		
Lanson Place Causeway Bay, Hong Kong	100%	
Lanson Place Waterfront Suites, Hong Kong	100%	
Lanson Place Bukit Ceylon, Kuala Lumpur	50%	
Management Services		
Wing Tai Properties Development	100%	
Lanson Place Hospitality Management	100%	

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2025 HK\$'M	2024 HK\$'M	% Change
Revenue	968.8	1,031.1	↓ 6%
Gross profit	513.9	635.2	↓ 19%
Change in fair value of investment properties and financial instruments	(1,389.7)	(1,357.9)	↓ 2%
Loss before taxation	(1,660.3)	(2,521.6)	↑ 34%
Loss attributable to shareholders of the Company	(1,713.7)	(2,559.5)	↑ 33%
Core consolidated profit attributable to shareholders, excluding change in fair value on investment properties and financial instruments and impairment provision including joint ventures	126.0	92.0	↑ 37%

Loss per share attributable to shareholders of the Company

Basic	(HK\$1.26)	(HK\$1.89)	↑ 33%
Diluted	(HK\$1.26)	(HK\$1.89)	↑ 33%

Dividends per ordinary share

Interim	HK3.0 cents	HK3.0 cents	–
Final	HK4.0 cents	HK4.0 cents	–
Total	HK7.0 cents	HK7.0 cents	–

	At 31 December		
	2025 HK\$'M	2024 HK\$'M	% Change
Total assets	29,677.0	31,085.5	↓ 5%
Total equity	21,541.4	23,320.8	↓ 8%
Equity attributable to shareholders of the Company per share	HK\$14.65	HK\$16.03	↓ 9%

FIVE YEARS FINANCIAL SUMMARY

The following is a summary of the results and of the assets and liabilities of the Group for each of the five years ended 31 December 2025:

RESULTS	Year ended 31 December				
	2025 HK\$'M	2024 HK\$'M	2023 HK\$'M	2022 HK\$'M	2021 HK\$'M (Note a)
Revenue	968.8	1,031.1	882.4	4,096.7	3,423.2
(Loss)/profit before taxation	(1,660.3)	(2,521.6)	(768.6)	(152.0)	1,045.4
Taxation	(32.2)	(54.4)	(43.8)	(171.9)	(127.8)
(Loss)/profit for the year	(1,692.5)	(2,576.0)	(812.4)	(323.9)	917.6
Attributable to:					
Shareholders of the Company	(1,713.7)	(2,559.5)	(890.4)	(540.0)	854.4
Holders of perpetual capital securities	67.2	66.3	65.8	64.3	65.5
Non-controlling interests	(46.0)	(82.8)	12.2	151.8	(2.3)
	(1,692.5)	(2,576.0)	(812.4)	(323.9)	917.6
(Loss)/earnings per share attributable to shareholders of the Company (HK\$)	(1.26)	(1.89)	(0.66)	(0.40)	0.63
Dividends per ordinary share (HK cents)	7.0	7.0	14.0	27.0	27.0
ASSETS AND LIABILITIES	At 31 December				
	2025 HK\$'M	2024 HK\$'M	2023 HK\$'M	2022 HK\$'M	2021 HK\$'M
Total assets	29,677.0	31,085.5	33,988.1	35,499.2	38,738.5
Total liabilities	(8,135.6)	(7,764.7)	(7,893.5)	(8,171.9)	(10,572.7)
Perpetual capital securities	(1,491.4)	(1,491.4)	(1,491.4)	(1,491.4)	(1,513.4)
Non-controlling interests	(33.9)	(80.1)	(163.1)	(151.1)	0.5
Equity attributable to shareholders of the Company	20,016.1	21,749.3	24,440.1	25,684.8	26,652.9
Equity attributable to shareholders of the Company per share (HK\$)	14.65	16.03	18.01	18.94	19.67

Note:

- (a) The Group adopted Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 using retrospective approach with no material impact from adoption and the opening balance of retained earnings as at 1 January 2021 and that comparative had not been restated.

Dear Shareholders,

The year 2025 was defined by a challenging macroeconomic backdrop, shaped by unpredictable U.S. policy directions and persistent Sino-U.S. geopolitical tensions, both of which prolonged global economic uncertainty. Despite initial interest rate cuts, the Hong Kong property market faced significant headwinds throughout much of the year.

In the residential sector, developers adopted competitive pricing strategies for new launches to stimulate demand, leading to a gain in sales momentum after mid-2025. Supported by the cut in the Hong Kong Interbank Offered Rate ("HIBOR"), the Government's proactive talent admission schemes, and a reviving stock market, residential prices began to stabilise in late 2025, showing early signs of bottoming out. The office sector remained under pressure, with high vacancy rates and soft leasing demand in areas outside of Central weighing on occupancy and rents. However, Central remained resilient, with firmer demand underpinning occupancy and rental performance.

Based on independent valuations, the Group recorded net valuation loss on investment properties and impairment provision on properties under development of HK\$1,835 million (2024: HK\$2,549 million) mainly due to continued pressure on office property valuations. Including net valuation loss on financial instruments of HK\$5 million (2024: HK\$103 million), total non-cash net valuation loss was HK\$1,840 million (2024: HK\$2,652 million).

Excluding such non-cash net valuation loss, core consolidated profit attributable to shareholders was HK\$126 million (2024: HK\$92 million). This is mainly due to a gain on the disposal of a London office property and lower finance cost. Core earnings per share was HK\$0.09 (2024: HK\$0.07). Including non-cash net valuation loss, consolidated loss attributable to shareholders was HK\$1,714 million (2024: HK\$2,560 million), and loss per share was HK\$1.26 (2024: HK\$1.89).

With prudent consideration of the Group's business performance and financial position, the Board of Directors recommended a final dividend of HK4.0 cents per share. Together with the interim dividend of HK3.0 cents per share, the total dividends for 2025 will be HK7.0 cents per share, same as last year.

The residential property market's recovery was further bolstered by the Government's reduction in residential stamp duty for units valued at HK\$4 million or below, which lowered entry costs for buyers. We launched the pre-sale of UNI Residence, our joint-venture residential project near Tai Wai and Hin Keng MTR stations, in May 2025, achieving a 66% sell-through rate to date. We also continued to sell the remaining units of OMA OMA and OMA by the Sea, with only a limited number of units and car park spaces left unsold. Riding this momentum, we launched the pre-sale of Cloudview in early March 2026. This 85%-owned project, overlooking the Fanling Golf Course and near Sheung Shui MTR station, received a positive response despite market volatility stemming from unexpected Middle East conflicts.

Despite the continued weakness in the office leasing market, our Landmark East twin towers in Hong Kong sustained an occupancy of approximately 85% with stable rents. Our London portfolio also remained resilient.

The Group continues to pursue proactive asset management in London to secure high-quality tenants and long-term income stability. Where capital values exceed market expectations, we pursue strategic exits to realise gains and enhance liquidity. Accordingly, the Group completed a lease re-gear exercise at 30 Gresham Street, City of London, with three anchor tenants and commenced a three-year building enhancement programme which would significantly enhance capital value. In June 2025, the Group disposed of its commercial property at Brook Street, West End, for HK\$451 million and recorded a HK\$38 million gain. In March 2026, the Group disposed of its commercial property at Berkeley Square, West End, for HK\$273 million and recorded about HK\$115 million gain.

Central Crossing, our landmark mixed-use development in the heart of Central, has topped out and is scheduled for completion in 2026. Designed by Foster + Partners, the project integrates Grade A offices, a luxury hotel under the Andaz brand by Hyatt, and retail spaces while preserving vital heritage sites. Marketing and pre-leasing activities are currently underway.

In the hospitality sector, our Lanson Place Causeway Bay hotel benefited from a rebound in tourist arrivals and the Government's mega events initiative, seeing a marked improvement in occupancy. Lanson Place hospitality management company has further expanded our footprint into the Greater Bay Area with the opening of Lanson Place Grand Bayview in 2025. Located in Qianhai CBD, this upscale apartment development is designed by Foster + Partners to cater to international business professionals in Shenzhen.

I would like to express my sincere gratitude to our employees for their unwavering commitment and resilience during this challenging period. I would also like to extend my gratitude to my fellow Board members, business partners and stakeholders for their continued trust and support.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 27 March 2026

BUSINESS REVIEW

For the year ended 31 December 2025, the Group's revenue was HK\$969 million, compared with HK\$1,031 million in 2024. The decrease was mainly due to less sales of remaining units of OMA by the Sea.

Core consolidated profit attributable to shareholders, excluding non-cash net valuation loss and impairment provision, was HK\$126 million, an increase of HK\$34 million, compared with HK\$92 million in 2024. The increase was mainly attributable to (i) HK\$38 million gain on disposal of an investment property in London, (ii) HK\$50 million decreased loss from the hospitality investment and management segment, (iii) HK\$41 million increase in profit from others segment due to lower finance cost, and offset by (iv) HK\$91 million decrease in profit from the property development segment due to less sales of our residential units.

Total non-cash net valuation loss including share of joint ventures, net of non-controlling interest was HK\$1,840 million, compared with HK\$2,652 million in 2024, comprised of (i) HK\$1,835 million net valuation loss and impairment provision including share of joint ventures on our property portfolio (2024: HK\$2,549 million) and (ii) HK\$5 million net valuation loss from financial instruments (2024: HK\$103 million).

Including total non-cash net valuation loss, consolidated loss attributable to shareholders was HK\$1,714 million, a decrease of HK\$846 million, compared with HK\$2,560 million in 2024.

Loss per share attributable to shareholders was HK\$1.26, compared with HK\$1.89 in 2024.

Consolidated loss for the year was HK\$1,692 million, a decrease of HK\$884 million, compared with HK\$2,576 million in 2024.

Property Development

The property development segment revenue excluding inter-segment sales was HK\$253 million in 2025, compared with HK\$325 million in 2024, mainly due to less sales of remaining units of OMA by the Sea. Core segment loss before taxation was HK\$124 million, compared with HK\$15 million in 2024. Due to the continued weakening of Hong Kong property market during 2025, and in line with market valuation mark down, impairment provision on our properties under development was booked. Segment loss before taxation including impairment provision and net valuation loss (2025: HK\$705 million; 2024: HK\$1,439 million) was HK\$829 million, compared with HK\$1,454 million in 2024.

Wholly-owned project

OMA OMA, a medium-density residential site on So Kwun Wat Road, So Kwun Wat, Tuen Mun, provides a saleable area of approximately 234,000 square feet for 466 residential apartment units. In 2025, around 4% (in terms of number) of the residential units were sold. Cumulatively, as at 31 December 2025, around 99% (in terms of number) of the residential units were sold. Around 3% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2025.

Majority-owned projects

The Group has an 85% interest in Cloudview, located at the junction of Fan Kam Road and Castle Peak Road – Kwu Tung, Fanling, New Territories. This medium-density residential site is adjacent to Fanling Golf Course and is within a 10-minute walk to Sheung Shui MTR station, with a saleable area of approximately 253,000 square feet for 765 residential apartment units. Pre-sale was launched in early March 2026 and received a positive response. The Group is the lead project manager and lead sales and marketing manager for this project. Superstructure work of the project is in progress.

The Group has a 70% interest in OMA by the Sea, Tai Lam, Tuen Mun. This medium-density residential site has a saleable area of approximately 252,000 square feet for 517 residential apartment units. In 2025, around 3% (in terms of number) of the residential units were sold. Cumulatively, as at 31 December 2025, around 99% (in terms of number) of the residential units were sold. Around 2% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2025.

Joint venture projects

The Group has a 50% interest in Central Crossing, a commercial mixed-use site in Central. Advantageously located in the heart of the bustling Central financial hub, the site provides a gross floor area of approximately 433,500 square feet to be developed into a Grade A office tower, a luxury international hotel under the Andaz brand by Hyatt, retail shops, as well as public open space with green facilities for the neighbourhood. This development is Foster + Partners' latest iconic development in Hong Kong, which aims to bring a new dimension to Central by reinstating historic links and re-establishing local connections, with a permeable public space at the heart of the site. The Group is the lead project manager and lead leasing manager for this project. The project has topped out and is scheduled for completion in 2026. Marketing and pre-leasing activities are currently underway.

The Group has a 50% interest in UNI Residence, Sha Tin. This residential site enjoys the dual convenience of the East Rail and the Tuen Ma MTR transportation network, is walking distance to the Tai Wai and Hin Keng MTR stations. The site provides a saleable area of approximately 77,000 square feet for 240 residential apartment units. Pre-sale was launched in May 2025 and achieved a 66% sell-through rate to date. The Group is the lead sales and marketing manager for this project. Superstructure work of the project is in progress. Related revenue of the pre-sold units will be recognised upon handover to buyers prior to the project's material date that falls in second half of 2026.

Property Investment and Management

The property investment and management segment revenue excluding inter-segment sales was HK\$517 million in 2025, compared with HK\$560 million in 2024. Core segment profit before taxation was HK\$337 million, an increase of HK\$17 million compared with HK\$320 million in 2024, mainly due to HK\$38 million gain on disposal of an investment property in London. Segment loss before taxation including net valuation loss was HK\$920 million, compared with HK\$740 million in 2024, mainly due to higher net valuation loss (2025: HK\$1,257 million; 2024: HK\$1,060 million) on office buildings, mainly Landmark East.

As at 31 December 2025, the Group's portfolio of investment properties, mostly Grade A office buildings, has a total area of approximately 1,941,000 square feet with an aggregate attributable fair market valuation of around HK\$17,000 million. The portfolio covers 1,632,000 square feet in Hong Kong and 309,000 square feet in London.

Wholly-owned properties in Hong Kong

Landmark East is the Group's flagship property located in Kowloon East. This property is a Grade A office complex comprising twin towers of 36 floors and 34 floors respectively with a total gross floor area of approximately 1,338,000 square feet and 454 car parking spaces. As at 31 December 2025, the property maintained an occupancy of approximately 85%. In recognition of our dedication to enhancing building quality and green standards, we have continued to secure industry-leading certifications, including WELL v2 Platinum issued by International WELL Building Institute, BEAM Plus Existing Buildings Platinum issued by Hong Kong Green Building Council Limited and LEED Existing Buildings Platinum issued by U.S. Green Building Council.

MANAGEMENT DISCUSSION AND ANALYSIS

Shui Hing Centre is an industrial building in Kowloon Bay, with a total gross floor area of approximately 187,000 square feet. As at 31 December 2025, the occupancy of the property was approximately 71% amid soft demand for industrial space in Kowloon East. Town Planning Board's approval for redevelopment was obtained in April 2021. We obtained first land premium offer which is under appeal.

The Group holds Le Cap and La Vetta, which are low-density residential projects, located at Kau To, Sha Tin, for leasing. Le Cap has 15 residential units including houses and apartments, and 21 car parking spaces of approximately 34,000 square feet saleable area. 1 unit and 1 car parking space were sold in 2024, and related revenue was recognised upon hand over to the buyer in 2025. As at 31 December 2025, all of the residential units were leased. La Vetta has 34 residential units including houses and apartments, and 48 car parking spaces of approximately 72,000 square feet saleable area. In 2025, 1 unit and 2 car parking spaces were sold, and related revenue will be recognised upon hand over to the buyer in 2026. As at 31 December 2025, around 88% (in terms of number) of the residential units were leased.

Wholly-owned properties in London, the United Kingdom

In June 2025, the Group disposed of its entire interest in the commercial property located at 8-12 (even) Brook Street, London with a net internal area of approximately 19,100 square feet for approximately HK\$451 million and recognised a disposal gain of HK\$38 million.

Subsequent to 2025, the Group disposed of its commercial property located at Berkeley Square, West End with a net internal area of approximately 7,900 square feet of Grade A office space for approximately HK\$273 million and to recognise a disposal gain of about HK\$115 million in 2026.

The commercial property located at Savile Row/Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade A office and retail space. The Grade A office space is currently under refurbishment while the retail space is fully leased.

Joint venture properties in London, the United Kingdom

The Group has a 25% interest in a commercial property located at Fleet Place, City of London. The property has a net internal area of approximately 192,000 square feet of Grade A office and retail space.

The Group has a 33% interest in a commercial property located at Cavendish Square, West End. The property has a net internal area of approximately 13,000 square feet of Grade A office space.

The Group has a 50% interest in a commercial property located at 30 Gresham Street, City of London. The property has a net internal area of approximately 403,000 square feet of Grade A office, retail space and ancillary accommodation, with 48 car parking spaces. The Group completed a lease re-gear exercise with three anchor tenants and commenced a three-year building enhancement programme.

The Group has a 21% interest in a commercial property located at 66 Shoe Lane, City of London. The property has a net internal area of approximately 158,000 square feet of Grade A office, ancillary space and retail space. The office space is fully leased to a global Big Four accounting and professional services firm with tenors of 15 years (including rent-free periods) expiring on 28 September 2035.

As at 31 December 2025, the above four joint venture properties achieved an average occupancy of approximately 92%.

Hospitality Investment and Management

The hospitality investment and management segment revenue was HK\$157 million in 2025, compared with HK\$86 million in 2024. Core segment loss before taxation was HK\$47 million, compared with HK\$104 million in 2024, mainly due to improving business of Lanson Place Causeway Bay hotel. Segment loss before taxation including net valuation loss (2025: HK\$86 million; 2024: HK\$156 million) was HK\$133 million, compared with HK\$260 million in 2024.

Following an extensive refurbishment project led by the world-renowned Parisian hotel design maestro, our wholly-owned Lanson Place Causeway Bay hotel in Hong Kong was soft reopened in March 2024. It has registered improvements in both occupancy and the average room rate in 2025.

Lanson Place Waterfront Suites, our wholly-owned prime harbour-front furnished residence in Sai Wan Ho, was held for leasing. Its occupancy and performance continue to improve.

The Group has a 50% interest in Lanson Place Bukit Ceylon in Kuala Lumpur. Its occupancy and performance remained stable.

Others

This segment represents investing activities (including financial investments as set out in notes 19 and 20 to the Consolidated Financial Statements) and central management and administrative function. Segment revenue was HK\$42 million in 2025, a decrease of HK\$18 million compared with HK\$60 million in 2024, which was mainly due to a decrease in interest income from financial investments.

Core segment profit before taxation was HK\$74 million, compared with HK\$31 million in 2024, mainly due to lower finance cost. Segment profit before taxation including net valuation gain (2025: HK\$148 million gain; 2024: HK\$99 million loss) was HK\$222 million, compared with segment loss before taxation of HK\$68 million in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group has been maintaining an appropriate capital structure with multiple financing channels to ensure that financial resources are always available to meet operational needs and expansions. A sufficient level of revolving loan facilities is available to cushion the Group from any unexpected external economic shocks. All financial risk management, including debt refinancing, foreign exchange exposure, and interest rate volatility, is centrally managed and controlled at the corporate level.

Liquidity and Financial Resources

The Group's net assets totalled HK\$21,541 million as at 31 December 2025 (31 December 2024: HK\$23,321 million). The decrease of HK\$1,780 million is mainly resulted from the distribution of the 2024 final dividend and 2025 interim dividend of HK\$96 million, distribution to holders of perpetual capital securities of HK\$67 million and the loss for the year of HK\$1,692 million, and offset by net translation gain of HK\$61 million arising from the translation of foreign operations.

As at 31 December 2025, the Group's bank and other borrowings totalled HK\$7,103 million (31 December 2024: HK\$6,826 million). The maturity profile of the Group's bank and other borrowings is set out below:

	31 December 2025		31 December 2024	
	HK\$ million	%	HK\$ million	%
Repayable:				
Within one year	1,293	18%	2,089	31%
Between one and two years	4,840	68%	473	7%
Between two and five years	970	14%	4,264	62%
	7,103	100%	6,826	100%

As at 31 December 2025, the Group's gearing ratio is 22.1% (31 December 2024: 19.1%) which is calculated as the Group's net borrowings divided by total equity. The Group's net borrowings (total bank and other borrowings less bank balances and cash) were HK\$4,769 million (31 December 2024: HK\$4,464 million). Interest for the

Group's bank borrowings is on a floating rate basis. The Group will closely monitor the exposure to interest rate fluctuations and, if appropriate, hedge by interest rate swap contracts to the extent desirable.

The Group's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

	31 December 2025	31 December 2024
	HK\$ million	HK\$ million
Bank balances and cash	2,334	2,362
Unutilised revolving loan facilities	1,786	2,523
	4,120	4,885

Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has limited exposure to exchange rate fluctuations. The Group conducts its business mainly in Hong Kong dollars, and to a lesser extent UK pounds, United States dollars, Renminbi, Singapore dollars and Malaysia Ringgits. For transactions in foreign currencies, the Group will closely monitor the exposure and, if appropriate, hedge by local currency financing and other financial instruments to the extent desirable. In particular, exposure to investments in foreign operations in the United Kingdom is substantially covered by local currency financing and forward exchange contracts.

As at 31 December 2025, the Group's borrowings were 92% in Hong Kong dollars and 8% in UK pounds. The borrowings in UK pounds were arranged with banks for operations in the United Kingdom. The Group maintains bank balances and deposits mainly in Hong Kong dollars.

Material loans to joint ventures

The Group provides certain loans to joint ventures for financing the projects and the details are set out as follows:

	Notes	31 December 2025 HK\$ million	31 December 2024 HK\$ million
Names of joint ventures:			
Southwater Investments Limited and its subsidiaries	(a)	3,118	2,366
Kingswood Edge Limited	(b)	826	768
Champion Estate (HK) Limited	(c)	373	316
Others		879	861
Total		5,196	4,311

Notes:

- (a) The loans are unsecured, interest-free, and have no fixed repayment dates. They are for financing the development of a property project in Hong Kong. The Group performs impairment assessment under Expected Credit Losses ("ECL") model. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.
- (b) The loan is unsecured, interest-free, and has no fixed repayment dates. It is for financing an investment in property in London. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.
- (c) The loan is unsecured, interest-free, and has no fixed repayment dates. It is for financing the development of a property project in Hong Kong. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.

Contingent Liabilities

As at 31 December 2025, the Group had contingent liabilities of HK\$4,690 million (31 December 2024: HK\$5,363 million) in respect of guarantees given by the Company for banking facilities granted to certain joint ventures. The guarantees were given severally and in proportion to the Group's equity interests in the joint ventures.

Pledge of Assets

As at 31 December 2025, the Group's advances to joint ventures of HK\$4,587 million (31 December 2024: HK\$3,900 million) were subordinated to the loan facilities of joint ventures and assigned. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, several of the Group's investment properties, properties for sale, financial assets at amortised cost, other properties, plant and equipment and bank deposits with carrying values of HK\$4,823 million, HK\$2,996 million, HK\$90 million, HK\$33 million and HK\$112 million, respectively, were pledged to secure credit facilities for the Group.

PROSPECTS

The emergence of the Iran crisis in early March 2026 has triggered a surge in oil prices and heightened inflation expectations, intensifying global market volatility alongside existing tariff and geopolitical tensions. While the full impact and duration of this crisis remain uncertain, we believe the renewed growth momentum in the Chinese Mainland and Hong Kong economy provides a resilient foundation to navigate these headwinds, even if near-term residential momentum may be temporarily tempered by stock market fluctuations.

We believe Hong Kong's residential property market bottomed out in late 2025 and is set for a sustainable recovery in 2026. This optimism is underpinned by robust demand from both end-users and investors, a rising rental market, and the continuous inflow of students, talents and capital from Chinese Mainland. Furthermore, China's unwavering support for Hong Kong's integration into the Greater Bay Area reinforces the city's appeal as a premier residential destination for Chinese Mainland professionals.

We will continue the pre-sale of Cloudview and UNI Residence. Both projects, primarily featuring small lump sum one- and two-bedroom units with MTR connectivity, are ideally positioned to capture demand from first-time homebuyers, young families and investors. Additionally, they stand to benefit significantly from the Government's Northern Metropolis Development Strategy and growing cross-border activities.

Investment and leasing sentiment for Central commercial properties is improving, driven by renewed interest from Chinese Mainland enterprises and global financial institutions viewing Hong Kong as a critical hub for international expansion. Recent transactions and leasing commitments underscore a strengthening confidence in CBD Grade A office assets. In this environment, our Central Crossing project, with its flagship Central location and mixed-use development, is exceptionally well-positioned. Supported by our targeted tenant strategy and focused execution, we are confident that leasing commitments will build steadily, enhancing the project's capital value over the medium term.

However, demand for office space in Kowloon East remains subdued. Occupancy and rents continue to face pressure as tenants maintain a cautious stance, a trend likely to weigh on valuations in these areas throughout 2026. The gradual recovery of the Chinese Mainland economy is expected to bolster demand for office space over the medium term as corporate footprints expand.

The Government's promotion of mega events and its "Tourism is Everywhere" strategy are expected to drive visitor arrivals and support occupancy at Lanson Place Causeway Bay hotel. With the Hong Kong Tourism Board reporting 50 million visitor arrivals in 2025 (a 12% year-on-year increase), we anticipate that event-led tourism will continue to be a primary catalyst for the hospitality sector.

Looking ahead, we maintain a position of cautious optimism regarding Hong Kong's property market, particularly the residential sector. Recent government land tenders exceeding market expectations reflect a broader confidence in the sector's long-term fundamentals. Despite external volatility, we believe that firming investment appetite, supportive policy shifts, and resilient end-user demand will underpin sustained growth.

Our priority remains the maintenance of a healthy financial position and a diversified portfolio. We will continue to operate with prudence while diligently pursuing strategic investment opportunities that align with our long-term growth objectives.

KEY RISKS AND UNCERTAINTIES

The Group's business, financial conditions or results of operations are affected by a number of key risks and uncertainties outlined below. There may be other risks or uncertainties, including those which are not known to the Group or which the Group currently deems to be immaterial but may affect the Group in future.

Business Risks

Property development

A majority of the Group's assets are located in, and a majority of the Group's revenue is derived from Hong Kong. As a result, the general state of Hong Kong and the property market, the interest rate changes and the political and legal situations in Hong Kong may have a significant impact on the Group's operating results and financial condition.

The Group's activities on its development properties are also subject to various laws and regulations of Hong Kong. Developing properties, refurbishment and other re-development projects require Government permits. The Government may introduce property cooling measures from time to time which may have a significant impact on the property market and may adversely affect the Group's property sales performance and financial condition.

Property investment and hospitality business

Financial performance may be materially and adversely affected in the event of a decline in rental or occupancy levels, or difficulties in securing lease renewals or obtaining new tenants. The Group cannot be assured that existing tenants will renew their leases upon expiration or that the Group will be able to find replacement tenants at rental rates equal to or above the current rental rates for tenancies.

CORPORATE SOCIAL RESPONSIBILITY

Employees

As at 31 December 2025, the Group had approximately 480 employees. The Group offers comprehensive remuneration and benefit packages to our employees, which are structured according to prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme and an occupational retirement scheme to provide retirement benefits to all employees in Hong Kong. The Group also provides training programmes for employees.

Employees, including Directors, are eligible for the Company's share option plan and share award plan where the share options and/or share awards are generally exercisable by phases within ten years.

Communities

The Group takes pride in being an outstanding member of the communities in which it operates. As such, the Group has introduced a number of initiatives under its Corporate Social Responsibility mission and shall continue to seek innovative and meaningful ways to engage its employees and associates in building stronger and more vibrant communities in which it operates.

The Group's 2025 activities covered the followings:

- A Day with Food Angel
- Mooncake Donation
- Lai See Reuse and Recycle Program
- Pre-loved Book Donation
- Ocean Park Conservation Foundation Hong Kong
- Island Flag Day
- Walk for a Vision

MANAGEMENT DISCUSSION AND ANALYSIS

Environment

The Group established the environmental policy addressing environmental issues. For details, please refer to Environmental, Social and Governance Report 2025, which will be available on the websites of the Company and Hong Kong Exchanges and Clearing Limited together with the Annual Report 2025.

Compliance with Laws and Regulations

The Group is committed to complying with all relevant rules and regulations issued by the Government of the Hong Kong Special Administrative Region in relation to construction of properties, sales of properties, property management and employees, etc. The Group also holds relevant required licences for the provision of hospitality services. Relevant employees are trained to any changes in the applicable laws, rules and regulations from time to time.

Relationship with Suppliers

The selection of major suppliers or contractors is conducted through tendering process in all the Group's segments. Internal Audit Department of the Group regularly reviews the procurement and tendering procedures to ensure that the processes are conducted in an open and fair manner.

Relationship with Customers

For our residential development projects, the Group has comprehensive hand-over procedures to ensure delivery of quality products to our customers.

For our commercial and residential estate management and hospitality management, the Group obtains regular feedback from customers in order to enhance quality of services.

CORPORATE STRATEGIES AND BUSINESS MODEL

The Group strives to sustain, expand and maximise returns from our three business platforms – “Property Development”, “Property Investment and Management” and “Hospitality Investment and Management”. The Group focuses to maintain a robust and healthy balance sheet, a resilient and diversified financing structure, a well-balanced and diversified asset portfolio, and an effective and efficient business operation.

For Property Development, the Group strives to build up and expand development pipeline, and project management. The Group focuses to deliver well-designed, sustainable and high quality residential and commercial properties, and to maximise returns through timely acquisition and sale, and professional and cost-efficient project management.

For Property Investment and Management, the Group strives to sustain and expand our investment portfolio and leasing operation. The Group focuses to maintain a well-balanced and diversified portfolio primarily in Hong Kong and London, to provide premium quality services to tenants, and to maximise returns through robust asset management, timely acquisition and disposal, and cost-effective leasing and estate management.

For Hospitality Investment and Management, the Group strives to sustain and expand our investment and management portfolio, and hospitality operation. The Group focuses to maintain a positive recognition of our Lanson Place brand, extend our third-party management services within and beyond Asia, and to maximise returns through optimised business model for hotel and service apartment operation.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Dr. CHENG Wai Chee, Christopher *GBS OBE JP*, aged 77, has been an Executive Director and the Chairman of the Company since 1991. Dr. Cheng is also a member of each of the Remuneration Committee and the Nomination Committee of the Company and a director of certain members of the Group. Dr. Cheng holds a Doctorate degree in Social Sciences honoris causa from The University of Hong Kong, a Doctorate degree in Business Administration honoris causa by The Hong Kong Polytechnic University, an MBA degree from Columbia University, New York and a BBA degree from the University of Notre Dame, Indiana.

Dr. Cheng is a brother of Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis. He is a director of Wing Tai Corporation Limited, Renowned Development Limited, Wing Tai (Cheng) Holdings Limited and Brave Dragon Limited, all of which are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”).

Mr. CHENG Wai Sun, Edward *GBS JP*, aged 70, has been an Executive Director and Chief Executive since 1994 and Deputy Chairman of the Company since 2007. Mr. Cheng is a member of the Nomination Committee of the Company and a director of certain members of the Group. He is also an independent non-executive director of The Hongkong and Shanghai Banking Corporation Limited, and an independent non-executive director and the chairman of the board of Hang Seng Bank Limited (delisted from the Hong Kong Stock Exchange on 27 January 2026). Mr. Cheng holds a Master’s degree from Oxford University. He was qualified as a solicitor in England and Wales as well as in Hong Kong.

Mr. Cheng has many years of public service experience in urban renewal, housing, finance, corruption prevention, technology and education. He is a member of the clinical governance committee of HKSH Medical Group Limited. Mr. Cheng is a Justice of the Peace, and has been awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region (the “HKSAR”).

Mr. Cheng is a brother of Dr. Cheng Wai Chee, Christopher and Mr. Cheng Man Piu, Francis.

Mr. CHENG Man Piu, Francis, aged 73, has been an Executive Director of the Company since 1991 and is also a director of two members of the Group. Mr. Cheng holds a Bachelor of Science degree in Industrial Engineering and an MBA degree from the University of Wisconsin. He is a director of The Federation of Hong Kong Garment Manufacturers and also a general committee member of each of The Chinese Manufacturers’ Association of Hong Kong and Textile Council of Hong Kong.

Mr. Cheng is a brother of Dr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward. He is a director of Renowned Development Limited which is a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. NG Kar Wai, Kenneth, aged 70, has been an Executive Director of the Company since January 2015. He is also the Chairman of each of the Environmental, Social and Governance Committee and the Corporate Governance Committee of the Company, the Managing Director of the Group’s Property Division and a director of a number of members of the Group. Mr. Ng is a seasoned Chartered Civil Engineer with considerable expertise in the development and construction of a variety of properties, ranging from commercial and residential to hospitality developments, in Hong Kong, Chinese Mainland and other Asian cities. Prior to joining the Company, Mr. Ng worked for various well-known property development and construction companies including Shangri-La Hotels and Resorts Group, CITIC Pacific Limited, Hsin Chong Construction Group and Swire Properties Limited.

