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CSI PROPERTIES
資 本 策 略

CSI PROPERTIES LIMITED
資本策略地產有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Listing Rules.

* *For identification purpose only*

Reference is made to the Company's announcement dated 21 May 2026 in relation to the Additional New Notes Issue (the "**Announcement**"). All capitalised terms used herein have the same meaning as defined in the Announcement, unless otherwise defined.

Please refer to the attached offering circular dated 21 May 2026 in relation to the Additional New Notes (the "**Offering Circular**"), which was published on the website of SGX-ST on 29 May 2026.

The posting of the Offering Circular with this announcement on the website of Hong Kong Exchanges and Clearing Limited and on the Company's website is only for the purpose of facilitating equal dissemination of information to investors in Hong Kong and compliance with Rule 13.10B of the Listing Rules, and not for any other purposes.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Company or ESL, and no such inducement is intended. No investment decision should be based on the information contained in the Offering Circular.

By Order of the Board
CSI Properties Limited
Tang Wallace
Company Secretary

Hong Kong, 29 May 2026

As at the date of this announcement, the executive Directors are Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Ho Lok Fai, Mr. Leung King Yin, Kevin, Ms. Chung Yuen Tung, Jasmine and Mr. Yip Chai Tuck; the non-executive Director is Mr. Lo Hing Hung (with Mr. Ip Ho Wang as his alternate); and the independent non-executive Directors are Mr. Shek Lai Him, Abraham, GBS, JP, Dr. Lo Wing Yan, William, JP, Mr. Chak Hubert and Mr. Yip Ka Kay.

IMPORTANT NOTICE

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You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

ESTATE SKY LIMITED

(incorporated with limited liability under the laws of the British Virgin Islands)

U.S.$50,000,000 10.50 per cent. Guaranteed Notes due 2028
(to be consolidated and form a single series upon issue with the
U.S.$150,000,000 10.50 per cent. Guaranteed Notes due 2028 and the
U.S.$50,000,000 10.50 per cent. Guaranteed Notes due 2028)
Unconditionally and Irrevocably Guaranteed by

CSI PROPERTIES
資本策略

CSI PROPERTIES LIMITED
資本策略地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

Issue Price: 101.75 per cent.
(plus an amount corresponding to accrued interest from (and including) 21 May 2026 to
(but excluding) the New Issue Date (as defined below))

The U.S.$50,000,000 10.50 per cent. Guaranteed Notes due 2028 (the "**New Notes**") will be issued on or about 29 May 2026 (the "**New Issue Date**") by Estate Sky Limited (the "**Issuer**") and will be unconditionally and irrevocably guaranteed (the "**Guarantee of the New Notes**") by CSI Properties Limited (the "**Guarantor**"), the holding or priority company of the Issuer, and upon issue, will be consolidated and form a single series with the U.S.$150,000,000 10.50 per cent. Guaranteed Notes due 2028 issued on 21 May 2025 and the U.S.$50,000,000 10.50 per cent. Guaranteed Notes due 2028 issued on 29 September 2025 (together, the "**Original Notes**", and together with the New Notes, the "**Notes**") by the Issuer and unconditionally and irrevocably guaranteed by the Guarantor (together with the Guarantee of the New Notes, the "**Guarantee of the Notes**"). The New Notes will have the same terms and conditions as the Original Notes, except for the issue price, the issue date and the amounts the Issuer shall redeem pursuant to Condition 5(d) *(Redemption and Purchase – Redemption by the Issuer on Specified Dates)*. The U.S.$50,000,000 10.50 per cent. Guaranteed Notes due 2028 issued on 29 September 2025 consolidated and formed a single series upon issue with the U.S.$150,000,000 10.50 per cent. Guaranteed Notes due 2028 issued on 21 May 2025, thereby forming a single series of the Original Notes in the aggregate principal amount of U.S$200,000,000. The New Notes, upon issue, will constitute a further issue of notes pursuant to Condition 13 of the terms and conditions of the Notes as set out in the Offering Circulars dated 14 May 2025 and 22 September 2025 in respect of the Original Notes. Upon the issue of the New Notes, the aggregate principal amount of outstanding Notes will be U.S.$250,000,000.

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3.1 *(Negative Pledge)* of the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Guarantee of the Notes constitutes direct, general, unconditional, unsubordinated and (subject to Condition 3.1 *(Negative Pledge)* of the Terms and Conditions of the Notes) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Interest on the New Notes is payable semi-annually in arrear on 21 May and 21 November in each year, commencing on 21 November 2026. Payments on the Notes will be made free and clear of, and without withholding or deduction for or on account of taxes of the British Virgin Islands, Bermuda or Hong Kong to the extent described under "*Terms and Conditions of the Notes – Taxation*".

The Notes mature on 21 May 2028 at their principal amount but may be redeemed at the option of the Issuer, in whole or in part, at any time on or after 21 May 2027, at 103 per cent. of the principal amount of the Notes to be redeemed, together with accrued and unpaid interest to such date fixed for redemption specified in the Optional Redemption Notice. Pursuant to Condition 5(d) *(Redemption and Purchase – Redemption by the Issuer on Specified Dates)* of the Notes, the Issuer shall redeem U.S.$37,500,000 in aggregate principal amount of the Notes at their principal amount on each of 21 November 2026 and 21 May 2027, in each case together with accrued and unpaid interest, if any, to (but excluding) such date fixed for redemption on a pro rata basis by way of a proportional reduction in the principal amount of each Note. The Notes are subject to redemption, in whole but not in part, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the British Virgin Islands, Bermuda or Hong Kong. See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for tax reasons*". At any time following the occurrence of a Change of Control (as defined in the Terms and Conditions of the Notes), the holder of a Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Change of Control Put Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. of their principal amount, together with accrued interest to but excluding the Change of Control Put Date. See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Change of Control*".

The Original Notes are listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the New Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the New Notes to the Official List of the SGX-ST and quotation of the New Notes on the SGX-ST is not to be taken as an indication of the merits of the Guarantor, its subsidiaries, its associated companies, its joint ventures or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies) as long as any of the Notes remain listed on the SGX-ST.

Investing in the New Notes involves certain risks. See "*Risk Factors*" beginning on page 15.

The New Notes and the Guarantee of the New Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered, sold or delivered within the United States. The New Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the New Notes and the distribution of this Offering Circular, see "*Subscription and Sale*".

The New Notes will be represented by beneficial interests in a global note certificate (the "Global Note Certificate") in registered form, without interest coupons attached, which will be registered in the name of a nominee for, and shall be deposited on or about the New Issue Date, with a common depositary for, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Beneficial interests in the Global Note Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for New Notes will not be issued in exchange for interests in the Global Note Certificate.

Sole Global Coordinator, Sole Lead Manager and Sole Bookrunner

HSBC

This Offering Circular is dated 21 May 2026.

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* *For identification purpose only*

IMPORTANT NOTICE

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information relating to the Issuer, the Guarantor and its subsidiaries (the Guarantor and its subsidiaries taken as a whole collectively, the "**Group**") and the New Notes and the Guarantee of the New Notes which is material in the context of the issue and offering of the New Notes and the Guarantee of the New Notes, (ii) the statements contained in it relating to the Issuer, the Guarantor and the Group are true and accurate in all material respects and not misleading in any material respect, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly and reasonably held, have been reached after considering all relevant circumstances, are based on reasonable assumptions (iv) there are no other facts in relation to the Issuer, the Guarantor, the New Notes or the Guarantee of the New Notes, the omission of which would, in the context of the issue and offering of the New Notes and the Guarantee of the New Notes, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts in relation to the Issuer, the Guarantor, the Group, the New Notes and the Guarantee of the New Notes and to verify the accuracy of all such information and statements. Subject as provided herein, each of the Issuer and the Guarantor accepts full responsibility for the accuracy of information contained in this Offering Circular.

No person has been or is authorised to give any information or make any representation other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or the Sole Lead Manager set forth in "Subscription and Sale" elsewhere in this Offering Circular. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any New Notes by any person except in compliance with all applicable laws and regulations. This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the New Notes described in this Offering Circular. No representation or warranty, express or implied, is made by the Sole Lead Manager or the Agents (each as defined in this Offering Circular) or any of their respective affiliates or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Sole Lead Manager, the Agents, or their respective affiliates or advisers. Neither the Sole Lead Manager nor the Agents have separately verified the information contained herein. Neither the delivery of this Offering Circular nor any sale made hereunder shall under any circumstances imply that the information herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve an adverse change in the affairs of the Issuer, the Guarantor or the Group since the date hereof. To the fullest extent permitted by law, none of the Sole Lead Manager, the Agents nor any of their respective affiliates or advisers accept any responsibility for the contents of this Offering Circular. Each of the Sole Lead Manager, the Agents and their respective affiliates or advisers accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Sole Lead Manager, the Agents nor any of their respective affiliates undertakes to review the financial condition or affairs of the Issuer, the Guarantor and the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or prospective investor in the New Notes of any information coming to the attention of any of the Sole Lead Manager, the Agents or their respective affiliates.

This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any New Notes. This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Sole Lead Manager or the Agents that any recipient of this Offering Circular should purchase any of the New Notes. Each investor contemplating purchasing New Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of each of the Issuer, the Guarantor and the Group.

The distribution of this Offering Circular and the offering of the New Notes in certain jurisdictions may be restricted by law. It may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this Offering Circular may come are required by the Issuer, the Guarantor and the Sole Lead Manager to inform themselves about and to observe such restrictions. No action is being taken in any jurisdiction to permit an offering to the general public of the New Notes or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. For a description of certain restrictions on offers, sales and deliveries of New Notes and on distribution of the Offering Circular, see *"Subscription and Sale"*.

EBITDA PRESENTATION

The Guarantor has included EBITDA data in this Offering Circular because it believes the measure is a useful supplement to cash flow data as a measure of its performance and its ability to generate cash flow from operations to cover debt service and taxes. EBITDA is calculated as profit (loss) before taxation adjusted for fair value changes of financial assets at fair value through profit or loss ("**FVTPL**") (net), fair value changes of derivative financial instruments (net), fair value loss on investment properties, (net reversal of write-down) write-down of properties held for sale, (net reversal of write-down) write-down of properties held for sale by joint ventures and an associate, written off loan receivable, impairment loss recognised on investment in a joint venture, impairment loss recognised on amounts due from joint ventures, (reversal of impairment loss) impairment loss recognised on financial guarantee contracts (net), (gain) loss on disposal of property, plant and equipment, gain on disposal of a subsidiary, bank and loan interest income, income from amortisation of financial guarantee contracts, finance costs and depreciation of property, plant and equipment. EBITDA, as well as the related ratios presented in this Offering Circular, are supplemental measures of the Group's performance and liquidity that are not required by, or presented in accordance with HKFRS Accounting Standards. EBITDA is not a measurement of the Group's financial performance or liquidity under HKFRS Accounting Standards and should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance derived in accordance with HKFRS Accounting Standards or as alternatives to operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest expense or other non-operating cash expenses. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such terms may not be possible.

The Guarantor believes that presentation of EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the aged and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expense).

The Guarantor also presents EBITDA because it believes that the measure is frequently used by securities analysts, investors and other interested parties in evaluating similar companies in the property industry, many of whom present such non-HKFRS Accounting Standards financial measures when reporting their results.

Nevertheless, EBITDA has limitations as an analytical tool, and investors should not consider it in isolation from, or as a substitute for analysis of the Group's financial condition or results of operations, as reported under HKFRS Accounting Standards. Because of these limitations, EBITDA should not be considered a measure of discretionary cash available to the Group to invest in the growth of its business. The Guarantor compensates for these limitations by relying primarily on its HKFRS Accounting Standards results and using EBITDA measures only supplementarily. See "*Summary Financial Information*" for a discussion on EBITDA.

IN CONNECTION WITH THE ISSUE OF THE NEW NOTES, THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, ACTING AS THE STABILISATION MANAGER (THE "STABILISATION MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER), MAY OVER-ALLOT NEW NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NEW NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NEW NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE NEW ISSUE DATE OF THE NEW NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NEW NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

MARKET AND INDUSTRY DATA

This Offering Circular includes market share and industry data and forecasts that were obtained from industry publications and surveys and internal company sources. Industry publications and surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Neither the Issuer, the Guarantor, nor any member of the Group has independently verified any of the data from third-party sources nor have the underlying economic assumptions relied upon therein been ascertained by any of the Issuer, the Guarantor or any member of the Group. Statements as to the Group's market position are based on market data currently available to the Group. While neither the Issuer, the Guarantor nor any member of the Group is aware of any misstatements regarding industry data presented in this Offering Circular, estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "*Risk Factors*" below.

FORWARD-LOOKING STATEMENTS

Certain statements under "*Risk Factors*", *Description of the Group*" and elsewhere in this Offering Circular constitute "*forward-looking statements*". Words such as "believe", "expect", "plan", "anticipate", "schedule", "estimate" and similar words or expressions identify forward-looking statements. However, these words are not the exclusive means of identifying forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position and results of operations, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group's management for its future operations (including development plans and objectives relating to the Group's operations), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as of the date of this Offering Circular. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuer's, the Guarantor's or the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under "*Risk Factors*" and elsewhere, important factors that could cause actual results, performances or achievements of the Issuer, the Guarantor or any member of the Group to differ materially from the Issuer's or the Guarantor's expectations. All subsequent written and forward-looking statements attributable to the Issuer or the Guarantor or persons acting on behalf of the Issuer or the Guarantor are expressly qualified in their entirety by such cautionary statements.

CERTAIN TERMS AND CONVENTIONS

Unless otherwise specified or the context otherwise requires, references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the PRC, "**PRC**" are to the People's Republic of China (excluding, for the purposes of this Offering Circular only, Hong Kong, the Macau Special Administrative Region of the PRC ("**Macau**") and Taiwan), "**U.S.**" or "**United States**" are to the United States of America, "**Hong Kong dollars**", "**HK dollars**" and "**HK$**" are to the lawful currency of Hong Kong, "**CNY**", or "**Renminbi**" are to the lawful currency of the PRC, references to "**U.S. dollars**" or "**U.S.$**" are to the lawful currency of the United States, references to "**AU$**" are to the lawful currency of the Commonwealth of Australia and references to "**Listing Rules of the Stock Exchange**" are to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This Offering Circular contains translations of certain HK dollar amounts into U.S. dollars, and *vice versa*, at specific rates solely for the convenience of the reader. For convenience only and unless otherwise noted, all translations between HK dollars and U.S. dollars in this Offering Circular were made at the rate of HK$7.7809 to U.S.$1.00. No representation is made that the HK dollar or U.S. dollar amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars or HK dollars at any particular rate or at all.