As a Registered Structural Engineer and Chartered Engineer, Mr. Ng is a member of The Hong Kong Institution of Engineers, Institution of Civil Engineers, UK and The Institution of Structural Engineers, UK.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

NON-EXECUTIVE DIRECTORS

Mr. KWOK Ping Luen, Raymond JP, aged 72, has been a Non-executive Director of the Company since 1991. He is the chairman and managing director of Sun Hung Kai Properties Limited (“SHKP”) (a substantial shareholder of the Company within the meaning of Part XV of the SFO). Mr. Kwok holds a Master of Arts degree in Law from Cambridge University, a Master’s degree in Business Administration from Harvard University, an Honorary Doctorate degree in Business Administration from Hong Kong Metropolitan University and an Honorary Doctorate degree in Laws from The Chinese University of Hong Kong. Mr. Kwok is the chairman and an executive director of SUNeVision Holdings Ltd. He is also the chairman and a non-executive director of SmarTone Telecommunications Holdings Limited, and a non-executive director of Transport International Holdings Limited. All of these companies are listed on the Hong Kong Stock Exchange.

In civic activities, Mr. Kwok is a director of The Real Estate Developers Association of Hong Kong.

Mr. Kwok is the father of Mr. Kwok Ho Lai, Edward.

Mr. KWOK Ho Lai, Edward, aged 45, has been an Alternate Director to Mr. Kwok Ping Luen, Raymond (“Mr. Raymond Kwok”) of the Company since April 2015. He holds a Bachelor of Arts degree from Yale University and a Postgraduate Diploma in Professional Accountancy from The Chinese University of Hong Kong. He has also obtained an Executive MBA degree from Kellogg School of Management and HKUST Business School in December 2017. His professional qualifications include being a fellow member of the Hong Kong Institute of Certified Public Accountants since September 2020 and being a fellow member of The Institute of Chartered Accountants in

England and Wales since February 2020. Mr. Kwok is an alternate director to Mr. Raymond Kwok of SHKP and is a sales and project manager of SHKP group, responsible for feasibility study, marketing and planning of new residential projects of SHKP group in Hong Kong. SHKP is listed on the Hong Kong Stock Exchange and a substantial shareholder of the Company within the meaning of Part XV of the SFO. Before joining SHKP group, Mr. Kwok worked in a major international audit firm. He is a son of Mr. Raymond Kwok.

Mr. HONG Pak Cheung, William, aged 71, has been a Non-executive Director of the Company since 2002. He is also a member of the Audit Committee of the Company. Mr. Hong holds a Bachelor of Science degree in Mathematics from the University of Saskatchewan in Canada and completed the Advanced Management Program at Harvard University Graduate School of Business. He currently holds the position of manager at SHKP which is listed on the Hong Kong Stock Exchange and a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. CHOW Wai Wai, John, aged 76, was appointed as an Executive Director of the Company in 2007 and re-designated as a Non-executive Director of the Company since December 2025. He holds a Bachelor of Arts (Economics) degree from The University of British Columbia and has over 40 years of experience in the property investment and management business.

Mr. Chow is also a director of Farnham Group Limited (“Farnham”), Gala Land Investment Co. Limited (“Gala”) and CKF Limited, all of which are substantial shareholders of the Company within the meaning of Part XV of the SFO.

Mrs. CHEN CHOU Mei Mei, Vivien, aged 76, has been a Non-executive Director of the Company since 2012, and joined the Group in 2007. She is also a member of the Nomination Committee of the Company. Mrs. Chen holds a Bachelor of Arts degree from the University of Colorado in the United States of America and has over 30 years' experience in investments, in particular, property related investments.

Mrs. Chen is a director of Farnham, Gala and WHCWTF Limited, all of which are substantial shareholders of the Company within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YEUNG Kit Shing, Jackson, aged 76, has been an Independent Non-executive Director of the Company since 2004. He is also the Chairman of the Audit Committee of the Company and a member of each of the Remuneration Committee and the Nomination Committee of the Company. Mr. Yeung has over 35 years of experience in finance and accounting. He is a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Yeung holds a Master of Professional Accounting degree from The Hong Kong Polytechnic University and a Master of Arts degree in Arbitration and Dispute Resolution from City University of Hong Kong. He is a management committee member of the Hong Kong Breast Cancer Foundation.

Mr. LAM Kin Fung, Jeffrey *GBM GBS JP*, aged 74, has been an Independent Non-executive Director of the Company since June 2018. He is also a member of the Nomination Committee of the Company. Mr. Lam holds a Bachelor's degree in Mechanical Engineering from Tufts University in the United States and was conferred university fellow of Tufts University and The Hong Kong Polytechnic University. He has over 40 years of experience in toy industry and is currently the chairman of Forward Winsome Industries Limited which is engaged in toy manufacturing.

Mr. Lam is an independent non-executive director of each of C C Land Holdings Limited, China Overseas Grand Oceans Group Limited, CWT International Limited, Chow Tai Fook Jewellery Group Limited, i-CABLE Communications Limited, Wynn Macau, Limited, Analogue Holdings Limited, CSC Holdings Limited and Golden Resources Development International Limited. He was an executive director of Hong Kong Aerospace Technology Group Limited (now renamed as China Strategic Technology Group Limited). All of these companies are listed on the Hong Kong Stock Exchange.

Mr. Lam is a non-official member of the Executive Council of the HKSAR, a member of the Hong Kong Tourism Board, the chairman of the Vocational Training Council, a member of Chamber Council of the Hong Kong General Chamber of Commerce, a honorary member of the Court of The Hong Kong Polytechnic University and a director on the board of Heifer Hong Kong Limited. Mr. Lam was awarded the Grand Bauhinia Medal by the Government of the HKSAR.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Mr. LAM Tin Fuk, Fred *GBS JP*, aged 67, has been an Independent Non-executive Director of the Company since May 2025. He is also the Chairman of each of the Remuneration Committee and the Nomination Committee of the Company.

Mr. Lam is the chairman of the board of the Airport Authority Hong Kong. He is a member of the World Governing Board of Airports Council International (“ACI”) and first vice president of the ACI Asia-Pacific & Middle East Regional Board. He is also an independent non-executive director of The Hongkong and Shanghai Banking Corporation Limited and a member of The University of Hong Kong Council. Mr. Lam holds a Bachelor of Science (Engineering) degree in Computing Science from the Imperial College of Science and Technology at the University of London and attended Stanford Executive Programme at Stanford University.

Mr. Lam was the chief executive officer of the Airport Authority Hong Kong and the executive director of the Hong Kong Trade Development Council. In 2019, he was elected a Chartered Fellow of the Chartered Institute of Logistics and Transport and received the Executive Award in the DHL/SCMP Hong Kong Business Awards. In 2026, Mr. Lam was conferred an honorary fellowship by Lingnan University in recognition of his outstanding professional achievement and valuable contribution to the community and to education.

Mr. KWOK King Man, Clement *Chevalier de l'Ordre National de la Légion d'Honneur*, aged 66, has been an Independent Non-executive Director of the Company since December 2025. He is also a member of each of the Audit Committee and the Nomination Committee of the Company. Mr. Kwok has about 45 years of experience in accountancy, investment banking, public transportation, hospitality as well as real estate development and investment. He holds a Bachelor of Science in Economics from the London School of Economics. He is a fellow of each of The Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Mr. Kwok is an independent non-executive director of each of Hang Seng Bank Limited (delisted from the Hong Kong Stock Exchange on 27 January 2026), Chen Hsong Holdings Limited (“Chen Hsong”) and Shui On Land Limited (“Shui On”). He was the managing director and chief executive officer of The Hongkong and Shanghai Hotels, Limited (“HSH”) from 2002 to 2024 and then continued to serve as an executive director and advisor to the chief executive officer of HSH until May 2025. HSH is the owner and operator of the Peninsula Hotels Group. Mr. Kwok previously served as finance director of MTR Corporation Limited (“MTR”) from 1996 to 2002. Chen Hsong, Shui On, HSH and MTR are listed on the Hong Kong Stock Exchange.

Mr. Kwok is also the chairman of the Chinese University Advisory Committee on Hotel and Tourism Management and a member of the International Advisory Council of the Hong Kong University Faculty of Business and Economics.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the changes in the Directors' information since the date of the Company's Interim Report 2025 are set out below:

Directors	Details of Changes
CHOW Wai Wai, John	• Re-designated as a Non-executive Director of the Company with effect from 5 December 2025 • Retired as the Managing Director of the Group's Property Investment and Management Division with effect from 5 December 2025
LAM Kin Fung, Jeffrey	• Ceased to be a member of the Legislative Council of the HKSAR with effect from 1 January 2026 • Ceased to be a general committee member of the Hong Kong General Chamber of Commerce with effect from 1 January 2026 • Appointed as a member of Chamber Council of the Hong Kong General Chamber of Commerce with effect from 1 January 2026 • Appointed as the chairman of the Vocational Training Council with effect from 1 January 2026 • Re-designated from the managing director to the chairman of Forward Winsome Industries Limited with effect from 1 January 2026
LAM Tin Fuk, Fred	• Re-designated from second vice president to first vice president of the ACI Asia-Pacific & Middle East Regional Board with effect from 1 January 2026 • Ceased to be a non-official member of Lantau Development Advisory Committee of the Government of HKSAR with effect from 1 February 2026 • Conferred an honorary fellowship by Lingnan University in 2026

DIRECTORS AND SENIOR MANAGEMENT PROFILE

SENIOR MANAGEMENT

Ms. FUNG Ching Man, Janet, aged 63, joined the Group in 2007. She is the Chief Financial Officer of the Company, a member of each of the Environmental, Social and Governance Committee and the Corporate Governance Committee of the Company, and a director of a number of members of the Group. Ms. Fung is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

Mr. CHUNG Siu Wah, Henry, aged 71, joined the Group in 1993. He is the Group Legal Counsel and Company Secretary of the Company, a member of each of the Environmental, Social and Governance Committee and the Corporate Governance Committee of the Company, and a director of a number of members of the Group. Mr. Chung holds a Master's degree in Electronic Commerce and Internet Computing from The University of Hong Kong, a Bachelor's degree in Laws from University of London, a Bachelor's degree and a Master's degree in Business Administration from The Chinese University of Hong Kong and a Bachelor's degree in Laws from Tsinghua University. He is a barrister, a certified accountant, a chartered secretary and a chartered governance professional.

Mr. Michael Hamilton HOBSON, aged 69, has been the Chief Executive Officer of Lanson Place, the hospitality management arm of the Group, since January 2019. He is also a director of a few members of the Group.

Mr. Hobson has over 40 years of experience in the hospitality industry. Prior to joining the Group, he was the Chief Marketing/Commercial Officer of the Mandarin Oriental Group. Mr. Hobson holds an MBA degree in Marketing at the University of Leicester, United Kingdom.

DIRECTORS' REPORT

The board (the “Board”) of directors (the “Directors”) of Wing Tai Properties Limited (the “Company”) and its subsidiaries (together the “Group”) is pleased to present its annual report and the audited financial statements of the Company for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was, and as of the date of this report is, investment holding. Its principal subsidiaries are engaged in property development, property investment and management and hospitality investment and management.

The Group’s joint ventures and associates are principally engaged in property investment, property development and hospitality investment.

Details of the Company’s principal subsidiaries, the Group’s principal joint ventures and associates at 31 December 2025 are set out in notes 43, 44 and 18(a) to the consolidated financial statements respectively.

BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group’s future business development, the principal risks and uncertainties that the Group may be facing and the particulars of important events affecting the Group that have occurred since the end of the financial year are provided in the “Chairman’s Statement” section on pages 10 to 11 and “Management Discussion and Analysis” section on pages 12 to 20 of this annual report.

An analysis of the Group’s performance during the year using financial key performance indicators is provided in the “Financial Highlights” section on page 8 and “Management Discussion and Analysis” section on pages 12 to 20 of this annual report.

Discussions on the Group’s environmental policies and performance, an account of the Group’s relationships with its key stakeholders which have a significant impact on the Group and on which the Group’s success depends and compliance with the relevant laws and regulations which have a significant impact on the Group are also provided in the “Management Discussion and Analysis” section on pages 12 to 20 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement on page 75 of this annual report.

An interim dividend of HK3.0 cents (2024: HK3.0 cents) per share, amounting to a total of about HK\$41.0 million, was paid to shareholders of the Company (the “Shareholders”) on 6 October 2025.

The Directors recommend the payment of a final dividend of HK4.0 cents per share for the year ended 31 December 2025 (2024: HK4.0 cents per share) to the Shareholders whose names appear on the register of members of the Company on 4 June 2026. The final dividend together with the interim dividend payment amount to a total of approximately HK\$96.0 million. Subject to the passing of the relevant resolution at the forthcoming annual general meeting of the Company (the “AGM”), the final dividend will be payable to the Shareholders on or around 22 June 2026.

DIRECTORS' REPORT

SHARES ISSUED

Details of the share capital of the Company for the year are set out in note 32 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2025, calculated in accordance with the Companies Act 1981 of Bermuda amounted to HK\$4,055 million (2024: HK\$4,203 million).

PROPERTIES

Details of the properties held for sale and investment purposes are set out on pages 164 to 166 of this annual report.

DONATIONS

During the year, the Group made charitable and other donations of approximately HK\$0.1 million.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the year were, and as of the date of this report are, as follows:

Executive Directors:

CHENG Wai Chee, Christopher *GBS OBE JP (Chairman)*

CHENG Wai Sun, Edward *GBS JP (Deputy Chairman and Chief Executive)*

CHENG Man Piu, Francis

NG Kar Wai, Kenneth

Non-executive Directors:

KWOK Ping Luen, Raymond *JP (KWOK Ho Lai, Edward as his alternate)*

HONG Pak Cheung, William

CHOW Wai Wai, John *(re-designated from Executive Director to Non-executive Director on 5 December 2025)*

CHEN CHOU Mei Mei, Vivien

Independent Non-executive Directors:

Simon MURRAY *CBE (retired on 29 May 2025)*

YEUNG Kit Shing, Jackson

Haider Hatam Tyebjee BARMA *GBS CBE ISO JP (retired on 29 May 2025)*

LAM Kin Fung, Jeffrey *GBM GBS JP*

NG Tak Wai, Frederick *(resigned on 1 December 2025)*

LAM Tin Fuk, Fred *GBS JP (appointed on 29 May 2025)*

KWOK King Man, Clement *Chevalier de l'Ordre National de la Légion d'Honneur (appointed on 1 December 2025)*

In accordance with Bye-law 100(A) of the Company's second amended and restated bye-laws (the "Bye-laws") and/or code provision B.2.2 of Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), NG Kar Wai, Kenneth, KWOK Ping Luen, Raymond, CHOW Wai Wai, John and YEUNG Kit Shing, Jackson will retire by rotation at the forthcoming AGM. In accordance with Bye-law 103(B) of the Bye-laws, LAM Tin Fuk, Fred and KWOK King Man, Clement will hold office until the forthcoming AGM. All the retiring Directors, being eligible, will offer themselves for re-election.

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

YEUNG Kit Shing, Jackson has served the Board as an Independent Non-executive Director for more than nine years. Notwithstanding his long term service, in view of his extensive business experience and not being connected with any Director or substantial shareholder of the Company, the Board is of the opinion that he continues to bring independent and objective perspectives to the Company's affairs.

The Company has received written confirmation from all Independent Non-executive Directors regarding their independence with reference to the criteria as set out in Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

PERMITTED INDEMNITY

A permitted indemnity provision (as defined in section 467 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the directors of the Group is currently in force and was in force during the year.

A director's and officer's liability insurance against potential costs and liabilities arising from claims brought against the directors of the Group is in place.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained a sufficient public float with more than 25% of the issued shares of the Company under the Listing Rules as at the latest practicable date prior to the issue of this annual report.

DIRECTORS' REPORT

DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2025, the interests of the Directors and the Chief Executive in shares of the Company (the "Shares") and underlying Shares as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules are as follows:

Interests in the Company

Directors	Number of Shares/underlying Shares held					Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests	Number of underlying Shares held under equity derivatives (Note e)		
CHENG Wai Chee, Christopher	16,126,566	-	-	462,488,185 (Note b)	10,893,000*	489,507,751*	35.82%
CHENG Wai Sun, Edward	14,059,231	-	-	462,488,185 (Note b)	10,893,000**	487,440,416**	35.67%
CHENG Man Piu, Francis	-	-	-	462,488,185 (Note b)	-	462,488,185	33.84%
NG Kar Wai, Kenneth	3,009,250	-	-	-	3,674,500†	6,683,750†	0.49%
KWOK Ping Luen, Raymond	-	-	-	9,224,566 (Note c)	-	9,224,566	0.68%
KWOK Ho Lai, Edward (Alternate Director to KWOK Ping Luen, Raymond)	-	-	-	9,736,566 (Note d)	-	9,736,566	0.71%
CHOW Wai Wai, John	16,823,489	-	-	-	1,907,750††	18,731,239††	1.37%
CHEN CHOU Mei Mei, Vivien	157,478	-	-	-	-	157,478	0.01%

* Including share options for 2,700,000 Shares the right to exercise the same had been waived irrevocably.

** Including share options for 2,700,000 Shares the right to exercise the same had been waived irrevocably.

† Including share options for 1,791,750 Shares the right to exercise the same had been waived irrevocably.

†† Including share options for 1,001,000 Shares the right to exercise the same had been waived irrevocably.

Notes:

- a The total number of issued Shares as at 31 December 2025 was 1,366,512,779.
- b CHENG Wai Chee, Christopher, CHENG Wai Sun, Edward and CHENG Man Piu, Francis, being beneficiaries of a family trust, were deemed to be interested in 462,488,185 Shares beneficially owned by Brave Dragon Limited, Wing Tai Retail Pte. Ltd. and Crossbrook Group Limited as set out under the section headed “Substantial Shareholders’ Interests” below. The same represented the same interests and was therefore duplicated amongst these three Directors for the purpose of Part XV of the SFO.
- c KWOK Ping Luen, Raymond was deemed to be interested in 9,224,566 Shares by virtue of being a beneficiary of a trust for the purpose of Part XV of the SFO. As this trust is one of the discretionary trusts, referred to in Note d below, these 9,224,566 Shares represented the same interests and were therefore duplicated between KWOK Ping Luen, Raymond and KWOK Ho Lai, Edward for the purpose of Part XV of the SFO.
- d KWOK Ho Lai, Edward was deemed to be interested in 9,736,566 Shares by virtue of being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.
- e These interests represented the interests in underlying Shares in respect of the share options and/or share awards granted by the Company to these Directors. Details of which are set out in the section below headed “Equity-Linked Agreements”.

Save as disclosed herein, as at 31 December 2025, none of the Directors or the Chief Executive had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year or subsisting as at 31 December 2025 are set out below:

Share Option Plans and Share Award Plan

The Shareholders passed ordinary resolutions at the AGM on 23 May 2023 approving and adopting a new share option plan (the “2023 Share Option Plan”) and a new share award plan (the “2023 Share Award Plan”). The 2023 Share Option Plan and the 2023 Share Award Plan shall be valid and effective for a period of 10 years commencing from 23 May 2023 to 22 May 2033.

Upon the adoption of the 2023 Share Option Plan, the share option plan which was adopted by the Shareholders on 27 October 2015 (the “2015 Share Option Plan”) was ended by the Board with effect from 23 May 2023. No further share options shall be available for grant under the 2015 Share Option Plan but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the 2015 Share Option Plan.

(I) 2015 Share Option Plan

Under the 2015 Share Option Plan, the Board or a duly authorised committee thereof may, in its sole discretion, grant options to bona fide directors, employees, officers, consultants, former directors, former employees, former officers or former consultants of any members of the Group to subscribe for the Shares. The purpose of the 2015 Share Option Plan is to enable the Company to grant share options to incentivise and retain such eligible persons.

DIRECTORS' REPORT

Details of the share options granted and summary of movements of the outstanding share options for the year ended 31 December 2025 under the 2015 Share Option Plan are as follows:

					Number of share options					Weighted average closing price of the Shares immediately before the date on which the options were exercised HK\$
Date of grant	Exercise price per share option HK\$	Closing price of Shares immediately before the date of grant HK\$	Exercise period	As at 1.1.2025	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	As at 31.12.2025		
Directors										
CHENG Wai Chee, Christopher	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028 (Note a)	222,500	-	-	-	222,500*	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028 (Note b)	445,000	-	-	-	445,000*	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029 (Note c)	250,000	-	-	-	250,000*	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029 (Note d)	250,000	-	-	-	250,000*	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029 (Note e)	500,000	-	-	-	500,000*	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030 (Note c)	269,250	-	-	-	269,250*	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030 (Note d)	269,250	-	-	-	269,250*	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030 (Note e)	538,500	-	-	-	538,500†	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031 (Note e)	710,500	-	-	-	710,500	N/A
	18.1.2022	4.342	4.36	18.1.2023 to 17.1.2032 (Note c)	301,750	-	-	-	301,750	N/A
	18.1.2022	4.342	4.36	18.1.2024 to 17.1.2032 (Note d)	301,750	-	-	-	301,750	N/A
	18.1.2022	4.342	4.36	18.1.2025 to 17.1.2032 (Note e)	603,500	-	-	-	603,500	N/A
	10.1.2023	3.60	3.60	10.1.2024 to 9.1.2033 (Note c)	381,250	-	-	-	381,250	N/A
	10.1.2023	3.60	3.60	10.1.2025 to 9.1.2033 (Note d)	381,250	-	-	-	381,250	N/A
	10.1.2023	3.60	3.60	10.1.2026 to 9.1.2033 (Note e)	762,500	-	-	-	762,500	N/A
CHENG Wai Sun, Edward	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028 (Note a)	222,500	-	-	-	222,500*	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028 (Note b)	445,000	-	-	-	445,000*	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029 (Note c)	250,000	-	-	-	250,000*	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029 (Note d)	250,000	-	-	-	250,000*	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029 (Note e)	500,000	-	-	-	500,000*	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030 (Note c)	269,250	-	-	-	269,250*	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030 (Note d)	269,250	-	-	-	269,250*	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030 (Note e)	538,500	-	-	-	538,500††	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031 (Note e)	710,500	-	-	-	710,500	N/A
	18.1.2022	4.342	4.36	18.1.2023 to 17.1.2032 (Note c)	301,750	-	-	-	301,750	N/A
	18.1.2022	4.342	4.36	18.1.2024 to 17.1.2032 (Note d)	301,750	-	-	-	301,750	N/A
	18.1.2022	4.342	4.36	18.1.2025 to 17.1.2032 (Note e)	603,500	-	-	-	603,500	N/A
	10.1.2023	3.60	3.60	10.1.2024 to 9.1.2033 (Note c)	381,250	-	-	-	381,250	N/A
	10.1.2023	3.60	3.60	10.1.2025 to 9.1.2033 (Note d)	381,250	-	-	-	381,250	N/A
	10.1.2023	3.60	3.60	10.1.2026 to 9.1.2033 (Note e)	762,500	-	-	-	762,500	N/A

	Date of grant	Exercise price per share option HK\$	Closing price of Shares immediately before the date of grant HK\$	Exercise period	Number of share options				As at 31.12.2025	Weighted average closing price of the Shares immediately before the date on which the options were exercised HK\$
					As at 1.1.2025	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year		
NG Kar Wai, Kenneth	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028 (Note a)	10,250	-	-	-	10,250*	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028 (Note b)	20,500	-	-	-	20,500*	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029 (Note c)	95,500	-	-	-	95,500*	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029 (Note d)	95,500	-	-	-	95,500*	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029 (Note e)	191,000	-	-	-	191,000*	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030 (Note c)	97,500	-	-	-	97,500*	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030 (Note d)	97,500	-	-	-	97,500*	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030 (Note e)	195,000	-	-	-	195,000*	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031 (Note e)	268,000	-	-	-	268,000*	N/A
	18.1.2022	4.342	4.36	18.1.2023 to 17.1.2032 (Note c)	110,750	-	-	-	110,750*	N/A
	18.1.2022	4.342	4.36	18.1.2024 to 17.1.2032 (Note d)	110,750	-	-	-	110,750*	N/A
	18.1.2022	4.342	4.36	18.1.2025 to 17.1.2032 (Note e)	221,500	-	-	-	221,500*	N/A
	10.1.2023	3.60	3.60	10.1.2024 to 9.1.2033 (Note c)	139,000	-	-	-	139,000*	N/A
	10.1.2023	3.60	3.60	10.1.2025 to 9.1.2033 (Note d)	139,000	-	-	-	139,000*	N/A
	10.1.2023	3.60	3.60	10.1.2026 to 9.1.2033 (Note e)	278,000	-	-	-	278,000	N/A
CHOW Wai Wai, John	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028 (Note a)	40,000	-	-	-	40,000*	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028 (Note b)	80,000	-	-	-	80,000*	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029 (Note c)	44,250	-	-	-	44,250*	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029 (Note d)	44,250	-	-	-	44,250*	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029 (Note e)	88,500	-	-	-	88,500*	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030 (Note c)	51,500	-	-	-	51,500*	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030 (Note d)	51,500	-	-	-	51,500*	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030 (Note e)	103,000	-	-	-	103,000*	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031 (Note e)	133,500	-	-	-	133,500*	N/A
	18.1.2022	4.342	4.36	18.1.2023 to 17.1.2032 (Note c)	56,750	-	-	-	56,750*	N/A
	18.1.2022	4.342	4.36	18.1.2024 to 17.1.2032 (Note d)	56,750	-	-	-	56,750*	N/A
	18.1.2022	4.342	4.36	18.1.2025 to 17.1.2032 (Note e)	113,500	-	-	-	113,500*	N/A
	10.1.2023	3.60	3.60	10.1.2024 to 9.1.2033 (Note c)	68,750	-	-	-	68,750*	N/A
	10.1.2023	3.60	3.60	10.1.2025 to 9.1.2033 (Note d)	68,750	-	-	-	68,750*	N/A
	10.1.2023	3.60	3.60	10.1.2026 to 9.1.2033 (Note e)	137,500	-	-	-	137,500	N/A

DIRECTORS' REPORT

				Number of share options					Weighted average closing price of the Shares immediately before the date on which the options were exercised HK\$	
Date of grant	Exercise price per share option HK\$	Closing price of Shares immediately before the date of grant HK\$	Exercise period	As at 1.1.2025	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	As at 31.12.2025		
Employees										
Employees in aggregate	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028 (Note a)	201,000	-	-	-	201,000*	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028 (Note b)	402,000	-	-	-	402,000*	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029 (Note c)	233,750	-	-	-	233,750*	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029 (Note d)	233,750	-	-	-	233,750*	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029 (Note e)	467,500	-	-	-	467,500*	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030 (Note c)	230,500	-	-	-	230,500*	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030 (Note d)	230,500	-	-	-	230,500*	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030 (Note e)	461,000	-	-	-	461,000*	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031 (Note e)	635,500	-	-	-	635,500*	N/A
	18.1.2022	4.342	4.36	18.1.2023 to 17.1.2032 (Note c)	271,500	-	-	-	271,500*	N/A
	18.1.2022	4.342	4.36	18.1.2024 to 17.1.2032 (Note d)	271,500	-	-	-	271,500*	N/A
	18.1.2022	4.342	4.36	18.1.2025 to 17.1.2032 (Note e)	543,000	-	-	-	543,000*	N/A
	10.1.2023	3.60	3.60	10.1.2024 to 9.1.2033 (Note c)	357,250	-	-	-	357,250*	N/A
	10.1.2023	3.60	3.60	10.1.2025 to 9.1.2033 (Note d)	357,250	-	-	-	357,250*	N/A
	10.1.2023	3.60	3.60	10.1.2026 to 9.1.2033 (Note e)	714,500	-	-	-	714,500	N/A
Total					21,192,750	-	-	-	21,192,750	

* The right to exercise these options had been waived irrevocably.

† The right to exercise these options to the extent of 494,000 Shares had been waived irrevocably.

†† The right to exercise these options to the extent of 494,000 Shares had been waived irrevocably.

Notes:

a The vesting period is 27.3.2018 to 21.1.2020.

b The vesting period is 27.3.2018 to 21.1.2021.

c The vesting period is 12 months from the date of grant.

d The vesting period is 24 months from the date of grant.

e The vesting period is 36 months from the date of grant.

The Company will provide subscription money to the share option holders in the event that they exercise their share options when the market price of the Shares is equal to or higher than the exercise price of the share options concerned.

Further details of the 2015 Share Option Plan are set out in note 34 to the consolidated financial statements.

(III) 2023 Share Option Plan and 2023 Share Award Plan

Under the 2023 Share Option Plan and the 2023 Share Award Plan, the Board or the remuneration committee of the Company or a duly authorised committee thereof (the “Committee”) may, in its discretion, grant share options/awards to a bona fide director, employee or a Re-Engaged Consultant (as hereinafter defined) of any member of the Group on the grant date to subscribe for the Shares. A Re-Engaged Consultant means an individual who (a) is a former director or employee of any member of the Group; and (b) has entered into a consultancy contract to provide consultancy services to any member of the Group on a continuing and recurring basis in its ordinary and usual course of business who, in the sole and absolute direction of the Board or the Committee, has contributed or will contribute to the long-term growth of the Group (hereinafter referred to as an “Individual Consultant”). A Re-Engaged Consultant shall also include any corporation owned and operated by such an Individual Consultant through which he enters into an agreement to provide consultancy services to any member of the Group on a continuing and recurring basis.

For the avoidance of doubt, “Re-Engaged Consultant” excludes (a) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (b) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

The purpose of the 2023 Share Option Plan and the 2023 Share Award Plan is to (i) recognise, motivate and provide incentives to those who make contributions to the Group; (ii) help the Group retain its existing directors, employees and Re-Engaged Consultants and recruit additional directors, employees and Re-Engaged Consultants who will be valuable to the Group; and (iii) provide its existing and future directors, employees and Re-Engaged Consultants with direct economic interests in the long-term development and growth of the Group.

The summary of the rules of the 2023 Share Option Plan and the 2023 Share Award Plan are set out in the circular of the Company dated 25 April 2023.

DIRECTORS' REPORT

(i) Outstanding Share Options under the 2023 Share Option Plan

Details of the share options granted and summary of movements of the outstanding share options for the year ended 31 December 2025 under the 2023 Share Option Plan are as follows:

					Number of share options					Weighted average closing price of the Shares immediately before the date on which the options were exercised HK\$
	Date of grant	Exercise price per share option HK\$	Closing price of Shares immediately before the date of grant HK\$	Exercise period	As at 1.1.2025	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	As at 31.12.2025	
Directors										
CHENG Wai Chee, Christopher	19.1.2024	2.64	2.58	19.1.2025 to 18.1.2034 (Note a)	478,500	-	-	-	478,500	N/A
	19.1.2024	2.64	2.58	19.1.2026 to 18.1.2034 (Note b)	478,500	-	-	-	478,500	N/A
	19.1.2024	2.64	2.58	19.1.2027 to 18.1.2034 (Note c)	957,000	-	-	-	957,000	N/A
	20.1.2025	1.796	1.79	20.1.2026 to 19.1.2035 (Note a)	-	360,500	-	-	360,500	N/A
	20.1.2025	1.796	1.79	20.1.2027 to 19.1.2035 (Note b)	-	360,500	-	-	360,500	N/A
	20.1.2025	1.796	1.79	20.1.2028 to 19.1.2035 (Note c)	-	721,000	-	-	721,000	N/A
CHENG Wai Sun, Edward	19.1.2024	2.64	2.58	19.1.2025 to 18.1.2034 (Note a)	478,500	-	-	-	478,500	N/A
	19.1.2024	2.64	2.58	19.1.2026 to 18.1.2034 (Note b)	478,500	-	-	-	478,500	N/A
	19.1.2024	2.64	2.58	19.1.2027 to 18.1.2034 (Note c)	957,000	-	-	-	957,000	N/A
	20.1.2025	1.796	1.79	20.1.2026 to 19.1.2035 (Note a)	-	360,500	-	-	360,500	N/A
	20.1.2025	1.796	1.79	20.1.2027 to 19.1.2035 (Note b)	-	360,500	-	-	360,500	N/A
	20.1.2025	1.796	1.79	20.1.2028 to 19.1.2035 (Note c)	-	721,000	-	-	721,000	N/A
NG Kar Wai, Kenneth	19.1.2024	2.64	2.58	19.1.2025 to 18.1.2034 (Note a)	152,750	-	-	-	152,750	N/A
	19.1.2024	2.64	2.58	19.1.2026 to 18.1.2034 (Note b)	152,750	-	-	-	152,750	N/A
	19.1.2024	2.64	2.58	19.1.2027 to 18.1.2034 (Note c)	305,500	-	-	-	305,500	N/A
Total					4,439,000	2,884,000	-	-	7,323,000	

Notes:

- a The vesting period is 12 months from the date of grant.
- b The vesting period is 24 months from the date of grant.
- c The vesting period is 36 months from the date of grant.

The Company will provide subscription money to the share option holders in the event that they exercise their share options when the market price of the Shares is equal to or higher than the exercise price of share options concerned.

(ii) Outstanding Share Awards under the 2023 Share Award Plan

Details of the share awards granted and summary of movements of the outstanding share awards for the year ended 31 December 2025 under the 2023 Share Award Plan are as follows:

					Number of share awards					Weighted average closing price of the Shares immediately before the date on which the awards were subscribed HK\$
	Date of grant	Subscription price per share award HK\$	Closing price of Shares immediately before the date of grant HK\$	Exercise period	As at 1.1.2025	Granted during the year	Subscribed during the year	Cancelled/ lapsed during the year	As at 31.12.2025	
Directors										
CHENG Wai Chee, Christopher	19.1.2024	0.50	2.58	19.1.2025 to 18.1.2034 (Note a)	1,350,000	-	1,350,000	-	-	1.79
	20.1.2025	0.50	1.79	20.1.2026 to 19.1.2035 (Note a)	-	1,350,000	-	-	1,350,000	N/A
CHENG Wai Sun, Edward	19.1.2024	0.50	2.58	19.1.2025 to 18.1.2034 (Note a)	1,350,000	-	1,350,000	-	-	1.52
	20.1.2025	0.50	1.79	20.1.2026 to 19.1.2035 (Note a)	-	1,350,000	-	-	1,350,000	N/A
NG Kar Wai, Kenneth	19.1.2024	0.50	2.58	19.1.2025 to 18.1.2034 (Note a)	1,350,000	-	1,350,000	-	-	1.79
	20.1.2025	0.50	1.79	20.1.2026 to 19.1.2035 (Note a)	-	579,750	-	-	579,750	N/A
	20.1.2025	0.50	1.79	20.1.2027 to 19.1.2035 (Note b)	-	138,000	-	-	138,000	N/A
	20.1.2025	0.50	1.79	20.1.2028 to 19.1.2035 (Note c)	-	276,000	-	-	276,000	N/A
CHOW Wai Wai, John	19.1.2024	0.50	2.58	19.1.2025 to 18.1.2034 (Note a)	915,750	-	915,750	-	-	1.79
	19.1.2024	0.50	2.58	19.1.2026 to 18.1.2034 (Note b)	97,000	-	-	-	97,000	N/A
	19.1.2024	0.50	2.58	19.1.2027 to 18.1.2034 (Note c)	194,000	-	-	-	194,000	N/A
	20.1.2025	0.50	1.79	20.1.2026 to 19.1.2035 (Note a)	-	256,250	-	-	256,250	N/A
	20.1.2025	0.50	1.79	20.1.2027 to 19.1.2035 (Note b)	-	74,000	-	-	74,000	N/A
	20.1.2025	0.50	1.79	20.1.2028 to 19.1.2035 (Note c)	-	148,000	-	-	148,000	N/A
Employees										
Employees in aggregate	19.1.2024	0.50	2.58	19.1.2025 to 18.1.2034 (Note a)	4,346,750	-	4,346,750	-	-	1.68
	19.1.2024	0.50	2.58	19.1.2026 to 18.1.2034 (Note b)	351,000	-	-	-	351,000	N/A
	19.1.2024	0.50	2.58	19.1.2027 to 18.1.2034 (Note c)	702,000	-	-	-	702,000	N/A
	20.1.2025	0.50	1.79	20.1.2026 to 19.1.2035 (Note a)	-	1,242,500	-	-	1,242,500	N/A
	20.1.2025	0.50	1.79	20.1.2027 to 19.1.2035 (Note b)	-	342,250	-	-	342,250	N/A
	20.1.2025	0.50	1.79	20.1.2028 to 19.1.2035 (Note c)	-	684,500	-	-	684,500	N/A
Total					10,656,500	6,441,250	9,312,500	-	7,785,250	

Notes:

- a The vesting period is 12 months from the date of grant.
- b The vesting period is 24 months from the date of grant.
- c The vesting period is 36 months from the date of grant.

The Company will provide subscription money to the share award holders in the event that they subscribe for their share awards.

DIRECTORS' REPORT

The number of Shares that may be issued in respect of share options granted under the 2023 Share Option Plan and share awards granted under the 2023 Share Award Plan during the year ended 31 December 2025 are 2,884,000 and 6,441,250 respectively (representing approximately 0.21% and 0.47% of the weighted average number of Shares in issue (excluding treasury shares) during the year).

The number of Shares available for grant under the 2023 Share Option Plan and the 2023 Share Award Plan as at 1 January 2025 and 31 December 2025 was 120,624,527 and 111,299,277 respectively. The Re-Engaged Consultant sublimit (as defined in rules of the 2023 Share Option Plan and the 2023 Share Award Plan) as at 1 January 2025 and 31 December 2025 was 27,144,005 Shares.

Further details of the 2023 Share Option Plan and the 2023 Share Award Plan (including the fair values of share options and share awards granted during the year) are set out in note 34 to the consolidated financial statements.

Save as disclosed above, during the year, none of the Directors, the Chief Executive of the Company or their respective spouses and children under the age of 18 had any interest in, or had been granted any right to subscribe for the shares, options and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement that may enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2025, the following persons (other than the Directors and the Chief Executive) had interests in the Shares as recorded in the register kept by the Company under section 336 of the SFO or as otherwise notified to the Company:

Name of Shareholders		Capacity	Number of Shares interested	Approx. percentage of the issued share capital (Note a)
1.	Brave Dragon Limited	Beneficial owner	141,794,482	10.38%
2.	Crossbrook Group Limited	Beneficial owner	270,411,036	19.79%
3.	Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 (Notes b(i) & c)	33.84%
4.	Butterfield Trust (Asia) Limited	Trustee	462,488,185 (Notes b(ii) & d)	33.84%
5.	Butterfield Fiduciary Services (Cayman) Limited	Trustee	462,488,185 (Notes b(ii) & d)	33.84%
6.	Wing Tai Corporation Limited	Interest of controlled corporation	186,280,826 (Note e)	13.63%
7.	Renowned Development Limited	Interest of controlled corporation	186,280,826 (Notes b(iii) & e)	13.63%
8.	Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	203,604,783 (Notes b(iii) & f)	14.90%
9.	Sun Hung Kai Properties Limited	Interest of controlled corporation	183,612,533 (Note g)	13.44%
10.	HSBC Trustee (C.I.) Limited	Trustee	183,612,533 (Notes b(iv) & h)	13.44%
11.	Gala Land Investment Co. Limited	Beneficial owner	101,579,467	7.43%
12.	Farnham Group Limited	Interest of controlled corporation	101,579,467 (Notes b(v) & i)	7.43%
13.	WHCWTF Limited	Interest of controlled corporation	101,579,467 (Notes b(v) & j)	7.43%
14.	CKF Limited	Interest of controlled corporation	101,579,467 (Notes b(v) & k)	7.43%

DIRECTORS' REPORT

Notes:

- a The total number of issued Shares as at 31 December 2025 was 1,366,512,779.
- b The interests disclosed duplicated in the following manners and to the following extent:
- (i) the interests of parties 1 and 2 were included in the interests of party 3.
 - (ii) the interests of party 3 duplicated with the interests of parties 4 and 5 entirely.
 - (iii) the interests of party 6 duplicated with the interests of party 7 entirely and were included in the interests of party 8.
 - (iv) the interests of party 9 duplicated with the interests of party 10 entirely.
 - (v) the interests of party 11 duplicated with the interests of parties 12, 13 and 14 entirely.
- c Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued share capital of Wing Tai Retail Pte. Ltd.. Wing Tai Retail Pte. Ltd. beneficially owned 50,282,667 Shares.
- d Butterfield Trust (Asia) Limited was the trustee of a family trust (of which CHENG Wai Chee, Christopher, CHENG Wai Sun, Edward and CHENG Man Piu, Francis were beneficiaries) which held all units of a unit trust ("Unit Trust").
- Butterfield Fiduciary Services (Cayman) Limited ("Butterfield Cayman") was the trustee of the Unit Trust and was deemed to be interested in 462,488,185 Shares (such deemed interest arose by virtue of the fact that Butterfield Cayman was interested indirectly through subsidiaries in more than one-third of the issued share capital of Wing Tai Holdings Limited which was interested in 462,488,185 Shares).
- e Wing Tai Corporation Limited beneficially owned 100% of the issued share capital of Bestime Resources Limited ("Bestime") and Pofung Investments Limited ("Pofung") and, therefore, by virtue of its corporate interest in Bestime and Pofung, Wing Tai Corporation Limited was deemed to be interested in 97,349,998 Shares and 88,930,828 Shares held by Bestime and Pofung respectively.
- By virtue of the corporate interest of Renowned Development Limited ("Renowned") in Wing Tai Corporation Limited, the former was deemed to be interested in the latter's interest in the Shares.
- f By virtue of the corporate interest of Wing Tai (Cheng) Holdings Limited in Renowned and Broxbourne Assets Limited ("Broxbourne"), Wing Tai (Cheng) Holdings Limited was deemed to be interested in the interest of Renowned and Broxbourne in the Shares. Broxbourne beneficially owned 17,323,957 Shares.
- g Sun Hung Kai Properties Limited ("SHKP") beneficially owned 100% of the issued share capital of Wesmore Limited ("Wesmore"), Fourseas Investments Limited ("Fourseas"), Mondale Holdings Limited ("Mondale"), Victory Zone Holdings Limited ("Victory Zone") and Country World Limited ("Country World"). Wesmore was the beneficial owner of 111,928,210 Shares.
- Fourseas beneficially owned 100% of the issued share capital of Soundworld Limited ("Soundworld"), Units Key Limited ("Units Key") and Triple Surge Limited ("Triple Surge"). Soundworld, Units Key and Triple Surge were the beneficial owners of 20,869,323, 5,673,333 and 37,680,000 Shares respectively.
- Mondale beneficially owned 100% of the issued share capital of Junwall Holdings Ltd. ("Junwall"), which in turn beneficially owned 100% of the issued share capital of Techglory Ltd. ("Techglory"). Techglory was the beneficial owner of 192,000 Shares.
- Victory Zone beneficially owned 100% of the issued share capital of Charmview International Ltd. ("Charmview"). Charmview was the beneficial owner of 7,141,600 Shares.
- Country World beneficially owned 100% of the issued share capital of Erax Strong Development Ltd. ("Erax Strong"). Erax Strong was the beneficial owner of 128,067 Shares.
- By virtue of the corporate interest of SHKP in the aforesaid companies, SHKP was deemed to be interested in the interests of Wesmore, Soundworld, Units Key, Triple Surge, Techglory, Charmview and Erax Strong in the Shares.

-
- h HSBC Trustee (C.I.) Limited, as the trustee of certain discretionary trusts, was deemed to be interested in more than one-third of the total issued shares of SHKP. By virtue of its deemed interest in SHKP, it was deemed to be interested in 183,612,533 Shares.
 - i Farnham Group Limited ("Farnham") beneficially owned 100% of the issued share capital of Gala Land Investment Co. Limited ("Gala") and, therefore, Farnham was deemed to be interested in 101,579,467 Shares held by Gala by virtue of its corporate interest therein.
 - j WHCWTF Limited ("WHCWTF") beneficially owned 50% of the issued share capital of Farnham and, therefore, WHCWTF was deemed to be interested in 101,579,467 Shares held by Gala by virtue of its corporate interest therein via Farnham.
 - k CKF Limited ("CKF") beneficially owned 50% of the issued share capital of Farnham and, therefore, CKF was deemed to be interested in 101,579,467 Shares held by Gala by virtue of its corporate interest therein via Farnham.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any interests or short positions held by any substantial Shareholder in the Shares or underlying Shares which are required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

INTERESTS OF ANY OTHER PERSONS

As at 31 December 2025, the Company had not been notified of any persons other than the substantial Shareholders who had interests or short positions in the Shares or underlying Shares, which are required to be recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The interests of Directors in competing businesses required to be disclosed pursuant to Rule 8.10 of the Listing Rules are as follows:

KWOK Ping Luen, Raymond is a director of SHKP and KWOK Ho Lai, Edward is the alternate director to KWOK Ping Luen, Raymond of SHKP. Businesses of SHKP consist of (i) property developments, investments and management; and (ii) hotel operations. Also, KWOK Ping Luen, Raymond and KWOK Ho Lai, Edward are the beneficiaries of certain discretionary trusts which maintain certain interests in businesses consisting of property developments and investments, and hotel operations. Only in these respects they are regarded as interested in the relevant businesses competing with the Group.

KWOK Ping Luen, Raymond is also a director of Transport International Holdings Limited ("TIH"). Businesses of TIH consist of property holdings and developments. Only in these respects he is regarded as interested in the relevant businesses competing with the Group.

Other than certain interests in businesses maintained by the discretionary trusts, the aforesaid competing businesses, in which KWOK Ping Luen, Raymond and KWOK Ho Lai, Edward are regarded as interested, are managed by separate publicly listed companies with independent management and administration. In this respect, coupled with the diligence of the Independent Non-executive Directors and the Audit Committee of the Company, the Group is capable of carrying on its business independently of, and at arm's length from, the said competing businesses.

DIRECTORS' REPORT

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

On 23 April 2008, a contract was entered into between the Company, Wing Tai Malaysia Sdn. Bhd. (formerly known as Wing Tai Malaysia Berhad and DNP Holdings Berhad) ("WTMSB") and Kualiti Gold Sdn. Bhd. (the "JV Company") relating to the formation of the JV Company for the purpose of acquiring a building in Kuala Lumpur (the "Development"), fitting out and operating the Development as serviced apartments.

Each of CHENG Wai Chee, Christopher, CHENG Wai Sun, Edward and CHENG Man Piu, Francis has an indirect interest in the issued share capital of WTMSB and the JV Company.

WTMSB is a subsidiary of Wing Tai Holdings Limited ("WTHL"), the controlling shareholder of the Company (as defined in the Listing Rules).

Save as disclosed above and in the "Connected Transactions" section below, there was no transaction, arrangement or contract that is significant in relation to the businesses of the Group to which the Company or any of its subsidiaries was a party and in which a Director or his/her connected entity or the controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

Set out below is information in relation to connected transactions which were disclosed in the Company's announcements and are required under Chapter 14A of the Listing Rules to be included in this annual report:

1. Continuing Connected Transactions

- (i) The following agreements (the "2022 Operating and Licence Agreements") were entered into on 31 May 2022:
 - (a) a serviced suites operating agreement between Lanson Place Hospitality Management (Singapore) Pte Limited ("LP Singapore") and Winshine Investment Pte Ltd ("Winshine") for the provision of management services in relation to the serviced suites located at 167 Penang Road, Singapore (the "Property") by LP Singapore to Winshine (the "2022 Operating Agreement"); and
 - (b) a licence agreement between Lanson Place Hotels & Residences Limited ("LP Hong Kong") and Winshine for the grant of the right to use certain trademarks and tradenames in relation to the Property (the "2022 Licence Agreement").

Each of the 2022 Operating Agreement and the 2022 Licence Agreement is for a term for three years commencing from 1 July 2022 and ending on 30 June 2025.

Each of LP Singapore and LP Hong Kong is an indirect wholly-owned subsidiary of the Company.

Winshine is an associate (as defined in the Listing Rules) of WTHL.

WTHL is a substantial shareholder of the Company. WTHL is also an associate of Messrs. CHENG Wai Chee, Christopher, CHENG Wai Sun, Edward and CHENG Man Piu, Francis (who are Directors) under Chapter 14A of the Listing Rules in view of the fact that it is a 30%-controlled company held indirectly by the trustee of a trust of which these Directors are beneficiaries. Therefore, the transactions contemplated under the 2022 Operating and Licence Agreements constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The total fees received by LP Singapore and LP Hong Kong under the 2022 Operating and Licence Agreements for the period from 1 January 2025 to 30 June 2025 amounted to HK\$2.1 million which was within the 2025 annual cap of HK\$3.0 million as set out in the Company's announcement dated 6 September 2023.

On 18 June 2025, the following agreements (the "2025 Operating and Licence Agreements") were entered into:

- (c) a serviced suites operating agreement between LP Singapore and Winshine for the provision of management services in relation to the Property by LP Singapore to Winshine (the "2025 Operating Agreement"); and
- (d) a licence agreement between LP Hong Kong and Winshine for the grant of the right to use certain trademarks and tradenames in relation to the Property (the "2025 Licence Agreement").

Each of the 2025 Operating Agreement and the 2025 Licence Agreement is for a term of three years commencing from 1 July 2025 to 30 June 2028.

The total fees received by LP Singapore and LP Hong Kong under the 2025 Operating and Licence Agreements for the period from 1 July 2025 to 31 December 2025 amounted to HK\$1.9 million which was within the 2025 annual cap of HK\$2.4 million as set out in the Company's announcement dated 18 June 2025.

- (ii) On 10 May 2024, Begin Land Limited ("Begin Land"), an indirect wholly-owned subsidiary of the Company, accepted the offer made by Wing Tai Corporation Limited ("WTC") in relation to the leasing of the premises located at Suites 1502-5, 15th Floor, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong (the "Premises") for a fixed term of three years commencing from 16 May 2024 and ending on 15 May 2027 (both days inclusive) (the "2024 Offer"). WTC licensed 4 car parking spaces at Landmark East for use by its staff in 2025.

As WTC is a substantial shareholder of the Company and hence a connected person of the Company, the transactions under the 2024 Offer constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The total consideration received by Begin Land from WTC under the 2024 Offer and by licensing the car parking spaces as aforesaid for the year ended 31 December 2025 amounted to HK\$4.9 million which was within the 2025 annual cap of HK\$5.68 million as set out in the Company's announcement dated 10 May 2024.

DIRECTORS' REPORT

2. Annual Review of Continuing Connected Transactions

The Independent Non-executive Directors have reviewed and confirmed that the aforesaid continuing connected transactions for the year ended 31 December 2025 have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to the agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has reviewed these transactions, disclosed by the Group on pages 42 to 43 of this annual report, pursuant to Rule 14A.56 of the Listing Rules, and confirmed to the Board that nothing has come to their attention that causes them to believe: that they have not been approved by the Board; that they were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; that they were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and that they have exceeded the relevant annual caps.

RELATED PARTY TRANSACTIONS

Save as disclosed above, related party transactions disclosed in note 40 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions (as defined in the Listing Rules). The Company confirmed that it has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

SIGNIFICANT CONTRACT WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the "Directors' and Controlling Shareholders' Material Interests in Transactions, Arrangements or Contracts" section and in the "Connected Transactions" section above, the Group did not enter into any contract of significance with the controlling shareholders or any of its subsidiaries during the year.

MANAGEMENT CONTRACT

No contract for the management and administration of the whole or any substantial part of any business of the Company was entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate amount of revenue attributable to the Group's five largest customers was less than 30% of the total value of the Group's revenue and the aggregate amount of purchases attributable to the Group's five largest suppliers was less than 30% of the total value of the Group's purchases.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

As at 31 December 2025, the aggregate amount due to the Group and guarantee for loan facilities given by the Company on behalf of Southwater Investments Limited and its subsidiary (the “Southwater Group”) exceeded 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

Details of the amounts to the Southwater Group as at 31 December 2025 were as follows:

Name of Entity	Group’s % of attributable equity interest therein	Amount of guarantee for loan facilities given by the Company (Note 1) HK\$’M	Amount and loans due to the Group (Note 2) HK\$’M	Total HK\$’M
Southwater Group	50%	3,056	3,135	6,191

Notes:

1. All the loan facilities are secured by (among others) guarantees given by the Company and CSI Properties Limited (“CSI”) on a several and proportional basis. All loan facilities carry interest at normal commercial rate agreed after negotiations on an arm’s length basis with the lending banks concerned. The final maturity date of the loan facilities is the earlier of the date falling (a) 12 months from the date of the facility agreement; and (b) 6 months after the issuance of the certificate of compliance in respect of the development situated at the land parcel known as Inland Lot No. 9065 and located at Gage Street/Graham Street, Central, Hong Kong.
2. The amount due from the Southwater Group is (i) unsecured; (ii) carrying interest at rates agreed by the Group and CSI from time to time; and (iii) without fixed repayment dates.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

1. Facility Agreement dated 3 November 2022

On 3 November 2022, the Company (as guarantor) entered into a facility agreement (the “2022 Facility Agreement”) with, among others, certain financial institutions (as original lenders) in relation to term and revolving loan facilities of an aggregate amount of HK\$1,900 million (the “2022 Facilities”) to be made available to an indirect wholly-owned subsidiary of the Company (the “Subsidiary” as borrower). The final maturity date of the 2022 Facilities falls 60 months after the date of the 2022 Facility Agreement.

The 2022 Facility Agreement provides, among others, that, if Cheng Family (as defined below) as a whole (i) does not or ceases to directly or indirectly maintain at least 30% beneficial shareholding in the Company; (ii) does not or ceases to give and manage directions with respect to the management and business of the Company; or (iii) does not or ceases to be the single largest shareholder group of the Company, all the available commitments will be immediately cancelled and the Subsidiary shall prepay all the loans (together with payment of the accrued interest and all other amounts payable) in full within 10 business days thereafter (or such longer period as may be agreed by all the lenders).

DIRECTORS' REPORT

For the purpose of the 2022 Facility Agreement, “Cheng Family” means:-

- (i) Mr. CHENG Wai Chee, Christopher and/or his issue and/or any of their executors or administrators and/or companies which are controlled by them or any of them;
- (ii) Mr. CHENG Wai Sun, Edward and/or his issue and/or any of their executors or administrators and/or companies which are controlled by them or any of them;
- (iii) Mr. CHENG Man Piu, Francis and/or his issue and/or any of their executors or administrators and/or companies which are controlled by them or any of them; or
- (iv) any trust of which any person referred to in paragraphs (i) to (iii) above is a beneficiary.

2. Facility Agreement dated 13 November 2025

On 13 November 2025, the Company (as guarantor) and Southwater Hong Kong Limited, a joint venture company of the Company (the “JV Company” as borrower) entered into a facility agreement (the “2025 Facility Agreement”) with, among others, certain financial institutions (as original lenders) in relation to term loan facilities in the aggregate amount of HK\$6,111 million (the “2025 Facilities”) for refinancing certain banking facilities. The Company’s attributable equity interest in the JV Company is 50%. The final maturity date of the 2025 Facilities is the earlier of the date falling (a) 12 months from the date of the 2025 Facility Agreement; and (b) 6 months after the issuance of the certificate of compliance in respect of the development of which the JV Company is the developer.

The 2025 Facility Agreement provides, among others, that, if Cheng Family collectively ceases to (i) hold, directly or indirectly, at least 30% beneficially shareholding in the Company; or (ii) give and manage directions with respect to the management and business of the Company; or (iii) be the single largest shareholder group of the Company, the JV Company shall make mandatory prepayment of the loans in full within 10 business days upon request of the Majority Lenders (as defined in the 2025 Facility Agreement).

The definition of Cheng Family under the 2025 Facility Agreement is same as its definition under the 2022 Facility Agreement as aforesaid.

As at 31 December 2025, Cheng Family maintained approximately 36.05% beneficial shareholding in the Company.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 December 2025, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$9,927 million which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

A combined balance sheet of these affiliated companies and the Group's attributable interest in these affiliated companies as at 31 December 2025 are presented below:

	Combined balance sheet HK\$'M	The Group's attributable interest HK\$'M
Non-current assets	10,111.6	3,649.1
Current assets	15,082.9	7,351.6
Current liabilities	(8,948.1)	(4,403.8)
Non-current liabilities	(3,216.0)	(948.7)
Amounts and loans due from shareholders	625.3	93.8
Amounts and loans due to shareholders	(11,858.7)	(5,237.1)
Net assets	1,797.0	504.9

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws although there is no restriction against such rights under the laws in Bermuda.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 9 of this annual report.

AUDITOR

The financial statements for the year ended 31 December 2025 have been audited by Messrs. PricewaterhouseCoopers whose appointment will expire upon the conclusion of the forthcoming AGM. A resolution for the re-appointment of Messrs. PricewaterhouseCoopers as the auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 27 March 2026

Wing Tai Properties Limited (the “Company”) is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “CG Code”) during the financial year ended 31 December 2025 except that the Company provides quarterly management accounts instead of monthly management accounts to the board (the “Board”) of directors (the “Directors”) of the Company. It is considered that the provision of a monthly board update with quarterly management accounts to all Board members is sufficient for their reviewing of the Group’s financial performance.

CORPORATE CULTURE

The Company’s culture is developed and demonstrated through its core values that establish the principles and behaviours of management and staff (the “Team Members”). The Team Members should ensure that their actions taken in the name of the Company are underpinned by the guiding principles as follows:

“Teamwork”: The Team Members should collaborate as one team to create work synergy by building partnerships within and across businesses, practising open communications, appreciating people’s work and inputs, providing support and encouragement, and sharing ideas and information.

“Accountability”: The Team Members should take joint responsibility for delivering outstanding results to customers, working partners and colleagues by taking responsibility for actions and outcomes. They should deliver on their promises, and take the lead to follow up and address work issues. Not only do they take ownership of their responsibilities, they also anticipate threats and opportunities and share or alert senior colleagues of such promptly.

“Integrity”: The Team Members should earn the trust and respect of the stakeholders by acting with highest standards of integrity and professionalism, honesty and fairness, while being fully committed to the Company’s interests.

“Excellence”: The Team Members should pursue excellence persistently in everything they do every day by understanding customers’ and work partners’ needs. They should exceed expectations, and deliver quality results cost-effectively and on time. They should solve problems with innovative solutions, being role models for all. They should excel in anticipating the sub-conscious needs of customers and satisfy such needs through new products.

CORPORATE STRATEGY

The Group creates exceptional value for the Company and the community. The Company and its subsidiaries (the “Group”) achieves this through:

- A committed, interdependent, team who share the Company’s philosophy and beliefs and bring out the best from outsourced partners
- An uncompromising attitude and approach in managing competitive edges by understanding the strengths of the Group’s competitors
- Use of optimal value engineering processes and cost control leading to timely delivery, quality assurance and user friendliness
- Effective communication of the brand and products of the Group

CODES FOR DEALING IN THE COMPANY’S SECURITIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors.

The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the year ended 31 December 2025, and received confirmations from all Directors that they had fully complied therewith throughout the year.

The Company has also adopted a code for dealing in the Company’s securities by relevant employees, who are likely to be in possession of unpublished price-sensitive information in relation to the securities of the Company, on no less exacting terms than the Model Code.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

As at the date of this report, the Board comprises four Executive Directors, four Non-executive Directors and four Independent Non-executive Directors as follows:

	Length of Tenure (Approx. No. of Year(s) since appointment)	Current Period of Appointment (Approx. No. of Year(s) since last election/ re-election)
Executive Directors		
CHENG Wai Chee, Christopher (<i>Chairman</i>)	34.6	2
CHENG Wai Sun, Edward (<i>Deputy Chairman and Chief Executive</i>)	31.6	1
CHENG Man Piu, Francis	34.6	1
NG Kar Wai, Kenneth	11.2	3
Non-executive Directors		
KWOK Ping Luen, Raymond (KWOK Ho Lai, Edward as his alternate)	34.6	3
HONG Pak Cheung, William	23.5	2
CHOW Wai Wai, John	18.6	3
CHEN CHOU Mei Mei, Vivien	13.5	2
Independent Non-executive Directors		
YEUNG Kit Shing, Jackson	21.5	3
LAM Kin Fung, Jeffrey	7.8	1
LAM Tin Fuk, Fred	0.8	1
KWOK King Man, Clement	0.3	1

Biographies of all Directors are set out on pages 21 to 24 of this annual report.

CHENG Wai Chee, Christopher, CHENG Wai Sun, Edward and CHENG Man Piu, Francis are brothers. CHOW Wai Wai, John is a cousin of CHEN CHOU Mei Mei, Vivien. KWOK Ping Luen, Raymond is the father of KWOK Ho Lai, Edward. Save as disclosed above, there are no financial, business, family or other material/relevant relationships among members of the Board.

The Board has established mechanisms to ensure independent views are available to the Board and will review the implementation and effectiveness of such mechanisms on an annual basis. The Company has put in place mechanisms to ensure a strong independent element on the Board. Such mechanisms include the following:

- The Company has been steered by the Board which comprises a majority of the Non-executive Directors.
- Separation of the role of the Chairman and the Chief Executive ensures that there is balance of power and authority.
- The Nomination Committee is committed to assessing annually the independence of all Independent Non-executive Directors by reference to the independence criteria as set out in the Listing Rules to ensure that they can continually exercise independent judgement.
- No equity-based remuneration with performance-related elements will be granted to the Independent Non-executive Directors.
- All Directors are entitled to seek further information and documentation from the management to carry out their duties. They can also seek independence advice from external professional advisers at the Company's expense.
- The Chairman shall hold meetings at least once a year with the Independent Non-executive Directors without the presence of other Directors.

The Company has arranged directors' and officers' liability insurance for the Directors and officers of the Company.

Chairman and Chief Executive

CHENG Wai Chee, Christopher is the Chairman and CHENG Wai Sun, Edward is the Deputy Chairman and Chief Executive. While the Chairman is responsible for providing leadership for the Board, ensuring that all Directors are properly briefed on issues arising at Board meetings and receive complete, reliable and timely information, the Chief Executive is responsible for the day-to-day management of the business of the Group.

Retirement by Rotation and Specific Term of Office

The Non-executive Directors (including the Independent Non-executive Directors) were appointed for a fixed term of three years and all Directors are subject to retirement by rotation at the annual general meetings of the Company (the "AGM") in accordance with the second amended and restated bye-laws of the Company and/or code provision B.2.2 of the CG Code.

Independent Non-executive Directors

YEUNG Kit Shing, Jackson has served the Board as Independent Non-executive Director for more than nine years. Notwithstanding his long term service, in view of his extensive business experience and not being connected with any Director or substantial shareholder of the Company, the Board is of the opinion that he continues to bring independent and objective perspectives to the Company's affairs.

The Company has received written confirmations from all Independent Non-executive Directors regarding their independence with reference to the criteria as set out in Rule 3.13 of the Listing Rules. The Company considers that all the existing Independent Non-executive Directors are independent.

CORPORATE GOVERNANCE REPORT

Functions and Responsibilities of the Board

The Board is accountable to the shareholders of the Company (the “Shareholders”) for leading the Group in a responsible and effective manner. The Directors are collectively and individually responsible to the Shareholders for the manner in which the affairs of the Group are managed and for promoting the success of the Group by directing and supervising its affairs.

The functions and responsibilities reserved to the Board and the functions and responsibilities delegated to management are as follows:

- (i) the Board shall approve the annual budgets of the Group;
- (ii) the Board shall monitor the operating and financial performance of the Group;
- (iii) the Board shall oversee the processes for evaluating the adequacy of financial reporting and compliance;
- (iv) the Board shall align the Group’s culture with its purpose, values and strategy;
- (v) the Board shall set the Group’s strategy and risk appetite by evaluating and determining the nature and extent of the risks it is willing to take in achieving its strategic objectives;
- (vi) the Board shall establish and maintain appropriate and effective risk management and internal control systems;
- (vii) the Board shall oversee the management in the design, implementation and monitoring of the risk management and internal systems on an ongoing basis;
- (viii) the Board shall assume responsibility for corporate governance;
- (ix) the Board shall have overall responsibility for the Group’s strategy and reporting on environmental, social and governance matters; and
- (x) the day-to-day operations of the Group is delegated to the management led by the Chief Executive. Matters reserved for the Board are those affecting the Company’s overall strategic policies, finances and shareholders. These include: financial statements, dividend policy, significant changes in accounting policy, annual operating budgets, material contracts, major financing arrangements, major investments, risk management strategies and policies required under the Listing Rules.

Four Board meetings had been held during the year. The attendance record of each member at the Board and general meetings is set out in the table under the section headed “Attendance at Meetings” of this report.

Directors’ Induction and Continuous Professional Development

On appointment to the Board, each newly appointed Director receives a comprehensive induction package covering policies and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

LAM Tin Fuk, Fred and KWOK King Man, Clement, who were appointed as Independent Non-executive Directors on 29 May 2025 and 1 December 2025 respectively, had prior to their appointment obtained legal advice from external law firms as required under Rule 3.09D of the Listing Rules on 15 May 2025 and 24 June 2025 respectively. Each of them has confirmed his understanding of the obligations as a Director.

The Directors are briefed, or provided with written materials, on the amendments to, or updates on, the relevant laws, rules and regulations. The Directors are also provided with commentary on the Group's business, operations and financial matters on a monthly basis. In addition, the Company has been encouraging the Directors and senior executives to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, companies law and corporate governance practices organised by professional bodies, independent auditors and/or law firms in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

During the year under review, the Directors participated in the following trainings and each Director provided a record of training to the Company.