In this Offering Circular where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

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SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the meaning when used in this Summary. Prospective investors should therefore read this Offering Circular in its entirety.

Overview

The Guarantor is an investment holding company and is primarily engaged in property development, repositioning and investment. The principal subsidiaries of the Guarantor are primarily engaged in property enhancement, development and property investment in Hong Kong, the PRC and Macau.

Corporate Information

The Guarantor is an exempted company incorporated in Bermuda with limited liability, with its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business in Hong Kong of the Guarantor is located at 31st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

Introduction

The business of the Guarantor follows a property repositioning model focusing on commercial projects and premium "lifestyle" residential properties in prime locations in Hong Kong, Shanghai, Beijing and Macau. The Guarantor's luxury residential development division is marketed as "Couture Homes", which combines architectural and interior design to an internationally recognised standard, with bespoke "lifestyle" furnishing and interior decoration.

As at 30 September 2025, the Group owns and manages over 3.6 million square feet (attributable interest of approximately 1.5 million square feet) of prime properties in Hong Kong, Shanghai, Beijing and Macau.

Business Organisation

Mr. Mico Chung, the Chairman and Executive Director, obtained control of the Group in 2004 as a platform to expand his property investment business. As at the date of this Offering Circular, Mr. Chung maintains statutory control over the Group.

Competitive Strengths

- Solid execution capabilities with proven track record and excellent market reputation
- Self-funded business model through capital recycling
- Highly experienced and disciplined management

- Recurring rental income base, underpinned by high quality portfolio with solid fundamentals
- Prudent financial policy and conservative capital structure with low gearing

Strategies

- Focus on core strength of making value-added investments in Hong Kong and the PRC
- Strategic partnerships with established developers
- Active management of the investment property portfolio to maximise value
- Continue to leverage industry knowledge and relationship network in order to identify and invest in properties that fit within the Group's value enhancement business model
- Expand into luxury residential developments under the "Couture Homes" brand

Recent Developments

Key disposal transactions subsequent to 30 September 2025

Subsequent to 30 September 2025, the Group has sold additional residential properties.

The Group entered into sales agreement for two additional house at the "Cadenza" project with sales completion at December 2025 and July 2026.

The Group entered into sales agreement for the remaining penthouse unit at the Duke's Place project with sales completion at February 2026.

The Group also entered into sales agreements for three additional luxury houses at No. 15 Shouson Hill with sales completion all within the first quarter of 2026.

The Group entered into sales agreements for eight additional luxury residential unit at the "High Peak", No 23 Po Shan Road, with sales completion for five of them completed at December 2025 and March 2026. The remaining three units are set for completion at late May, July and August 2026.

Refinancing of banking facilities by Southwater Hong Kong Limited

On 13 November 2025, the Guarantor (as guarantor) and Southwater Hong Kong Limited, a joint venture company (as borrower, the attributable equity interest to the Guarantor of which is 50 per cent.), entered into a facility agreement in relation to term loan facilities in the aggregate amount of HK$6,111,000,000 for refinancing certain banking facilities.

Disposal of investment

On 15 May 2026, Trade Sector Limited (the "**Seller**"), an indirect wholly-owned subsidiary of the Guarantor, entered into the sale and purchase agreement with AIP SFII Aggregator Pte. Ltd. and AIP Amber I Holdco Pte. Ltd. (together, the "**Purchasers**"), pursuant to which (i) the Seller conditionally agreed to sell, and the Purchasers have conditionally agreed to purchase, 4,990 ordinary shares (the "**Sale Shares**") of Action Soar Investments Limited (the "**Target Company**"), representing 49.9 per cent. of issued share capital of the Target Company; and (ii) the Seller has conditionally agreed to assign to the Purchasers the interest-free shareholder loans in the aggregate principal amount of AU$39,005,307, for the aggregate consideration of AU$29,940,000 (subject to a downward adjustment by an amount equal to the sum of all distributions in respect of the Sale Shares paid or made after 31 December 2025 through (and including) the completion date).

Upon completion, the Seller's shareholding in the Target Company will be reduced from 56.06 per cent. to 6.16 per cent. The Target Company is not a subsidiary of the Guarantor as of 15 May 2026 and both immediately before and after the completion. Accordingly, the financial results, assets and liabilities of the Target Company are currently not, and will following completion continue not to be, consolidated into the accounts of the Group.

While the disposal is expected to be completed at a discount to the Group's historical net investment cost and the Group is expected to record a loss from the disposal, the Group considers that the disposal nonetheless represents a timely opportunity for the Group to realise its investment in the Target Company and to crystallise value at the current prevailing market conditions, thereby avoiding the risk of further deterioration in value. The net proceeds from the disposal will strengthen the Group's cash position and provide the Group with additional financial flexibility to deploy capital towards general working capital or other investment/business opportunities.

SUMMARY FINANCIAL INFORMATION

*The summary audited consolidated financial information as at and for the years ended 31 March 2023, 2024 and 2025 set forth below (together, the "**Audited Financial Information**") has been extracted from the Group's audited consolidated financial statements as at and for the years ended 31 March 2024 and 31 March 2025 (which have been audited by Deloitte Touche Tohmatsu, certified public accountants, Hong Kong, in accordance with Hong Kong Standards on Auditing ("**HKSA**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**")), excepted for the restated basic earnings per share for the year ended 31 December 2023 as explained below. The Audited Financial Information should be read in conjunction with the Group's audited consolidated financial statements as at and for the years ended 31 March 2024 and 31 March 2025, which are included elsewhere in this Offering Circular. The summary reviewed condensed consolidated financial information as at and for the six months ended 30 September 2024 and 2025 set forth below (the "**Reviewed Financial Information**") has been extracted from the Group's reviewed condensed consolidated financial statements as at and for the six months ended 30 September 2025 (which have been reviewed by Deloitte Touche Tohmatsu in accordance with Hong Kong Standards on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**HKSRE 2410**") issued by the HKICPA). The Reviewed Financial Information should be read in conjunction with the Group's reviewed condensed consolidated financial statements as at and for the six months ended 30 September 2025, which are included elsewhere in this Offering Circular.*

The Reviewed Financial Information has not been audited by the Group's independent auditors, and thus such information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Historical results are not necessarily indicative of results that may be achieved in any future period. The Group's financial statements for any interim period should not be taken as an indication of the expected financial condition and results of operations of the Group for the full financial year. Potential investors must exercise caution when using such data to evaluate the financial condition and results of operation.

Consolidated Statement of Profit or Loss for the years ended 31 March 2023, 2024 and 2025, and the six months ended 30 September 2024 and 2025

	For the year ended 31 March			For the six months ended 30 September	
	2023	**2024**	**2025**	**2024**	**2025**
	HK$'000 (audited)	*HK$'000* (audited)	*HK$'000* (audited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
Revenue					
Sales of properties held for sale	545,879	1,343,298	289,790	23,080	6,280
Rental income	258,391	235,834	230,833	119,904	117,834
Total revenue	804,270	1,579,132	520,623	142,984	124,114
Cost of sales and services	(400,343)	(793,039)	(504,887)	(107,530)	(87,671)
Gross profit	403,927	786,093	15,736	35,454	36,443
Income from investments	64,965	44,463	29,362	24,556	4,058
Gains (losses) from investments	29,260	(126,312)	(108,345)	(32,950)	(13,356)
Other income	301,245	400,704	285,127	166,603	72,016
Fair value loss on investment properties	–	(36,069)	(69,431)	(51,010)	(5,477)

	For the year ended 31 March			For the six months ended 30 September	
	2023	**2024**	**2025**	**2024**	**2025**
	HK$'000 (audited)	*HK$'000* (audited)	*HK$'000* (audited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
Impairment loss recognised on amounts due from joint ventures, under expected credit loss model	(29,913)	(554,926)	(7,920)	–	–
Other gains and losses	200,376	(114,291)	(64,103)	(61,407)	48,550
Administrative expenses	(281,079)	(231,469)	(210,209)	(95,611)	(146,632)
Finance costs	(495,558)	(663,740)	(577,418)	(298,510)	(238,838)
Share of results of joint ventures	239,251	62,263	(825,562)	(581,869)	(147,172)
Share of results of associates	(49,047)	(64,130)	(232,638)	(43,869)	(186,769)
Profit (loss) before taxation	383,427	(497,414)	(1,765,401)	(938,613)	(577,177)
Income tax (expense) credit	(18,327)	41,462	54,550	23,971	19,320
Profit (loss) for the year/period	365,100	(455,952)	(1,710,851)	(914,642)	(557,857)
Profit (loss) attributable to:					
Owners of the Guarantor	335,654	(425,605)	(1,691,529)	(904,102)	(556,673)
Holders of perpetual capital securities	34,300	–	–	–	–
Non-controlling interests	(4,854)	(30,347)	(19,322)	(10,540)	(1,184)
	365,100	(455,952)	(1,710,851)	(914,642)	(557,857)
	(Restated[1])	(Restated[1])		(Restated[2])	
Earnings (loss) per share ***(HK cents)***					
Basic	7.16	(9.18)	(36.73)	(19.63)	(4.54)
Diluted	–	–	–	–	(4.54)

[1] The weighted average number of ordinary shares used to calculate the basic earnings (loss) per share for the years ended 31 March 2023 and 2024 have been adjusted to reflect the share consolidation during the year ended 31 March 2025.

[2] The weighted average number of ordinary shares used to calculate the basic loss per share for both periods have been adjusted to reflect the share consolidation during the period ended 30 September 2025. Accordingly, the basic loss per share for the period ended 30 September 2024 is restated.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the years ended 31 March 2023, 2024 and 2025, and the six months ended 30 September 2024 and 2025

	For the year ended 31 March			For the six months ended 30 September	
	2023	**2024**	**2025**	**2024**	**2025**
	HK$'000 (audited)	*HK$'000* (audited)	*HK$'000* (audited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
Profit (loss) for the year/period	365,100	(455,952)	(1,710,851)	(914,642)	(557,857)
Other comprehensive (expense) income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	(232,217)	(94,234)	(46,635)	15,546	29,490
Share of exchange differences of joint ventures, net of related income tax	(183,494)	(53,349)	(13,592)	3,242	9,811
	(415,711)	(147,583)	(60,227)	18,788	39,301
Total comprehensive (expense) income for the year/period	(50,611)	(603,535)	(1,771,078)	(895,854)	(518,556)
Total comprehensive (expense) income attributable to:					
Owners of the Guarantor	(80,057)	(573,188)	(1,751,756)	(885,314)	(517,372)
Holders of perpetual capital securities	34,300	–	–	–	–
Non-controlling interests	(4,854)	(30,347)	(19,322)	(10,540)	(1,184)
	(50,611)	(603,535)	(1,771,078)	(895,854)	(518,556)

Consolidated Statement of Financial Position as at 31 March 2023, 2024 and 2025 and as at 30 September 2025

	As at 31 March			As at 30 September
	2023	**2024**	**2025**	**2025**
	HK$'000 (audited)	*HK$'000* (audited)	*HK$'000* (audited)	*HK$'000* (unaudited)
Non-Current Assets				
Property, plant and equipment	197,837	165,047	147,959	140,005
Investment properties	3,356,142	3,204,457	3,079,657	3,107,407
Financial assets at fair value through profit or loss ("**FVTPL**")	337,317	283,230	186,473	182,372
Derivative financial instruments	12,774	–	–	–
Club memberships	12,405	12,405	12,405	12,405
Interests in joint ventures	5,738,958	5,645,075	3,518,053	3,362,843
Amounts due from joint ventures	6,612,511	6,813,871	7,088,682	7,110,571
Interests in associates	455,593	503,086	535,516	541,115
Amounts due from associates	880,148	940,018	927,127	772,821
Loan receivables	77,553	72,792	30,741	29,821
	17,681,238	17,639,981	15,526,613	15,259,360
Current Assets				
Loan receivables	114,028	115,399	45,338	3,441
Trade and other receivables	269,403	290,858	200,005	153,882
Properties held for sale	6,386,824	5,598,042	5,187,679	5,130,131
Financial assets at FVTPL	150,491	68,591	64,465	85,482
Taxation recoverable	2,488	1,560	1,239	3,813
Cash held by securities brokers	15,099	3,399	1,584	1,661
Bank balances and cash				
– Restricted	–	–	–	121,130
– Unrestricted	3,146,934	2,520,518	1,411,918	2,315,940
	10,085,267	8,598,367	6,912,228	7,815,480

	As at 31 March			As at 30 September
	2023	2024	2025	2025
	HK$'000 (audited)	*HK$'000* (audited)	*HK$'000* (audited)	*HK$'000* (unaudited)
Current Liabilities				
Other payables and accruals	466,180	229,605	211,236	238,487
Contract liabilities	114,000	620	348	128,130
Taxation payable	185,349	128,872	103,416	82,175
Amounts due to joint ventures	1,142,594	1,699,816	741,178	905,940
Amounts due to non-controlling shareholders of subsidiaries	164,728	123,254	119,731	106,484
Bank borrowings – due within one year	2,064,162	3,876,918	1,112,596	1,545,620
Notes payable – due within one year	–	–	2,307,731	–
	4,137,013	6,059,085	4,596,236	3,006,836
Net Current Assets	5,948,254	2,539,282	2,315,992	4,808,644
Total assets less current liabilities	23,629,492	20,179,263	17,842,605	20,068,004
Capital and Reserves				
Share capital	74,952	73,678	73,678	206,299
Reserves	14,289,340	13,658,907	11,907,151	12,749,144
Equity attributable to owners of the Guarantor	14,364,292	13,732,585	11,980,829	12,955,443
Non-controlling interests	35,480	3,533	(51,302)	(53,686)
Total Equity	14,399,772	13,736,118	11,929,527	12,901,757
Non-Current Liabilities				
Bank borrowings – due after one year	6,791,830	4,005,930	5,812,064	5,108,253
Notes payable – due after one year	2,295,909	2,301,660	–	1,959,204
Deferred tax liabilities	141,981	135,555	101,014	98,790
	9,229,720	6,443,145	5,913,078	7,166,247
	23,629,492	20,179,263	17,842,605	20,068,004

Other Unaudited Financial Information

Set forth below is a reconciliation of the Group's EBITDA to the Group's profit (loss) before taxation for the years/periods indicated:

	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2025	Six months ended 30 September 2024	Six months ended 30 September 2025
	(HK$'m)	*(HK$'m)*	*(HK$'m)*	*(HK$'m)*	*(HK$'m)*
Profit (loss) before taxation	383.4	(497.4)	(1,765.4)	(938.6)	(577.2)
Adjusted for:					
Fair value changes of financial assets at FVTPL, net	59.9	127.9	108.3	33.0	11.7
Fair value changes of derivative financial instruments, net	(89.2)	(1.6)	–	–	1.7
Fair value loss on investment properties	–	36.1	69.4	51.0	5.5
(Net reversal of write-down) write-down of properties held for sale	(5.1)	(41.0)	131.0	44.1	54.5
(Net reversal of write-down) write-down of properties held for sale by joint ventures and an associate	–	(60.0)	921.9	573.2	232.9
Written off loan receivable	–	–	61.5	61.5	–
Impairment loss recognised on investment in a joint venture	–	80.0	–	–	–
Impairment loss recognised on amounts due from joint ventures	29.9	554.9	7.9	–	–
(Reversal of impairment loss) impairment loss recognised on financial guarantee contracts, net	(18.8)	44.9	3.3	–	(48.6)
(Gain) loss on disposal of property, plant and equipment	(0.7)	0.0	(0.4)	(0.1)	–

	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2025	Six months ended 30 September 2024	Six months ended 30 September 2025
	(HK$'m)	*(HK$'m)*	*(HK$'m)*	*(HK$'m)*	*(HK$'m)*
Gain on disposal of a subsidiary (51% for fair value change without cash flow impact)	(83.3)	–	–	–	–
Bank and loan interest income	(80.0)	(144.6)	(68.9)	(43.7)	(33.2)
Income from amortisation of financial guarantee contracts	(8.2)	(8.0)	(7.3)	(3.7)	(3.5)
Finance costs	495.6	663.7	577.4	298.5	238.8
EBIT	683.5	754.9	38.7	75.2	(117.4)
Depreciation of property, plant and equipment	34.7	32.8	17.5	9.4	8.2
EBITDA[(1)]	718.2	787.7	56.2	84.6	(109.2)

Note:

(1) EBITDA is calculated as profit (loss) before taxation adjusted for fair value changes of financial assets at FVTPL (net), fair value changes of derivative financial instruments (net), fair value loss on investment properties, (net reversal of write-down) write-down of properties held for sale, (net reversal of write-down) write-down of properties held for sale by joint ventures and an associate, written off loan receivable, impairment loss recognised on investment in a joint venture, impairment loss recognised on amounts due from joint ventures, (reversal of impairment loss) impairment loss recognised on financial guarantee contracts (net), (gain) loss on disposal of property, plant and equipment, gain on disposal of a subsidiary, bank and loan interest income, income from amortisation of financial guarantee contracts, finance costs and depreciation of property, plant and equipment.

Although EBITDA is not a standard measure under HKFRS Accounting Standards, it is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of the Group's operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest expense or other non-operating cash expenses. In evaluating EBITDA, the Group believes that investors should consider, among other things, the components of EBITDA and the amount by which EBITDA exceeds capital expenditures and other charges. The Group has included EBITDA because it believes the measure is a useful supplement to cash flow data as a measure of its performance and its ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Group's EBITDA to EBITDA presented by other companies because not all companies use the same definition.

THE ISSUE

The following contains some summary information about the New Notes. Some of the terms described below are subject to important limitations and exceptions. The New Notes will have the same terms and conditions as the Original Notes in all respects except for the issue price, the issue date and the amounts the Issuer shall redeem pursuant to Condition 5(d) (Redemption and Purchase - Redemption by the Issuer on Specified Dates), and upon issue, will be consolidated and form a single series with the Original Notes. Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this summary. For a more complete description of the terms of the Notes, see "Terms and Conditions of the Notes" in this Offering Circular.

Issuer	Estate Sky Limited.
Guarantor	CSI Properties Limited.
Principal amount of the New Notes	U.S.$50,000,000 aggregate principal amount of 10.50 per cent. Guaranteed Notes due 2028 (the "**New Notes**") to be consolidated and form a single series with the U.S.$150,000,000 10.50 per cent Guaranteed Notes due 2028 and the U.S.$50,000,000 10.50 per cent. Guaranteed Notes due 2028 (together, the "**Original Notes**", and together with the New Notes, the "**Notes**").
Guarantee of the New Notes	The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the New Notes.
Issue Price of the New Notes	101.75 per cent. of the principal amount (plus an amount corresponding to accrued interest on the aggregate principal amount of the New Notes from (and including) 21 May 2026 to (but excluding) the New Issue Date).
Form and Denomination	The New Notes will be issued in registered form in the denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.
New Issue Date	29 May 2026
Maturity Date	21 May 2028
Offering	The New Notes are being offered only outside the United States in reliance on Regulation S under the Securities Act. The New Notes and the Guarantee of the New Notes have not been registered, and will not be registered, under the Securities Act and, subject to certain exemptions, may not be offered or sold in the United States.

Interest	The New Notes will bear interest from, and including, 21 May 2026 at the rate of 10.50 per cent. per annum, until the Maturity Date, payable semi-annually in arrear on 21 May and 21 November in each year.
Status	The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3.1 of the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Guarantee of the Notes constitutes direct, general, unconditional, unsubordinated and (subject to Condition 3.1 of the Terms and Conditions of the Notes) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Negative Pledge	The Notes contain a negative pledge provision as further described in Condition 3.1 of the Terms and Conditions of the Notes.
Covenants	The Notes contain covenants for the Guarantor to deposit certain funds in Designated Accounts, an information undertaking in relation to the balance standing to the credit of such Designated Accounts and a covenant in relation to Financial Indebtedness, all as further described in Condition 3.2 of the Terms and Conditions of the Notes.
Cross Default	The Notes contain a cross default provision as further described in Condition 8(c) of the Terms and Conditions of the Notes.
Events of Default	Upon the occurrence of certain events as described in Condition 8 of the Terms and Conditions of the Notes, upon written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office (as defined in the Agency Agreement referred to in the Terms and Conditions of the Notes) of the Fiscal Agent, Noteholders holding not less than five per cent. of the aggregate principal amount of the Notes outstanding may declare the Notes immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

Transfer Restrictions	The Notes will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and sale. See "Subscription and Sale".
Final Redemption	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 21 May 2028.
Redemption for Tax Reasons	The Issuer may redeem all and not some of the Notes at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption, in the event of certain changes in British Virgin Islands, Bermuda or Hong Kong taxation, as further described in Condition 5(b) of the Terms and Conditions of the Notes.
Redemption by the Issuer on Specified Dates	The Issuer shall redeem U.S.$37,500,000 in aggregate principal amount of the Notes at their principal amount on each of 21 November 2026 and 21 May 2027, in each case together with accrued and unpaid interest, if any, to (but excluding) such date fixed for redemption on a pro rata basis by way of a proportional reduction in the principal amount of each Note.
Redemption at the option of the Issuer	The Issuer may redeem the Notes, in whole or in part, at any time on or after 21 May 2027, at 103 per cent. of the principal amount of the Notes to be redeemed, together with accrued and unpaid interest to such date fixed for redemption specified in the Optional Redemption Notice, as further described in Condition 5(e) of the Terms and Conditions of the Notes.
Redemption for Change of Control	At any time following the occurrence of a Change of Control, any Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Change of Control Put Date at 101 per cent. of their principal amount, together with accrued interest to, but excluding the Change of Control Put Date, as further described in Condition 5(c) of the Terms and Conditions.
Further Issues	The Issuer may (with the prior written consent of the Guarantor) from time to time, without the consent of the Noteholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

Fiscal Agent	Citicorp International Limited.
Paying and Transfer Agent	Citibank, N.A., London Branch.
Registrar	Citibank, N.A., London Branch.
Clearing Systems	The Original Notes have been accepted for clearance through Euroclear and Clearstream. On the New Issue Date, the New Notes, upon issue, will be consolidated and form a single series with the Original Notes, and the Notes will be cleared through Euroclear and Clearstream. The New Notes will be represented by beneficial interests in the Global Note Certificate in registered form, which will be registered in the name of a nominee for, and shall be deposited on or about the Issue Date with a common depositary for, Euroclear and Clearstream. Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by, Euroclear and Clearstream. Except as described herein, certificates for New Notes will not be issued in exchange for interests in the Global Note Certificate.
Governing Law	English law
Ratings	The Notes are not rated.
Listing	The Original Notes are listed on the SGX-ST. Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the New Notes on the Official List of the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size S$200,000 (or its equivalent in foreign currencies) for so long as the Notes are listed on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the New Notes to the Official List of the SGX-ST and quotation of the New Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, its subsidiaries, its associated companies, its joint ventures or the Notes.
Use of Proceeds	See section entitled "*Use of Proceeds*".
ISIN	XS3046754035
Common Code	304675403
Legal Entity Identifier	213800N7Q1FQC8CEUC74

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The following factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to the Issuer or the Guarantor or which the Issuer or the Guarantor currently deems to be immaterial, may affect the Issuer's, the Guarantor's or the Group's business, financial condition or results of operations or their respective ability to fulfil its obligations under the Notes and the Guarantee of the Notes.

Risks Relating to the Group and its Business

The Group is dependent on the performance of the Hong Kong property market

A substantial portion of the Group's assets are located in Hong Kong, and a substantial portion of the Group's revenue is derived from Hong Kong. Consequently, its revenue and operating profits depend on the state of the Hong Kong property market. Hong Kong property values have been affected by supply and demand of comparable properties, the rate of economic growth in Hong Kong, political and economic developments in the PRC and the condition of the global economy. Economic developments outside Hong Kong, such as the global economic crisis, the Eurozone debt crisis, slowdown in the economy in the PRC, efforts by the PRC government to control inflation and property prices in the PRC, the interest rate increases and subsequent adjustments in the United States, the military conflicts between Russia and Ukraine, the military conflicts between Israel and Palestine, the military conflicts between the United States, Israel and Iran and the other military conflicts in the Middle East and the volatility of the global equity markets, including the United States, Europe, the PRC and Hong Kong, could also adversely affect the property market in Hong Kong. Other events, including the collapse of financial institutions and other entities, including PRC real estate developers which have experienced tightened cashflow and difficulties in refinancing, rising government deficits and debt levels together with downgrading of the sovereign debt of certain member states of the European Union, the bailouts and government deficit and other debt reduction measures, have had and continue to have an adverse impact on global credit and financial markets. In recent years, there have also been significant fluctuations in market interest rates. Mismatches between the supply and demand of goods and services contributed to a rise in inflation in 2021. In response, the United States Federal Open Market Committee raised its benchmark interest rates multiple times since March 2022 to counteract the inflation. These interest rate fluctuations may result in continued significant volatility in global capital markets, adversely affecting both business and consumer confidence. Any deterioration in the financial markets could contribute to a slowdown in the global economy, including reduced growth forecasts, and may lead to significant declines in employment, household wealth, consumer demand and lending. These events have had, or may have, a significant adverse impact on investors' confidence and global financial markets. There can also be no assurance that interest rates will not increase in the future. If interest rates increase, this could have a significant impact on the property market, which may in turn affect the Group's operating results and financial condition.

Hong Kong property prices and rents for residential, commercial and industrial properties, after reaching record highs in the mid-1990s, declined significantly in and after the fourth quarter of 1997 as a result of the general economic downturn in Asia, the slowdown in the Hong Kong economy, the increase in supply of new properties in Hong Kong, and high interest rates on Hong Kong dollar borrowings. While the property market showed improvement during the period from 2004 to the third quarter of 2008, property prices and rents in Hong Kong were inevitably affected by the global financial turmoil from September 2008. Property prices remained substantially flat during 2019, but they have generally increased from 2010 onwards till 2022 where the property prices then gradually declined. Factors such as the interest rate hikes, prospect of economic downturn and the tightening of liquidity created negative sentiments for the property market. The demand and rental rates of prime office buildings and for residential, commercial and industrial properties were consequently reduced. Changes to local, regional and global economic conditions may cause market participants to downsize and even close their operations. Demand for, and rental rates of, office buildings and commercial and industrial properties may greatly reduce. Should the economic environment weaken, a more cautious view may be taken by tenants towards the size of leased space and the rental rates upon renewal of commercial tenancies, which could have an adverse effect on the Group's business, operating results, financial condition and prospects. Since 2019, Hong Kong's property market has weakened under the strain of the economic slowdown of the PRC and global trade disputes. There is no guarantee that the property market will not be further adversely affected if the PRC and global economies continue to slow.

Measures adopted from time to time by the Hong Kong Government to restrict the real estate market could slow industry growth rate or cause the real estate market to decline

The Hong Kong Government may introduce cooling measures on the Hong Kong property market from time to time, which may have a significant impact on the supply and demand in the property market. For example, on 26 October 2012, the financial secretary of the Hong Kong Government announced that the Stamp Duty Ordinance would be amended to adjust the rates and to extend the holding period in respect of the Special Stamp Duty ("**SSD**") imposed by the Stamp Duty (Amendment) Ordinance 2011. Under the adjusted regime, any residential property acquired on or after 27 October 2012, either by an individual or a company (regardless of where it is incorporated), and resold within 36 months, will be subject to the new rates of SSD upon the enactment of the relevant legislation. The financial secretary also announced on 26 October 2012 that a Buyer's Stamp Duty ("**BSD**") would be introduced with effect from 27 October 2012 on residential properties acquired by any person (including a company incorporated) except a Hong Kong permanent resident. BSD is to be charged at a flat rate of 15 per cent. on all residential properties, on top of the existing stamp duty and the SSD, if applicable. On 4 November 2016, the Hong Kong Government announced further cooling measures in the form of an increase to stamp duty payable on property transactions to 15 per cent., effective from 5 November 2016 and applying to all residential property acquisitions by individuals or companies with the exception of first-time home buyers who are Hong Kong permanent residents. The new 15 per cent. rate replaces the maximum 8.5 per cent. double ad valorem stamp duty on non-first-time home purchases by Hong Kong permanent residents that had been in place since February 2013. On 12 April 2017, this increased stamp duty was extended to apply to first-time Hong Kong permanent resident property buyers acquiring multiple properties under a single contract. In February 2024, the Hong Kong Government announced the abolition of all demand-side management measures for residential properties. The SSD and the BSD are no longer charged on all residential property transactions. At the same time, the Hong Kong Monetary Authority issued guidelines to banks relaxing mortgage loan-to-value ratios and stress tests. Both initiatives were conducive to the purchase of new and replacement homes for local residents and encouraged Mainland China talents and professionals to work and buy their own homes in Hong Kong.