Directors	Types of Training
Executive Directors	
CHENG Wai Chee, Christopher	A, B
CHENG Wai Sun, Edward	A, B
CHENG Man Piu, Francis	B
NG Kar Wai, Kenneth	A, B
Non-executive Directors	
KWOK Ping Luen, Raymond	A, B
KWOK Ho Lai, Edward (alternate to KWOK Ping Luen, Raymond)	A, B
HONG Pak Cheung, William	A, B
CHOW Wai Wai, John (re-designated as a Non-executive Director on 5 December 2025)	B
CHEN CHOU Mei Mei, Vivien	A, B
Independent Non-executive Directors	
Simon MURRAY (retired on 29 May 2025)	N/A
YEUNG Kit Shing, Jackson	A, B
Haider Hatam Tyebjee BARMA (retired on 29 May 2025)	N/A
LAM Kin Fung, Jeffrey	A, B
NG Tak Wai, Frederick (resigned on 1 December 2025)	B
LAM Tin Fuk, Fred (appointed on 29 May 2025)	A, B
KWOK King Man, Clement (appointed on 1 December 2025)	A, B

A: attending training sessions/seminars/briefings/forums/workshops/conferences

B: reading materials or e-training in relation to regulatory updates, the duties and responsibility of directors and the business of the Group

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policies for the corporate governance of the Company and performing the corporate governance duties as below:

- (i) to develop and review the Group's policies and practices on corporate governance;
- (ii) to review and monitor the training and continuous professional development of the Directors and senior management;
- (iii) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors of the Group; and
- (v) to review the Group's compliance with the CG Code and disclosure in the Corporate Governance Report.

The following works on corporate governance functions were performed by the Board during 2025:

- (a) review and adoption of the enterprise risk management framework;
- (b) approval of the 2024 Corporate Governance Report and the 2024 Environmental, Social and Governance Report; and
- (c) review and approval of (i) the amended Corporate Governance Policy; (ii) the amended terms of reference of Nomination Committee; and (iii) the Workforce Diversity Policy.

The corporate governance functions are undertaken by the Board with assistance of the Corporate Governance Committee (the "CG Committee").

CORPORATE GOVERNANCE COMMITTEE

The Board set up the CG Committee on 25 August 2022 for the purpose to enhance and ensure that the Company maintains a high standard of the corporate governance. The terms of reference of the CG Committee specify its duties and functions and that it must comprise at least three members to be appointed by the Board and include not less than one Executive Director, the Chief Financial Officer and the Company Secretary of the Company. The CG Committee currently comprises NG Kar Wai, Kenneth, FUNG Ching Man, Janet and CHUNG Siu Wah, Henry. The CG Committee is chaired by NG Kar Wai, Kenneth.

The principal role and function of the CG Committee is to assist the Board in developing, reviewing and monitoring the Company's policies and practices on corporate governance, and on assurance the compliance with legal and regulatory requirements.

The works performed by the CG Committee during 2025 included the following:

- (a) review of the implementation and effectiveness of the mechanisms ensuring independent views available to the Board; and
- (b) review of the implementation and effectiveness of the Shareholders Communication Policy.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 12 July 2005 and is mainly responsible for (i) assisting the Board in developing and applying a fair, formal and transparent procedure for formulating remuneration policies for the Executive Directors and senior management; (ii) assisting the Board in fixing the remuneration packages for all Directors and senior management; and (iii) assisting the Board in reviewing and approving the grant to the Directors, senior management and/or management staff of share options and/or share awards under (a) the share option plan adopted by the Company on 23 May 2023 (the “2023 Share Option Plan”); (b) the share award plan adopted by the Company on 23 May 2023 (the “2023 Share Award Plan”); and (c) any other share-based incentive scheme adopted or to be adopted by the Company. The Remuneration Committee’s terms of reference specify its duties and functions and that the committee shall consist of not less than three members and the majority of them shall be Independent Non-executive Directors. The terms of reference are available on the Company’s website under the “Corporate Governance” section and the Stock Exchange’s website.

During the year and up to the date of this report, members of the Remuneration Committee are as follows:

LAM Tin Fuk, Fred	<i>(appointed as Committee Chairman on 29 May 2025)</i>
Simon MURRAY	<i>(retired as Committee Chairman on 29 May 2025)</i>
CHENG Wai Chee, Christopher	
YEUNG Kit Shing, Jackson	

The Remuneration Committee met once in 2025. The attendance record of each member of the Remuneration Committee meeting is set out in the table under the section headed “Attendance at Meetings” of this report.

The works performed by the Remuneration Committee during 2025 included, but not limited to, the following:

- (a) review and approval of the remuneration packages of certain Executive Directors and senior management including bonuses for the year ended 31 December 2024 and the annual base salaries for the year ended 31 December 2025;
- (b) review and approval of the grants of share options and/or share awards to certain Executive Directors, and certain members of the senior management and management staff under the 2023 Share Option Plan and the 2023 Share Award Plan; and
- (c) review and adoption of the proposal of the Directors’ fees for the year ended 31 December 2025.

Performance targets and clawback mechanism of the 2023 Share Option Plan and the 2023 Share Award Plan

No performance target is stipulated in the 2023 Share Option Plan and the 2023 Share Award Plan. The Remuneration Committee is of the view that performance targets are not necessary for the following reasons: (i) the share options/share awards were granted as part of the bonus earned; (ii) the value of the share options/share awards will be linked to the future price of the shares of the Company (the “Shares”), which in turn depends upon the performance of the Company; and (iii) the minimum vesting period will ensure that the grantees’ and the Company’s long term interests are aligned and the grantees will be motivated to contribute towards the Company’s development.

No clawback mechanism is stipulated in the 2023 Share Option Plan and the 2023 Share Award Plan. The Remuneration Committee is of the view that a clawback mechanism is not necessary for the following reasons: (i) the share options/share awards were granted as part of the bonus earned; (ii) if the price of the Shares during the exercise period of the share options granted is lower than the exercise price therefor, the share options granted will be of no value; and (iii) the rules of the 2023 Share Option Plan and the 2023 Share Award Plan provide for the lapse and cancellation of options/awards under various scenarios whereby the Company’s interests are adequately protected.

CORPORATE GOVERNANCE REPORT

Remuneration Policy for Executive Directors and Senior Management

The principal elements of the Executive Directors' and senior management's remuneration packages include basic salaries and discretionary bonus which includes cash, share options and/or share awards. The remuneration packages of the Executive Directors and senior management will be proposed jointly by the Chairman and the Chief Executive annually for the review and approval by the Remuneration Committee based on the following factors:

- (i) the Executive Director's and senior management's individual responsibilities;
- (ii) the Executive Director's and senior management's individual performance;
- (iii) the performance of the business unit(s) headed by the Executive Director or senior management concerned; and
- (iv) the performance of the Group as a whole.

Remuneration Policy for Non-executive Directors

The Non-executive Directors' remuneration, comprising the Directors' fee, is subject to assessment on a regular basis and recommended by the Remuneration Committee for the Shareholders' approval at the AGM.

Directors' Remuneration

The Directors' remuneration is set out in note 9 to the consolidated financial statements on pages 120 to 122 of this annual report.

Senior Management's Remuneration

The emoluments of certain senior management whose profiles are included in "Directors and Senior Management Profile" section of this annual report fell within the following bands:

	Number of individuals
	2025
Emoluments bands	
HK\$3,000,001 – HK\$4,000,000	1
HK\$4,000,001 – HK\$5,000,000	1
HK\$5,000,001 and above	2
	4

NOMINATION COMMITTEE

The Nomination Committee was established on 1 February 2013 and is mainly responsible for (i) assisting the Board in determining the policy, criteria and procedures for the nomination of Directors and the policy for Board diversity; and (ii) making recommendations to the Board on nominations, appointment or re-appointment of the Directors as well as on Board succession. The terms of reference of the Nomination Committee specifying its role and the authority delegated to it by the Board are available on the Company's website under the "Corporate Governance" section and the Stock Exchange's website. According to its terms of reference, the Nomination Committee shall consist of not less than three members with at least one member of a different gender and the majority of them shall be Independent Non-executive Directors. During the year and up to the date of this report, members of the Nomination Committee are as follows:

LAM Tin Fuk, Fred	<i>(appointed as Committee Chairman on 29 May 2025)</i>
Simon MURRAY	<i>(retired as Committee Chairman on 29 May 2025)</i>
CHENG Wai Chee, Christopher	
CHENG Wai Sun, Edward	
YEUNG Kit Shing, Jackson	
CHEN CHOU Mei Mei, Vivien	<i>(appointed on 29 May 2025)</i>
LAM Kin Fung, Jeffrey	<i>(appointed on 29 May 2025)</i>
KWOK King Man, Clement	<i>(appointed on 1 December 2025)</i>
NG Tak Wai, Frederick	<i>(appointed on 29 May 2025 and resigned on 1 December 2025)</i>
Haider Hatam Tyebjee BARMA	<i>(retired on 29 May 2025)</i>

The Nomination Committee met two times in 2025. The attendance record of each member for the Nomination Committee meetings is set out in the table under the section headed "Attendance at Meetings" of this report.

The works performed by the Nomination Committee during 2025 included, but not limited to, the following:

- (a) review of the structure, size and composition of the Board;
- (b) review of the independence of the Independent Non-executive Directors;
- (c) making recommendations on the re-election of the Directors at the 2025 AGM;
- (d) review of the measurable objectives set for implementing the Board Diversity Policy and approval of the disclosure of such review in the 2024 Corporate Governance Report; and
- (e) making recommendations to the Board on the appointments of LAM Tin Fuk, Fred and KWOK King Man, Clement as Independent Non-executive Directors.

CORPORATE GOVERNANCE REPORT

Board Nomination Policy

A summary of the Board Nomination Policy (adopted by the Board on 29 August 2013 and amended on 27 March 2019) is set out below.

(A) Appointment of Directors

1. Selection Criteria

When considering matters related to nomination, the members of the Nomination Committee should pay due regard to the following matters:

- (a) the skills, knowledge and experience required to discharge competently the Board's duties having regard to the Company's performance, financial position and strategic direction;
- (b) the skills, knowledge and experience represented on the Board and whether these skills, knowledge and experience are sufficient to meet the needs of the Company;
- (c) succession planning issues or strategies for the ongoing effective performance of the Board as a whole;
- (d) diversity of the Board; and
- (e) compliance with the Company's second amended and restated bye-laws, applicable laws, rules and regulations from time to time.

2. Nomination Procedures

In identifying and recommending candidate(s) for the Board's consideration:

- (a) the Nomination Committee is to identify the areas of skills, experience, profession and personal attributes that the Board expects and requires from a new Board member who will assist the Board in carrying out its duties to achieve the corporate objectives;
- (b) the Nomination Committee is to identify potential candidates, possibly with the assistance from external agencies and/or advisors;
- (c) the Company Secretary is to provide the Nomination Committee with (i) the biographical details of each of the candidates; (ii) details of each of the candidates' relationship with the Company and/or the Directors (if any); (iii) skills and experience of each of the candidates; (iv) other directorships held by each of the candidates; (v) other positions held by each of the candidates which involve significant time commitment; and (vi) any other particulars required by law for any candidate for appointment to the Board;
- (d) the Nomination Committee is to evaluate the character, skills, knowledge, experience and other relevant information of a candidate and to ascertain by means of interviews or other ways as to whether he/she is fit and proper for becoming a member of the Board with reference to the criteria set out in the Listing Rules;

-
- (e) in case the candidate is proposed to be appointed as an Independent Non-executive Director (the “INED Candidate”), the Nomination Committee is (i) to assess the independence of the INED Candidate with reference to the criteria set out in Rule 3.13 of the Listing Rules; and (ii) to consider whether the INED Candidate will be able to devote sufficient time to the Board in the event that the INED Candidate will be holding seventh (or more) listed company directorship;
 - (f) the Nomination Committee is to nominate one or more qualified candidates to the Board for consideration;
 - (g) the Board is to agree on a preferred candidate;
 - (h) the Chairman of the Board is to approach the preferred candidate to canvass interest, availability and terms of appointment; and
 - (i) the Chairman of the Board, in consultation with the chairmen of the Remuneration Committee and the Nomination Committee as appropriate and required, is to finalise a letter of appointment setting out the key terms and conditions of the appointment for the Board’s approval.

(B) Re-appointment of Directors

At each AGM, certain Directors will be subject to retirement (by rotation or otherwise) and certain Director(s) will be subject to re-election in accordance with the requirements of the Company’s second amended and restated bye-laws and the CG Code. The retiring Directors may offer themselves for re-election.

The Nomination Committee shall consider the suitability of each of the Directors who offers him/her for re-election (the “Re-electing Directors”) for re-election in the light of the Board Nomination Policy and the Board Diversity Policy of the Company and make its recommendations therefor to the Board for consideration provided that, for each Re-electing Director who is an Independent Non-executive Director, the Nomination Committee shall also assess his/her independence before making such recommendation(s).

The Board shall consider the suitability of each Re-electing Director for re-election in the light of the Nomination Committee’s recommendation, the Board Nomination Policy and the Board Diversity Policy and make its recommendations therefor to the Shareholders for consideration and approval.

Board Diversity Policy

A summary of the Board Diversity Policy (adopted by the Board on 29 August 2013 and amended on 8 December 2022) is set out below.

The Company recognises that a diverse Board will enhance the performance of the Company and that an increasing diversity at the Board level is inductive to the attainment of the Company’s strategic objectives and the Company’s sustainable development. Hence the purpose of the Board Diversity Policy aims to achieve diversity on the Board (including but not limited to the aspects of genders, age, cultural and educational backgrounds, ethnicities, professional experience, skills, knowledge and length of service).

CORPORATE GOVERNANCE REPORT

Measurable Objectives

The Nomination Committee agreed the measurable objectives set out below for implementing the Board Diversity Policy.

Gender

Striving for gender diversity and gender neutrality with the objective of increasing female representation on the Board, subject to availability and identification of candidates with appropriate skills and experience.

Age

Striving for age diversity and age neutrality with the objective of increasing representation of the younger age group on the Board, subject to availability and identification of candidates with appropriate skills and experience.

Independence

- (i) Maintaining a balanced composition of Executive Directors, Non-executive Directors and Independent Non-executive Directors (“INED”).
- (ii) Complying with the relevant requirements of the Listing Rules.

Professional Qualifications

- (i) Maintaining the Board with Directors with balanced professional qualifications.
- (ii) Complying with the Listing Rules requirements that at least one INED must have professional qualifications or accounting or related financial management expertise as provided under Rule 3.10(2) of the Listing Rules.

Area of Experience

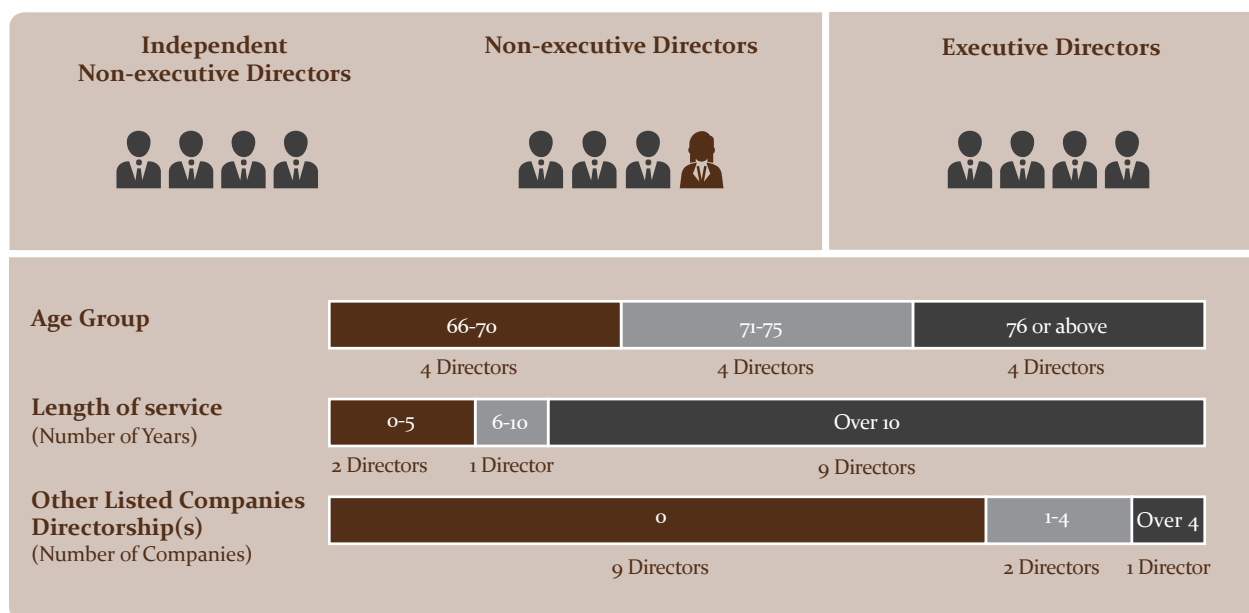
Maintaining the Board with Directors with balanced experiences from various industries in order to widen the views of the Board and assist in setting up and developing the strategies of the Group.

The Nomination Committee has reviewed and will review the measurable objectives concerning independence, professional qualifications and area of experience of the Directors on an annual basis in order to assess the composition of the Board.

The Nomination Committee will conduct regular assessment of the gender diversity profile, including the gender balance at the Board level and progress towards achieving gender diversity targets.

It is considered that the current Board composition is well-balanced and of a diverse mix appropriate for the business of the Company. The Board reviews and monitors the implementation of the Board Diversity Policy on a regular basis to ensure its effectiveness in respect of the optimal composition of the Board.

As at the date of this report, the diversity of the Board is summarised as follows:



For more details, please refer to the “Directors and Senior Management Profile” section on pages 21 to 24 of this annual report.

WORKFORCE DIVERSITY POLICY

A summary of the Workforce Diversity Policy adopted by the Board on 21 August 2025 is set out below.

The Company believes that a diverse workforce and an inclusive culture are fundamental to the Group’s sustainable growth and operational success. The Group is committed to fostering an inclusive, diverse, and supportive workplace where all employees (regardless of gender, age, family status, race, ethnicity, religion, sexual orientation, or other characteristics) are valued, respected, and treated fairly with equal access to opportunities.

Measurable Objectives

Considering the nature of the Company’s business and the markets in which it operates, gender diversity would be the more common and significant issue for the Company. The Group strives to maintain a gender-balanced workforce. In the event that there is less than 35% female representation in the Group’s workforce or there is less than 25% female representation in the Group’s senior leadership positions, key performance indicators will be set to prioritise the Group’s efforts to maintain a gender-balanced workforce.

As at 31 December 2025, the Group’s senior management comprises 50% of male and 50% of female, and the Group’s workforce (excluding senior management) comprises 48% of male and 52% of female. The Company continually takes positive action to ensure equal opportunity in the conduct of employment activities: recruitment, hiring, compensation, training and promotion for all persons to be based on their competence, knowledge, experience and individual performance, regardless of gender.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee was established on 9 March 1999 and is mainly responsible for (i) assisting the Board in overseeing and reviewing the effectiveness of the Company's internal control system, risk management system and regulatory compliance; (ii) assisting the Board in overseeing and reviewing the transparency and integrity of the Company's financial statements and the application of financial reporting principles; (iii) assisting the Board in overseeing and reviewing the relationship with the external auditor and the assessment of the independence of the external auditor; and (iv) assisting the Board in overseeing and reviewing the Company's internal audit function. The terms of reference of the Audit Committee specify its duties and functions and that the Audit Committee shall consist of not less than three members and the majority of them shall be Independent Non-executive Directors. The Audit Committee's terms of reference are available on the Company's website under the "Corporate Governance" section and the Stock Exchange's website. During the year and up to the date of this report, the members of the Audit Committee are as follows:

YEUNG Kit Shing, Jackson	<i>(Committee Chairman)</i>
HONG Pak Cheung, William	
KWOK King Man, Clement	<i>(appointed on 1 December 2025)</i>
NG Tak Wai, Frederick	<i>(appointed on 29 May 2025 and resigned on 1 December 2025)</i>
Haider Hatam Tyebjee BARMA	<i>(retired on 29 May 2025)</i>

The Audit Committee met three times in 2025. The attendance record of each member for the Audit Committee meetings is set out in the table under the section headed "Attendance at Meetings" of this report.

The works performed by the Audit Committee during 2025 included, but not limited to, the following:

- (a) review of the external auditor's audit plan for the year ended 31 December 2025;
- (b) review and adoption of the 2026 internal audit plan;
- (c) review of the 2025 work progress reports and the works performed by the internal audit team in 2025;
- (d) review of the annual report and annual results announcement for the year ended 31 December 2024, with recommendations to the Board for consideration;
- (e) review of the external auditor's report on the audit of the financial statements for the year ended 31 December 2024;
- (f) review of the interim report and interim results announcement for the six months ended 30 June 2025, with recommendations to the Board for consideration;
- (g) review of the external auditor's report on the review of interim financial statements for the six months ended 30 June 2025;
- (h) approval of the 2026 annual budget for audit and non-audit services;
- (i) meetings with the external auditor 3 times without any Executive Directors' presence;

-
- (j) review of the enterprise risk management framework with a recommendation to the Board for adoption;
 - (k) oversight of the risk management and internal control systems;
 - (l) review of the effectiveness of the risk management and internal control systems;
 - (m) making recommendation to the Board on the re-appointment of the external auditor; and
 - (n) approval of the engagement letter of the external auditor relating to the audit services for the financial year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROLS

Responsibility of the Board

The Board acknowledges that it is responsible for the Group's risk management and internal control systems and reviewing their effectiveness. The Audit Committee is tasked to assist the Board in doing so. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatements or losses.

The Group's risk management and internal control systems are in place and were functioning effectively and adequately during the year under review.

Risk Management

The Group adopts an integrated bottom-up and top-down risk review process to enable:-

- (1) comprehensive identification and prioritisation of all material risks throughout the Group in the light of the Group's strategic objectives;
- (2) escalation of the material risks to the right managerial levels;
- (3) effective risk dialogues among the management teams; and
- (4) proper oversight of risk mitigation efforts.

Management's regular meetings are held to identify major and significant risks relating to operations, finance, compliance as well as environmental, social and governance. Management carries out risk monitoring assessment regularly for the major and significant risks and develops effective control activities to mitigate the risks. The Group's risk management system is closely linked to its internal control systems. Key controls associated with the key risks of the Group are identified and tested in order to assess their effectiveness.

CORPORATE GOVERNANCE REPORT

Internal Controls

The Group's internal audit department is responsible for providing independent assurance that the Group's risk management and internal control processes are operating effectively. The head of the internal audit department reports to the Audit Committee on a regular basis. The Audit Committee reviews and approves the annual internal audit plan which is practically linked to the Group's significant areas of operations. The audit plan is prepared under a risk based approach and covers the Group's significant areas of operations. The audit plan is reviewed on an annual basis.

The scope of the works of the Group's internal audit department covers all material controls including financial, operational, compliance and environmental, social and governance-related controls as well as risk management functions. Major controls of the Group are continuously reviewed aiming to cover all major business units and operations of the Group on a rotational basis. Internal audit findings and recommendations are presented at the Audit Committee meetings. The implementation of the agreed recommendations is to be followed up on a regular basis. No significant control failings or weaknesses (i) were identified during the year; or (ii) were identified previously but remain unresolved.

Policies and procedures have been established to safeguard the Group's assets against any possible unauthorised use or disposition and to ensure the proper maintenance of accounting records for the provision of reliable financial information for internal use and for publication in compliance with all applicable laws, rules and regulations.

The Company regulates the handling and dissemination of inside information according to the Inside Information Policy adopted by the Board on 22 March 2013. This policy provides that inside information is to be kept confidential until the disclosure thereof is made and that the dissemination of such information shall be made efficiently and consistently.

A Whistleblowing Policy was formulated on 28 March 2012 and amended on 8 December 2022 to enable employees and third parties to raise concerns in confidence about misconducts, malpractice or impropriety relating to the Group. The purpose of formulating this policy is to increase the awareness of maintaining internal corporate justice and regard this as a kind of internal control mechanism. In accordance with this policy, employees and third parties are provided with reporting channels and guidance on whistleblowing. With a view to encouraging whistle-blowers to (i) exercise due care to ensure the accuracy of the information reported by them; and (ii) raise serious concerns in a responsible and effective manner, the Whistleblowing Policy encourages whistle-blowers to provide names and/or contact details and alerts that anonymous reports would usually not be considered. During the year, there were no reports received from employees or third parties under this policy.

An Anti-corruption Policy was adopted by the Company on 8 December 2022 which outlines the anti-corruption practices and controls as well as the Company's culture, expectations and requirements relating to the prevention, reporting and investigation of any suspected or actual bribe, corruption and other irregularities of employees and third parties dealing with the Group.

Assessment and review by the Board

The Board assesses the effectiveness of the risk management and internal control systems regularly with the assistance of the Audit Committee and in the light of the reviews performed by the senior management as well as both of the internal and external auditors. The risk management and internal control systems are designed to identify, evaluate and manage significant risks faced by the Group on an on-going basis.

For the financial year ended 31 December 2025, the Board with the assistance of the Audit Committee conducted a review of the effectiveness of the Group's risk management and internal control systems in the light of the reports of the Group's internal audit department and the confirmation from the management on the effectiveness of these systems of the Group. The Board considers that these systems are operating effectively and adequately in all material aspects. Neither significant changes in risk profile of the Group nor significant areas of concern which might affect the Shareholders were identified.

EXTERNAL AUDITORS' REMUNERATION

The remuneration in respect of audit and non-audit services provided by external auditors of the Group for the financial year ended 31 December 2025 are HK\$4,844,000 (2024: HK\$4,944,000) and HK\$926,000 (2024: HK\$648,000) respectively.

The remuneration in respect of significant non-audit services in 2025 included the following:

Nature of services	Fee paid HK\$
Tax services	926,000

ATTENDANCE AT MEETINGS

The attendance record of individual members at the Board and Committees meetings and AGM in 2025 are detailed in the following table:

	Meetings attended/Eligible to attend				2025 AGM
	Board	Audit Committee	Remuneration Committee	Nomination Committee	
Directors					
Executive Directors					
CHENG Wai Chee, Christopher	4/4	N/A	1/1	2/2	1/1
CHENG Wai Sun, Edward	4/4	N/A	N/A	2/2	1/1
CHENG Man Piu, Francis	4/4	N/A	N/A	N/A	0/1
NG Kar Wai, Kenneth	4/4	N/A	N/A	N/A	1/1
Non-executive Directors					
KWOK Ping Luen, Raymond (attended by his alternate, KWOK Ho Lai, Edward)	0/4 4/4	N/A N/A	N/A N/A	N/A N/A	0/1 1/1
HONG Pak Cheung, William	4/4	3/3	N/A	N/A	1/1
CHOW Wai Wai, John (re-designated on 5 December 2025)	3/4	N/A	N/A	N/A	1/1
CHEN CHOU Mei Mei, Vivien	4/4	N/A	N/A	1/1	1/1
Independent Non-executive Directors					
Simon MURRAY (retired on 29 May 2025)	1/1	N/A	1/1	1/1	0/1
YEUNG Kit Shing, Jackson	4/4	3/3	1/1	2/2	1/1
Haider Hatam Tyebjee BARMA (retired on 29 May 2025)	1/1	1/1	N/A	1/1	1/1
LAM Kin Fung, Jeffrey	4/4	N/A	N/A	1/1	1/1
NG Tak Wai, Frederick (resigned on 1 December 2025)	3/3	1/1	N/A	1/1	1/1
LAM Tin Fuk, Fred (appointed on 29 May 2025)	3/3	N/A	N/A	1/1	N/A
KWOK King Man, Clement (appointed on 1 December 2025)	1/1	1/1	N/A	N/A	N/A

Apart from regular Board meetings, the Chairman also held a meeting with the then Independent Non-executive Directors without the presence of the other Directors to discuss the business of the Company during the year.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

On 10 December 2018, the Board adopted a Dividend Policy to make sustainable returns to the Shareholders by, among others, dividend payments (whether in cash with or without an option to receive scrip or vice versa).

Before determining any payment of dividend or, as the case may be, making recommendation of any dividend payment for the approval of the Shareholders, the Board will review the financial performance, business environment, investment needs, liquidity position and forecast cash flow positions of the Group as well as the dividend yields of listed shares of the Company's peer group. It is the Company's policy to link dividend payments with the above factors. Dividend pay-out ratio will therefore vary from year to year.

The Company will normally pay an interim dividend and a year-end dividend in each financial year. The Board determines the interim dividend and recommends the year-end dividend for the approval of the Shareholders in accordance with the Dividend Policy.

The Board shall review the Dividend Policy as the circumstances so warrant.

COMPANY SECRETARY

CHUNG Siu Wah, Henry joined the Group in 1993 and is currently the Group Legal Counsel and Company Secretary of the Company. He is responsible for facilitating the Board process, as well as communications among the Board members, communications with the Shareholders and management. During the year, CHUNG Siu Wah, Henry undertook more than 15 hours of professional training to update his skills and knowledge.

FINANCIAL REPORTING

The Directors acknowledged that they are responsible for the preparation of the financial statements which give a true and fair view and are prepared in accordance with appropriate accounting policies selected and applied consistently. The statement of the external auditor of the Group relating to their reporting responsibilities on the financial statements of the Group and the Company is set out in the Independent Auditor's Report on pages 70 to 74 of this annual report.

CONSTITUTIONAL DOCUMENTS

At the AGM held on 29 May 2025, a special resolution was passed by the Shareholders approving certain amendments to the Company's amended and restated bye-laws (the "Bye-laws Amendments") to, among others, (i) provide the Company with flexibility to hold and dispose of the Company's shares bought back as treasury shares in accordance with the applicable laws of Bermuda and the Listing Rules; (ii) reflect the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications under the Listing Rules; and (iii) provide flexibility to the Company to conduct electronic general meetings. Details of the Bye-laws Amendments are set out in the Company's circular dated 29 April 2025.

A copy of the latest consolidated version of the Memorandum of Association and the Second Amended and Restated Bye-laws containing the Bye-laws Amendments is available on the Company's website under the "Corporate Governance" section and the Stock Exchange's website.

COMMUNICATION WITH SHAREHOLDERS

The Company recognises the importance of maintaining an ongoing dialogue with the Shareholders and does so through general meetings, press releases, announcements and corporate communications. The Board adopted Shareholders Communication Policy which reflects mostly the current practices of the Company for communications with the Shareholders. Such policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. The Shareholders Communication Policy is available on the Company's website under the "Corporate Governance" section.

The key communication channels and engagements with the Shareholders are as follows:

Communication Channels

General Meetings	• The general meetings provide a forum for the Shareholders to exchange views with the Board. The Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at such meetings for them and on their behalf if they are unable to attend such meetings. • Appropriate arrangements for the general meetings shall be in place to encourage the Shareholders' participation. • Board members, in particular, chairman of the Board and chairperson of the Board Committees or their delegates, appropriate management executives and external auditor shall attend annual general meetings to answer the Shareholders' questions. • An explanation of the detailed procedures of conducting a poll will be provided to the Shareholders at the commencement of the AGM, to ensure that the Shareholders attending such meeting are familiar with such procedures. • For details of the annual general meeting held in 2025, please refer to the section under sub-section headed "General Meeting held in 2025" below.
Company's Website	• Corporate Communications¹ released by the Company to the Stock Exchange shall also be posted on the Company's website immediately thereafter. • An "Investor Relations" section is made available on the Company's website. Information posted on the Company's website shall be updated on a regular basis. • All press releases issued by the Company shall be made available on the Company's website.
Shareholders' Enquiries	• Shareholders are welcome to direct their enquiries to the Company either by writing to the Company's head office and principal place of business at 27th Floor, AIA Kowloon Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong or by email to ir@wingtaiproperties.com. • Shareholders should direct their questions about their shareholdings or receipt of the Corporate Communications¹ to the Company's branch share registrar and transfer office in Hong Kong, namely Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Note:

1. "Corporate Communications" refer to any document(s) issued or to be issued by the Company for the information or action of holders of any of its securities or the investing public, including but not limited to (a) directors' report, annual accounts together with a copy of the auditors' report and, where applicable, summary financial report; (b) interim report and, where applicable, summary interim report; (c) notice of meeting; (d) listing document; (e) circular; and (f) proxy form.

CORPORATE GOVERNANCE REPORT

GENERAL MEETING HELD IN 2025

The Company held one general meeting during the year. Details are as follows:

2025 Annual General Meeting

The 2025 AGM was held on 29 May 2025 at 27th Floor, AIA Kowloon Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong. CHENG Wai Chee, Christopher (Chairman of the Board), YEUNG Kit Shing, Jackson (Chairman of the Audit Committee), together with other Board members (except for CHENG Man Piu, Francis, KWOK Ping Luen, Raymond and Simon MURRAY), the Group's Chief Financial Officer, the Company Secretary and representatives of PricewaterhouseCoopers (the external auditor), attended the 2025 AGM and responded to the enquiries raised by Shareholders at the meeting. Given that Simon MURRAY, the chairman of each of the Remuneration Committee and the Nomination Committee prior to his retirement as an Independent Non-executive Director effective from the conclusion of the 2025 AGM, was unable to attend the 2025 AGM due to another engagement, CHENG Wai Chee, Christopher, who is a member of each of the Remuneration Committee and the Nomination Committee, was responsible for answering the Shareholders' relevant enquiries if any.