On 29 June 2018, the Hong Kong Government proposed a tax on vacant first-hand private residential units at two times the annual rateable value of the units (the "**Vacancy Tax**") to encourage developers to release residential units more quickly into the market. Under the proposal, developers of first-hand private residential units with an occupation permit issued for 12 or more months will be required to make annual returns disclosing the occupancy status of their units. Units that have not been occupied or rented out for more than six of the previous 12 months will be considered vacant and subject to the Vacancy Tax, which will be collected annually. On 13 September 2019, the Hong Kong Government gazetted an amendment bill to implement the proposed Vacancy Tax at the Legislative Council. Although Hong Kong lawmakers decided in June 2020 to shelve the proposal to introduce the Vacancy Tax on property developers due to the lack of time to vet it, there is no assurance that the Hong Kong Government will not reintroduce the amendment bill in the future. If implemented, the Vacancy Tax may present a financial burden to the Group, which may have an adverse effect on its business, operating results and financial condition. Furthermore, during the Coronavirus Disease 2019 ("**COVID-19**") pandemic, in order to protect business tenants adversely affected by the COVID-19 pandemic, the Hong Kong Government provided a three-month rental moratorium period for business tenants under the Temporary Protection Measures for Business Tenants (COVID-19 Pandemic) Ordinance (Cap. 644) of Hong Kong which came into effect on 1 May 2022, which prohibited landlords from taking certain actions against tenants of certain premises for failure to pay rent during the period from 1 January 2022 to 31 July 2022. Although such three-month rental moratorium period has expired, there can be no assurance that the Hong Kong Government will not impose other rental moratoriums in the future. A continuing rental moratorium may have a negative impact on the Group's rental income and therefore may have an adverse effect on the Group's business, operating results and financial condition.

On 16 October 2019, the Hong Kong Government announced plans to expand the eligibility under the Mortgage Insurance Programme (the "**Mortgage Insurance Programme**") of the Hong Kong Mortgage Corporation Limited. For a first-time home buyer, the cap on the value of property eligible for a mortgage loan with a maximum cover of 90 per cent. loan-to-value ratio will be raised from the existing HK$4 million to HK$8 million. The cap on the value of property eligible for a mortgage loan with a maximum cover of 80 per cent. loan-to-value ratio will also be raised from HK$6 million to HK$10 million. On 23 February 2022, HKMC Insurance Limited, a wholly-owned subsidiary of the Hong Kong Mortgage Corporation Limited, announced plans to further expand eligibility under the Mortgage Insurance Programme. For a first-time home buyer, the cap on the value of property eligible for a mortgage loan with a maximum cover of 90 per cent loan-to-value ratio will be raised from HK$8 million to HK$10 million. The cap on the value of property eligible for a mortgage loan with a maximum cover of 80 per cent. loan-to-value ratio will also be raised from HK$10 million to HK$12 million (if the loan-to-value ratio is progressively adjusted to 50%, the maximum eligible property value is up to HK$19.2 million). On 7 July 2023, the Mortgage Insurance Programme for completed residential properties was further amended. For a first-time home buyer, the cap on the value of property eligible for a mortgage loan with a maximum cover of 80 per cent. loan-to-value ratio has been raised to HK$15 million. The coverage of the Mortgage Insurance Programme has also been extended to properties valued above HK$15 million and up to HK$30 million, subject to a mortgage loan cap of HK$12 million or a maximum loan-to-value ratio of 70 per cent., whichever is higher. On 22 September 2023, the Mortgage Insurance Programme was further amended such that the eligibility criteria for residential properties under construction align with those for completed residential properties. From 8 August 2024, a new arrangement under the Mortgage Insurance Programme has been put in place to allow approval on a case-by-case basis eligible homeowners' applications for renting out their self-occupied properties, so as to help them meet their special needs arising from changes in personal or family circumstances. On 26 November 2020, the Hong

Kong Government abolished the double ad valorem stamp duty on non-residential properties. In February 2024, the Hong Kong Government announced the abolition of the SSD and the BSD with respect to all residential property transactions. As the introduction of these measures is subject to policy changes reflecting domestic political or economic circumstances, there can be no assurance that the Hong Kong Government will not introduce measures in the future that may have a significant impact on the property market, which may in turn affect the Group's operating results and financial conditions.

In the event of economic decline, the Group may experience market pressures that affect all Hong Kong property companies, such as pressures from tenants or prospective tenants to provide rent reductions or reduced market prices for properties sale. Rental values are also affected by factors such as local, regional and global economic downturns, political developments, governmental regulations and changes in planning or tax laws, interest rate levels and inflation.

There can be no assurance that rents and property values will not decline, tightening of credit provided by banks will not increase or that interest rates will not rise in the future. This could have an adverse effect on the Group's business, operating results and financial condition.

The emergence of contagious diseases and any resultant adverse market conditions could affect the Group's business, financial condition or results of operations

The Group's business is subject to global market fluctuations and general economic conditions in Hong Kong, the PRC and the global economy. For example, the COVID-19 global pandemic caused major upheavals on the global economies, and had negatively impacted the Group's business, financial condition and results of operations. The outbreak of the Severe Acute Respiratory Syndrome ("**SARS**") that began in the PRC and Hong Kong in early 2003 had an adverse effect on all levels of business in Hong Kong and the PRC. The outbreak of SARS led to a significant decline in travel volumes and business activities throughout most of the Asian region. There have been sporadic outbreaks of the H5N1 virus or "Avian Influenza" among birds and, in particular, poultry, as well as some isolated cases of transmission of the virus to humans. There have also been outbreaks among humans of the influenza A/H1N1 virus globally. The outbreak of the Middle East Respiratory Syndrome corona virus ("**MERS**") has affected several countries, primarily in the Middle East. The outbreak of COVID-19 had resulted in a widespread and global health crisis, restrictions on travel and public transport and prolonged closures of workplaces, which had a material adverse effect on the global economy and created an interruption of the Group's business. The outbreak of communicable diseases such as the ones listed above on a global scale may affect investment sentiment and result in sporadic volatility in global capital markets or adversely affect economic activities worldwide. There can be no assurance that there will not be a serious outbreak or recurrence of an outbreak of influenza A/H1N1, MERS, COVID-19 or another contagious disease in Hong Kong, the PRC or other places in the future. If such an outbreak were to occur, it may result in adverse market conditions such as prolonged downturn and recession of the global economy, which could in turn have a material adverse impact on the business, financial condition or results of operations of the Group.

The Group is exposed to property market risks in the PRC

In the PRC, the rapid expansion of the property market in certain major cities, including Shanghai and Beijing, in the early 1990s culminated in oversupply by the mid-1990s and a corresponding decrease in property values and rentals in the second half of the decade. Since the late 1990s, private residential property prices and the number of residential property development projects have gradually increased in certain major cities in the PRC as a result of an increase in demand driven by domestic economic growth. In particular, prices of residential properties in certain major PRC cities such as Shanghai have experienced rapid and significant growth. In recent years, certain major PRC cities have seen cyclical changes in their property markets and property prices in general have been volatile in recent years. Since 2010, the PRC government at both the central and local levels have implemented measure such as home purchase restrictions that have affected market sentiment and reduced transaction volume in the PRC property market.

Currently, the Group has substantial property development and investment interests in Shanghai and Beijing and expects to continue to develop and invest in properties in the PRC. The Group is therefore subject to risks usually associated with property development and investment in the PRC. Any real estate market downturn in Shanghai and Beijing in the future could adversely affect the Group's profitability and prospects. There can be no assurance that the demand for commercial and residential properties in Shanghai and Beijing will continue to grow. The Group's results of operations may be influenced by fluctuations of supply and demand in the real estate market, which may in turn be influenced by the general state of the PRC economy or PRC national or local government policies. Since September 2016, certain local governments including without limitation Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Suzhou, Zhengzhou, Jinan, Qingdao, Wuxi, Hefei, Wuhan, Nanjing, Fuzhou, Foshan, Dongguan, Huizhou, Shijiazhuang, Langfang, Baoding, Cangzhou, Chengde, Chengdu, Chuzhou, Changsha, Xiamen, Zhongshan, Jurong, Yangzhou, Hainan province and Hangzhou, have issued new property market control policies, including restoring or strengthening the restriction on purchases of residential properties and tightening credit policy. In September 2018, Beijing issued new rules further tightening the availability of housing provident fund loans. On 25 August 2019, the People's Bank of China (the "**PBOC**") issued the People's Bank of China No.16 [2019] Announcement, under which, starting from 8 October 2019, new commercial individual housing loans should be determined by adding basis points to the latest monthly loan prime rate ("**LPR**") of corresponding maturity. The basis points added should conform to the national and local housing credit policy requirements, reflecting the loan risk profile, and remain fixed during the contract period. The interest rate of loans for first-time home purchasers should not be lower than the LPR of corresponding maturity, and the interest rate of loans for second-time home purchasers should not be lower than the LPR of corresponding maturity plus 60 basis points. On 30 December 2020, the PBOC and the China Banking and Insurance Regulatory Commission jointly issued the Notice on Establishing a Centralization Management System for Real Estate Loans of Banking Financial Institutions which becomes effective from 1 January 2021. This notice classifies the banks into five categories and set the upper limits on the proportion of real estate loans and the proportion of personal housing loans according the classification, the former being 40% and the latter being 32.5%, which is subject to certain range of adjustment based on the characteristics of the local economic and financial development level. In recent years, certain major cities have seen cyclical changes in their property markets, with individual cities continuing to implement differentiated policies in accordance with local conditions along with other controlling measures so as to ensure steady housing prices. The PRC government, at both the central and local levels, has in recent years been imposing and may continue to impose various economic measures with an aim of cooling the overheated real estate market in the PRC, including home purchase restrictions and strengthened supervision over PRC real estate developers, some of which have experienced tightened

cashflow, difficulty in refinancing or even default in their own loan obligations, which would affect relevant segments of the economy and may in turn affect the Group's business and operation. In the event of actual or perceived real estate over-supply in the PRC, together with the any dampening effect which government policies may have on the real estate market, real estate prices may fall significantly which would adversely affect the Group's revenue and results of operations. As a result, there can be no assurance that the problems of oversupply and falling property prices will not recur to the extent of the mid-1990s or be even worse or that the recurrence of such problems with respect to the property market in the PRC will not adversely affect the Group's business, financial condition or results of operations. Any economic downturn or over-supply of commercial or residential properties could result in downward pressure on the Group's income and valuation of its property portfolio.

The PRC central and local governments also frequently adjust monetary and other economic policies to prevent and curtail the overheating of the national and local economies, for example, industry policies and other economic measures, such as control over the supply of land for property development, setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duties on property transfers and imposing foreign investment and currency exchange restrictions; and such economic adjustments may affect the PRC property market. Such policies may be adjusted by the central government of the PRC from time to time in response to the changing market environment. Given that the central and local governments of the PRC are expected to continue to exercise a substantial degree of control and influence over the PRC economy and property market, any form of government control or newly implemented laws and regulations, depending on the nature and extent of such changes and the Group's ability to make corresponding adjustments, may result in a material adverse effect on the Group's business and operating results and its future expansion plans in the PRC. In particular, decisions taken by PRC regulators concerning economic policies or goals that are inconsistent with the Group's interests could adversely affect its operating results, financial condition and prospects. See also "*Risks Relating to the Group's Business in the PRC*". Furthermore, private ownership of property in the PRC is still at an early stage of development. For example, the property market in the PRC has, in the past, experienced weakness in demand due to the lack of a mature and active secondary market for private properties and the limited availability of mortgage loans to individuals in the PRC as a result of government actions.

In addition, development projects in the PRC are dependent on obtaining the approval of a variety of governmental authorities at different levels, receipt of which cannot be assured. These development projects have been, and may in the future be, subject to certain risks, including the cyclical nature of property markets, changes in governmental regulations and economic policies, including regulations and policies governing construction of properties and buildings and related regulations on pre-sales and sales, extensions of credit, building material shortages, increases in labour and material costs, changes in general economic and credit conditions and the illiquidity of land and other properties. Any restriction on the Group's ability to pre-sell or sell its properties or any restriction on the use of pre-sale or sale proceeds could extend the time required to recover its capital outlay and could have an adverse impact on its business, financial condition and results of operations, and in particular its cash flow position. There can be no assurance that required approvals will be obtained or that the cost of the Group's developments will not exceed projected costs. These factors could adversely affect the Group's business, operating results, financial condition and prospects.

The Group's businesses are subject to the effects of global economic and political events

Economic events outside Hong Kong, the PRC and Macau may adversely affect the Group's business. In recent years, volatility in the global credit markets has affected the availability of credit and the confidence of the financial markets, globally as well as in Hong Kong, the PRC and Macau. The global economy and financial markets have been affected by the ongoing sovereign debt crises in several member countries of the European Union in late 2011 to the present, and, more recently, the tapering of the stimulative quantitative easing policy, and the interest rate increases and subsequent adjustments by the U.S. Federal Reserve, the economic slowdown of the PRC, the political instability in the Korean Peninsula, the enhanced market volatility stemming from the exit of the United Kingdom from the European Union, the collapse of certain financial institutions and certain PRC real estate developers, the military conflicts between Russia and Ukraine, the military conflicts between Israel and Palestine and the military conflicts in the Middle East and the resulting sanctions imposed by various authorities. Furthermore, the rising trade tensions between the United States, the PRC and other major nations create uncertainties in the world economy and global financial market. Since April 2018 (including, without limitation, the beginning of 2025), the United States imposed or sought to impose several rounds of tariffs on various categories of imports from the PRC, and the PRC responded with similarly sized tariffs on the United States' products. Any trade tensions or disputes or potential escalations thereof may undermine the stability of Hong Kong's and the PRC's economies and the industries the Group operates. There can be no assurance that the Group's business, results of operations and financial condition will not be affected by these or similar political and legal developments.

In addition, any deterioration in the financial markets may contribute to a slowdown in the global economy, including in the growth forecasts, and may lead to significant declines in employment, household wealth, consumer demand and lending. These events have had, or may continue to have, a significant adverse impact on economic growth in Hong Kong, the PRC and elsewhere. An economic downturn may also have a negative impact on the overall level of business and leisure travel to Hong Kong and the PRC. There can be no assurance that these conditions will not lead to reduced property prices and rentals, reduced hotel occupancy levels and rates and reduced consumer spending in Hong Kong and the PRC. There can be no assurance that any stimulus measures implemented or proposed by governments will improve economic growth or consumer sentiment in these countries. In addition, if this situation were to worsen, or if the economic recovery fails to continue or if an economic slowdown were to return, the Group may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding and, in addition, there can be no assurance that the Group will be able to raise finance at a reasonable cost. The Group may also be subject to solvency risks of banks and of its counterparties in its financial investments and arrangements. These may have a material adverse impact on the operations of the Group.

Any protests, demonstrations or rioting causing mass disruption to businesses and transportation may result in a decrease in consumer spending. Any such social unrest may negatively affect the retail market and hospitality industry. Consumers may avoid areas affected by social upheaval or may be unable to reach these areas due to a disruption in transportation or an outbreak of violence, and local businesses may be affected. There is no assurance that there will not be any unforeseeable interruptions to the business and operations of the Group's properties and affect the potential access to the Group's property sales activities therein. There is no assurance that any prolonged social unrest will not have an adverse impact on residential and commercial property prices. Social unrest is outside the control of the Group, and any such demonstrations, protests or riots occurring in close proximity to the Group's properties or over a prolonged period could adversely impact the Group's business, financial condition and results of operations.

The Group's property businesses require substantial capital investment

The Group has historically required, and expects that it will require in the future, additional financing to fund its capital expenditures, to support the future growth of its business, particularly with respect to its property development and investment activities, and/or to refinance existing debt obligations. The Group's ability to arrange for external financing and the cost of such financing is dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, success of the Group's businesses, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital and political and economic conditions in the PRC and Hong Kong. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. See also "*Description of the Group – Recent Developments*".

The Group operates in highly competitive industries

The Group's principal business operations face significant competition across the markets in which it operates. New market entrants and intensified price competition among existing market players could adversely affect the Group's financial condition or results of operations. New properties and facilities built in areas where the Group's properties are located may compete with the Group for tenants and occupants, which may affect the Group's ability to maintain high occupancy and utilisation levels, rental rates and other charges in respect of its investment properties and buyers, which may affect the Group's ability to sell its development properties. Competition risks faced by the Group include: (i) an increasing number of developers undertaking property investment and development in Hong Kong and the PRC, in particular Shanghai and Beijing where the Group operates, and Macau, which may affect the market share and returns of the Group; and (ii) significant competition and pricing pressure from other developers which may adversely affect the financial performance of the Group's operations.

The Group may not always be able to obtain sites that are suitable for development or redevelopment

The Group derives a substantial part of its revenue from sales or lease of properties that it has acquired or developed. This revenue stream depends on the completion of, and the Group's ability to sell or lease, its properties. In order to maintain and grow its business in the future, the Group will be required to replenish its project pipeline with suitable sites or buildings for improvement or development. The Group's ability to identify and acquire suitable sites or buildings is subject to a number of factors that are beyond its control. The Group's business, financial condition and results of operations may be adversely affected if it is unable to obtain sites or buildings for improvement or development at prices that allow it to achieve reasonable returns upon sale or lease to its customers. The limited supply of land in Hong Kong has, in the past, made it increasingly difficult to locate suitable property at economical prices for development which could be acquired by the Group. In addition, the Group's acquisition strategy in relation to the property it purchases may prove ineffective and may have a material adverse effect on the Group's business.

While the Hong Kong Government has expressed its desire to increase land supply, the amount of land offered by the Hong Kong Government by auction is nevertheless still fairly limited. This affects the Group's ability to replenish its Hong Kong land bank. In addition, the PRC government controls all new land supply in the PRC and regulates land sales in the secondary market. The PRC central and local governments may regulate the means by which property developers, including the Group, obtain land sites for property developments. Please see "*Risks Relating to the Group's Business in the PRC – The economic, political and social conditions of the PRC, as well as government policies, could affect the Group's business*". As a result, the policies of the PRC government towards land supply may adversely affect the Group's ability to acquire land use rights for sites it seeks to develop and could increase the costs of any acquisition.

The Group may not be able to manage properties in a way that meets the demands of local markets

The Group is focused on the repositioning, investment and redevelopment of quality commercial and premium residential properties in Hong Kong, the PRC and Macau. The success of the Group's business model is dependent on the accuracy of its predictions of local demand for quality commercial and premium residential properties and economic growth of the cities where it has, or will have, a portfolio of properties. The Group's success is also dependent on its managerial, operational and financial resources, as well as its knowledge of the demand for quality commercial and premium residential properties. There can be no assurance that the Group's business model will be successful in each of the markets that it enters into. If it fails to establish or expand its business according to its plans, the Group's business, reputation, financial position and results of operations may be materially and adversely affected.

Certain of the Group's business activities are conducted through joint ventures

The Group has equity interests in several joint venture entities in connection with its property investment and development projects. Such joint ventures may involve special risks associated with the possibility that the Group's joint venture partners may:

- have economic or business interests or goals that are inconsistent with those of the Group;
- take action contrary to the instructions or requests of the Group or contrary to the Group's policies or objectives with respect to its property investments;
- be unable or unwilling to fulfil their obligations under the joint ventures or other agreements;
- undergo a change of control; or
- experience financial or other difficulties.

In addition, the Group may not be able to pass certain important board resolutions requiring unanimous consent of all the directors of these joint ventures if there is a disagreement between the Group and its joint venture partners. As such, the Group may not be able to dispose of assets that are jointly owned by the Group and its joint venture partners. Any of these and other factors may have a material adverse effect on the Group's business.

The Group is subject to risks incidental to the ownership and development of real estate properties

Investment in property is generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash at short notice or requiring a substantial reduction in the price that might otherwise be sought for such assets to ensure a quick sale. Such illiquidity also limits the Group's ability to manage its portfolio in response to changes in economic or other conditions. Moreover, it may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquidity. The Group is subject to risks incidental to the ownership and operation of residential, office and other properties, including, among other things, competition for tenants and changes in market rents, all of which could adversely affect the business, financial condition and results of operations of the Group.

The Group's property development business involves significant risks distinct from those involved in the ownership and operation of established properties, including, among other things, the risk that financing for development may not be available on favourable terms (or at all), that construction may not be completed on schedule or within budget (for reasons including shortages of equipment, material and labour, work stoppages, interruptions resulting from inclement weather, unforeseen engineering, environmental and geological problems and unanticipated cost increases), that development may be affected by governmental regulations (including changes in building and planning regulations and delays or failure to obtain the requisite construction and occupancy approvals), that developed properties may not be leased or sold on profitable terms, and that purchasers and/or tenants will default.

The Group is subject to the risks associated with renewing leases and re-letting property

The Group is subject to risks associated with the property industry such as competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the financial statements, increase in operating costs and the need to renovate, repair and re-let space periodically and to pay the associated costs. The Group's business relies on its ability to identify and let property to premium tenants whom the Group targets. Failure to renew leases could adversely affect the business, financial condition and results of operations of the Group.

A material deterioration of its cash flow position may have a material adverse effect on the Group's ability to service its indebtedness and continue its operations

In addition to borrowing, the Group relies on sale of its properties as a major source of funding for its operations and to assist with servicing its debt. Should the Group's sales be significantly limited or otherwise materially and adversely affected as a result of changes in Hong Kong or PRC laws and regulations or in government policies relating to property or property development, or by a significant economic downturn in the Hong Kong or PRC or in the property markets where the Group operates or otherwise, the Group could experience cash flow difficulties and difficulties in servicing its indebtedness. If major commercial banks decline to provide additional loans to the Group or to re-finance its existing loans when they mature as a result of the Group's credit risk and the Group fails to raise adequate financing through other channels, the Group's financial condition, cash flow position and business prospects may be materially and adversely affected.

The continuing success of the Group depends on key management personnel

The success of the Group depends on key management personnel and on the continued service of its executive officers and other experienced and skilled managerial and technical personnel. The board of directors of the Guarantor (the "**Board**") comprises only six Executive Directors, each of whom plays a key role in the management and leadership of the Group, so that management of the Group is run on a very lean basis. Competition for qualified personnel is intense. The Group's business could suffer if the services of a number of key personnel were lost and if the Group could not recruit suitable replacements in a timely manner.

Furthermore, as the business of the Group continues to grow, the Group will need to recruit and train additional qualified personnel. If the Group fails to attract and retain qualified personnel, its business and prospects may be adversely affected.

The Group is subject to certain risks due to the cyclical nature of consumer spending and economic development

The Group derives a portion of its revenue from commercial and office properties which are closely tied to general consumer demand and commercial market sentiment. Any change in such general consumer demand and commercial market sentiment can affect overall economic outlook and investor confidence leading to changes in the tenant mix and credit standing of tenants. Competition from new market entrants and fluctuations in the level of disposable household income may adversely affect the relative bargaining position of the Group with its tenants in terms of lease rates, tenure and frequency of rental revisions, and thus adversely affect the Group's revenue and financial performance.

The Group's revenue and results of operations may fluctuate from period to period

A substantial portion of the Group's revenue is derived from the sale of properties held for sale. The Group has experienced fluctuations in its revenue and profit/loss and may experience further fluctuations in the future. For instance, for the year ended 31 March 2023, the Group recorded a revenue of HK$804.3 million and a profit of HK$365.1 million, respectively. For the year ended 31 March 2024, the Group recorded a revenue of HK$1,579.1 million and a loss of HK$456.0 million. For the year ended 31 March 2025, the Group recorded a revenue of HK$520.6 million and a loss of HK$1,710.9 million. For the six months ended 30 September 2024, the Group recorded a revenue of HK$143.0 million and a loss of HK$914.6 million. For the six months ended 30 September 2025, the Group recorded a revenue of HK$124.1 million and a loss of HK$557.9 million. There can be no assurance that the Group can achieve and sustain profitability in the future, and in the event of any unfavourable developments, the Group's business, financial condition and results of operations may be materially and adversely affected. The Guarantor published profit warnings in May 2024, November 2024 and June 2025 in accordance with the Listing Rules of the Stock Exchange, and there can be no assurance that profit warnings will not be issued in the future in the event of any fluctuations in the Group's revenue and results of operations from time to time. Volatility in the Hong Kong property market significantly affects the timing of both the acquisition or modification of land use terms for sites and the sale of completed development properties. Market volatility, coupled with the lead time necessary for project completion and the sale of existing properties, results in the Group's property development activities being highly susceptible to substantial fluctuations in financial performance.

The Group's results of operations may fluctuate in the future due to a combination of factors, including the overall improvement or development schedule of its property projects, the level of interest of properties by prospective customers, the proposed timing for completion and sale of the Group's improved or developed properties, the Group's revenue recognition policies, property acquisition costs and price volatility in construction-related and improvement or development expenses. Most of the Group's commercial property projects require at least a year or more to complete the relevant improvement works, whereas the Group's residential property projects require a few years to complete and are often undertaken in phases. Selling prices of developed properties are often higher closer to completion, due in part to the more established community available to prospective purchasers. Furthermore, according to the Group's accounting policy for revenue recognition, it recognises revenue from the sale of properties only upon completion of the relevant contracts of sale, which, in the case of pre-sold residential properties, would often be at the same time as the delivery of completed properties to purchasers. As such, even where a sale and purchase agreement has been entered into by the Group, the Group can only recognise revenue from such sale upon successful completion of that transaction. A time gap ranging from several months to a number of years may pass between the date on which the Group commences pre-sales of its residential properties and the date on which completed properties are delivered to purchasers. Accordingly, the Group's results of operations may vary significantly from period to period depending, in part, on the gross floor area ("**GFA**") sold and the timetable for the completion and delivery of properties contracted for sale. Historically, periods in which the Group completed more of its improvement works or GFA have often generated a higher level of revenue. Periods in which the Group sells or pre-sells a considerable amount of aggregate GFA, however, may not necessarily generate a higher level of revenue if such sold or pre-sold properties are not completed within the same period. The Group's results of operations are also affected by the limitation that during any particular period of time, it can only undertake a limited number of projects due to the substantial capital requirements for properties or land acquisitions, construction costs and the limited supply of appropriate buildings or land. The Group's ability to complete projects as scheduled may also be affected by seasonal factors, such as heavy winter rainfall and typhoons, which could hinder the renovation, and in turn, the completion of its property projects. The Group's revenue and profits, often recognised upon the completion and delivery of properties, may also be affected by such seasonal effects.

The Group relies on independent contractors and sub-contractors for the provision of certain services

The Group engages independent third-party contractors and sub-contractors to provide various services including construction, building and property fitting-out work, interior decoration, installation of air conditioning units and elevators, and transportation of materials by air, sea and road. There can be no assurance that the services rendered by any independent third-party contractor or sub-contractor engaged by the Group will be satisfactory. The Group is also exposed to the risk that its contractors and sub-contractors may require additional capital to complete an engagement in excess of the price originally tendered and the Group may have to bear additional costs as a result. Furthermore, there is a risk that the Group's contractors and subcontractors may experience financial or other difficulties which may affect their ability to discharge their obligations, thus delaying the completion of the Group's projects or resulting in additional costs for the Group. The timely performance by these contractors and sub-contractors may also be affected by natural and human factors such as natural disasters, strikes and other industrial or labour disturbances, terrorism, restraints of government, civil disturbances, accidents or breakages of machinery or equipment, failure of suppliers, interruption of delays in transportation, all of which are beyond the control of the Group. Any of these factors could adversely affect the business, financial condition and results of operations of the Group.

Property revaluations may have an adverse impact on the Group's financial results and position

In accordance with HKFRS Accounting Standards, the Group reviews the net realisable value ("**NRV**") of its properties classified as properties held for sale at every reporting balance sheet date at the lower of cost or NRV on the basis of an external professional valuation. Any increase in the NRV of these properties above their relevant cost to completion will not be credited to the income statement. However, any decrease in the NRV of the Group's properties below that of their relevant cost to completion will reduce its profit and equity for that year. These factors could have an adverse effect on the Group's business, operating results, financial condition and prospects.

The Group is subject to risks relating to accidents or other incidents which may not be covered by insurance

The Group maintains insurance coverage on all of its properties under construction, third party liabilities and owner's liabilities in accordance with what it believes to be industry standards. However, the Group may become subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs disproportionate to the level of risks concerned or other reasons. In particular, the Group's insurance policies generally do not cover certain types of losses incurred due to events such as war, civil disorder and acts of terrorism. Any losses may significantly affect the Group's business operation and the Group may not have sufficient funds to replace any property destroyed as a result of such hazards. Furthermore, whilst every care is taken by the Group and its employees in the selection and supervision of its independent contractors, accidents and other incidents, such as theft, may occur from time to time. Such accidents may expose the Group to liability or other claims by its customers and other third parties. Although the Group believes that it has adequate insurance arrangements in place to cover such eventualities, it is possible that accidents or incidents which are not covered by these arrangements could occur. The occurrence of any such accidents or incidents which are not covered by insurance could adversely affect the business, financial condition and results of operations of the Group. It is also possible that litigants may seek to hold the Group responsible for the actions of its independent contractors.