A total of eight resolutions were passed at the 2025 AGM (with resolution no. 3 comprising three separate sub-resolutions), all of which were supported by at least 99% of the votes cast. The full text of the resolutions is set out in the Company's circular (which included the notice of the 2025 AGM) dated 29 April 2025. The total number of Shares with voting rights held by the Shareholders presented at the 2025 AGM in person or by proxy was 1,016,715,481 (representing approximately 74.58% of the total issued Shares as at the date of the 2025 AGM). The poll results of the resolutions at the 2025 AGM are available on the Company's website and the Stock Exchange's website.

Having considered the current practices of the Company for communications with Shareholders, the Company concluded that the Shareholders Communication Policy was effectively implemented throughout the year. The Shareholders Communication Policy will be reviewed annually to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene a Special General Meeting of the Company ("SGM")

Pursuant to the Company's Second Amended and Restated Bye-laws and the Companies Act 1981 of Bermuda (the "Companies Act"), registered Shareholders holding not less than one-tenth (10%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "SGM Requisitionists") may deposit a written request to convene a SGM at the registered office of the Company (the "Registered Office"), which is presently situated at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The SGM Requisitionists must state in their request(s) the purposes of the SGM and such request(s) must be signed by all the SGM Requisitionists and may consist of several documents in like form, each signed by one or more of the SGM Requisitionists.

The share registrars of the Company (the "Share Registrars") will verify the SGM Requisitionists' particulars stated in the SGM Requisitionists' request. Promptly after the receipt of confirmation from the Share Registrars that the SGM Requisitionists' request is in order, the Company Secretary will arrange with the Board to convene a SGM by serving sufficient notice to all the registered Shareholders in accordance with all the relevant statutory and regulatory requirements. On the contrary, if the SGM Requisitionists' request is verified not in order, the SGM Requisitionists will be advised of the outcome and a SGM will not be convened as requested.

SGM shall be held within two (2) months after the deposit of the SGM Requisitionists' request. If the Board does not proceed duly to convene a SGM within twenty-one (21) days of the deposit of the SGM Requisitionists' request, the SGM Requisitionists, or any of them holding more than one-half of the total voting rights held by all of them, may themselves convene a SGM provided that any SGM so convened is held within three (3) months from the date of the original SGM Requisitionists' request. A SGM so convened by the SGM Requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.

Procedures for Shareholders to Put Forward Proposals at a General Meeting

Pursuant to the Companies Act, either (i) any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or (ii) not less than 100 of such registered Shareholders (the "Requisitionists") may request the Company in writing to (a) give to the Shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to the Shareholders entitled to receive notice of the next general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the Requisitionists may consist of several documents in like form, each signed by one or more of the Requisitionists; and such requisition must be deposited at the Registered Office with a sum reasonably sufficient to meet the Company's relevant expenses, not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that if an AGM is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Procedures for Shareholders to Propose a Person for Election as a Director

The procedures for proposing a person for election as a Director are at the Company's website at www.wingtaiproperties.com under the "Corporate Governance" section.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary, whose contact details are as follows:

27th Floor, AIA Kowloon Tower,
Landmark East, 100 How Ming Street,
Kwun Tong, Kowloon, Hong Kong
Fax: (852) 2351 8404

Shareholders may also make enquiries with the Board at the general meetings of the Company.



羅兵咸永道

TO THE SHAREHOLDERS OF WING TAI PROPERTIES LIMITED*(incorporated in Bermuda with limited liability)***OPINION****What we have audited**

The consolidated financial statements of Wing Tai Properties Limited (the "Company") and its subsidiaries (the "Group") set out on pages 75 to 163, comprise the consolidated balance sheet as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit is related to valuation of investment properties held by the Group and its joint ventures and assessment of net realisable values of properties for sale held by the Group and its joint ventures.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Key Audit Matter

Valuation of investment properties held by the Group and its joint ventures

Refer to Note 4(a) in the critical accounting estimates and judgements, Notes 15 and 17 to the consolidated financial statements.

The Group's investment property portfolio is mainly comprised of commercial, industrial, residential units and serviced apartments and others in Hong Kong, the People's Republic of China (the "PRC") and the United Kingdom. As at 31 December 2025, the Group's investment properties, were stated at fair value of HK\$16,630.7M, with a revaluation loss of HK\$1,455.3M recorded in the consolidated income statement. The Group also has significant investment properties held by its joint ventures.

Independent external valuers have been engaged to perform valuation of the investment properties.

We focused on the valuation of investment properties because the estimation of fair value is subject to estimation uncertainty. It is inherently subjective due to, among other factors, the individual nature of each property, its location, prevailing market returns and the expected future rentals for that particular property held by the Group and its joint ventures as at 31 December 2025.

The fair values were primarily derived using the income capitalisation method, discounted cash flow approach and direct comparison approach. In determining a property's valuation, valuers took into account property-specific information such as current tenancy agreements, rental income, location and condition of the properties. They applied assumptions for capitalisation rates, discount rates, room rates, estimated market rent and market capital value which were influenced by prevailing market yields and comparable market transactions, to arrive at the final valuation. The existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement, warrants specific audit focus in this area.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's valuation of investment properties include:

- Understanding management's controls and processes for determining the valuation of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied;
- Evaluating the independent professional valuer's competence, capabilities and objectivity;
- Involving our internal valuation expert in assessing the valuations and the key assumptions of certain selected investment properties;
- Assessing the methodologies used and the appropriateness of the key assumptions, including:
 - (a) capitalisation rates, by comparing to an estimated range of expected yields, determined via reference to published benchmarks and market information;
 - (b) discount rates, by comparing to market information;
 - (c) room rates, by comparing to market information;
 - (d) estimated market rent by comparing to the recent leasing transactions of comparable properties; and
 - (e) recent market transaction prices of properties with comparable conditions and locations.
- Checking, on a sample basis, over the data used by the valuers to appropriate supporting documents, such as operating expenditure details, and rental income schedule covering the rental information and lease period to the underlying lease agreements, in order to satisfy ourselves of the accuracy and reasonableness of the property information used by the valuers; and
- Assessing the adequacy of the disclosures related to the valuation of investment properties in the context of HKFRS disclosure requirements.

Based on the procedures performed, we considered that the key assumptions used in the valuation of investment properties were supported by available evidence.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter

Recoverability of properties for sale held by the Group and its joint ventures

Refer to Note 4(c) in the critical accounting estimates and judgements and Notes 17 and 22 to the consolidated financial statements.

The Group had properties for sale of HK\$3,367.8M. Their net realisable values are subject to market fluctuation and changes in the economic environment. The Group also has significant properties for sale/properties under development held by its joint ventures.

Management assessed the recoverability of the properties for sale based on estimates of the net realisable values of the underlying properties. These involve the estimation of expected selling prices of the properties based on prevailing market conditions, such as current market prices of properties of comparable locations and conditions; valuation of gross development value of the properties performed by independent external valuers; the costs necessary to make the sales; and the construction costs to complete the properties based on the existing development plans, where applicable. Provision is made when events or changes in circumstances indicate that the carrying value of properties for sale exceeds the net realisable value.

We focused on the recoverability of properties for sale due to the significant judgements and estimates involved in determining the estimated net realisable values for certain properties as a result of changes in market conditions.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's assessment of net realisable value of properties for sale and properties under development include:

- Understanding management's control and processes of the assessment of the recoverability of properties for sale and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;
- Evaluating management's assessment on the recoverability of properties for sale and assessed the reasonableness of key assumptions and estimates used;
- Comparing, on a sample basis, expected selling prices to the contracted selling prices of the underlying properties or current market prices of properties of comparable locations and conditions, where applicable;
- Evaluating the independent professional valuer's competence, capabilities and objectivity; involving our internal valuation expert in assessing the valuations and the key assumptions of certain selected properties for sale; assessing the methodologies used and the appropriateness of the key assumptions;
- Assessing the reasonableness of estimated costs necessary to make the sales with reference to historical benchmarks and market information;
- Assessing the reasonableness of estimated costs to complete the properties by agreeing the total costs to the latest approved budget and tested, on a sample basis, the estimated construction costs to committed contracts and other supporting information, where applicable.

Based on the procedures performed, we considered that the key assumptions used in determining the net realisable value of underlying properties to be appropriate.

We also assessed the adequacy of the disclosures related to properties for sale in the context of HKFRS. We are satisfied that appropriate disclosure has been made.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Chui Man (practising certificate number: P05933).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2026

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	Note	2025 HK\$'M	2024 HK\$'M
Revenue	5	968.8	1,031.1
Cost of sales		(454.9)	(395.9)
Gross profit		513.9	635.2
Other gains/(losses), net	7	57.2	(0.2)
Selling and distribution costs		(50.2)	(54.3)
Administrative expenses		(327.4)	(366.9)
Impairment provision for properties for sale	22	(425.9)	(756.2)
Change in fair value of			
– investment properties	15	(1,455.3)	(1,237.2)
– financial instruments	14	65.6	(120.7)
		(1,389.7)	(1,357.9)
Gain on disposal of a subsidiary	26	38.0	–
Loss from operations	8	(1,584.1)	(1,900.3)
Finance costs	10	(140.9)	(208.9)
Finance income	10	112.4	158.1
Share of results of joint ventures		(48.1)	(570.8)
Share of results of an associate		0.4	0.3
Loss before taxation		(1,660.3)	(2,521.6)
Taxation	11	(32.2)	(54.4)
Loss for the year		(1,692.5)	(2,576.0)
(Loss)/profit for the year attributable to:			
Shareholders of the Company		(1,713.7)	(2,559.5)
Holders of perpetual capital securities		67.2	66.3
Non-controlling interests		(46.0)	(82.8)
		(1,692.5)	(2,576.0)
Loss per share attributable to shareholders of the Company	12		
– Basic		(HK\$1.26)	(HK\$1.89)
– Diluted		(HK\$1.26)	(HK\$1.89)

The notes on pages 83 to 163 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 HK\$'M	2024 HK\$'M
Loss for the year		(1,692.5)	(2,576.0)
Other comprehensive income/(loss)			
Items that have been/may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		114.2	(24.9)
Net (loss)/gain on net investment hedge		(66.0)	15.5
Release of translation reserve upon disposal of a subsidiary	26	19.7	–
Release of translation reserve upon deregistration of a subsidiary		(7.4)	–
		60.5	(9.4)
Other comprehensive income/(loss) for the year, net of tax		60.5	(9.4)
Total comprehensive loss for the year		(1,632.0)	(2,585.4)
Total comprehensive (loss)/income for the year attributable to:			
Shareholders of the Company		(1,653.2)	(2,568.9)
Holders of perpetual capital securities		67.2	66.3
Non-controlling interests		(46.0)	(82.8)
Total comprehensive loss for the year		(1,632.0)	(2,585.4)

The notes on pages 83 to 163 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

At 31 December 2025

	Note	2025 HK\$'M	2024 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	15	16,630.7	18,459.3
Other properties, plant and equipment	16	58.9	62.8
Interests in joint ventures	17	5,448.7	4,808.5
Interests in an associate	18	45.7	43.8
Financial investments at amortised cost	19	84.7	372.9
Financial investments at fair value through profit or loss	20	488.8	483.5
Deferred tax assets	30	1.2	5.3
Derivative financial instruments	24	153.9	182.2
		22,912.6	24,418.3
Current assets			
Properties for sale	22	3,367.8	3,359.7
Trade and other receivables, deposits and prepayments	23	483.2	261.8
Financial investments at amortised cost	19	278.6	208.7
Financial investments at fair value through profit or loss	20	85.3	298.5
Other current assets	21	9.8	32.4
Derivative financial instruments	24	35.2	50.9
Tax recoverable		7.9	9.3
Pledged bank deposits	25	111.7	51.8
Bank balances and cash	25	2,333.6	2,362.1
		6,713.1	6,635.2
Assets classified as held for sale	27	51.3	32.0
		6,764.4	6,667.2
Current liabilities			
Trade and other payables and accruals	28	635.1	568.4
Derivative financial instruments	24	27.3	1.7
Tax payable		122.0	126.8
Bank and other borrowings	29	1,293.3	2,088.6
		2,077.7	2,785.5

CONSOLIDATED BALANCE SHEET

At 31 December 2025

	Note	2025 HK\$'M	2024 HK\$'M
Non-current liabilities			
Bank and other borrowings	29	5,809.3	4,737.4
Derivative financial instruments	24	11.2	–
Deferred tax liabilities	30	237.4	241.8
		6,057.9	4,979.2
NET ASSETS		21,541.4	23,320.8
EQUITY			
Shareholders' funds			
Share capital	32	683.3	678.6
Reserves	35	19,332.8	21,070.7
		20,016.1	21,749.3
Perpetual capital securities	33	1,491.4	1,491.4
Non-controlling interests		33.9	80.1
TOTAL EQUITY		21,541.4	23,320.8

The consolidated financial statements on pages 75 to 163 were approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Cheng Wai Sun, Edward
DIRECTOR

Ng Kar Wai, Kenneth
DIRECTOR

The notes on pages 83 to 163 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to shareholders of the Company							Total HK\$'M	Perpetual capital securities HK\$'M	Non- controlling interests HK\$'M	Total equity HK\$'M
	Share capital HK\$'M	Share premium HK\$'M	Employee share-based compensation reserve HK\$'M	Other property revaluation reserve HK\$'M	Translation reserve HK\$'M	Contributed surplus HK\$'M	Retained profits HK\$'M				
At 1 January 2025	678.6	3,341.4	86.0	36.0	(106.8)	751.0	16,963.1	21,749.3	1,491.4	80.1	23,320.8
Comprehensive (loss)/income											
Loss for the year	-	-	-	-	-	-	(1,713.7)	(1,713.7)	67.2	(46.0)	(1,692.5)
Other comprehensive income/(loss)											
Exchange differences on translation of foreign operations	-	-	-	-	114.2	-	-	114.2	-	-	114.2
Net loss on net investment hedge	-	-	-	-	(66.0)	-	-	(66.0)	-	-	(66.0)
Release of translation reserve upon disposal of a subsidiary	-	-	-	-	19.7	-	-	19.7	-	-	19.7
Release of translation reserve upon deregistration of a subsidiary	-	-	-	-	(7.4)	-	-	(7.4)	-	-	(7.4)
Total comprehensive income/(loss)	-	-	-	-	60.5	-	(1,713.7)	(1,653.2)	67.2	(46.0)	(1,632.0)
Transactions with owners											
Value of employee services relating to grants of share options and share awards	-	-	15.7	-	-	-	-	15.7	-	-	15.7
Share awards subscribed	4.7	47.2	(51.9)	-	-	-	-	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)
2024 final dividend paid	-	-	-	-	-	-	(54.7)	(54.7)	-	-	(54.7)
2025 interim dividend paid	-	-	-	-	-	-	(41.0)	(41.0)	-	-	(41.0)
Distribution on perpetual capital securities	-	-	-	-	-	-	-	-	(67.2)	-	(67.2)
Total transactions with owners	4.7	47.2	(36.2)	-	-	-	(95.7)	(80.0)	(67.2)	(0.2)	(147.4)
At 31 December 2025	683.3	3,388.6	49.8	36.0	(46.3)	751.0	15,153.7	20,016.1	1,491.4	33.9	21,541.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to shareholders of the Company								Perpetual capital securities HK\$'M	Non-controlling interests HK\$'M	Total equity HK\$'M
	Share capital HK\$'M	Share premium HK\$'M	Employee share-based compensation reserve HK\$'M	Other property revaluation reserve HK\$'M	Translation reserve HK\$'M	Contributed surplus HK\$'M	Retained profits HK\$'M	Total HK\$'M			
At 1 January 2024	678.6	3,341.4	58.6	36.0	(97.4)	751.0	19,671.9	24,440.1	1,491.4	163.1	26,094.6
Comprehensive (loss)/income											
Loss for the year	-	-	-	-	-	-	(2,559.5)	(2,559.5)	66.3	(82.8)	(2,576.0)
Other comprehensive (loss)/income											
Exchange differences on translation of foreign operations	-	-	-	-	(24.9)	-	-	(24.9)	-	-	(24.9)
Net gain on net investment hedge	-	-	-	-	15.5	-	-	15.5	-	-	15.5
Total comprehensive (loss)/income	-	-	-	-	(9.4)	-	(2,559.5)	(2,568.9)	66.3	(82.8)	(2,585.4)
Transactions with owners											
Value of employee services relating to grants of share options and share awards	-	-	27.4	-	-	-	-	27.4	-	-	27.4
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)
2023 final dividend paid	-	-	-	-	-	-	(108.6)	(108.6)	-	-	(108.6)
2024 interim dividend paid	-	-	-	-	-	-	(40.7)	(40.7)	-	-	(40.7)
Distribution on perpetual capital securities	-	-	-	-	-	-	-	-	(66.3)	-	(66.3)
Total transactions with owners	-	-	27.4	-	-	-	(149.3)	(121.9)	(66.3)	(0.2)	(188.4)
At 31 December 2024	678.6	3,341.4	86.0	36.0	(106.8)	751.0	16,963.1	21,749.3	1,491.4	80.1	23,320.8

The notes on pages 83 to 163 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025 HK\$'M	2024 HK\$'M
Cash flows from operating activities			
Loss from operations		(1,584.1)	(1,900.3)
Adjustments for:			
Change in fair value of investment properties	15	1,455.3	1,237.2
Net fair value loss on derivative financial instruments	14	25.1	45.5
Gain on release and discharge of other long-term liability	7	–	(14.9)
Net (gain)/loss on financial investments at fair value through profit or loss	14	(90.7)	66.0
Loss on mortgage loan receivables at fair value through profit or loss	14	–	9.2
Gain on disposal of financial investments at fair value through profit or loss	7	(9.1)	–
Loss on disposal of financial investments at amortised cost	7	0.6	–
Gain on disposal of a subsidiary	26	(38.0)	–
Depreciation of other properties, plant and equipment	16	5.1	6.3
Gain on disposal of other properties, plant and equipment	7	(3.6)	–
(Write back of provision)/provision for doubtful debts	7	(3.3)	6.9
Impairment provision for financial investments at amortised cost	7	0.6	4.6
(Reversal of impairment provision)/impairment provision for mortgage loan receivables at amortised cost	7	(1.7)	1.7
Impairment provision for other properties, plant and equipment	7	–	7.8
Impairment provision for properties for sale		425.9	756.2
Amortised income from financial investments at amortised cost		(19.7)	(28.5)
Interest income on financial investments at fair value through profit or loss		(7.1)	(16.6)
Release of translation reserve upon deregistration of a subsidiary		(7.4)	–
Share-based compensation expenses	8	15.7	27.4
Operating cash flows before movements in working capital		163.6	208.5
Increase in properties for sale		(252.3)	(91.9)
Increase in trade and other receivables, deposits and prepayments		(20.5)	(48.1)
Decrease in sales proceeds held in stakeholders' accounts		–	23.2
Increase/(decrease) in trade and other payables and accruals		56.7	(88.2)
Net cash (used in)/generated from operations		(52.5)	3.5
Interest income received		134.9	195.7
Interest paid on bank and other borrowings		(302.9)	(389.4)
Hong Kong profits tax paid		(36.3)	(36.5)
Tax paid in other jurisdictions		–	(7.3)
Net cash used in operating activities		(256.8)	(234.0)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025 HK\$'M	2024 HK\$'M
Cash flows from investing activities			
Additions of investment properties		(5.4)	(80.1)
Purchase of other properties, plant and equipment		(1.2)	(12.1)
Purchase of financial investments at amortised cost		(15.5)	(368.6)
Purchase of financial investments at fair value through profit or loss		(631.9)	(698.6)
Proceeds on maturity of financial investments at amortised cost		194.0	603.2
Proceeds on maturity of financial investments at fair value through profit or loss		902.9	503.3
Advances of loans to joint ventures		(829.7)	(365.0)
Repayments of loans to joint ventures		66.5	33.6
Repayments of mortgage loan receivables		4.7	194.9
Proceeds from disposal of other properties, plant and equipment		3.6	–
Proceeds from disposal of financial investments at amortised cost		42.5	3.7
Proceeds from disposal of financial investments at fair value through profit or loss		39.3	–
Proceeds from disposal of investments properties		32.0	–
Net proceeds from disposal of a subsidiary		451.0	339.4
Placement of pledged bank deposits		(59.9)	(24.8)
Net decrease in deposits with banks with original maturity of more than three months		279.6	434.4
Repayment of capital from joint ventures		–	2.8
Dividend income received from joint ventures		1.5	1.1
Net cash generated from investing activities		474.0	567.2
Cash flows from financing activities			
Cash (settlement)/received on derivative financial instruments		(10.3)	6.2
Bank borrowings raised		3,144.6	1,243.0
Other borrowings raised		30.5	43.9
Redemption of fixed rate bond		–	(100.0)
Repayments of bank borrowings		(2,959.2)	(1,127.5)
Repayments of other borrowings		(9.2)	(32.9)
Distribution paid on perpetual capital securities		(66.6)	(62.2)
Dividends paid by the Company		(95.7)	(149.3)
Dividends paid to non-controlling interests		(0.2)	(0.2)
Net cash generated from/(used in) financing activities		33.9	(179.0)
Increase in cash and cash equivalents		251.1	154.2
Cash and cash equivalents at the beginning of the year		1,496.1	1,341.9
Cash and cash equivalents at the end of the year	25	1,747.2	1,496.1

Reconciliation of liabilities arising from financing activities and non-cash transaction are disclosed in Note 31 to the consolidated financial statements.

The notes on pages 83 to 163 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Wing Tai Properties Limited (the "Company") is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

The Company is an investment holding company. Its principal subsidiaries are engaged in property development, property investment and management and hospitality investment and management. The Company and its subsidiaries are hereinafter collectively referred to as the Group.

The Group's joint ventures and associate are principally engaged in property investment, property development and hospitality investment.

These consolidated financial statements are presented in millions of Hong Kong dollars (HK\$'M), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors of the Company (the "Board") on 27 March 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial investments at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. 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.

(i) *Amendments to standards effective for the current accounting period beginning on 1 January 2025 and relevant to the Group*

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the above amendments to HKFRS Accounting Standards did not have any significant impact to the consolidated financial statements in the current and prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) *New standards, amendments, interpretations and improvements to standards relevant to the Group that are not yet effective in 2025 and have not been early adopted by the Group*

The Group has not early adopted the following new standards, amendments, interpretations and improvements to standards that have been issued but are not yet effective for the year ended 31 December 2025:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

Except for HKFRS 18, the Group is in the process of making an assessment of the impact of other new standards, amendments, interpretations and improvements to standards and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(b) Principles of consolidation and equity accounting

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2(c)).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

The Group's interests in associates include the loans and advances to the associates which, in substance, form part of the Group's net investments in the associates. The loans and advances to the associates are a form of commercial arrangement between the parties to the associate to finance the business and viewed as means by which the Group invests in the relevant business. These loans and advances have no fixed repayment terms and will be repaid when the relevant associate has surplus cash flow.

(iii) *Joint arrangements*

Under HKFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

The Group's interests in joint ventures include the loans and advances to the joint ventures which, in substance, form part of the Group's net investments in the joint ventures. The loans and advances to the joint ventures are a form of commercial arrangement between the parties to the joint ventures to finance the development of projects and investment in properties, and viewed as means by which the Group invests in the relevant projects and properties. These loans and advances have no fixed repayment terms and will be repaid when the relevant joint venture has surplus cash flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(b) Principles of consolidation and equity accounting (Continued)

(iv) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2(k).

(v) *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(c) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(d) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Directors who are responsible for allocating resources and assessing performance of the operating segments. The identification of operating segments is set out in Note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(f) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar (HK\$), which is the Company's functional currency and the Company's and the Group's presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income ("FVOCI") are recognised in other comprehensive income ("OCI").

(iii) *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(f) Foreign currency translation (Continued)

(iv) *Disposal of foreign operation and partial disposal*

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the shareholders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translations differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(g) Other properties, plant and equipment

Land and buildings comprise offices occupied by the Group. Leasehold land and all other properties, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the consolidated income statement during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Freehold land with unlimited useful life is not depreciated. Leasehold land commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land and depreciation of other properties, plant and equipment, other than construction in progress is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

Leasehold land	Shorter of remaining lease term or useful life
Buildings	25 to 50 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	3 to 5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(g) Other properties, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of assets to retained earnings.

(h) Investment properties

Investment properties, principally comprising leasehold land and office buildings, are held for long-term rental yields and are not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is initially measured at cost, including related transaction costs. After initial recognition at cost, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets, income capitalisation valuation techniques or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as part of a valuation gain or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the reporting period in which they are incurred.

If any investment property becomes owner-occupied, it is reclassified as other property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purpose. Property that is being constructed or developed for future use as investment property is classified as investment property and is carried at fair value. Where fair value is not reliably determinable, such investment property under construction is measured at cost until its fair value becomes reliably determinable.

(i) Assets classified as held for sale

Assets classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. Investment properties classified as assets held for sale are stated at fair value at the end of the reporting period.

(j) Properties for sale

Properties for sale comprising properties for/under development held for sale and completed properties are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties under development are transferred to completed properties.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties for sale are classified as current assets unless the construction period of the relevant property development project is expected to be completed beyond normal operating cycle.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(k) Impairment of investments in subsidiaries, joint ventures, associates and non-financial assets

Investments in subsidiaries, joint ventures, associates and other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable; in addition, other non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment testing of the investments in subsidiaries, joint ventures or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary, joint venture or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(l) Financial investments, mortgage loan receivables and other financial assets

Classification

The Group classifies its financial investments, mortgage loan receivables and other financial assets either those to be measured subsequently at fair value (either through OCI, or through profit or loss), or those to be measured at amortised cost. The classification depends on the Group's business model for managing the financial investments, mortgage loan receivables and other financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial investments, mortgage loan receivables and other financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial investments, mortgage loan receivables and other financial assets are derecognised when the rights to receive cash flows from the financial investments, mortgage loan receivables and other financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial investment, mortgage loan receivables and other financial asset at its fair value plus, in the case of financial investments, mortgage loan receivables and other financial assets not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial investments, mortgage loan receivables and other financial assets. Transaction costs of financial investments, mortgage loan receivables and other financial assets carried at FVPL are expensed in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(I) Financial investments, mortgage loan receivables and other financial assets (Continued)

Measurement (Continued)

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial investments, mortgage loan receivables and other financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial investments, mortgage loan receivables and other financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial investment and other financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial investments, mortgage loan receivables and other financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as revenue when the Group's right to receive payments is established.

Changes in the fair value of financial investments, mortgage loan receivables and other financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(I) Financial investments, mortgage loan receivables and other financial assets (Continued)

Impairment

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group determines whether there has been a significant increase in credit risk in Note 3(a)(iv). The amount of loss is recognised in other gains/(losses) in the consolidated income statement.

For cash at banks, sales proceeds held in stakeholders' accounts, contractual cash flows of financial investments at amortised cost, rent receivables from tenants, mortgage loan receivables and loans to joint ventures and associates, the Group applies the general approach to measure ECL. The ECL is measured on either a 12-month ("12M") or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the Probability of Default ("PD"), Exposure at Default ("EAD"), and Loss Given Default ("LGD"), defined as follows:

- The PD represents the likelihood of default on its financial obligation, either over the next 12 months ("12M PD"), or over the remaining lifetime ("Lifetime PD") of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months ("12M EAD") or over the remaining lifetime ("Lifetime EAD").
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the financial assets.

The Group adopts a "three-stage" model for impairment based on changes in credit quality since initial recognition, to estimate the ECL. The key definition of the three stages are summarised below:

Stage 1: For financial instruments with no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the PD events occurring within 12 months is recognised.

Stage 2: Lifetime ECL – not credit-impaired

For financial instruments with significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL – credit-impaired

For financial instruments are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(l) Financial investments, mortgage loan receivables and other financial assets (Continued)

Impairment (Continued)

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable forward looking information that is relevant and available without undue cost or effort for this purpose. The indicators considered by the Group to perform forward looking analysis are disclosed in Note 3(a)(iv).

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit rating, remaining term to maturity and other relevant factors.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for loss allowance reverts from Stage 2 or Stage 3 to Stage 1.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due over 90 days. Financial assets are considered to be credit-impaired if the financial asset has been past due for 60 days or more. When there is no reasonable expectation of recovery, the default portion will be written off.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For all other financial assets, the Group makes periodic collective assessments as well as individual assessment on their recoverability based on historical settlement records and past experience.

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when the Group currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

(n) Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(o) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (i) hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- (ii) hedges of a net investment in a foreign operation (net investment hedge).

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 24. Movements in the hedging reserve in shareholders' equity are shown in the consolidated statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) *Cash flow hedge that qualify for hedge accounting*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ("aligned forward element") is recognised within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(o) Derivatives and hedging activities (Continued)

(i) *Cash flow hedge that qualify for hedge accounting (Continued)*

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

(ii) *Net investment hedge*

For hedges of net investments in foreign operations, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness.

Hedge ineffectiveness in relation to the forward exchange contracts was negligible for 2025 and 2024.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in translation reserve. The gain or loss relating to the ineffective portion is recognised in the income statement.

Gains and losses accumulated in translation reserve are reclassified in the income statement when the foreign operation is partially disposed of or sold.

(iii) *Derivatives that do not qualify for hedge accounting*

Certain derivative instruments do not qualify for hedge accounting. They are classified as current or non-current assets or liabilities according to the settlement dates of the derivative instruments. Changes in the fair value of these derivative instruments are recognised in the income statement.

(p) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(q) Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net contract asset or a net contract liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the cumulative revenue recognised in the consolidated income statement exceeds cumulative payments made by customers. Conversely, the contract is a liability and recognised as contract liabilities if the cumulative payments made by customers exceeds the revenue recognised in the consolidated income statement.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost. Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfies its performance obligation.

The incremental costs of obtaining a contract with a customer are capitalised and presented as contract related assets, if the Group expects to recover those costs, and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. The Group recognises an impairment loss in the consolidated income statement to the extent that the carrying amount of the contract related assets recognised exceeds the remaining amounts of consideration that the Group expects to receive less the costs that directly relate to those goods or services and have not been recognised as expenses.

(r) Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(s) Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Perpetual capital securities

Perpetual capital securities have no fixed maturity and are redeemable at the Group's option. The securities are accounted for as part of equity.

(u) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(w) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

(x) Current and deferred taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(x) Current and deferred taxation (Continued)

(ii) *Deferred income tax (Continued)*

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(y) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iii) *Bonus plans*

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) *Retirement benefits cost*

Payments to the Group's defined contribution retirement schemes and the Mandatory Provident Fund Scheme are charged as expenses as they fall due. The Group has no legal or constructive obligations to pay further contributions for post-retirement benefits beyond its fixed contributions. The Group operates a defined contribution retirement scheme for all qualified employees. The assets of the scheme are held separately from those of the Group in independently administered funds. Contributions to these schemes are made by both the employers and employees at rates of 5% on the employees' salary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(y) Employee benefits (Continued)

(v) *Share-based payments*

Equity-settled share-based compensation benefits are provided to employees via the Group's share option plans and share award plan, under which the entity receives services from employees as consideration for equity instruments (share options and share awards) of the Group. Information relating to these plans is set out in Note 34.

The fair value of the employee services received in exchange for the grant of the share options and share awards is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options and share awards granted:

- including any market performance conditions (e.g. the entity's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

Non-market vesting conditions are included in assumptions about the number of share options and share awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of share options and share awards that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to employee share-based compensation reserve.

When the share options and share awards are exercised (Note 34), the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the share options and share awards are exercised.

(z) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(aa) Revenue recognition

Revenue represents sale of properties, rental income, project and property management income, dividend income and interest income from financial investments and other financial assets. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

- (i) Revenue from pre-sale of properties under development is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the properties under development may transfer over time or at a point in time. If properties have no alternative use to the Group contractually and the Group has an enforceable right to payment for performance completed to date, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the completed property.

The timing of revenue recognition for sale of completed properties would be recognised when the underlying property is legally or physically transferred to the customer under the control transfer model.

The Group currently offers different payment schemes to customers, the transaction price and the amount of revenue for the sale of property would be adjusted when significant financial component exists in that contract.

Certain costs incurred for obtaining a pre-sale property contract would be eligible for capitalisation under HKFRS 15 and match with revenue recognition pattern of related contract.