If the Group is not properly insulated from the rising cost of labour, construction materials or building equipment, the Group's results of operations may be adversely affected

As the result of economic growth and the competition in the property development industry in Hong Kong and the PRC, wages for construction workers and the prices of construction materials and building equipment have experienced increases in recent years. For example, the PRC Labour Contract Law that came into effect on 1 January 2008 (certain amendments to which were adopted on 28 December 2012 and became effective on 1 July 2013) is primarily aimed at the regulation and protection of employee/employer rights and obligations, including matters with respect to the establishment, performance and termination of labour contracts. In addition, the PRC government has continued to introduce various new labour-related regulations after the effectiveness of the PRC Labour Contract Law. The Group's labour costs may increase as a result of these new protective labour measures, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, as the interpretation and implementation of these new regulations are still evolving, the Group's employment practice may not at all times be deemed to be in compliance with the new regulations. If the Group is subject to penalties or incurs liabilities in connection with labour disputes or investigations, the Group's business, results of operations and financial condition may be adversely affected. Under the terms of most of the Group's construction contracts, the Group's construction contractors are responsible for the wages of construction workers and procuring construction materials for the Group's property

development, and would bear the risk of fluctuations in wages and construction material prices during the term of the relevant contract as the Group generally enters into fixed or capped unit price contracts with them. However, the Group is exposed to the price volatility of labour and construction materials to the extent that the Group periodically enters into new, or renews its current, construction contracts during the life of a project, which may span over several years, or that the Group hires the employees directly or purchases the construction materials directly from suppliers. The Group is also exposed to the price volatility of building equipment used in properties developed by the Group because the Group usually procures such equipment by itself. Furthermore, the Group typically pre-sells the Group's properties prior to their completion, and the Group will be unable to pass the increased costs on to the Group's customers if construction costs increase subsequent to the time of such pre-sale. If the Group is unable to pass on any increase in the cost of labour, construction materials and building equipment to either the Group's construction contractors or to the purchasers of the Group's properties, the Group's results of operations may be negatively affected. No assurance can be given as to the future movements of the prices of the construction materials required by the Group, and any detrimental movements in the future may have a material adverse effect upon the Group's business, results of operations and financial condition.

The Group faces contractual risks relating to the pre-sale of properties, including the risk that property developments cannot be completed, or cannot be completed on time

The Group faces contractual risks relating to the pre-sale of properties. Failure to complete and/or deliver a pre-sold property in a timely manner may cause the Group to be liable to the relevant purchasers for losses suffered by them. The Group's failure to complete property developments in the time required by pre-sale contracts may entitle purchasers to claim damages under the pre-sale contracts, and in the event that such failure causes a delay that extends beyond any grace period stipulated in the pre-sale contracts, purchasers may be entitled to terminate the pre-sale contracts, claim damages and request a refund of their purchase amount together with interest, which may in turn impact the Group's contracted sales.

The Group may experience delays in completion or delivery of its renovated properties which could have an adverse effect on the income of the Group

The Group's profit margin is sensitive to fluctuations in the costs of construction and renovation materials. Construction costs comprise one of the key components of the Group's cost of sales. Construction costs encompass all costs for the design, construction, renovation and fit-out of a project, including payments to third-party contractors, costs of construction materials, foundation and substructure, fittings, facilities for utilities and related infrastructure such as roads and pipelines. Historically, construction material costs and interior design material costs have been the principal driver of the construction costs of the Group's property development projects. A general trend in the economy of increased inflationary risk may also have an impact on the construction costs and a wider impact on other costs.

Construction costs may fluctuate as a result of the volatile price movement of construction materials such as steel and cement. The Group manages the cost of outsourced construction work through a process of tenders which, among other things, takes into account procurement of supplies of principal construction materials such as steel and cement for the Group's property projects at fixed prices. In line with industry practice, if there is a significant price fluctuation (depending on the specific terms of each contract), the Group will be required to re-negotiate, top up or refund, depending on the price movement, existing construction contracts. Additionally, should existing contractors fail to perform under their contracts, the Group may be required to pay more to contractors under replacement contracts. Therefore, the Group's profit margin is sensitive to changes in the market prices for construction materials and these profit margins will be adversely affected if the Group cannot pass all of the increased costs onto its customers.

Potential liability for environmental problems could result in costs to the Group

The Group is subject to various laws and regulations concerning the protection of health and the environment. The particular environmental laws and regulations which apply to any given project development site vary greatly according to the site's location, its environmental condition, the present and former uses of the site, as well as any adjoining properties. Environmental laws and conditions may result in delays to the Group's property developments, may cause the Group to incur compliance and other costs and can prohibit or severely restrict project development activity in environmentally-sensitive regions or areas.

Each project the Group develops in Hong Kong, the PRC or Macau is required under applicable laws and regulations to undergo environmental assessments. Further, an environmental impact assessment document is required to be submitted to the relevant government authorities for approval before commencement of construction. The local authorities may request the Group to submit additional environmental impact documents, issue orders to suspend the construction and/or impose penalties for any projects that have not, prior to the commencement of construction, received approval following the submission of the environmental impact assessment documents. Although the environmental investigations conducted to date have not revealed any environmental liability that the Group believes would have a material adverse effect on its business, financial condition or results of operations, it is possible that these investigations did not reveal all environmental liabilities, or that there are material environmental liabilities of which the Group is unaware. Please see "*Description of the Group – Environmental and Safety Matters*" for a description of the foregoing environmental matters.

The Group's business is subject to various laws and regulations

The operations of the Group are subject to various laws and regulations of Hong Kong, the PRC and Macau in which the Group's operations are located. The Group's activities on its commercial and development properties are limited by zoning ordinances and other regulations enacted by the authorities. Developing properties, refurbishment and other redevelopment projects require government permits, some of which may take longer to obtain than others. From time to time, the authorities may impose new regulations on landlords such as mandatory retrofitting of upgraded safety and fire systems in all buildings. The Group's properties are subject to routine inspections by the authorities with regard to various safety and environmental issues. There can be no assurance that the Group will be able to comply with such regulations or pass such inspections.

From time to time, changes in law and regulations or the implementation thereof may require the Group to obtain additional approvals and licences from the relevant authorities for the conduct of its operations. In such event, the Group may incur additional expenses to comply with such requirements. This will in turn affect the Group's financial performance as its business costs will increase.

Furthermore, there can be no assurance that such approvals or licences will be granted to the Group promptly or at all. If the Group experiences delays in obtaining, or is unable to obtain, such required approvals or licences, it may have a material adverse impact on the business, financial condition or results of operations of the Group.

The Group's business may be adversely affected by increases in borrowing rates

Changes in borrowing rates have affected, and will continue to affect, the financing costs for the Group's property development business and, ultimately, the Group's results of operations. While the Group believes that the lending rate has not in the past had a material adverse effect on the Group's ability to obtain adequate financing for the Group's operations or on the Group's overall financial condition, there can be no assurance that lending rates will remain unchanged or that an increase in lending rates in the future will not have a material adverse effect on the Group's operations and financial condition. The Group's borrowings are primarily denominated in Hong Kong dollars and Renminbi. The interest rates of Renminbi-denominated loans are based on premiums or discounts to the Renminbi lending base rate as announced by PBOC from time to time. If PBOC raises lending rates, the Group's business, results of operations and financial condition may be adversely affected.

The Group is affected by currency fluctuations

The results of the Group are recorded in Hong Kong dollars, but its various subsidiaries, associates and joint ventures may receive revenue and incur expenses in other currencies, including Renminbi. Any currency fluctuations on translation of the accounts of these subsidiaries, associates and joint ventures, and on the repatriation of earnings, equity investments and loans may therefore impact on the Group's performance. Although currency exposures have been managed by the Group, a depreciation or fluctuation of the currencies in which the Group conducts operations relative to the Hong Kong dollar could adversely affect the Group's financial condition or results of operations.

The Guarantor is controlled by a single major shareholder

The ultimate major shareholder of the Guarantor is Mr. Chung Cho Yee, Mico, who is Chairman and Executive Director of the Guarantor and has an interest in the majority of the issued share capital of the Guarantor as at the date of this Offering Circular with the remaining shares being held by other employees of the Group and by public shareholders. Mr. Chung, as the Guarantor's controlling shareholder, is therefore able to exert considerable influence over the management and affairs of the Group. As a result, transactions between the Guarantor and other companies in which Mr. Chung has an interest are subject to the rules of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") which, in certain circumstances, may require disclosure to, and approval from, the shareholders of the Guarantor.

The Group's operations are subject to external risks

A natural disaster, catastrophe or other event could result in severe personal injury, property damage and environmental damage, which may curtail the Group's operations, cause delays in estimated completion dates for projects and materially adversely affect its cash flows and, accordingly, adversely affect its ability to service debt. The Group's operations are based in Hong Kong, the PRC and Macau, which are exposed to potential natural disasters including, but not limited to, typhoons, storms, floods and earthquakes. If any of the Group's developments are damaged by severe weather or any other disaster, accident, catastrophe or other event, the Group's operations may be significantly interrupted. The occurrence or continuance of any of these or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses at their intended capacities, thereby reducing revenues. Risks of substantial costs and liabilities are inherent in the Group's principal operations and there can be no assurance that significant costs and liabilities will not be incurred, including those relating to claims for damages to property or persons.

Risks Relating to the Group's Business in the PRC

The economic, political and social conditions of the PRC, as well as government policies, could affect the Group's business

The Group's strategy is to continue to expand its business in the PRC to capitalise on the PRC's economic growth and rapid urbanisation. The Group believes that one of its key growth drivers is expected to be its business initiatives in property development and investment in the PRC. The Group's financial condition, operating results and prospects will, accordingly, be subject to economic, political and legal developments in the PRC as well as in the economies in the surrounding region. The economy in the PRC is unique to the economies of most developed countries in many respects, including:

- economic and political structure;
- extent of government involvement and control;
- level of development;
- growth rate;
- regulation of capital investment;
- control of foreign exchange; and
- allocation of resources.

While the PRC economy has experienced significant growth in the past 25 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also have a negative effect on the Group's operations. For example, the Group's financial condition and operating results may be adversely affected by the PRC government's regulation on capital investments or any changes in tax regulations or foreign exchange controls that are applicable to it.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the PRC government has implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating the development of industries in the PRC by imposing top-down policies. It also exercises significant influence on the PRC's economic growth through the allocation of resources, regulation on the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular geographies, industries or companies. To curb any inflationary pressures, the PRC government has taken a number of credit-tightening measures to increase the cost of credit and to reduce the availability of credit. The PRC government may implement further credit-tightening measures which could have an adverse impact on the Group's ability to access onshore financing in the PRC.

The PRC's legal system is less developed than in certain other countries and the PRC laws may not be interpreted and enforced in a consistent manner

The PRC legal system is based on written statutes in which decided legal cases have little value as precedents. Since 1979, the PRC government has introduced many new laws and regulations to provide general guidance on economic and business practices in the PRC and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. The promulgation of changes to existing laws and the abrogation of local regulations by national laws could have a negative impact on the business and prospects of the Group and its joint ventures. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may involve significant uncertainty. The interpretation of PRC laws may be subject to policy changes which reflect domestic political changes. As the PRC legal system develops, the promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may have an adverse effect on the Group's prospects, financial condition and operating results.

Real estate is a highly regulated sector in the PRC

The supply of substantially all of the land in the PRC is controlled and regulated by the PRC government. The land supply policies adopted by the PRC government directly impact the Group's ability to acquire properties for development and the costs of such acquisitions. For example, in recent years, the PRC government has introduced a series of measures (and may implement further measures) to stabilise the real estate market, including policies to prevent excessive rises in property prices in certain cities and sectors such as taxing capital gains to discourage speculation, restricting purchases of real estate by foreigners, limiting the amount of luxury villa developments and tightening of credit available to real estate developers and individual purchasers. Property developers must comply with various national and local regulatory requirements promulgated by different tiers of regulators. From time to time, the PRC government adjusts its macroeconomic policies to encourage or restrict property development which may have a direct impact on the Group's business.

The PRC government's restrictive measures to control the property development industry's rate of growth could limit the Group's access to capital resources, reduce market demand and increase the Group's operating costs. The PRC government may adopt additional and more stringent measures in the future, which may further slow the development of the industry and materially and adversely affect the Group's business and result of operations. In particular, any additional or more stringent measures imposed by the PRC government in the future to curb high-end residential real estate projects may materially and adversely affect the Group's business and results of operations.

The Group may enter into certain land clearance agreements with relevant land authorities, and may be required to assist local governments with clearing land and relocating original residents with respect to potential development property projects in accordance with the relevant PRC laws and regulations. The complicated administrative process and possibility of unfavourable settlement regarding the amount of compensation may increase the cost of any such development and materially adversely affect the Group's cash flow, business operations and financial condition.

Under PRC law, if a developer fails to perform its obligations according to the terms of the land grant contract (including those relating to payment of fees, land use or the time for commencement and completion of the development of the land), the relevant local government authority may give a warning to or impose a penalty on the developer or forfeit the land granted to the developer. Under the current PRC laws and regulations, if a developer fails to pay any outstanding land premium by the stipulated

deadline, it may be subject to a late payment penalty calculated on a per-day basis. In addition, if a developer fails to commence development of a property project within the stipulated period as required under the current PRC laws without the approval from the relevant PRC land bureau, the relevant PRC land bureau may serve a warning notice on the developer and impose an idle land fee of up to 20 per cent. of the land premium unless such failure is caused by a government action or a force majeure event. Even if the commencement of the land development complies with the land grant contract, if the developed GFA on the land is less than one-third of the total GFA of the project or if the total capital expenditure is less than 25 per cent. of the total investment of the project and the suspension of the development of the land is more than one year without government approval, the land will still be treated as idle land. The Notice on Promoting Economisation of Land Use issued by the State Council in January 2008 further confirmed the idle land fee at 20 per cent. of the land premium. If a developer fails to commence such development for more than two years, the land is subject to forfeiture without 30 compensation to the PRC government unless the delay in development is caused by government actions or force majeure. In addition, a developer with idle land together with its shareholders may be restricted from participating in future land bidding.

Although the Group has never been subject to any such penalties or required to pay idle fees or forfeit any of its land in the PRC, there can be no assurance that circumstances leading to possible forfeiture of land or delays in the completion of a project may not arise in the future.