- (ii) Rental income from investment property is recognised on a straight-line basis over the lease term.
- (iii) Project and property management income is recognised when the services are rendered.
- (iv) Dividends are received from financial investments and other financial assets measured at FVPL and at FVOCI. Dividends are recognised when the right to receive payment is established.
- (v) Interest income is recognised by applying the effective interest rate to the gross carrying amount of financial investments, mortgage loan receivables and other financial assets except for financial investments, mortgage loan receivables and other financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial investments, mortgage loan receivables and other financial asset (after deduction of the loss allowance). Interest income from financial investments, mortgage loan receivables and other financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

(bb) Finance income

Finance income is earned from financial investments and other financial assets that are held for cash management purposes. Any other interest income is included in other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(cc) Leases

(i) *Group as the lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group use recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(cc) Leases (Continued)

(i) *Group as the lessee (Continued)*

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

(ii) *Group as the lessor to operating leases*

When assets are leased out under an operating lease, the assets are included in the balance sheet based on the nature of the asset. Lease income is recognised on a straight-line basis over the lease term.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

The respective leased assets are included in the balance sheet based on their nature.

(dd) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability, other than that assumed in a business combination, is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(ee) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

(ff) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants that compensate the Group for expenses incurred are recognised in the profit or loss as other income on a systematic basis in the period in which the expenses are recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(gg) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account of the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(i) *Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to UK pounds and Singapore dollars. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group uses a combination of cross currency swap contracts and forward exchange contracts to hedge its exposure to foreign currency risk.

At 31 December 2025, if Hong Kong dollars had weakened/strengthened by 5% against UK pounds with all other variables held constant, post-tax profit for the year would have been HK\$19.0M (2024: HK\$35.0M) lower/higher and equity would have been HK\$65.0M (2024: HK\$76.9M) lower/higher, mainly as a result of losses/gains on translation of UK pound-denominated bank borrowings and the changes in the fair value of forward exchange contracts qualified for net investment hedge.

At 31 December 2025, the Group has certain financial investments and other financial assets denominated in United States dollars. Under the Linked Exchange Rate System in Hong Kong, Hong Kong dollar is pegged to the United States dollars, management therefore considers that there are no significant foreign exchange risk with respect to the United States dollars.

The Group entered cross currency swap contracts against perpetual capital securities in Singapore dollars.

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

At 31 December 2025, if Hong Kong dollars had weakened/strengthened by 5% against Singapore dollars with all other variables held constant, post-tax profit for the year and equity would have been HK\$76.1M (2024: HK\$69.0M) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Singapore dollar-denominated financial investments at FVPL and changes in the fair value of cross currency swap contracts for perpetual capital securities in Singapore dollars not qualified for hedge accounting respectively.

(ii) Interest rate risk

As the Group has no significant interest-bearing assets (other than bank deposits, amounts due from joint ventures and listed debt securities measured at fair value through profit or loss), the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Listed debt securities measured at fair value through profit or loss expose to the Group to fair value interest rate risk. If interest rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit for the year and equity would have been HK\$13.6M (2024: HK\$18.9M) lower or HK\$17.3M (2024: HK\$23.7M) higher.

The Group is exposed to changes in interest rates due to its bank borrowings which are disclosed in Note 29 below. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose to the Group to fair value interest rate risk. The Group manages its interest rate exposure based on interest rate level and outlook as well as potential impact on the Group's financial position arising from volatility. Interest rate swap contract is the hedging instrument most commonly used by the Group to manage the interest rate exposure.

If interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, the post-tax profit for the year and equity would have been HK\$22.0M (2024: HK\$22.1M) lower/higher and capitalised interest on "properties for sale" would have been HK\$7.4M (2024: HK\$6.0M) higher/lower, mainly as a result of higher/lower interest expenses on floating rate borrowings.

In addition, if interest rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit for the year and equity would have been HK\$43.0M (2024: HK\$23.9M) higher or HK\$43.7M (2024: HK\$24.6M) lower, mainly as a result of gain/loss relating to the changes in the fair value of interest rate swap contracts not qualified for hedge accounting.

(iii) Price risk

The Group is exposed to equity securities price risk because certain financial assets of the Group are classified in the consolidated balance sheet as financial investments at fair value through profit or loss. The Group is not exposed to commodity price risk.

At 31 December 2025, if market value of the Group's listed financial investments at fair value through profit or loss had increased/decreased by 10% (2024: 10%), with all other variables held constant, post-tax profit for the year would have been HK\$34.4M (2024: HK\$26.7M) higher/lower. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Credit risk

The Group's credit risks are primarily attributable to the Group's cash at banks, sales proceeds held in stakeholders' accounts, contractual cash flows of financial investments carried at amortised cost and at fair value through profit or loss, trade receivables from sale of properties, rent receivables from tenants and mortgage loan receivables, loans to joint ventures and associates.

The Group has limited its credit exposure by ensuring the Group's cash deposits are placed with reputable banks and financial institutions with high credit rating.

The Group has limited its credit exposure from sales proceeds held in stakeholder's account by ensuring the Group only cooperates with the reputable law firm as stakeholders.

The Group's credit risks on financial investments carried at amortised cost and at fair value through profit or loss are regularly monitored by the management, including the credit ratings from the rating agency if there are credit deterioration, underlying financial capability of issuers, regulatory and business environment. Management consider the credit risk of financial investments to be low because the portfolios of financial investment are rated as investment grade and the co-related default rate reference to the credit rating is low.

In respect of credit exposures to customers for sale of properties, the Group normally receives deposits or progress payments from individual customers prior to the completion of sale transactions. If a customer defaults on the payment of the sale of properties, the Group is able to forfeit the customer's deposit and re-sell the property to another customer. Therefore, the Group's credit risk is significantly reduced.

For trade debtors in relation to rental income, the Group carries out regular review on these balances and follow up action on any overdue amounts to minimise exposures to credit risk. The Group measures the lifetime expected credit losses based on the outstanding balances with debtors, offset with the deposit placed to the Group by the counterparties, and historical credit loss experience adjusted by the current and forecast economic conditions that may affect the ability of the counterparties to settle receivables.

The Group's mortgage loan receivables provided to purchasers of development properties which are secured by first mortgages over properties. Regular review is carried out and stringent monitoring procedures are in place to deal with overdue debts.

At each balance sheet date, the Group reviews the recoverable amount of each individual trade and loan receivables to ensure that adequate provisions for impairment are made for irrecoverable amounts, if any. The Group has no significant concentrations of credit risk on trade and loan receivables.

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Credit risk (Continued)

In respect of credit exposures on loans to joint ventures and associates, the Group would closely monitor the financial positions including the net assets backing of these related companies. The exposure of these credit risks are monitored on an ongoing basis.

The assessment of ECL incorporates forward-looking information and is performed on a semi-annually basis at a portfolio level. The criteria used in the assessment are monitored and reviewed periodically for appropriateness by management. The Group considers forward-looking information with reference to the indicators of real GDP growth and unemployment rate.

The portfolio mainly consists of high credit quality assets. As at 1 January 2025, the accumulated provision based on ECL was HK\$76.1M (1 January 2024: HK\$63.4M), reversal of provision during the year was HK\$4.4M (2024: provision of HK\$13.2M) and as at 31 December 2025, the accumulated provision was HK\$42.3M (31 December 2024: HK\$76.1M).

(v) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Corporate and managed by the Group Treasury Department, which invests surplus cash in time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows and may not reconcile to the amounts in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(v) Liquidity risk (Continued)

	Less than 1 year HK\$'M	Between 1 and 2 years HK\$'M	Between 2 and 5 years HK\$'M	Over 5 years HK\$'M
At 31 December 2025				
Bank and other borrowings	1,550.4	5,014.4	984.4	–
Trade and other payables and accruals	470.2	–	26.7	–
Financial guarantees (Note)	4,105.0	–	405.6	–
Total	6,125.6	5,014.4	1,416.7	–
At 31 December 2024				
Bank and other borrowings	2,370.9	717.3	4,419.6	–
Trade and other payables and accruals	408.4	8.7	8.7	–
Financial guarantees (Note)	4,268.2	–	157.4	–
Total	7,047.5	726.0	4,585.7	–

Note:

These amounts are financial guarantees from the Group to its joint ventures representing the hypothetical payments should the guarantees be crystallised, however based on the operating results and assets base of the joint ventures, the Group does not expect them to be crystallised.

(b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net borrowings divided by total equity which is the Group's capital. Net borrowings are calculated as bank and other borrowings less bank balances and cash.

3. FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital management (Continued)

The gearing ratios at 31 December 2025 and 2024 were as follows:

	2025 HK\$'M	2024 HK\$'M
Bank and other borrowings	7,102.6	6,826.0
Less: Bank balances and cash	(2,333.6)	(2,362.1)
Net borrowings	4,769.0	4,463.9
Total equity	21,541.4	23,320.8
Gearing ratio	22.1%	19.1%

(c) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2025 and 2024 (see Note 15 for disclosures of the investment properties that are measured at fair value).

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
At 31 December 2025				
Assets				
Financial investments at fair value through profit or loss				
– listed securities	343.8	–	–	343.8
– listed debt investments	145.0	–	–	145.0
– unlisted fund investments	–	85.3	–	85.3
Derivative financial instruments				
– interest rate swap contracts	–	91.8	–	91.8
– cross currency swap contracts	–	80.2	–	80.2
– forward exchange contracts	–	17.1	–	17.1
Mortgage loan receivables at fair value through profit or loss	–	–	9.8	9.8
	488.8	274.4	9.8	773.0
Liabilities				
Derivative financial instruments				
– interest rate swap contracts	–	14.9	–	14.9
– forward exchange contracts	–	23.6	–	23.6
	–	38.5	–	38.5
At 31 December 2024				
Assets				
Financial investments at fair value through profit or loss				
– listed securities	266.8	–	–	266.8
– listed debt investments	216.7	–	–	216.7
– unlisted fund investments	–	298.5	–	298.5
Derivative financial instruments				
– interest rate swap contracts	–	159.1	–	159.1
– cross currency swap contracts	–	23.8	–	23.8
– forward exchange contracts	–	50.2	–	50.2
Mortgage loan receivables at fair value through profit or loss	–	–	28.5	28.5
	483.5	531.6	28.5	1,043.6
Liabilities				
Derivative financial instruments				
– cross currency swap contracts	–	1.7	–	1.7
	–	1.7	–	1.7

There is no transfer between the different levels of fair value measurement hierarchy of financial instruments for the years ended 31 December 2025 and 2024.

3. FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation (Continued)

(i) *Financial instruments in Level 1:*

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

(ii) *Financial instruments in Level 2:*

Unlisted fund investments are stated at fair values which are based on net asset values of the fund investments with reference to bank statements.

The fair value of forward exchange contracts and cross currency swap contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

The fair value of interest rate swap contracts is calculated as the present value of the estimated future cash flows based on observable yield curves.

If all significant inputs required to estimate the fair value of an instrument are observable, the instrument is included in Level 2. If one or more of significant inputs is not based on observable market data, the instrument is included in Level 3.

(iii) *Financial instruments in Level 3:*

The fair value of mortgage loans receivables are determined based on the discounted cash flow projections with reference to the market inputs.

Other long-term liability represents provisions of liabilities in relation to indemnifying a third party against the cost of winding up the pension scheme of the disposed business in 2012. The other long-term liability has been released and discharged in June 2024.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	Mortgage loan receivables at fair value through profit or loss (Note 21)		Other long-term liability	
	2025 HK\$'M	2024 HK\$'M	2025 HK\$'M	2024 HK\$'M
Opening balance	28.5	227.6	–	(16.2)
Fair value loss recognised in the consolidated income statement (Note 14)	–	(9.2)	–	–
Payments on release and discharge	–	–	–	4.3
Repayments	(3.0)	(189.9)	–	–
Reversal of Group's accrued contributions upon release and discharge	–	–	–	(3.0)
Gain on release and discharge (Note 7)	–	–	–	14.9
Transfer to properties for sale	(15.7)	–	–	–
Closing balance	9.8	28.5	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

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.

(a) Fair value of investment properties

The Group's investment properties are revalued at the balance sheet date on the open market value basis by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement on whether such valuations and assumptions made by the valuers are reasonable, the Group considers information from comparable current prices in an active market for similar properties, capitalisation rates, terminal yield, rental income from current leases and assumptions about rental from future leases and the reversionary income potential and uses assumptions that are mainly based on market conditions existing at each balance sheet date. The main assumptions have been disclosed in Note 15.

(b) Impairment of financial investments, amounts due from joint ventures and other financial assets

The loss allowances for financial investments, amount due from joint ventures and other financial assets are based on assumptions made in ECL assessment of the Group. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical settlement records and past experience, existing market conditions as well as forward looking estimates at the end of each reporting period.

(c) Net realisable values of properties for sale

The Group assesses the carrying amounts of properties for sale according to their recoverable amounts based on the realisability of these properties, taking into account estimated costs to completion based on past experience, committed contracts and estimated net sales/rental value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates.

Amid the subdued property market condition in Hong Kong, the Group has provided impairment provision for properties for sale.

(d) Impairment of assets (mainly investments in joint ventures and associates)

The Group tests whether the investments in joint ventures and associates have suffered any impairment, in accordance with the accounting policy stated in Note 2(k). The recoverable amount of the investment is the higher of the asset's fair value less costs to sell and value-in-use. These calculations require the use of estimates.

(e) Taxation

The Group is subject to income taxes, capital gains tax, land appreciation tax and withholding tax in several jurisdictions as applicable. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the financial period in which such determination is made.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(e) Taxation (Continued)

The Group has used presumption that the carrying amount of all investment properties using fair value model will be recovered through sale. Accordingly, no provision for deferred tax is made on revaluation of investment properties if there is no capital gains tax.

Recognition of deferred tax asset, which principally relates to tax losses of certain subsidiaries, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

(f) Accrual of construction costs

It usually takes more than a year after completion of the relevant constructions to finalise and agree with the contractors on overall construction costs (including initial contract sum, variation orders, liquidation damages, if any) for property development. The Group has accrued for construction costs based on the latest information available and directors' best estimate on the likely outcome of negotiation with contractors. If the final construction costs differ from the accruals made, there will be effects on the results of the Group in the year in which construction costs are concluded.

5. REVENUE

Revenue represents the amounts received and receivable from third parties net of value-added tax and discounts in connection with the following activities:

	2025 HK\$'M	2024 HK\$'M
Sale of properties and project management income	251.3	315.7
Rental income and property management income	674.4	645.9
Interest income from financial investments	26.8	45.1
Interest income from mortgage loan receivables	1.6	9.2
Dividend income from financial investments	14.7	15.2
	968.8	1,031.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Executive Directors in order to allocate resources to the segment and to assess its performance.

Segment information are analysed on the basis of the Group's operating divisions. They are (i) Property Development, (ii) Property Investment and Management, (iii) Hospitality Investment and Management and (iv) Others. Others mainly represent investing activities and corporate activities including central management and administrative function.

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
For the year ended 31 December 2025						
REVENUE						
External sales						
Revenue						
– Recognised at a point in time	241.5	–	–	–	–	241.5
– Recognised over time	9.8	9.7	21.0	–	–	40.5
Revenue from other sources						
– Rental income	0.4	507.5	135.8	–	–	643.7
– Interest income from financial investments	1.6	–	–	26.8	–	28.4
– Dividend income	–	–	–	14.7	–	14.7
Inter-segment sales	2.7	11.5	–	–	(14.2)	–
Total	256.0	528.7	156.8	41.5	(14.2)	968.8
RESULTS						
(Loss)/profit before change in fair value of investment properties and financial instruments	(553.8)	292.1	(7.0)	36.3	–	(232.4)
Change in fair value of						
– investment properties	(1.9)	(1,370.7)	(82.7)	–	–	(1,455.3)
– financial instruments	(74.9)	(7.3)	–	147.8	–	65.6
Gain on disposal of a subsidiary	–	38.0	–	–	–	38.0
(Loss)/profit from operations	(630.6)	(1,047.9)	(89.7)	184.1	–	(1,584.1)
Finance costs	(7.1)	(68.4)	(46.9)	(47.5)	29.0	(140.9)
Finance income	28.9	25.4	1.4	85.7	(29.0)	112.4
Share of results of joint ventures	(220.4)	170.0	2.3	–	–	(48.1)
Share of results of an associate	–	0.4	–	–	–	0.4
(Loss)/profit before taxation	(829.2)	(920.5)	(132.9)	222.3	–	(1,660.3)
Taxation						(32.2)
Loss for the year						(1,692.5)
Other items						
Depreciation and amortisation	0.3	1.5	–	3.3	–	5.1
Impairment provision for properties for sale and financial investments at amortised cost	425.9	–	–	0.6	–	426.5

6. SEGMENT INFORMATION (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
For the year ended 31 December 2024						
REVENUE						
External sales						
Revenue						
– Recognised at a point in time	296.3	–	–	–	–	296.3
– Recognised over time	19.4	12.1	15.1	–	–	46.6
Revenue from other sources						
– Rental income	0.4	548.0	70.3	–	–	618.7
– Interest income from financial investments	9.2	–	–	45.1	–	54.3
– Dividend income	–	–	–	15.2	–	15.2
Inter-segment sales	10.4	10.8	–	–	(21.2)	–
Total	335.7	570.9	85.4	60.3	(21.2)	1,031.1
RESULTS						
(Loss)/profit before change in fair value of investment properties and financial instruments	(816.4)	302.0	(64.1)	36.1	–	(542.4)
Change in fair value of						
– investment properties	(3.0)	(1,079.2)	(155.0)	–	–	(1,237.2)
– financial instruments	(17.3)	(4.4)	–	(99.0)	–	(120.7)
Loss from operations	(836.7)	(781.6)	(219.1)	(62.9)	–	(1,900.3)
Finance costs	(6.8)	(74.6)	(45.7)	(122.6)	40.8	(208.9)
Finance income	47.3	33.0	0.9	117.7	(40.8)	158.1
Share of results of joint ventures	(657.9)	83.3	3.8	–	–	(570.8)
Share of results of an associate	–	0.3	–	–	–	0.3
Loss before taxation	(1,454.1)	(739.6)	(260.1)	(67.8)	–	(2,521.6)
Taxation						(54.4)
Loss for the year						(2,576.0)
Other items						
Depreciation and amortisation	1.6	1.4	0.2	3.3	–	6.5
Impairment provision for properties for sale and financial investments at amortised cost	756.2	–	–	4.6	–	760.8

Inter-segment transactions are entered into under the normal commercial terms and conditions mutually agreed among group companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

The segment assets and liabilities at 31 December 2025 and 2024 and additions to non-current assets for the years then ended are as follows:

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Total HK\$'M
At 31 December 2025					
ASSETS					
Segment assets (Note a)	3,820.0	14,881.3	2,235.8	2,818.8	23,755.9
Investments in joint ventures and loans to joint ventures	3,802.3	1,723.6	151.3	–	5,677.2
Investments in associates and loan to an associate	–	45.7	–	–	45.7
Other assets (Note a)	7,622.3	16,650.6	2,387.1	2,818.8	29,478.8
Consolidated total assets					198.2
					29,677.0
LIABILITIES					
Segment liabilities (Note b)	(336.0)	(192.6)	(53.6)	(52.9)	(635.1)
Other liabilities (Note b)					(7,500.5)
Consolidated total liabilities					(8,135.6)
Additions to non-current assets (Note c)	–	3.0	4.2	1.2	8.4
At 31 December 2024					
ASSETS					
Segment assets (Note a)	3,872.7	16,565.4	2,271.6	3,247.7	25,957.4
Investments in joint ventures and loans to joint ventures	3,246.9	1,447.3	142.4	–	4,836.6
Investments in associates and loan to an associate	–	43.8	–	–	43.8
Other assets (Note a)	7,119.6	18,056.5	2,414.0	3,247.7	30,837.8
Consolidated total assets					247.7
					31,085.5
LIABILITIES					
Segment liabilities (Note b)	(238.4)	(221.2)	(51.2)	(57.6)	(568.4)
Other liabilities (Note b)					(7,196.3)
Consolidated total liabilities					(7,764.7)
Additions to non-current assets (Note c)	9.2	3.2	51.0	1.0	64.4

6. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue by geographical areas in which the customers are located, irrespective of the origin of the goods/services; and by timing of satisfaction of performance obligations:

	Revenue recognised at a point in time HK\$'M	Revenue recognised over time HK\$'M	Rental income HK\$'M	Interest income from financial investments HK\$'M	Dividend income HK\$'M	Year ended 31 December 2025 Total HK\$'M
Hong Kong	241.5	22.7	629.0	1.6	–	894.8
Singapore	–	4.0	–	–	14.7	18.7
United Kingdom	–	–	14.7	–	–	14.7
Chinese Mainland	–	6.6	–	–	–	6.6
Others	–	7.2	–	26.8	–	34.0
	241.5	40.5	643.7	28.4	14.7	968.8

	Revenue recognised at a point in time HK\$'M	Revenue recognised over time HK\$'M	Rental income HK\$'M	Interest income from financial investments HK\$'M	Dividend income HK\$'M	Year ended 31 December 2024 Total HK\$'M
Hong Kong	296.3	34.8	596.7	9.2	–	937.0
Singapore	–	3.8	–	–	15.2	19.0
United Kingdom	–	–	22.0	–	–	22.0
Chinese Mainland	–	4.8	–	–	–	4.8
Others	–	3.2	–	45.1	–	48.3
	296.3	46.6	618.7	54.3	15.2	1,031.1

The followings are analyses of the Group's non-current assets including investment properties and other properties, plant and equipment, and additions to non-current assets by geographical areas in which the assets are located.

	Non-current assets (Note d)		Additions to non-current assets (Note c)	
	At 31 December 2025 HK\$'M	2024 HK\$'M	Year ended 31 December 2025 HK\$'M	2024 HK\$'M
Hong Kong	16,243.5	17,766.9	7.4	64.1
United Kingdom	417.7	727.4	1.0	0.3
Chinese Mainland	28.4	27.8	–	–
	16,689.6	18,522.1	8.4	64.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Notes:

- (a) Segment assets consist primarily of investment properties, other properties, plant and equipment, financial investments at amortised cost, financial investments at fair value through profit or loss, properties for sale, trade and other receivables, deposits and prepayments, other current assets, pledged bank deposits, bank balances and cash and assets classified as held for sale. Other assets comprise mainly derivative financial instruments, tax recoverable and deferred tax assets.
- (b) Segment liabilities comprise operating liabilities. Other liabilities include tax payable, bank and other borrowings, deferred tax liabilities and derivative financial instruments.
- (c) Additions to non-current assets comprise additions to investment properties and other properties, plant and equipment.
- (d) Non-current assets include investment properties and other properties, plant and equipment.

The Group's operations are principally located in Hong Kong and the United Kingdom.

7. OTHER GAINS/(LOSSES), NET

	2025 HK\$'M	2024 HK\$'M
Compensation income arising from obstruction to right of light access of an investment property	8.6	–
Exchange gains/(losses), net	3.2	(11.8)
Forfeited deposits received from properties sales and rental deposit	0.1	0.7
Gain on disposal of financial investments	8.5	–
Gain on disposal of other properties, plant and equipment	3.6	–
Gain on release and discharge of other long-term liability	–	14.9
Impairment provision for financial investments at amortised cost	(0.6)	(4.6)
Impairment provision for other properties, plant and equipment	–	(7.8)
Management fee income from joint ventures (Note 40(a))	2.2	2.1
Release of translation reserve upon deregistration of a subsidiary	7.4	–
Reversal of impairment provision/(impairment provision) for mortgage loan receivables at amortised cost	1.7	(1.7)
Write back of provision/(provision) for doubtful debts	3.3	(6.9)
Other charges to tenants	11.1	7.0
Others	8.1	7.9
	57.2	(0.2)

8. LOSS FROM OPERATIONS

	2025 HK\$'M	2024 HK\$'M
Loss from operations has been arrived at after charging/(crediting) the following:		
Staff costs including directors' remuneration	285.8	289.0
Retirement benefits costs (Note b and c)	11.1	12.1
Total staff costs (Note a)	296.9	301.1
Share-based compensation expenses (Note a)	15.7	27.4
Auditor's remuneration		
– Audit services	4.8	4.9
– Non-audit services	0.9	0.6
Cost of properties included in cost of sales	220.2	194.7
Depreciation of other properties, plant and equipment (Note 16)	5.1	6.3
Direct operating expenses arising from investment properties generating rental income	232.8	200.7
Gain on disposal of other properties, plant and equipment	(3.6)	–
Gross rental income from investment properties	(643.7)	(618.7)

Notes:

- (a) Share-based compensation expenses recognised in the consolidated income statement in respect of share options and share awards granted to certain directors and employees are not included in the total staff costs above.
- (b) Forfeited contributions totalling HK\$2.2M (2024: HK\$1.5M) were utilised during the year.
- (c) Contribution totalling HK\$1.6M (2024: HK\$1.4M) were payable to the fund at the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

Details of the remuneration of every director for the year ended 31 December 2025 are set out below:

Name	Directors' fee HK\$'000	Salaries and allowances HK\$'000	Discretionary bonus HK\$'000	Retirement benefit costs – defined contribution plan HK\$'000	Sub-total HK\$'000	Fair value of share options and share awards amortised in 2025 HK\$'000 (Note 34)	Total HK\$'000
Executive directors							
CHENG Wai Chee, Christopher (Chairman)	25	9,872	–	440	10,337	4,503	14,840
CHENG Wai Sun, Edward (Deputy Chairman and Chief Executive)	25	14,741	2,847	683	18,296	4,503	22,799
CHENG Man Piu, Francis	25	–	–	–	25	–	25
CHOW Wai Wai, John (Note (ii))	23	2,558	–	110	2,691	851	3,542
NG Kar Wai, Kenneth	25	6,975	1,100	330	8,430	1,635	10,065
Non-executive directors							
KWOK Ping Luen, Raymond	82	–	–	–	82	–	82
HONG Pak Cheung, William	82	–	–	–	82	–	82
CHOW Wai Wai, John (Note (ii))	6	–	–	–	6	62	68
CHEN CHOU Mei Mei, Vivien	82	–	–	–	82	–	82
Independent non-executive directors							
Simon MURRAY (Retired on 29 May 2025)	194	–	–	–	194	–	194
YEUNG Kit Shing, Jackson	473	–	–	–	473	–	473
Haider Hatam Tyebjee BARMA (Retired on 29 May 2025)	135	–	–	–	135	–	135
LAM Kin Fung, Jeffrey	332	–	–	–	332	–	332
NG Tak Wai, Frederick (Resigned on 1 December 2025)	303	–	–	–	303	–	303
LAM Tin Fuk, Fred (Appointed on 29 May 2025)	280	–	–	–	280	–	280
KWOK King Man, Clement (Appointed on 1 December 2025)	28	–	–	–	28	–	28
Total	2,120	34,146	3,947	1,563	41,776	11,554	53,330

9. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' remuneration (Continued)

Details of the remuneration of every director for the year ended 31 December 2024 are set out below:

Name	Directors' fee HK\$'000	Salaries and allowances HK\$'000	Discretionary bonus HK\$'000	Retirement benefit costs – defined contribution plan HK\$'000	Sub-total HK\$'000	Fair value of share options and share awards amortised in 2024 HK\$'000 (Note 34)	Total HK\$'000
Executive directors							
CHENG Wai Chee, Christopher (Chairman)	25	10,457	–	440	10,922	5,821	16,743
CHENG Wai Sun, Edward (Deputy Chairman and Chief Executive)	25	15,327	2,589	683	18,624	5,821	24,445
CHENG Man Piu, Francis	25	–	–	–	25	–	25
CHOW Wai Wai, John	25	3,555	531	162	4,273	2,181	6,454
NG Kar Wai, Kenneth	25	7,165	990	330	8,510	3,446	11,956
Non-executive directors							
KWOK Ping Luen, Raymond	82	–	–	–	82	–	82
HONG Pak Cheung, William	82	–	–	–	82	–	82
CHEN CHOU Mei Mei, Vivien	82	–	–	–	82	–	82
Independent non-executive directors							
Simon MURRAY	474	–	–	–	474	–	474
YEUNG Kit Shing, Jackson	473	–	–	–	473	–	473
Haider Hatam Tyebjee BARMA	332	–	–	–	332	–	332
LAM Kin Fung, Jeffrey	332	–	–	–	332	–	332
NG Tak Wai, Frederick	332	–	–	–	332	–	332
Total	2,314	36,504	4,110	1,615	44,543	17,269	61,812

Notes:

- (i) Re-designated from an executive director to a non-executive director with effect from 5 December 2025.
- (ii) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings.
- (iii) During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).
- (iv) None of the directors has waived any emoluments during the year (2024: Nil).

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year according to section 22 of Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(c) Five highest paid individuals

The aggregate emoluments of the five highest paid individuals of the Group in 2025 included three (2024: four) executive directors of the Company whose emoluments are included above. The emoluments of the remaining two (2024: one) highest paid individual are as follows:

	2025 HK\$'M	2024 HK\$'M
Salaries and allowances	10.2	6.0
Discretionary bonus	2.3	1.2
Retirement benefits costs – defined contribution plan	0.5	0.3
Fair value of share options and share awards amortised	2.1	4.3
	15.1	11.8

The emoluments fell within the following bands:

	Number of individual 2025	2024
Emoluments bands HK\$5,000,001 and above	2	1

10. FINANCE COSTS AND FINANCE INCOME

	2025 HK\$'M	2024 HK\$'M
Finance costs		
Interest expenses on:		
– bank borrowings	302.8	387.3
– fixed rate bonds	–	4.3
– other borrowings	–	10.0
Total borrowing costs	302.8	401.6
Less: interest capitalised in properties for sale (Note)	(161.9)	(192.7)
	140.9	208.9
Finance income:		
– bank interest income	(65.8)	(93.0)
– other interest income	(46.6)	(65.1)
	(112.4)	(158.1)

Note:

Capitalised at average effective interest rate of 4.4% (2024: 6.0%) per annum.

11. TAXATION

Hong Kong profits tax has been calculated at 16.5% (2024: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the consolidated income statement represents:

	2025 HK\$'M	2024 HK\$'M
Current taxation		
– Current tax on profits for the year	32.9	49.4
– Over-provision in prior years	–	(0.4)
	32.9	49.0
Deferred taxation (Note 30)		
– Change in fair value of investment properties	(2.0)	–
– Temporary differences on tax depreciation	30.9	24.0
– Recognition of tax losses	(29.5)	(19.7)
– Other temporary differences	(0.1)	1.1
	(0.7)	5.4
Income tax expenses	32.2	54.4

The tax on the Group's loss before taxation differs from the theoretical amount that would arise using the profits tax rate of Hong Kong, where majority of the Group's operations were carried out, as follows:

	2025 HK\$'M	2024 HK\$'M
Loss before taxation	(1,660.3)	(2,521.6)
Tax calculated at Hong Kong profits tax rate of 16.5% (2024: 16.5%)	(273.9)	(416.1)
Expenses not deductible for tax purpose	264.6	247.7
Income not subject to tax	(67.5)	(47.8)
Net increase in unrecognised tax losses and other temporary differences	103.5	181.3
Recognition and utilisation of tax losses not previously recognised	(9.3)	(2.3)
Effect of different tax rates of subsidiaries operating in other jurisdictions	6.8	(2.0)
Over-provision in prior years	–	(0.4)
Tax effect of share of results of joint ventures	7.9	94.2
Tax effect of share of results of an associate	(0.1)	(0.1)
Net PRC taxes on change in fair value of investment properties	0.2	(0.1)
Taxation for the year	32.2	54.4

There was no tax charge in relation to components of other comprehensive income during the year (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Loss attributable to shareholders of the Company (expressed in HK\$'M)	(1,713.7)	(2,559.5)
Weighted average number of ordinary shares in issue	1,364,855,923	1,357,200,279
Basic loss per share	(HK\$1.26)	(HK\$1.89)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at the beginning of the year. The Company has share options and share awards outstanding during the year which are not included in the calculation of diluted loss per share as they are anti-dilutive.

	2025	2024
Loss attributable to shareholders of the Company (expressed in HK\$'M)	(1,713.7)	(2,559.5)
Weighted average number of ordinary shares in issue	1,364,855,923	1,357,200,279
Effect of dilutive potential shares issuable under the Company's share option plans and share award plan	–	–
Weighted average number of shares for the purpose of calculating diluted loss per share	1,364,855,923	1,357,200,279
Diluted loss per share	(HK\$1.26)	(HK\$1.89)

13. DIVIDENDS

	2025 HK\$'M	2024 HK\$'M
Interim dividend paid on 6 October 2025 of HK3.0 cents (2024: HK3.0 cents) per ordinary share	41.0	40.7
Proposed final dividend of HK4.0 cents (2024: HK4.0 cents) per ordinary share	55.0	54.5
	96.0	95.2

The final dividend is not accounted for as a dividend payable in these financial statements until it has been approved at the forthcoming annual general meeting of the Company.

14. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	2025 HK\$'M	2024 HK\$'M
Net fair value loss on derivative financial instruments	(25.1)	(45.5)
Net gain/(loss) on financial investments at fair value through profit or loss	90.7	(66.0)
Loss on mortgage loan receivables at fair value through profit or loss	—	(9.2)
	65.6	(120.7)

15. INVESTMENT PROPERTIES

	2025 HK\$'M	2024 HK\$'M
Investment properties comprise:		
Properties in Hong Kong held on:		
Leases of over 50 years	51.7	64.5
Leases of between 10 and 50 years	16,133.7	17,640.4
Properties outside Hong Kong held on:		
Leases of over 50 years	141.4	131.5
Leases of between 10 and 50 years	28.4	27.8
Freehold properties outside Hong Kong	275.5	595.1
	16,630.7	18,459.3

(a) Valuation processes of the Group

The Group measures its investment properties at fair value. The fair value of the Group's investment properties at 31 December 2025 and 2024 has been determined on the basis of valuations carried out by independent valuers not related to the Group. The Group engaged Savills Valuation and Professional Services Limited, Jones Lang LaSalle Limited, Cushman & Wakefield, Knight Frank Petty Limited and B.I. Appraisals Limited to value its investment properties. Discussion of valuation processes and results are held between the Group's management and valuers at least once every six months, in line with the Group's interim and annual reporting dates. At each reporting date, the Group's management:

- verifies all major inputs to the independent valuation report;
- assesses property valuations movements when compared to the prior period valuation report;
- holds discussions with the independent valuers.

Changes in Level 3 fair values are also analysed at each reporting date during the bi-annual valuations discussions between the Group's management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. INVESTMENT PROPERTIES (Continued)

(b) Fair value hierarchy

Fair value measurements using significant unobservable inputs (Level 3)

Investment properties within Level 3 fair value hierarchy represent commercial properties, industrial properties, residential units and serviced apartments and others where fair values were generally derived using the income capitalisation, discounted cash flow and direct comparison method.

Income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties.

The discounted cash flow analysis requires periodic net cash flows to be forecasted over the life of the investment property and discounted at a risk-adjusted opportunity cost of capital to arrive at a present value. The discounted cash flow analysis takes into consideration the yearly net cash flows after deductions for expenditure, and having regard to the assumptions made relating to rental growth rate and occupancy rate. The discounted cash flow analysis incorporates an assumed 10-year holding period and the reversionary value in Year Eleven, discounted by an appropriate discount rate to derive at a net present value.

Direct comparison method is based on comparing the sales of other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

As at 31 December 2025 and 2024, all investment properties are under Level 3 measurement.

Movements of investment properties under Level 3 measurements:

	Commercial properties HK\$'M	Industrial properties HK\$'M	Residential units HK\$'M	Serviced apartments and others HK\$'M	Total HK\$'M
At 1 January 2025	13,186.6	791.0	2,180.6	2,301.1	18,459.3
Change in fair value	(1,055.6)	(73.5)	(224.4)	(101.8)	(1,455.3)
Exchange differences	56.3	–	–	1.3	57.6
Finalisation of construction costs upon completion	–	–	–	(1.4)	(1.4)
Additions	3.0	–	–	4.2	7.2
Disposal of a subsidiary	(385.4)	–	–	–	(385.4)
Assets classified as held for sale	–	–	(51.3)	–	(51.3)
At 31 December 2025	11,804.9	717.5	1,904.9	2,203.4	16,630.7
At 1 January 2024	13,958.9	872.9	2,443.1	2,418.5	19,693.4
Change in fair value	(756.8)	(81.9)	(231.2)	(167.3)	(1,237.2)
Exchange differences	(16.2)	–	–	(1.0)	(17.2)
Additions	0.7	–	0.7	50.9	52.3
Assets classified as held for sale	–	–	(32.0)	–	(32.0)
At 31 December 2024	13,186.6	791.0	2,180.6	2,301.1	18,459.3

15. INVESTMENT PROPERTIES (Continued)

(b) Fair value hierarchy (Continued)

Fair value measurements using significant unobservable inputs (Level 3) (Continued)

Significant inputs used to determine fair value of investment properties at 31 December 2025 and 2024:

Range of significant unobservable inputs					
	Valuation method	Monthly market rent HK\$/sq.ft.	Unit price HK\$/sq.ft.	Discount rate %	Capitalisation rate %
At 31 December 2025					
Commercial properties	Income capitalisation	24 to 79	N/A	N/A	3.3 to 4.1
Industrial property	Income capitalisation	12	N/A	N/A	3.8
Residential units	Direct comparison	N/A	12,000 to 25,000	N/A	N/A
Serviced apartments and others	Income capitalisation or discounted cash flow	70 to 139	N/A	6.0	3.5 to 3.8
At 31 December 2024					
Commercial properties	Income capitalisation	25 to 76	N/A	N/A	3.2 to 4.3
Industrial property	Income capitalisation	12	N/A	N/A	3.5
Residential units	Direct comparison	N/A	13,000 to 28,000	N/A	N/A
Serviced apartments and others	Income capitalisation or discounted cash flow	73 to 160	N/A	6.0 to 6.3	2.9 to 3.2

Market rents are estimated based on valuers' view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value.

Capitalisation rates are estimated by valuers based on the risk profile of the properties being valued. The lower the rates, the higher the fair value.

Discount rates are estimated by valuers based on the risk-adjusted opportunity cost of capital. The lower the rates, the higher the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. INVESTMENT PROPERTIES (Continued)

(b) Fair value hierarchy (Continued)

Fair value measurements using significant unobservable inputs (Level 3) (Continued)

Sensitivity analyses have been performed to assess the impact on the valuations of changes in the four significant unobservable inputs for capitalisation rates, discount rates, monthly market rents and unit prices on the investment properties in Hong Kong, which contributed 97% of the total investment properties balance at 31 December 2025 (2024: 95%). The impact of any reasonably possible change in the assumptions for other investment properties would not be material. The Group believes this capture the range of variations in these key valuation assumptions. The sensitivity of the fair values of the investment properties to changes in the significant unobservable inputs are as follow:

	Fair value of the total investment properties HK\$'M	Monthly market rent		Unit price		Discount rate		Capitalisation rate	
		+5% HK\$'M	-5% HK\$'M	+5% HK\$'M	-5% HK\$'M	+10 basis points HK\$'M	-10 basis points HK\$'M	+10 basis points HK\$'M	-10 basis points HK\$'M
At 31 December 2025									
Commercial properties	11,804.9	544.0	(534.0)	N/A	N/A	N/A	N/A	(334.0)	355.0
Industrial properties	717.5	35.0	(35.0)	N/A	N/A	N/A	N/A	(18.0)	19.0
Residential units	1,904.9	N/A	N/A	97.8	(97.8)	N/A	N/A	N/A	N/A
Serviced apartments and others	2,203.4	201.0	(201.0)	N/A	N/A	(15.0)	16.0	N/A	N/A
	16,630.7								
At 31 December 2024									
Commercial properties	13,186.6	608.0	(596.0)	N/A	N/A	N/A	N/A	(365.0)	397.0
Industrial properties	791.0	41.0	(38.0)	N/A	N/A	N/A	N/A	(20.0)	23.0
Residential units	2,180.6	N/A	N/A	110.6	(110.6)	N/A	N/A	N/A	N/A
Serviced apartments and others	2,301.1	188.0	(188.0)	N/A	N/A	(15.0)	17.0	N/A	N/A
	18,459.3								

(c) Leasing arrangements

The investment properties are leased to tenants under operating leases.

Minimum lease payments receivable on leases of investment properties are set out in Note 36. None of the leases include significant variable rentals.

16. OTHER PROPERTIES, PLANT AND EQUIPMENT

	Land and buildings HK\$'M	Furniture, fixtures and equipment HK\$'M	Vehicles HK\$'M	Total HK\$'M
At cost				
At 1 January 2025	49.1	67.1	39.8	156.0
Additions	–	0.2	1.0	1.2
Disposals	–	(2.3)	(8.8)	(11.1)
At 31 December 2025	49.1	65.0	32.0	146.1
Accumulated depreciation and impairment				
At 1 January 2025	8.4	50.6	34.2	93.2
Depreciation provided for the year (Note 8)	0.6	2.4	2.1	5.1
Disposals	–	(2.3)	(8.8)	(11.1)
At 31 December 2025	9.0	50.7	27.5	87.2
Net book value				
At 31 December 2025	40.1	14.3	4.5	58.9
At cost				
At 1 January 2024	49.1	56.6	39.9	145.6
Additions	–	10.9	1.2	12.1
Disposals	–	(0.4)	(1.3)	(1.7)
At 31 December 2024	49.1	67.1	39.8	156.0
Accumulated depreciation and impairment				
At 1 January 2024	7.9	39.3	33.6	80.8
Depreciation provided for the year (Note 8)	0.5	3.9	1.9	6.3
Impairment provided for the year (Note 7)	–	7.8	–	7.8
Disposals	–	(0.4)	(1.3)	(1.7)
At 31 December 2024	8.4	50.6	34.2	93.2
Net book value				
At 31 December 2024	40.7	16.5	5.6	62.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. JOINT VENTURES

	2025 HK\$'M	2024 HK\$'M
Share of net assets (Note a)	481.5	525.3
Non-current loans to joint ventures (Note b)	4,967.2	4,283.2
	5,448.7	4,808.5

Details of the principal joint ventures at 31 December 2025 are set out in Note 44. Contingent liabilities relating to the Group's interest in joint ventures are set out in Note 38.

Notes:

- (a) Summarised financial information of material joint ventures

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with HKFRS Accounting Standards.

(i) Southwater Investments Limited and its subsidiaries ("Southwater Group")

	For the year ended 31 December	
	2025 HK\$'M	2024 HK\$'M
Revenue	0.4	–
Loss from operations (Note)	(220.6)	(1,318.2)
Loss and total comprehensive loss for the year	(219.4)	(1,317.3)

Note:

The amount mainly arises from impairment provision for properties under development of HK\$200.8M (2024: HK\$1,301.0M).

	At 31 December	
	2025 HK\$'M	2024 HK\$'M
Non-current assets	418.4	18.5
Current assets	12,714.8	11,485.8
Current liabilities	(6,865.7)	(6,121.5)
Non-current liabilities	(5,853.1)	(4,748.9)
Net assets of Southwater Group	414.4	633.9
The above amounts include:		
Bank balances and cash	24.1	101.2
Current financial liabilities (excluding trade and other payables and provisions)	(6,530.1)	(5,984.0)
Non-current financial liabilities (excluding trade and other payables and provisions)	(5,853.1)	(4,748.9)

17. JOINT VENTURES (Continued)

Notes: (Continued)

(a) Summarised financial information of material joint ventures (Continued)

(i) Southwater Investments Limited and its subsidiaries ("Southwater Group") (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated balance sheet:

	At 31 December	
	2025	2024
	HK\$'M	HK\$'M
Net assets of Southwater Group	414.4	633.9
Proportion of the Group's ownership interest in Southwater Group	50%	50%
Carrying amount of the Group's interest in Southwater Group	207.2	317.0
Loan to Southwater Group	3,118.3	2,366.1
Carrying amount of the Group's interest and loan to Southwater Group	3,325.5	2,683.1

(ii) Kingswood Edge Limited and its subsidiaries ("Kingswood Group")

The summarised financial information of Kingswood Group is set out below:

	For the year ended 31 December	
	2025	2024
	HK\$'M	HK\$'M
Revenue	164.5	174.0
Profit from operations	389.9	177.5
Profit for the year	325.5	118.8
Other comprehensive income/(loss)	20.5	(4.0)
Total comprehensive income for the year	346.0	114.8

	At 31 December	
	2025	2024
	HK\$'M	HK\$'M
Non-current assets	4,157.2	3,580.7
Current assets	166.4	194.9
Current liabilities	(2,155.1)	(2,056.0)
Non-current liabilities	(1,652.9)	(1,549.9)
Net assets of Kingswood Group	515.6	169.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. JOINT VENTURES (Continued)

Notes: (Continued)

(a) Summarised financial information of material joint ventures (Continued)

(ii) Kingswood Edge Limited and its subsidiaries ("Kingswood Group") (Continued)

	At 31 December	
	2025 HK\$'M	2024 HK\$'M
The above amounts include:		
Bank balances and cash	54.6	80.8
Current financial liabilities (excluding trade and other payables and provisions)	(2,094.3)	(1,986.7)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1,652.9)	(1,536.9)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated balance sheet:

	At 31 December	
	2025 HK\$'M	2024 HK\$'M
Net assets of Kingswood Group	515.6	169.7
Proportion of the Group's ownership interest in Kingswood Group	50%	50%
Carrying amount of the Group's interest in Kingswood Group	257.8	84.9
Loan to Kingswood Group	826.4	768.4
Carrying amount of the Group's interest and loan to Kingswood Group	1,084.2	853.3

17. JOINT VENTURES (Continued)

Notes: (Continued)

(a) Summarised financial information of material joint ventures (Continued)

(iii) **Aggregate information of the Group's share of results of its joint ventures that are not individually material:**

	2025 HK\$'M	2024 HK\$'M
(Loss)/profit from operations	(89.0)	63.3
(Loss)/profit for the year	(101.2)	28.5
Other comprehensive loss	(4.4)	(2.0)
Total comprehensive (loss)/income	(105.6)	26.5

(b) Loans to joint ventures are unsecured and approximate their fair value. Other than loans of HK\$112.0M (2024: HK\$2,415.1M) which bear interest at a fixed rate of 3.0% to 4.5% (2024: 3.0% to 4.9%) per annum, the remaining balances are interest free.

They are denominated in the following currencies:

	2025 HK\$'M	2024 HK\$'M
Hong Kong dollars	3,551.7	2,775.3
UK pounds	1,428.0	1,332.9
Malaysian Ringgits	216.0	203.1
	5,195.7	4,311.3
Analysed as		
Non-current	4,967.2	4,283.2
Current (Note 23)	228.5	28.1
	5,195.7	4,311.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. ASSOCIATES

	2025 HK\$'M	2024 HK\$'M
Share of net assets (Note b)	23.4	21.4
Loan to an associate (Note c)	22.3	22.4
	45.7	43.8

Notes:

(a) Details of the principal associate at 31 December 2025 are as follows:

Name of associate	Place of incorporation/operation	Attributable proportion of issued capital held by the Company indirectly	Principal activities
China Merchants International Cold Chain (Shenzhen) Company Ltd.	People's Republic of China	30%	Cold storage

The above table lists the associate of the Group which, in the opinion of the directors, principally affected the results or net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

(b) Aggregate information of the Group's share of revenue, results, and net assets of its associates that are not individually material to the Group:

	2025 HK\$'M	2024 HK\$'M
Revenue	16.4	17.2
Profit for the year	0.4	0.3
Other comprehensive income/(loss)	1.6	(0.2)
Total comprehensive income	2.0	0.1
Net assets	23.4	21.4

(c) Loan to an associate is unsecured and not repayable within one year. All balances as at 31 December 2025 and 2024 are interest free. It is denominated in Renminbi.

As at 31 December 2025, no impairment has been made (2024: Nil) in respect of an aggregate loan amount with principal balance of HK\$22.3M (2024: HK\$22.4M).

19. FINANCIAL INVESTMENTS AT AMORTISED COST

	2025 HK\$'M	2024 HK\$'M
Corporate bonds (Note a, c and d)	363.3	481.5
Certificate of deposits (Note b and c)	–	100.1
	363.3	581.6
Analysed as		
Non-current	84.7	372.9
Current	278.6	208.7
	363.3	581.6
Market value	350.2	555.4

The market value was determined by reference to published price quotations in an active market. They are classified as Level 1 in the fair value hierarchy.

Notes:

- (a) At 31 December 2025, the corporate bonds with maturity within one year are HK\$278.6M (2024: HK\$108.6M), other than the zero-coupon corporate bonds, which carry fixed coupon rates ranging from 1.4% to 6.0% (2024: 2.0% to 6.0%). The corporate bonds with maturity between one and two years are HK\$30.4M (2024: HK\$304.9M) which carry fixed coupon rates ranging from 1.5% to 1.6% (2024: 1.4% to 5.5%). The corporate bonds with maturity between two and five years are HK\$54.3M (2024: HK\$52.9M) which carry fixed coupon rates ranging from 4.1% to 5.0% (2024: 1.5% to 5.0%). The corporate bonds with maturity over five years are Nil (2024: HK\$15.1M) which carry fixed coupon rate of Nil (2024: 4.5%).

At 31 December 2025, listed corporate bonds are HK\$363.3M (2024: HK\$466.1M) and unlisted corporate bonds are Nil (2024: HK\$15.4M).

- (b) At 31 December 2024, the certificate of deposits, other than the zero-coupon certificate of deposits, with maturity within one year carried fixed interest rates ranging from 4.7% to 5.0%.
- (c) The financial investments at amortised cost are denominated in United States dollars.
- (d) At 31 December 2025, the amount of corporate bonds include impairment provision of HK\$29.3M (2024: HK\$58.2M).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'M	2024 HK\$'M
REIT investments listed overseas (Note a)	343.1	266.4
Listed debt securities (Note b)	145.0	216.7
Unlisted fund investments (Note c)	85.3	298.5
Others	0.7	0.4
	574.1	782.0
Analysed as		
Non-current	488.8	483.5
Current	85.3	298.5
	574.1	782.0

Notes:

- (a) The Real Estate Investment Trust ("REIT") investments mainly represent the Group's investment in Suntec Real Investment Trust, which is incorporated and listed in Singapore.
- (b) The listed debt securities represent the Group's investment in bonds with fixed interest at rates ranging from 2.0% to 5.3% (2024: 3.2% to 6.2%).
- (c) Unlisted fund investments represent money market funds held with licensed banks with interest rate of 3.7% (2024: 4.5%).
- (d) The Group classifies the following financial investments at FVPL:
- Debt investments that do not qualify for measurement at either amortised cost (Note 19) or FVOCI,
 - Equity investments that are held for trading, and
 - Equity investments for which the Group has not elected to recognise fair value gains and losses through OCI.
- (e) The financial investments at fair value through profit or loss are denominated in the following currencies:

	2025 HK\$'M	2024 HK\$'M
Singapore dollars	345.4	266.8
United States dollars	222.5	514.8
Hong Kong dollars	6.2	0.4
	574.1	782.0

- (f) The maximum exposure to credit risk at the balance sheet date is the fair value of each class of financial investments mentioned above.

21. OTHER CURRENT ASSETS

	2025 HK\$'M	2024 HK\$'M
Mortgage loan receivables		
– at fair value through profit or loss	9.8	28.5
– at amortised cost (Note a)	–	3.9
	9.8	32.4

Mortgage loan receivables are advances to purchasers of development properties of the Group and are secured by first mortgages on the related properties. The Group has made reversal of impairment provision of HK\$1.7M for its mortgage loan receivables during the year (2024: impairment provision of HK\$1.7M).

Note:

- (a) The fair value of mortgage loans receivables approximate their carrying amounts.

22. PROPERTIES FOR SALE

	2025 HK\$'M	2024 HK\$'M
Properties for/under development held for sale (Note)	3,081.2	2,826.3
Completed properties	286.6	533.4
	3,367.8	3,359.7

Note:

The amount of properties for sale includes impairment provision of HK\$1,375.5M (2024: HK\$964.5M). The amount of properties for/under development held for sale expected to be recovered after more than one year is HK\$3,081.2M (2024: HK\$2,826.3M).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'M	2024 HK\$'M
Trade receivables (Note b to d)	16.8	15.6
Deferred rent receivables	8.9	13.4
Amounts due from joint ventures (Note f)	19.1	11.8
Loans to joint ventures (Note f and 17(b))	228.5	28.1
Amounts due from non-controlling interests (Note f)	122.9	82.6
Contract assets (Note g)	6.5	5.4
Other receivables, deposits and prepayments (Note h)	80.5	104.9
	483.2	261.8

Notes:

- (a) The fair values of trade and other receivables, deposits and prepayments approximate their carrying amounts.
- (b) The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with industry practice. Sales proceeds receivable from sale of properties are settled in accordance with the terms of respective contracts. The following is an ageing analysis of the Group's trade receivables (net of provision) at 31 December, based on the invoice dates:

	2025 HK\$'M	2024 HK\$'M
0 – 30 days	14.2	11.8
31 – 90 days	1.3	2.3
Over 90 days	1.3	1.5
	16.8	15.6

- (c) As of 31 December 2025, HK\$13.0M of the trade receivables was impaired (2024: HK\$16.2M).

- (d) The trade receivables (net of provision) are denominated in the following currencies:

	2025 HK\$'M	2024 HK\$'M
Hong Kong dollars	8.2	9.4
United States dollars	3.3	1.4
Renminbi	2.1	2.2
Other currencies	3.2	2.6
	16.8	15.6

- (e) The maximum exposure to credit risk at the balance sheet date is the fair value of each class of receivables mentioned above.

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

- (f) Amounts due from and loans to joint ventures and amounts due from non-controlling interests are unsecured and repayable on demand. As at 31 December 2025 and 2024, all balances were interest free.
- (g) It mainly represents sales commissions incurred for obtaining property sales contracts.
- (h) At 31 December 2025, none of the other receivables and deposits was past due nor contained impaired assets (2024: Nil).

24. DERIVATIVE FINANCIAL INSTRUMENTS

	2025		2024	
	Assets HK\$'M	Liabilities HK\$'M	Assets HK\$'M	Liabilities HK\$'M
Interest rate swap contracts (Note)				
– not qualifying as hedges	91.8	(14.9)	159.1	–
	91.8	(14.9)	159.1	–
Cross currency swap contracts (Note)				
– not qualifying as hedges	80.2	–	23.8	(1.7)
	80.2	–	23.8	(1.7)
Forward exchange contracts (Note)				
– net investment hedges	17.1	(23.6)	49.7	–
– not qualifying as hedges	–	–	0.5	–
	17.1	(23.6)	50.2	–
	189.1	(38.5)	233.1	(1.7)
Analysed as				
Non-current	153.9	(11.2)	182.2	–
Current	35.2	(27.3)	50.9	(1.7)
	189.1	(38.5)	233.1	(1.7)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Note:

The notional amounts of derivative financial instruments outstanding at 31 December were as follows:

	2025 HK\$'M	2024 HK\$'M
Interest rate swap contracts	3,251.4	1,233.8
Cross currency swap contracts	1,031.2	1,031.2
Forward exchange contracts	933.5	925.3

The portion of changes in fair value of derivative financial instruments not qualified as hedges are recognised in the consolidated income statement and amounted to loss of HK\$25.1M (2024: HK\$45.5M).

Maturity date of derivative financial instruments ranges from January 2026 to July 2030 (2024: January 2025 to July 2030).

At 31 December 2025, the fixed interest rates under interest rate swap contracts ranges from 0.8% to 2.9% (2024: 0.8% to 1.4%) per annum and the floating rate is Sterling Overnight Index Average (SONIA) and Hong Kong Interbank Offered Rate (HIBOR).

At 31 December 2025, forward rate under forward exchange contracts mainly on GBP/HK\$ ranges from 9.5 to 10.9 (2024: 10.1 to 10.9) and GBP/US\$ is 1.3 (2024: 1.3) and hedged rate under cross currency swap contracts mainly on SGD/HK\$ of 5.7 (2024: 5.7).

The Group's reserves related to the following hedging instruments:

	Translation reserve HK\$'M
At 1 January 2025	100.3
Change in fair value of hedging instruments recognised in OCI	(66.0)
Release of translation reserve upon disposal of a subsidiary	21.8
At 31 December 2025	56.1
At 1 January 2024	84.8
Change in fair value of hedging instruments recognised in OCI	15.5
At 31 December 2024	100.3

25. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

The pledged bank deposits shown under current assets mainly carry interests at market rates ranging from 1.7% to 2.6% (2024: 3.5% to 3.6%) per annum. The bank deposits, with maturity mainly ranging from one to four months (2024: mainly ranging from three to six months), are pledged to secure bank borrowings.

Cash and cash equivalents for the purpose of the consolidated cash flow statement include the following:

	2025 HK\$'M	2024 HK\$'M
Bank balances and cash	2,333.6	2,362.1
Less: Deposits with maturity of more than three months	(586.4)	(866.0)
Cash and cash equivalents in consolidated cash flow statement	1,747.2	1,496.1

Cash and cash equivalents include short-term bank time deposits of HK\$1,235.6M (2024: HK\$971.6M) with an average interest rate of 3.2% (2024: 3.8%) per annum.

Cash and short-term deposits of HK\$16.7M (2024: HK\$18.4M) are held in Chinese Mainland and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividend.

The Group's bank balances and cash are denominated in the following currencies:

	2025 HK\$'M	2024 HK\$'M
Hong Kong dollars	1,393.1	1,960.1
United States dollars	845.5	266.4
Renminbi	42.2	39.2
UK pounds	33.9	75.4
Singapore dollars	18.9	21.0
	2,333.6	2,362.1
Maximum exposure to credit risk	2,333.4	2,361.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. GAIN ON DISPOSAL OF A SUBSIDIARY

In June 2025, the Group disposed of its entire interest in a subsidiary holding the commercial property located at 8-12 (even) Brook Street, London. The disposal was completed in June 2025. Disposal gain was arrived as follows:

	2025 HK\$'M
Proceeds from disposal of a subsidiary	451.0
Less: Net liability of a subsidiary (Note)	40.7
Amount due to the Group	(430.9)
Transaction cost	(3.1)
Release of translation reserve upon disposal of a subsidiary	(19.7)
Gain on disposal of a subsidiary	38.0

Note:

The net liability of the subsidiary mainly comprises of an investment property amounted to HK\$385.4M and amount due to the Group of HK\$430.9M.

27. ASSETS CLASSIFIED AS HELD FOR SALE

The assets reclassified as held for sale are in relation to the sale of residential units and car parking spaces. The investment properties are within Level 3 fair value hierarchy. As at 31 December 2025 and 2024, the fair value of the investment properties was determined by direct comparison method. The significant input used to determine fair value of investment property is unit price which is HK\$17,000/sq.ft. (2024: HK\$20,000/sq.ft.).

28. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 HK\$'M	2024 HK\$'M
Trade payables (Note b and c)	77.8	32.6
Contract liabilities (Note a)	16.8	8.2
Rental deposits received	121.4	134.4
Construction costs payable	76.2	67.4
Amounts due to joint ventures (Note e)	93.8	89.7
Other payables and accruals (Note d)	249.1	236.1
	635.1	568.4

28. TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

- (a) It mainly represents sales deposits received from property sales.
- (b) The ageing analysis of the Group's trade payables based on invoice date at 31 December is as follows:

	2025 HK\$'M	2024 HK\$'M
0 – 30 days	76.5	31.6
31 – 90 days	1.3	1.0
	77.8	32.6

The carrying values of the Group's trade and other payables approximate their fair values.

- (c) All trade payables are mainly denominated in Hong Kong dollars.
- (d) Included in other payables and accruals are balances of HK\$4.0M (2024: HK\$19.3M) and HK\$10.5M (2024: HK\$11.9M) which are denominated in UK pounds and Renminbi respectively. The remaining balances are mainly denominated in Hong Kong dollars.
- (e) Amounts due to joint ventures are unsecured, interest-free and repayable on demand.

29. BANK AND OTHER BORROWINGS

	2025 HK\$'M	2024 HK\$'M
Bank borrowings (Note a)	6,741.4	6,486.2
Loans from non-controlling interests (Note b)	361.2	339.8
	7,102.6	6,826.0

The maturity of the bank and other borrowings are as follows:

Within one year	1,293.3	2,088.6
Between one and two years	4,839.7	472.8
Between two and five years	969.6	4,264.6
	7,102.6	6,826.0
Less: Amounts due within one year shown under current liabilities	(1,293.3)	(2,088.6)
Amounts due after one year	5,809.3	4,737.4
Analysed as		
Secured	3,780.7	3,431.4
Unsecured	3,321.9	3,394.6
	7,102.6	6,826.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. BANK AND OTHER BORROWINGS (Continued)

The carrying amounts of the bank and other borrowings are denominated in the following currencies:

	2025 HK\$'M	2024 HK\$'M
Hong Kong dollars	6,514.1	5,803.4
UK pounds	588.5	1,022.6
	7,102.6	6,826.0

Notes:

- (a) Bank facilities are secured by certain properties, financial investments at amortised cost and pledged bank deposits of the Group amounting to HK\$8,054.1M (2024: HK\$7,190.0M) (Note 39). The bank borrowings bear interests at floating interest rates.
- (b) At 31 December 2025, all loans from non-controlling interests are interest free. At 31 December 2024, HK\$235.5M bear interest at a fixed rate of 4.1%, the remaining balances are interest free.
- (c) At 31 December 2025 and 2024, the bank and other borrowings have an average effective interest rate of 4.3% (2024: 5.9%) per annum.

30. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred taxation relates to the same fiscal authority. The amounts shown on the consolidated balance sheet are as follows:

	2025 HK\$'M	2024 HK\$'M
Deferred tax liabilities	237.4	241.8
Deferred tax assets	(1.2)	(5.3)
	236.2	236.5

30. DEFERRED TAXATION (Continued)

The gross movements of the deferred tax liabilities/(assets) recognised are as follows:

	Tax depreciation HK\$'M	Revaluation of properties HK\$'M	Tax losses HK\$'M	Others HK\$'M	Total HK\$'M
At 1 January 2025	331.8	2.0	(97.6)	0.3	236.5
Exchange adjustments	0.2	–	(0.3)	–	(0.1)
Charge/(credit) to the consolidated income statement for the year (Note 11)	30.9	(2.0)	(29.5)	(0.1)	(0.7)
Disposal of a subsidiary	(2.2)	–	2.7	–	0.5
At 31 December 2025	360.7	–	(124.7)	0.2	236.2
At 1 January 2024	307.9	2.0	(77.9)	(0.8)	231.2
Exchange adjustments	(0.1)	–	–	–	(0.1)
Charge/(credit) to the consolidated income statement for the year (Note 11)	24.0	–	(19.7)	1.1	5.4
At 31 December 2024	331.8	2.0	(97.6)	0.3	236.5

At 31 December 2025, the Group has unused tax losses and other temporary differences of approximately HK\$3,388.2M (2024: HK\$2,659.9M) available for offset against future profits. Deferred tax asset has been recognised in respect of HK\$751.3M (2024: HK\$591.4M) of such unused tax losses for which the realisation of the related tax benefit through the future taxable profits is probable. No deferred tax asset has been recognised in respect of the remaining tax losses and other temporary differences of HK\$2,636.9M (2024: HK\$2,068.5M) due to the unpredictability of future profit streams of some of the subsidiaries. Included in unrecognised tax losses are losses of HK\$2.6M (2024: HK\$2.6M) that will expire in the next five years. Other losses may be carried forward indefinitely.

At 31 December 2025 and 2024, there was no significant unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

Deferred taxation at the balance sheet date is mainly expected to be realised or settled after more than 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank borrowings HK\$'M (Note 29)	Fixed rate bonds HK\$'M	Loans from non- controlling interests HK\$'M (Note 29)	Other long-term liability HK\$'M	Derivative financial instruments HK\$'M (Note 24)	Total HK\$'M
As at 1 January 2025	6,486.2	–	339.8	–	(231.4)	6,594.6
Net financing cash inflows	185.4	–	21.3	–	(10.3)	196.4
Net fair value loss on derivative financial instruments	–	–	–	–	25.1	25.1
Change in fair value of hedging instruments recognised in OCI	–	–	–	–	66.0	66.0
Exchange differences	65.3	–	–	–	–	65.3
Others	4.5	–	0.1	–	–	4.6
As at 31 December 2025	6,741.4	–	361.2	–	(150.6)	6,952.0
As at 1 January 2024	6,389.3	100.3	318.9	16.2	(267.6)	6,557.1
Net financing cash inflows	115.5	–	11.0	–	6.2	132.7
Net fair value loss on derivative financial instruments	–	–	–	–	45.5	45.5
Change in fair value of hedging instruments recognised in OCI	–	–	–	–	(15.5)	(15.5)
Gain on release and discharge	–	–	–	(14.9)	–	(14.9)
Exchange differences	(22.6)	–	–	–	–	(22.6)
Redemption on fixed rate bond	–	(100.0)	–	–	–	(100.0)
Others	4.0	(0.3)	9.9	(1.3)	–	12.3
As at 31 December 2024	6,486.2	–	339.8	–	(231.4)	6,594.6

32. SHARE CAPITAL

	Number of ordinary shares of HK\$0.50 each	Amount HK\$'M
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2025	1,357,200,279	678.6
Issue of shares on subscription of share awards	9,312,500	4.7
At 31 December 2025	1,366,512,779	683.3
At 1 January 2024 and 31 December 2024	1,357,200,279	678.6

33. PERPETUAL CAPITAL SECURITIES

Under the US\$1 billion Medium Term Note Programme, Wing Tai Properties (Finance) Limited, a wholly-owned subsidiary of the Group, issued S\$260 million 4.35% unrated senior guaranteed perpetual capital securities (the "Securities") which are listed on Singapore Exchange Securities Trading Limited in 2017.