Further, the Group must obtain various permits, certificates, relevant approvals from the relevant administrative authorities at various stages of development, including land use rights document (including land use right certificate and land use planning permit), environmental assessment document, planning permits, construction permits and confirmation of completion and acceptance. Each approval is dependent on the satisfactory compliance with certain requirements or conditions. The Group can give no assurance that it will not encounter material delays or other impediments in fulfilling the conditions precedent to obtain these approvals.

These measures have to date focused on tier-one and tier-two cities, there is a risk that similar measures will be introduced in tier-three and tier-four cities which would have an adverse impact on the Group's potential developments in such cities.

In the event the total GFA of any of the Group's property developments were to exceed the original authorised area, the excess GFA would be subject to governmental approval and payment of additional land premium

Given that some of the Group's property projects are located in the PRC, the Group's business is also subject to regulations in the PRC. When the PRC government grants the land use rights for a parcel of land, it will specify in the land grant contract the use of the land and the total GFA that the developer may develop on this land. The actual GFA constructed, however, might exceed the total GFA authorised in the land grant contract due to factors such as subsequent planning and design adjustments. The amount of GFA in excess of the authorised amount is subject to approval when the relevant authorities inspect the properties after their completion, and the developer may be required to pay additional land premium in respect of this excess GFA. If the Group fails to obtain the completion certificate due to such excess GFA, the Group will not be allowed to deliver the relevant properties or recognise the revenue from the relevant pre-sold properties, and may also be subject to liabilities under the pre-sale contracts. No assurance can be given that the total constructed GFA of the Group's existing projects under development or any future property developments will not exceed the relevant authorised GFA upon completion or that the Group will be able to pay the additional land premium and obtain the completion certificate on a timely basis. Any of the above may have a material adverse effect on the Group's business, results of operations and financial condition.

Fluctuations in the value of RMB may have an adverse effect on the Group's financial condition and results of operations

The value of Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other factors, changes in international and national political and economic conditions and the foreign exchange policy adopted by the PRC government. In August 2015, the People's Bank of China implemented changes to the way it calculates the midpoint against the U.S. dollar to take into account market-maker quotes before announcing the daily midpoint. The International Monetary Fund announced on 30 September 2016 that the Renminbi is joining its Special Drawing Rights currency basket. In August 2019, the U.S. Department of the Treasury labelled the PRC a currency manipulator, while in January 2020, along with the signing of the phase-one trade deal between the United States and the PRC, the U.S. Department of the Treasury formally stepped back from its decision to designate the PRC a currency manipulator. Such changes, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies.

There remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and possibly more significant fluctuation of Renminbi against foreign currencies. Some of the Group's revenue and costs are denominated in Renminbi, and its financial assets in the PRC are also denominated in Renminbi. Any fluctuation in the exchange rate between Renminbi and the U.S. dollar could result in foreign currency translation losses for financial reporting purposes.

The Group's provisions for the payment of land appreciation tax ("LAT") for the disposal of properties may not be adequate to cover the Group's LAT obligations

Under the tax laws and regulations of the PRC, properties developed for sale are subject to LAT, which is collectible by the local tax authorities. All income from the sale or transfer of state-owned land use rights, buildings and other ancillary facilities in the PRC is subject to LAT at progressive rates up to 60.0 per cent. of the appreciation value, with certain exemptions available for the sale of ordinary residential properties if the appreciation does not exceed 20.0 per cent. of the total deductible items, as such transactions are addressed under relevant tax laws. Sales of properties such as high-class apartments, villas and holiday villages are not eligible for such exemptions.

The Group has estimated and made provisions for what is believed to be the full amount of applicable LAT in accordance with the requirements set forth in the relevant PRC tax laws and regulations. While the Group believes that the Group has made adequate provisions for LAT, there is no assurance that such provisions will be adequate to cover the Group's LAT obligations. In the event that LAT eventually collected by the tax authorities upon completion of a tax audit exceeds the amount that the Group has provided for, the Group's future net profits after tax may be adversely affected.

The transition from business tax to value-added tax may adversely affect the Group's business, results of operations and financial condition

Given that some of the Group's property projects are located in the PRC, the Group's business is also subject to regulations in the PRC. The PRC government has been progressively implementing the pilot reform for the transition from business tax to value-added tax in certain regions and industries from 2012. Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to

Value-Added Tax (關於全面推開營業税改徵增值税試點的通知) and the Implementing Measures for the Pilot Program for Transition from Business Tax to Value-added Tax (營業税改徵增值税試點實施辦法) issued by the Ministry of Finance of the People's Republic of China and State Administration of Taxation of the People's Republic of China on 23 March 2016. On 1 May 2016, the "transitioning from business tax to value-added tax" scheme became effective.

Changes in the scope of taxation affect, to a certain extent, the Group's tax burden. The Group has become subject to the value-added tax regime from its financial year ended 31 March 2017. The Group believes the scheme does not materially affect the Group's net profit or cash flow but may negatively affect the Group's revenue and costs. At the same time, the Group has re-formulated the Group's business and financial management procedures and adjusted the Group's accounting and audit treatment as well as tax system in order to comply with such scheme. The scheme also imposes stricter requirements on contractors and suppliers. In addition, the PRC government may further supplement and amend relevant policies and rules, and different interpretations may be applied in implementing these policies and rules. As a result, uncertainties remain as to the tax treatment of the Group's income and expenses under the new value added tax regime.

Risks Relating to the Notes and the Guarantee of the Notes

The Issuer was established primarily for the purpose of raising finance for the Group and has no business activities save for the issuance of debt securities

The Issuer was established specifically for the purpose of raising finance for the Group. The Issuer does not and will not have any business activities other than the issue of debt securities, and its ability to make payments under the Notes will depend on their receipt of timely remittance of funds from the Guarantor and/or its subsidiaries and other members of the Group.

Risks associated with the Guarantor's holding company structure

The Guarantor is a holding company that operates through subsidiaries. It is principally a holding company with limited operations of its own. The Guarantor depends, to a significant extent, upon the receipt of dividends from its subsidiaries and associates to meet its overhead expenses and to make payments with respect to its obligations, including its obligations under the Guarantee of the Notes, and in order to provide funds to its subsidiaries and associates. The ability of subsidiaries and associates of the Guarantor to pay dividends to their respective shareholders (including the Guarantor) is subject to the performance and cash flow requirements of such subsidiaries and associates and to applicable law and restrictions contained in debt instruments of such subsidiaries and associates, if any. The Guarantor's obligations under the Guarantee of the Notes will be effectively subordinated to all existing and future obligations of its direct and indirect subsidiaries and associates, other than the Issuer. All claims of creditors of these subsidiaries and associates, including trade creditors, lenders and all other creditors, will have priority as to the assets of such entities over claims of the Guarantor and its creditors, including holders of the Notes as beneficiaries of the Guarantee of the Notes. No assurance can be given that the Guarantor will have sufficient cash flow from dividends to satisfy its obligations, including its obligations under the Guarantee of the Notes or otherwise to enable the Issuer to make payments under the Notes, or that its subsidiaries and associates will pay dividends at all.

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3.1 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Guarantee of the Notes constitutes direct, general, unconditional, unsubordinated and (subject to Condition 3.1 (*Negative Pledge*)) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will rank above the Noteholders' claims with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are insufficient assets remaining to pay all these creditors, then principal, interest or other sums payable under all or a portion of the Notes then outstanding would remain unpaid.

The Notes and the Guarantee of the Notes are unsecured obligations

As the Notes and the Guarantee of the Notes are unsecured obligations, their repayment may be compromised if:

- the Guarantor or the Issuer enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;

- there is a default in payment under the Issuer's or the Guarantor's secured indebtedness or other unsecured indebtedness; or

- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's and the Guarantor's assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Notes.

The New Notes may not be a suitable investment for all investors

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with a measured appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the New Notes unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the New Notes will perform under changing conditions, the resulting effects on the value of such New Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the New Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the New Notes, the merits and risks of investing in the New Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the New Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the New Notes;

(iv) understand thoroughly the terms of the New Notes and be familiar with the behaviour of any relevant indices and financial markets;

(v) understand the tax consequence of the purchase, ownership and disposition of the New Notes; and

(vi) be able to evaluate (either alone or with the help of a financial advisor) possible economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

Additionally, the investment activities of certain investors are subject to legal investment and regulations, or review or regulation by certain authorities.

Changes in interest rates may have an adverse effect on the price of the Notes

The Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

As the Notes will carry a fixed interest rate, the trading price of the Notes will consequently vary with the fluctuations in the U.S. dollar interest rates. If the Noteholders propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

If the Group is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements, which could cause the repayment of the Group's debt to be accelerated

If the Group is unable to comply with the restrictions and covenants in the Notes or its current or future financing and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the relevant debt could terminate their commitments to lend to the Group, accelerate the debt obligation and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, certain debt agreements, including the Notes, may contain cross-acceleration or cross-default provisions. As a result, default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under other debt agreements. If any of these events should occur, there can be no assurance that the Group's assets and cash flow would be sufficient to repay in full all indebtedness, or that alternative financing could be found. Even if alternative financing can be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to the Group.

Notes subject to optional redemption by the Issuer and partial redemption by the Issuer on specified dates prior to maturity may have a lower market value than Notes that cannot be redeemed

Optional redemption features and the partial redemption by the Issuer on specified dates prior to maturity as contained in the Terms and Conditions of the Notes may limit the market value of the Notes. During any period when the Issuer may elect to redeem any Notes or shortly before the specified dates for partial redemption prior to maturity, the market value of those Notes may not rise substantially above the price at which they can be redeemed. This also may happen prior to any redemption period or any period before the specified dates for partial redemption prior to maturity.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer and the Guarantor may not be able to meet their obligations under the Notes and the Guarantee

The Issuer may (and at maturity, will) be required to redeem all of the Notes. The Issuer shall redeem part of the Notes on specified dates as further described in Condition 5(d) of the Terms and Conditions of the Notes. In case of failure by the Issuer to fulfil its payment obligations under the Notes, the Guarantor will also be required to pay on behalf of the issuer under the Guarantee. If any such event were to occur, the Issuer or, as the case may be, the Guarantor may not have sufficient cash in hand and may not be able to arrange financing in time, or on acceptable terms, or at all. The ability of the Issuer to redeem the Notes or the ability of the Guarantor to pay under the Guarantee may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer or, as the case may be, failure by the Guarantor to pay under the Guarantee would constitute an event of default under the Notes, which may also constitute a default under the terms of the Group's other indebtedness.

The Issuer or the Guarantor may not be able to raise the funds necessary to finance the purchase of Notes upon occurrence of a Change of Control at the option of the holder

Following the occurrence of a Change of Control, Noteholders may require the Issuer to redeem their Notes. See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Change of Control*". The source of funds for any such redemption would be the Issuer's or the Guarantor's available cash or third-party financing. However, there is no assurance that the Issuer or the Guarantor would have sufficient funds at that time to make the required redemption of the Notes. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Group.

The Original Notes are initially (and the New Notes will initially be) represented by the Global Note Certificate and holders of a beneficial interest in the Global Note Certificate must rely on the procedures of the Clearing Systems

The Original Notes are initially (and the New Notes will initially be) represented by beneficial interests in the Global Note deposited with a common depositary for Euroclear and Clearstream (each, a "**Clearing System**" and together, the "**Clearing Systems**"). Except in the circumstances described in the Global Note Certificate, investors will not be entitled to receive individual Note certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Note Certificate. While the Notes are represented by the Global Note Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by the Global Note Certificate, the Issuer, or, failing which, the Guarantor will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in the Global Note Certificate must rely on the procedures of the Clearing Systems to receive payments under the Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

Holders of beneficial interests in the Global Note Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the Clearing Systems to appoint appropriate proxies.

The insolvency laws of the British Virgin Islands and Bermuda and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar

As the Issuer and the Guarantor are incorporated under the laws of the British Virgin Islands and Bermuda, respectively, any insolvency proceeding relating to the Issuer or the Guarantor would likely involve the British Virgin Islands or Bermuda insolvency laws, respectively, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

The Issuer may issue additional Notes in the future

The Issuer may (with the prior written consent of the Guarantor) from time to time, without the consent of the Noteholders, create and issue further Notes (see "*Terms and Conditions of the Notes – Further Issues*") or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital-raising activity will not adversely affect the market price of the Notes.

Decisions that may be made on behalf of all holders of the Notes may be adverse to the interests of individual holders of the Notes

The Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes including holders who did not attend and vote at the meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of he Notes may be adverse to the interest of the individual Noteholders.

An active trading market may not develop for the Notes, and there are restrictions on the resale of the Notes

The Sole Lead Manager is not obligated to make a market in the Notes and may discontinue its market-making activities at any time at its discretion without notice. In addition, the liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by changes in the overall market for securities and by changes in the Group's financial performance or prospects of companies in its industry in general. As a result, there can be no assurance that an active trading market will develop or be maintained for the Notes. If a market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected.

In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, investors will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. Please see the section entitled "*Subscription and Sale*".

Several initial investors (including an initial investor that is not a related party of the Guarantor) has purchased a substantial portion of the Original Notes and one or several initial investors (including an initial investor that is not a related party of the Guarantor and/or shareholders of the Guarantor) may purchase a substantial portion of the New Notes and may therefore be able to exercise certain rights and powers on its own which will be binding on all holders. Additionally, this may reduce the liquidity of the Notes in the secondary trading market

Several initial investors (including an initial investor that is not a related party of the Guarantor) has purchased a substantial portion of the aggregate principal amount of the Original Notes and one or several initial investors (including an initial investor that is not a related party of the Guarantor and/or shareholders of the Guarantor) may purchase a substantial portion of the aggregate principal amount of the New Notes in this offering. Any holder of a substantial portion of the aggregate principal amount of the Notes will be able to exercise certain rights and powers on its own under the Conditions, which will be binding on all Noteholders. For example, the Conditions may be amended with the consent of the holders of a substantial portion of the aggregate principal amount of the Notes. Further, any holder of a significant percentage of the Notes, even if less than a majority, may be able to exercise certain rights and powers and will have significant influence on matters voted on by Noteholders. Additionally, the existence of any such significant Noteholder may reduce the liquidity of the Notes in the secondary trading market.

A change in English law which governs the Notes may adversely affect holders of the Notes

The Terms and Conditions of the Notes are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issuer of the Note and any such change could materially adversely impact the value of any Notes affected by it.