The Group accounted for the Securities as equity instruments pursuant to HKFRS Accounting Standards issued by the HKICPA for the purposes of the Group's consolidated financial statements.

34. SHARE OPTION PLANS AND SHARE AWARD PLAN

On 23 May 2023, the Company adopted a new share option plan (the "2023 Share Option Plan") and a new share award plan (the "2023 Share Award Plan"), under which, the board of directors of the Company (the "Board") or a duly authorised committee thereof (the "Committee") may, in its absolute discretion, grant share options/share awards to any eligible participants to subscribe for shares of the Company.

Upon the adoption of the 2023 Share Option Plan, the share option plan which was adopted by the shareholders of the Company on 27 October 2015 (the "2015 Share Option Plan") was ended by the Board with effect from 23 May 2023. No further share options shall be available for grant under the 2015 Share Option Plan but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the 2015 Share Option Plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SHARE OPTION PLANS AND SHARE AWARD PLAN (Continued)

- (a) In accordance with the requirements of the Listing Rules, a summary of the 2015 Share Option Plan is set out below:
- i) Purpose
The purpose of the 2015 Share Option Plan is to facilitate the grant of options over shares by the Company to persons selected at the discretion of the Board in order to incentivise and retain such persons.
 - ii) Participants
The Board or the Committee may, at its sole discretion on a general or case-by-case basis, grant share options to a bona fide director, employee, officer, consultant, former director, former employee, former officer or former consultant of any member of the Group to subscribe for the shares of the Company.
 - iii) Total number of shares available for issue
As at the date of this annual report, the total number of shares available for issue in respect of which share options may be granted under the 2015 Share Option Plan is nil. The total number of shares available for issue in respect of which share options already granted under the 2015 Share Option Plan but not yet exercised is 20,378,250, representing approximately 1.5% of the shares in issue (excluding treasury shares).
 - iv) Maximum entitlement of each participant
Subject always to the Listing Rules, the total number of shares issued and to be issued upon exercise of share options granted to each participant (including both exercised and outstanding share options) in any 12-month period must not exceed 1% of the shares in issue (excluding treasury shares).
 - v) Period within which the share option may be exercised by the grantee
Any share options granted but not exercised within the exercise period should be lapsed. The exercise period in relation to a share option is the period which starts on the vesting date and ends on the day before the tenth anniversary of the date of grant unless the Board or the Committee sets a shorter period at the time of grant.
 - vi) The vesting period of share options granted
The 2015 Share Option Plan does not specify a vesting period for which a share option must be held before it can be exercised but the vesting period of the share options granted under the 2015 Share Option Plan is at least 12 months from the date of grant.
 - vii) Offer and acceptance
Share options granted must be accepted within 28 days from the date of grant. A consideration of HK\$1 is payable on acceptance of the grant of share options.
 - viii) Basis of determining the exercise price
The exercise price for a share option must be at least the higher of: (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of grant; and (ii) the average closing price of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of grant.

34. SHARE OPTION PLANS AND SHARE AWARD PLAN (Continued)

(a) (Continued)

Details of the share options granted and summary of movements of the outstanding share options during the year pursuant to the 2015 Share Option Plan are as follows:

	Date of grant	Exercise price per share option HK\$	Number of share options				As at 31.12.2025
			As at 1.1.2025	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	
Directors							
CHENG Wai Chee, Christopher	27.3.2018	6.10	667,500	–	–	–	667,500*
	23.1.2019	5.766	1,000,000	–	–	–	1,000,000*
	17.1.2020	5.17	1,077,000	–	–	–	1,077,000†
	19.1.2021	3.69	710,500	–	–	–	710,500
	18.1.2022	4.342	1,207,000	–	–	–	1,207,000
	10.1.2023	3.60	1,525,000	–	–	–	1,525,000
CHENG Wai Sun, Edward	27.3.2018	6.10	667,500	–	–	–	667,500*
	23.1.2019	5.766	1,000,000	–	–	–	1,000,000*
	17.1.2020	5.17	1,077,000	–	–	–	1,077,000†
	19.1.2021	3.69	710,500	–	–	–	710,500
	18.1.2022	4.342	1,207,000	–	–	–	1,207,000
	10.1.2023	3.60	1,525,000	–	–	–	1,525,000
NG Kar Wai, Kenneth	27.3.2018	6.10	30,750	–	–	–	30,750*
	23.1.2019	5.766	382,000	–	–	–	382,000*
	17.1.2020	5.17	390,000	–	–	–	390,000*
	19.1.2021	3.69	268,000	–	–	–	268,000*
	18.1.2022	4.342	443,000	–	–	–	443,000*
	10.1.2023	3.60	556,000	–	–	–	556,000#
CHOW Wai Wai, John	27.3.2018	6.10	120,000	–	–	–	120,000*
	23.1.2019	5.766	177,000	–	–	–	177,000*
	17.1.2020	5.17	206,000	–	–	–	206,000*
	19.1.2021	3.69	133,500	–	–	–	133,500*
	18.1.2022	4.342	227,000	–	–	–	227,000*
	10.1.2023	3.60	275,000	–	–	–	275,000††
Employees							
	27.3.2018	6.10	603,000	–	–	–	603,000*
	23.1.2019	5.766	935,000	–	–	–	935,000*
	17.1.2020	5.17	922,000	–	–	–	922,000*
	19.1.2021	3.69	635,500	–	–	–	635,500*
	18.1.2022	4.342	1,086,000	–	–	–	1,086,000*
	10.1.2023	3.60	1,429,000	–	–	–	1,429,000 ^Δ
Total			21,192,750	–	–	–	21,192,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SHARE OPTION PLANS AND SHARE AWARD PLAN (Continued)

(a) (Continued)

Notes:

- * The right to exercise these options had been waived irrevocably.
- † The right to exercise these options to the extent of 1,032,500 shares had been waived irrevocably.
- †† The right to exercise these options to the extent of 137,500 shares had been waived irrevocably.
- # The right to exercise these options to the extent of 278,000 shares had been waived irrevocably.
- Δ The right to exercise these options to the extent of 714,500 shares had been waived irrevocably.

The Company will provide subscription money to the share option holders in the event that they exercise their share options when the market price of the Company's shares on the exercise day is equal to or higher than the exercise price of share options concerned. During the year ended 31 December 2024, no share options were granted, exercised, lapsed or cancelled pursuant to the 2015 Share Option Plan.

(b) In accordance with the requirements of the Listing Rules, a summary of the 2023 Share Option Plan and the 2023 Share Award Plan is set out below:

i) Purpose

The purpose of the 2023 Share Option Plan and the 2023 Share Award Plan is to: (i) recognise, motivate and provide incentives to those who make contributions to the Group; (ii) help the Group retain its existing directors, employees and re-engaged consultants (who are former directors or employees of any member of the Group and have entered into consultancy contracts to provide consultancy services to any member of the Group) and recruit additional directors, employees and re-engaged consultants who will be valuable to the Group; and (iii) provide existing and future directors, employees and re-engaged consultants of any member of the Group with direct economic interests in the long-term development and growth of the Group.

ii) Participants

The Board or the Committee may, at its sole discretion on a general or case-by-case basis, grant share options/ share awards to a bona fide director, employee or re-engaged consultant of any member of the Group to subscribe for the shares of the Company.

iii) Total number of shares available for issue

As at the date of this annual report, the total number of shares available for issue in respect of which share options/share awards may be granted under the 2023 Share Option Plan and the 2023 Share Award Plan is 102,667,027, representing approximately 7.5% of the shares in issue (excluding treasury shares). The total number of shares available for issue in respect of which share options/share awards already granted under the 2023 Share Option Plan and the 2023 Share Award Plan but not yet exercised/subscribed is 15,700,750, representing approximately 1.1% of the shares in issue (excluding treasury shares).

34. SHARE OPTION PLANS AND SHARE AWARD PLAN (Continued)

(b) (Continued)

- iv) Maximum entitlement of each participant
Subject always to the Listing Rules, the total number of shares issued and to be issued upon exercise of share options/share awards granted to each participant (including both exercised and outstanding (vested or unvested) share options, and utilised and outstanding (vested or unvested) share awards of the Company) in any 12-month period up to and including the date of such grant must not exceed 1% of the shares in issue (excluding treasury shares).
- v) Period within which the share option may be exercised by the grantee
Any share options granted but not exercised within the exercise period should be lapsed. The exercise period in relation to a share option is the period which starts on the vesting date and ends on the day before the tenth anniversary of the date of grant unless the Board or the Committee sets a shorter period at the time of grant.
- vi) The vesting period of share options/share awards granted
The vesting period of the share options/share awards granted under the 2023 Share Option Plan and the 2023 Share Award Plan is at least 12 months from (and including) the date of grant except some circumstances as detailed in the 2023 Share Option Plan and the 2023 Share Award Plan.
- vii) Offer and acceptance
Share options/share awards granted must be accepted within 28 days from the date of grant. No consideration will be payable by the grantees upon acceptance of share options/share awards.
- viii) Basis of determining the exercise price of a share option
The exercise price for a share option must be at least the higher of: (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of grant; and (ii) the average closing price of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant.
- ix) Basis of determining the subscription price of a share award
The subscription price for each share award shall be an amount equal to its nominal value.
- x) Remaining life
The 2023 Share Option Plan and the 2023 Share Award Plan will expire on 22 May 2033.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SHARE OPTION PLANS AND SHARE AWARD PLAN (Continued)

(b) (Continued)

Details of the share options granted and summary of movements of the outstanding share options during the year pursuant to the 2023 Share Option Plan are as follows:

			Number of share options				
	Date of grant	Exercise price per share option HK\$	As at 1.1.2025	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	As at 31.12.2025
Directors							
CHENG Wai Chee, Christopher	19.1.2024	2.64	1,914,000	–	–	–	1,914,000
	20.1.2025	1.796	–	1,442,000	–	–	1,442,000
CHENG Wai Sun, Edward	19.1.2024	2.64	1,914,000	–	–	–	1,914,000
	20.1.2025	1.796	–	1,442,000	–	–	1,442,000
NG Kar Wai, Kenneth	19.1.2024	2.64	611,000	–	–	–	611,000
Total			4,439,000	2,884,000	–	–	7,323,000

The 2023 Share Option Plan shall be valid and effective for a period of 10 years commencing from 23 May 2023 to 22 May 2033. The Company will provide subscription money to the share option holders in the event that they exercise their share options when the market price of the Company's shares on the exercise day is equal to or higher than the exercise price of share options concerned. During the year ended 31 December 2024, 4,439,000 share options were granted, and no share options were exercised, lapsed or cancelled pursuant to the 2023 Share Option Plan.

34. SHARE OPTION PLANS AND SHARE AWARD PLAN (Continued)

(b) (Continued)

Details of the share awards granted and summary of movements of the outstanding share awards during the year pursuant to the 2023 Share Award Plan are as follows:

			Number of share awards				
	Date of grant	Subscription price per share award HK\$	As at 1.1.2025	Granted during the year	Subscribed during the year	Cancelled/ lapsed during the year	As at 31.12.2025
Directors							
CHENG Wai Chee, Christopher	19.1.2024	0.50	1,350,000	–	1,350,000	–	–
	20.1.2025	0.50	–	1,350,000	–	–	1,350,000
CHENG Wai Sun, Edward	19.1.2024	0.50	1,350,000	–	1,350,000	–	–
	20.1.2025	0.50	–	1,350,000	–	–	1,350,000
NG Kar Wai, Kenneth	19.1.2024	0.50	1,350,000	–	1,350,000	–	–
	20.1.2025	0.50	–	993,750	–	–	993,750
CHOW Wai Wai, John	19.1.2024	0.50	1,206,750	–	915,750	–	291,000
	20.1.2025	0.50	–	478,250	–	–	478,250
Employees							
	19.1.2024	0.50	5,399,750	–	4,346,750	–	1,053,000
	20.1.2025	0.50	–	2,269,250	–	–	2,269,250
Total			10,656,500	6,441,250	9,312,500	–	7,785,250

The 2023 Share Award Plan shall be valid and effective for a period of 10 years commencing from 23 May 2023 to 22 May 2033. The Company will provide subscription money to the share award holders upon subscription of the vested share awards. During the year ended 31 December 2024, 10,656,500 share awards were granted, and no share awards were subscribed, lapsed or cancelled pursuant to the 2023 Share Award Plan.

(c) Fair values of share options granted under the 2023 Share Option Plan and share awards granted under the 2023 Share Award Plan

The fair values of share options and share awards granted for the year ended 31 December 2025 are determined using the Binomial Model (the "Model"). Key assumptions of the Model are as follows:

Risk-free rate	3.87%
Expected dividend yield	6.58%
Expected volatility of the market price of the Company's shares	21.13%
Expected life	10 years from the date of grant
Estimated fair value per share option	HK\$0.17
Estimated fair value per share award	HK\$1.16

The Model requires the input of subjective assumptions, including the volatility of share price. Because changes in subjective assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of share options and share awards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35. RESERVES

Movements in the reserves of the Group are disclosed in the consolidated statement of changes in equity.

Nature and purpose of reserves

(a) Share premium

The application of the share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

(b) Employee share-based compensation reserve

The employee share-based compensation reserve comprises the cumulative value of employee services received for the grant of share options and share awards, which is transferred to share premium upon exercise of share options and share awards.

(c) Other property revaluation reserve

Other property revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings held for own use in Note 2(g).

(d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and gain or loss on the hedging instrument relating to the effective portion of the net investment hedge. The reserve is dealt with in accordance with the accounting policies set out in Note 2(f).

(e) Contributed surplus

The balance of contributed surplus of the Group arose as a result of gains on bargain purchases rising from changes in ownership interests in subsidiaries that do not result in a change of control, which is dealt with in accordance with the accounting policy in Note 2(b).

36. LEASES

As lessor

The Group's investment properties are held for rental purposes. Rental income is fixed and predetermined. The majority of the relevant tenancy periods range from 2 to 3 years. At 31 December 2025, the amount of future rental receivable of the Group by tenancy expiry date is analysed as follows:

	2025 HK\$'M	2024 HK\$'M
Within one year	391.9	424.5
Between one and two years	238.5	260.1
Between two and three years	76.4	151.5
Between three and four years	5.4	37.9
Between four and five years	2.8	5.3
Over five years	–	7.9
	715.0	887.2

37. COMMITMENTS

	2025 HK\$'M	2024 HK\$'M
Expenditure in respect of investment properties		
– contracted but not provided for	23.2	23.2
Capital injection to joint ventures		
– contracted but not provided for	522.1	485.5
	545.3	508.7

38. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

	2025 HK\$'M	2024 HK\$'M
Guarantees given to banks in respect of bank facilities extend to joint ventures	4,689.9	5,363.3

At 31 December 2025, bank loans of HK\$4,510.6M (2024: HK\$4,425.6M) being guaranteed by the Group to joint ventures have been drawn down.

As of 31 December 2025 and 31 December 2024, the Group has no other contingent liabilities.

39. PLEDGE OF ASSETS

(a) At 31 December 2025, the Group's advances to joint ventures of HK\$4,587.1M (2024: HK\$3,899.7M) were subordinated to loan facilities of joint ventures and assigned. The joint ventures are engaged in property development and property investment and management. The shares in these joint ventures beneficially owned by the Group are pledged to financial institutions.

(b) At 31 December 2025, several of the Group's assets were pledged to secure credit facilities for the Group:

	2025 HK\$'M	2024 HK\$'M
Investment properties	4,822.8	3,786.0
Other properties, plant and equipment	33.2	33.4
Properties for sale	2,996.1	2,741.2
Financial investments at amortised cost	90.3	577.6
Pledged bank deposits	111.7	51.8
	8,054.1	7,190.0

The credit facilities were utilised to the extent of HK\$3,780.7M (2024: HK\$3,431.4M).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions disclosed elsewhere in these financial statements, the Group had the following significant transactions with related parties during the year:

	2025 HK\$'M	2024 HK\$'M
Key management compensation (Note)		
Salaries and other benefits	(40.2)	(42.9)
Retirement benefits costs	(1.6)	(1.6)
Value of share options and share awards	(11.5)	(17.3)
	(53.3)	(61.8)
Interest income from loans to and amounts due from joint ventures	4.6	5.9
Interest expenses for loans from non-controlling interests	–	(9.9)
Management fee income from joint ventures	2.2	2.1
Project management fee income from a joint venture	5.4	8.6
Property rental income from joint ventures	1.3	3.1
Property rental income from a substantial shareholder of the Company	4.9	4.9
Serviced apartment management and license fee income from a joint venture	2.4	1.8
Serviced apartment management and license fee income from a substantial shareholder of the Company	4.0	3.8
Service fee income from a joint venture	4.4	10.8

These transactions were carried out on terms mutually agreed between the parties involved.

The related party transactions in respect of serviced apartment management and license fee income from a substantial shareholder of the Company and property rental income from a substantial shareholder of the Company as stated above constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules. These related party transactions that constituted continuing connected transactions have complied with the disclosure requirements under Chapter 14A of the Listing Rules and details of which are provided in the section headed "Connected Transactions" in the Directors' Report.

Note:

Key management personnel represents the directors of the Group and their remunerations are set out in Note 9(a).

- (b) Outstanding balances with these related parties at the balance sheet dates are:

	2025 HK\$'M	2024 HK\$'M
Non-current loans to joint ventures (Note 17(b))	4,967.2	4,283.2
Current loans to joint ventures (Note 23)	228.5	28.1
Amounts due from joint ventures (Note 23)	19.1	11.8
Amounts due from non-controlling interests (Note 23)	122.9	82.6
Amounts due to joint ventures (Note 28)	93.8	89.7
Non-current loan to an associate (Note 18)	22.3	22.4

Details of loans repaid during the year are disclosed in the consolidated cash flow statement.

41. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	At 31 December	
	2025	2024
	HK\$'M	HK\$'M
ASSETS AND LIABILITIES		
Non-current assets		
Interests in subsidiaries	8,085.9	8,191.9
Current assets		
Other receivables and prepayments	0.9	0.6
Bank balances and cash	46.3	37.0
	47.2	37.6
Current liabilities		
Other payables	5.8	6.9
NET ASSETS	8,127.3	8,222.6
EQUITY		
Share capital	683.3	678.6
Reserves	Note 7,444.0	7,544.0
TOTAL EQUITY	8,127.3	8,222.6

The balance sheet of the Company was approved by the Board of Directors on 27 March 2026 and was signed on its behalf by:

Cheng Wai Sun, Edward
DIRECTOR

Ng Kar Wai, Kenneth
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

41. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note:

Reserve movement of the Company

	Share premium HK\$'M	Employee share-based compensation reserve HK\$'M	Retained profits HK\$'M	Total HK\$'M
At 1 January 2025	3,341.4	86.0	4,116.6	7,544.0
Value of employee services relating to grants of share options and share awards	–	15.7	–	15.7
Share awards subscribed	47.2	(51.9)	–	(4.7)
2024 final dividend paid	–	–	(54.7)	(54.7)
2025 interim dividend paid	–	–	(41.0)	(41.0)
Loss for the year	–	–	(15.3)	(15.3)
At 31 December 2025	3,388.6	49.8	4,005.6	7,444.0
At 1 January 2024	3,341.4	58.6	4,292.3	7,692.3
Value of employee services relating to grants of share options and share awards	–	27.4	–	27.4
2023 final dividend paid	–	–	(108.6)	(108.6)
2024 interim dividend paid	–	–	(40.7)	(40.7)
Loss for the year	–	–	(26.4)	(26.4)
At 31 December 2024	3,341.4	86.0	4,116.6	7,544.0

42. EVENT AFTER THE REPORTING PERIOD

In January 2026, the Group entered into a contract with a third party to dispose of its commercial property at 35 Berkeley Square, London. The total consideration receivable by the Group under the contract is approximately HK\$273.0M and the estimated gain on disposal is approximately HK\$115.0M. The disposal has been completed in March 2026.

43. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries as at 31 December 2025 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued share capital/registered capital and issued debt securities	Attributable proportion of issued/registered capital held by the Company	Principal activities
Adam Knitters Limited	Hong Kong	HK\$1,000	100%	Property investment
Advance Leap Limited	Hong Kong	HK\$1	100%	Property investment
Begin Land Limited	Hong Kong	HK\$90,000	100%	Property investment
Blazing Success Limited	Hong Kong	HK\$1	100%	Property investment
Cherrytime Investments Limited	British Virgin Islands	HK\$2,575,259	100%	Investment holding
Colourful Ventures Limited	Hong Kong	HK\$1	100%	Property investment
Conventional Wisdom Limited	Hong Kong	HK\$1	100%	Property development
Creation Empire Limited	Hong Kong	HK\$1	100%	Property investment
Deluxe More Limited	Hong Kong	HK\$1	100%	Property investment
Direct Sparkle Limited	British Virgin Islands	US\$1	100%	Treasury investment
Dominant Concept Limited	Hong Kong	HK\$1	100%	Property investment
Dominant Trend Limited	Hong Kong	HK\$1	100%	Property investment
Eagle Path Limited	Hong Kong	HK\$1	100%	Property investment
East Sun Estate Management Company Limited	Hong Kong	HK\$200	100%	Property management
Flaming City Limited	Hong Kong	HK\$1	100%	Property investment
Fore Prosper Limited	Hong Kong	HK\$10	100%	Hospitality investment
Glory Charm Development Limited	Hong Kong	HK\$2	100%	Property holding
Golden Landscape Limited	Hong Kong	HK\$1	100%	Property investment
Grandeur Investments Limited	British Virgin Islands/ Hong Kong	US\$1	100%	Property investment
Honest Bond Limited	Hong Kong	HK\$1	100%	Property investment
Horizon Top Limited	Hong Kong	HK\$1	100%	Property investment
Infinity World Limited	Hong Kong	HK\$1	100%	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued share capital/registered capital and issued debt securities	Attributable proportion of issued/registered capital held by the Company	Principal activities
Key Investments Limited	Hong Kong	HK\$1	100%	Property investment
Lanson Place Hospitality Management Limited	Hong Kong	HK\$2	100%	Provision of hospitality management services
Lanson Place Hospitality Management (Malaysia) Limited	British Virgin Islands	US\$1	100%	Investment holding and provision of hospitality management services
Lanson Place Hospitality Management (Singapore) Pte Limited	Singapore	S\$100	100%	Provision of hospitality management services
Lanson Place Hotels & Residences Limited	Hong Kong	HK\$1	100%	Licensing
Lanson Place Hotels & Residences (Holdings) Limited	British Virgin Islands	US\$1	100%	Investment holding
Nation Smart Limited	British Virgin Islands/ United Kingdom	US\$10	100%	Property investment
New Ego Limited	British Virgin Islands/ United Kingdom	US\$1	100%	Property investment
Next Vantage Limited	Hong Kong	HK\$1	100%	Property investment
Noble Castle Investments Limited	Hong Kong	HK\$1	100%	Property investment
Oasis Rainbow Limited	Hong Kong	HK\$1	100%	Property investment
Oberto Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	100%	Property investment
Oceanic Fort Limited	Hong Kong	HK\$1	100%	Property investment
Shang Tai Property Management Limited	Hong Kong	HK\$1	100%	Provision of property management services
Simply Right (Hong Kong) Limited	Hong Kong	HK\$1	100%	Property investment
Simply Right Properties Limited	Hong Kong	HK\$1	100%	Property investment

43. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued share capital/registered capital and issued debt securities	Attributable proportion of issued/registered capital held by the Company	Principal activities	Note
Smart Tycoon Limited	Hong Kong	HK\$1	70%	Property development	
Sonic Start Limited	Hong Kong	HK\$1,000,000	100%	Provision of financing	
Vision Wind Limited	Hong Kong	HK\$1	100%	Property investment	
W Billion Management Limited	Hong Kong	HK\$10	80%	Property management	
Wing Tai Properties Development Limited	Hong Kong	HK\$2	100%	Provision of property project management services	
Wing Tai Properties Estate Agents Limited	Hong Kong	HK\$20	100%	Property agent	
Wing Tai Properties Estate Management Limited	Hong Kong	HK\$2	100%	Property management	
Wing Tai Properties Investment Limited	British Virgin Islands	US\$1	100%	Investment holding	1
Wing Tai Properties (B.V.I.) Limited	British Virgin Islands/ Hong Kong	US\$50,000	100%	Investment holding	1
Wing Tai Properties (Cash Management) Limited	Hong Kong	HK\$1	100%	Provision of treasury services to group companies	
Wing Tai Properties (Europe) Limited	British Virgin Islands	US\$1	100%	Investment holding	
Wing Tai Properties (Finance) Limited	British Virgin Islands/ Hong Kong	Ordinary shares US\$1 S\$260,000,000 Perpetual Capital Securities	100%	Provision of finance to group companies	
Wing Tai Properties (Hong Kong) Limited	Hong Kong	HK\$523,647,184	100%	Provision of finance to group companies	
Wing Tai Properties (International) Limited	British Virgin Islands	US\$1	100%	Investment holding	
Wing Tai Properties (Treasury) Limited	Hong Kong	HK\$1	100%	Provision of finance to group companies	
Wisdom Sign Limited	Hong Kong	HK\$1	85%	Property development	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

43. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued share capital/registered capital and issued debt securities	Attributable proportion of issued/registered capital held by the Company	Principal activities	Note
WTP Investment Finance Limited	Hong Kong	HK\$2	100%	Provision of finance to group Companies	
WTP Investment (Hong Kong) Limited	British Virgin Islands/ Hong Kong	US\$2	100%	Investment holding	
WTP Investment (Overseas) Limited	British Virgin Islands	US\$2	100%	Investment holding	
乳源冠麗製衣有限公司	People's Republic of China	HK\$20,000,000	100%	Property investment	2
乳源寶麗製衣有限公司	People's Republic of China	HK\$15,000,000	100%	Property investment	2
逸蘭公寓管理(上海)有限公司	People's Republic of China	US\$140,000	100%	Provision of hospitality management services	2

Notes:

- only Wing Tai Properties (B.V.I.) Limited and Wing Tai Properties Investment Limited are directly held by the Company.
- a wholly-owned foreign enterprise established in the People's Republic of China.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

44. PRINCIPAL JOINT VENTURES

Details of the principal joint ventures as at 31 December 2025 are as follows:

Name of joint venture	Place of incorporation/ operation	Attributable proportion of issued capital held by the Company indirectly	Principal activities
30 Gresham Street Limited	British Virgin Islands/ United Kingdom	50%	Property investment
Ace Glory Limited	Hong Kong	15%	Property trading and investment
Brave Sky Investments Limited	Hong Kong	50%	Property development
Brave Sky Mortgage Limited	Hong Kong	50%	Provision of mortgage financing
Century Rise Limited	Hong Kong	15%	Property trading and investment
Champion Estate (HK) Limited	Hong Kong	50%	Property development
Crackerbox Limited	British Virgin Islands/ United Kingdom	33%	Property investment
HPREF Athene Investment S.à r.l.	Luxembourg/ United Kingdom	21%	Property investment
Kualiti Gold Sdn. Bhd.	Malaysia	50%	Hospitality investment
Maplemount Limited	British Virgin Islands	25%	Investment holding
Pacific Bond Limited	Hong Kong	15%	Property trading and investment
Providence Bay Finance Company Limited	Hong Kong	15%	Provision of mortgage financing
Providence Peak Finance Company Limited	Hong Kong	15%	Provision of mortgage financing
Shatin 68 Limited	Hong Kong	35%	Provision of financing
Southwater Investments Limited	British Virgin Islands	50%	Investment holding for real estate operations
The Graces – Providence Bay Finance Company Limited	Hong Kong	15%	Provision of mortgage financing

The above table lists the joint ventures of the Company which, in the opinion of the directors, principally affected the results or net assets of the Group. To give details of other joint ventures would, in the opinion of the directors, result in particulars of excessive length.

MAJOR PROPERTIES HELD FOR INVESTMENT PURPOSES

At 31 December 2025

Address	Gross floor area	Lease expiry	Effective percentage holding	Particulars of occupancy as at 31 December 2025
Hong Kong				
Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong (The Remaining Portion of Kwun Tong Inland Lot No. 242)	1,338,000 sq.ft. [#]	2047	100%	Let to outside parties as retail and office
Shui Hing Centre, 13 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5890)	186,800 sq.ft. [#]	2047	100%	Let to outside parties as workshop, canteen or godown
Lanson Place Causeway Bay, Hong Kong 133 Leighton Road, Causeway Bay, Hong Kong (Inland Lot No. 8774)	114,100 sq.ft.	2047	100%	Serviced apartment
Lanson Place Waterfront Suites, Hong Kong 1 Oi Tak Street, Shau Kei Wan, Hong Kong (Shau Kei Wan Inland Lot No. 854)	46,000 sq.ft.	2064	100%	Serviced apartment
Certain units of houses and apartments, Le Cap, 83 Lai Ping Road, Kau To, Sha Tin, New Territories, Hong Kong (Sha Tin Town Lot No. 565)	34,400 sq.ft. [*]	2063	100%	Let to outside parties as residence
Certain units of houses and apartments, La Vetta, 68 Lai Ping Road, Kau To, Sha Tin, New Territories, Hong Kong (Sha Tin Town Lot No. 567)	72,000 sq.ft. [*]	2062	100%	Let to outside parties as residence
161 agricultural lots, Lantau Island and Peng Chau, New Territories, Hong Kong	540,200 sq.ft.	2047	100%	Vacant
United Kingdom				
1 Savile Row/7 Vigo Street, London, United Kingdom	13,900 sq.ft. [^]	Freehold	100%	Let to outside parties as retail and office
35 Berkeley Square, London, United Kingdom	7,900 sq.ft. [^]	2139	100%	Let to outside parties as office

Address	Gross floor area	Lease expiry	Effective percentage holding	Particulars of occupancy as at 31 December 2025
10 Fleet Place, London, United Kingdom	192,300 sq.ft.^	Freehold	25%	Let to outside parties as retail and office
3 Cavendish Square, London, United Kingdom	13,300 sq.ft.^	Freehold	33%	Let to outside parties as office
30 Gresham Street, London, United Kingdom	403,300 sq.ft.^	2178	50%	Let to outside parties as retail and office
66 Shoe Lane, London, United Kingdom	158,500 sq.ft.^	2101	21%	Let to outside parties as retail and office
The People's Republic of China				
Songtian Village, Hougongdu Town, Nationality Industrial Zone, Ruyuan County, Shaoguan City, Guangdong Province, People's Republic of China (Yue Fang Di Zheng Zi C0449085, C0449086 and C0449090)	9,100 sq.m.	2053	100%	Vacant
Songtian Village, Hougongdu Town, Nationality Industrial Zone, Ruyuan County, Shaoguan City, Guangdong Province, People's Republic of China (Yue Fang Di Zheng Zi C0449084, C0449087, C0449088 and C0449089)	13,600 sq.m.	2053	100%	Vacant
Others				
Lanson Place Bukit Ceylon, Kuala Lumpur Tower C, Verticas Residensi, 10 Jalan Ceylon, 52200 Kuala Lumpur, Malaysia (Parent Lot No. 1315, Section 57, Town and District of Kuala Lumpur, State of Wilayah Persekutuan K.L.)	18,600 sq.m.	Freehold	50%	Serviced apartment

it represents the marketing floor area

* it represents the saleable area

^ it represents the net internal area

PROPERTIES FOR SALE

At 31 December 2025

Address	Nature of property	Available gross floor area at 31 December 2025	Effective percentage holding	Project status	Expected completion date
Completed properties for sale					
OMA OMA So Kwun Wat Road, Area 56 Tuen Mun, New Territories, Hong Kong (Tuen Mun Town Lot No. 497)	Residential	7,700 sq.ft.*	100%	Completed	Completed
OMA by the Sea Castle Peak Road – Tai Lam Tuen Mun, New Territories, Hong Kong (Tuen Mun Town Lot No. 523)	Residential	12,200 sq.ft.*	70%	Completed	Completed
Properties under development					
Central Crossing H18C of Gage Street/ Graham Street, Central Hong Kong (Inland Lot No. 9065)	Commercial and hotel	433,500 sq.ft.	50%	Superstructure in progress	2026
Cloudview At the junction of Fan Kam Road and Castle Peak Road – Kwu Tung, Fanling, New Territories, Hong Kong (Fanling Lot No. 4076 in Demarcation District No. 91)	Residential	253,000 sq.ft.*	85%	Superstructure in progress	2027
UNI Residence Hin Wo Lane, Sha Tin, New Territories, Hong Kong (Sha Tin Town Lot No. 643)	Residential	77,000 sq.ft.*	50%	Superstructure in progress	2026

* it represents the saleable area

WING TAI PROPERTIES LIMITED

Incorporated in Bermuda with limited liability

永泰地產有限公司

於百慕達註冊成立之有限公司



www.wingtaiproperties.com