The liquidity and price of the Notes following the offering may be volatile

If an active trading market for the Notes were to develop, the price and trading volume of the Notes may be highly volatile. The Notes may trade at prices that are higher or lower than the price at which the Notes have been issued. The price at which the Notes trade depends on many factors, including:

- prevailing interest rates and interest rate volatility;
- the Group's results of operations, financial condition and future prospects;
- changes in the real property industry and competition;
- the market conditions for similar securities; and
- general economic conditions.

Any such developments may result in large and sudden changes in the trading volume and price of the Notes. There can be no assurance that these developments will not occur in the future.

Certain facts and statistics are derived from publications not independently verified by the Issuer, the Guarantor, the Sole Lead Manager, the Agents or their respective advisers

Market data and certain information and statistics relating to the real property industry and the Guarantor's affiliated entities are derived from both public and private sources, including market research, publicly available information and industry publications. While the Issuer and the Guarantor have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by the Issuer, the Guarantor, the Sole Lead Manager, the Agents or their respective advisers and, therefore, neither the Issuer nor the Guarantor make representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside Hong Kong. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Terms and Conditions of the Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Notes. The U.S.$50,000,000 10.50 per cent. Guaranteed Notes due 2028 (the "**New Notes**") will be issued by the Issuer (as defined below) as a further issue in accordance with Condition 13 of the Original Notes on 29 May 2026 (the "**New Issue Date**") and, upon issue, will be consolidated and form a single series with the U.S.$150,000,000 10.50 per cent. Guaranteed Notes due 2028 issued on 21 May 2025 and the U. S.$50,000,000 10.50 per cent. Guaranteed Notes due 2028 issued on 29 September 2025 (together, the "**Original Notes**") and references in the Terms and Conditions of the Notes to the "Notes" shall include both the Original Notes and the New Notes as well as any further notes issued after the New Issue Date pursuant to Condition 13 and consolidated and forming a single series with the Notes. The New Notes will have the same terms and conditions as the Original Notes in all respects, except for the issue price, the issue date and the amounts to be redeemed by the Issuer pursuant to Condition 5(d) (Redemption and Purchase – Redemption by the Issuer on Specified Dates) which will be an amount equal to 15 per cent. of the aggregate principal amount of the Notes (being U.S.$37,500,000). The New Notes will be constituted by a deed of covenant dated the New Issue Date:*

The U.S.$150,000,000 10.50 per cent. Guaranteed Notes due 2028 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 13 (Further Issues) and forming a single series therewith) of Estate Sky Limited (the "**Issuer**") are constituted by a deed of covenant dated 21 May 2025 (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer and are subject to and with the benefit of (a) a deed of guarantee dated 21 May 2025 (as amended or supplemented from time to time, the "**Deed of Guarantee**") entered into by CSI Properties Limited (the "**Guarantor**") and, (b) a fiscal agency agreement dated 21 May 2025 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), Citicorp International Limited as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), the transfer agent named therein (the "**Transfer Agent**", which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes) and Citibank, N.A., London Branch as paying agent (the "**Paying Agent**", which expression includes any successor or additional paying agent appointed from time to time in connection with the Notes). References herein to the "**Agents**" are to the Registrar, the Fiscal Agent, the Transfer Agent and the Paying Agent and any reference to an "**Agent**" is to any one of them. Certain provisions of these terms and conditions (the "**Conditions**") are summaries of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee and subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee applicable to them. Copies of the Agency Agreement, the Deed of Covenant and Deed of Guarantee are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination, Status and Guarantee

(a) *Form and denomination:* The Notes are in registered form in the denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (each, an "**Authorised Denomination**").

(b) *Status of the Notes:* The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3.1 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(c) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the "**Guarantee of the Notes**") constitutes direct, general, unconditional, unsubordinated and (subject to Condition 3.1 *(Negative Pledge)*) unsecured obligations of the Guarantor which will at all times rank at least pari passu with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

2. Register, Title and Transfers

(a) *Register:* The Registrar will maintain a register (the "**Register**") in respect of the Notes outside the United Kingdom in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and Noteholder shall be construed accordingly. A certificate (each, a "**Note Certificate**") will be issued to each "**Noteholder**" in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

(b) *Title:* The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

(c) *Transfers:* Subject to paragraphs (f) *(Closed periods)* and (g) *(Regulations concerning transfers and registration)* below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed and signed by the Noteholder or his attorney duly authorised in writing, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) the Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however,* that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor. No transfer of title to a Note will be valid unless and until entered on the Register.

(d) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (c) *(Transfers)* above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (free of charge to the Holder and at the Issuer's (failing which the Guarantor's) expense airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the Transfer Agent has its Specified Office.

(e) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but upon (i) payment (or the giving of such indemnity or security as the Issuer, the Registrar or (as the case may be) the Transfer Agent may require) in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer, (ii) the Registrar or (as the case may be) the Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application, and (iii) the Issuer and/or the Registrar and/or the Transfer Agent being satisfied that the Regulations (as defined in the Agency Agreement) concerning the transfer of Notes have been complied with.

(f) *Closed periods:* A Noteholder may not require a transfer of a Note to be registered:

(i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes;

(ii) during the period of 15 days ending on any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(b) (*Redemption for tax reasons*) or Condition 5(e) (*Redemption at the option of the Issuer*);

(iii) during the period of 15 days ending on either date on which the Notes shall be redeemed by the Issuer pursuant to Condition 5(d) (*Redemption by the Issuer on Specified Dates*); and

(iv) after a Change of Control Put Exercise Notice has been delivered in respect of the relevant Note(s) in accordance with Condition 5(c) (*Redemption for Change of Control*).

(g) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Fiscal Agent and the Registrar. A copy of the current regulations will be mailed (free of charge to the Holder and at the Issuer's (failing which the Guarantor's) expense) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

3. Negative Pledge and Covenants

3.1 Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement):

(a) neither the Issuer nor the Guarantor shall, and the Guarantor shall procure that none of its Material Subsidiaries (other than any Listed Subsidiaries) will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of such Relevant Indebtedness; and

(b) neither the Issuer nor the Guarantor shall, and the Guarantor shall procure that none of its Subsidiaries will, directly or indirectly, create, incur, assume or permit to exist any Lien (other than Permitted Liens) of any nature whatsoever on or over any part or unit of any Specified Asset held by it,

without (i) at the same time or prior thereto securing the Notes equally and rateably therewith or (ii) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

3.2 Covenants

(a) *Designated Accounts:* For so long as any of the 2021 Guaranteed Notes remain outstanding, the Guarantor undertakes to:

(i) deposit, or procure to be deposited, an amount not less than the Specified Balance into the Designated Accounts by no later than three Hong Kong business days after the Tender Offer Settlement Date (the "**Last Deposit Date**");

(ii) apply funds held in the Designated Accounts only for the purposes of redemption, repurchase and/or repayment of the 2021 Guaranteed Notes; and

(iii) subject to Condition 3.2(a)(ii), maintain an amount not less than the Specified Balance at all times in the Designated Accounts.

(b) *Information Undertaking:* For so long as any of the 2021 Guaranteed Notes remain outstanding, the Guarantor shall:

(i) within five Hong Kong business days from each of the Last Deposit Date and 30 June 2025 (each of the Last Deposit Date and 30 June 2025 being a "**Designated Account Report Date**"), make the below documents available for 30 Hong Kong business days to the Noteholders for inspection on the Guarantor's website:

(A) a certificate signed by a director or duly authorised officer of the Guarantor certifying the amount standing to the credit of each Designated Account as at the relevant Designated Account Report Date; and

(B) an electronic confirmation from each Designated Bank showing the amount standing to the credit of its respective Designated Account as at the relevant Designated Account Report Date; and

(ii) as soon as reasonably practicable after each Designated Account Report Date, make available for 30 Hong Kong business days to the Noteholders for inspection on the Guarantor's website, a statement or advice issued by each Designated Bank showing the amount standing to the credit of its respective Designated Account as at the relevant Designated Account Report Date.

(c) *Financial Indebtedness:* the Guarantor shall procure that its Subsidiary which is holding a Specified Asset shall not incur or permit to remain outstanding any Financial Indebtedness other than:

(i) any Financial Indebtedness which is outstanding on the Issue Date (the "**Existing Financial Indebtedness**");

(ii) any Financial Indebtedness which is incurred by a Subsidiary which is holding a Specified Asset (acting reasonably) in the ordinary course of its business and which is not relating to borrowings; and

(iii) any refinancing of the Existing Financial Indebtedness provided that, the amount of Financial Indebtedness to be incurred shall not exceed the Existing Financial Indebtedness which it refinances.

In these Conditions:

"**2021 Guaranteed Notes**" means the U.S.$300,000,000 5.45 per cent. guaranteed notes due 2025 (ISIN: XS2360202829, Common Code: 236020282) issued by the Issuer on 21 July 2021 and unconditionally and irrevocably guaranteed by the Guarantor;

"**Designated Accounts**" means (i) the account with account number 8038 508168 0002 held in the name of Mark Well Investment Limited (a wholly-owned Subsidiary of the Guarantor) with The Hongkong & Shanghai Banking Corporation Limited, Hong Kong Private Banking Division; (ii) the account with account number 0546 00135302 held in the name of Mark Well Investment Limited with UBS AG, Singapore Branch; and/or (iii) the account with account number 6013952 held in the name of Mark Well Investment Limited with LGT Bank (Singapore) Ltd;

"**Designated Banks**" means each bank that maintains a Designated Account;

"**Existing Secured Indebtedness**" means any Indebtedness secured by a Specified Asset which is outstanding on the Issue Date, and includes any undrawn commitment under any credit facilities and any amount of Indebtedness initially incurred under such credit facilities;

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease);

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) of any derivative transaction, only the marked to market value shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above;

"**GAAP**" means generally accepted accounting principles, standards and practices in Hong Kong from time to time;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, change, easement or encumbrance of any kind);

"**Listed Subsidiary**" means any Subsidiary, the shares of which are at the relevant time listed on The Stock Exchange of Hong Kong Limited, or any other stock exchange;

"**Material Subsidiary**" means any Subsidiary of the Guarantor:

(a) whose net profit (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries), whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represent not less than 5 per cent. of the consolidated net profit, consolidated gross revenue, or, as the case may be, the consolidated gross assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the Guarantor, provided that:

    (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the Guarantor relate for the purpose of applying each of the foregoing tests, the reference to the Guarantor's latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Guarantor;

(ii) if at any relevant time in relation to the Guarantor or any Subsidiary no financial statements are prepared and audited, its gross revenue and gross assets (consolidated, if applicable) shall be determined on the basis of pro forma consolidated financial statements (consolidated, if applicable) prepared for this purpose; and

(iii) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Guarantor; or

(b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (a) above.

A report by two of the directors of the Guarantor that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Noteholders;

"**Permitted Liens**" means:

(a) Liens on or over the Specified Asset existing on or prior to the Issue Date provided that, in each case, the amount of the Existing Secured Indebtedness secured by such liens may not be increased;

(b) Liens to be created on or over the Specified Asset in connection with the refinancing of Existing Secured Indebtedness provided that, in each case, the amount of the Indebtedness to be incurred shall not exceed the Existing Secured Indebtedness which it refinances; and

(c) any Lien arising by operation of law, provided that the debt which it secures is paid when due or contested in good faith by appropriate proceedings and properly provisioned;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is issued with the intention on the part of the issuer thereof that it should be, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Asset**" means each of the following:

(a) In Point Shopping Mall, Levels 1-2, Level 7 (Corridor), No. 169 Wujiang Road, and basement level 1 at No. 1, Lane 333, Shimen 1st Road, Jing'an District, Shanghai, the People's Republic of China (the "**PRC**");

(b) Richgate Plaza, Level 1, Level 2 and basement Level 1, Nos. 1-6, Lane 222 Madang Road, Huangpu District, Shanghai, the PRC;

(c) Hong Kong Health Check Tower, Nos. 241 and 243 Nathan Road, Jordan, Kowloon, Hong Kong;

(d) FOCO, 48 Cochrane Street, Central, Hong Kong;

(e) House B, "8-12 Peak Road", No. 10 Peak Road, The Peak, Hong Kong; and

(f) 92 per cent. interest in Cadenza, No. 333 Fan Kam Road, Sheung Shui, New Territories, Hong Kong (excluding No. 333C Fan Kam Road);

"**Specified Balance**" means an amount equal to the aggregate principal amount of the 2021 Guaranteed Notes outstanding from time to time;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(a) in which the first Person holds a majority of the voting rights;

(b) of which the first Person has the power to appoint or remove a majority of the members of the governing body of the second Person or otherwise; or

(c) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Tender Offer**" means the tender offer in relation to the 2021 Guaranteed Notes announced on 14 May 2025; and

"**Tender Offer Settlement Date**" means the later of the (i) settlement date of the Tender Offer and (ii) completion of the markdown of the 2021 Guaranteed Notes repurchased pursuant to the Tender Offer.

4. Interest

The Notes bear interest from 21 May 2025 (the "**Issue Date**") at the rate of 10.50 per cent. per annum, (the "**Rate of Interest**") payable semi-annually in arrear on 21 May and 21 November in each year (each, an "**Interest Payment Date**"), subject as provided in Condition 6 (Payments).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment to the relevant Noteholder under these Conditions).

The amount of interest payable on each Interest Payment Date shall be U.S.$10,500 in respect of each Note of U.S.$200,000 denomination and U.S.$52.50 in respect of each Note of U.S.$1,000 denomination. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Note divided by the "**Calculation Amount**", where Calculation Amount means U.S.$1,000 and "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

5. Redemption and Purchase

(a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 21 May 2028 (the "**Maturity Date**"), subject as provided in Condition 6 *(Payments)*.

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders, the Registrar and the Fiscal Agent (which notice shall be irrevocable) at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption, if:

(i) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 *(Taxation)* as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 14 May 2025; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 7 *(Taxation)* or the Guarantee of the Notes, as the case may be, as a result of any change in, or amendment to, the laws or regulations of Bermuda or Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 14 May 2025 and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent:

(A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(b) *(Redemption for tax reasons)*, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b) *(Redemption for tax reasons)*.

(c) *Redemption for Change of Control:* At any time following the occurrence of a Change of Control, the Holder of any Note will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Notes on the Change of Control Put Date at 101 per cent. of their principal amount, together with accrued interest to, but excluding the Change of Control Put Date. To exercise such right, the holder of the relevant Note must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the Specified Office of any Paying Agent (a "**Change of Control Put Exercise Notice**"), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 14 *(Notices)*, the Registrar and the Fiscal Agent. The "**Change of Control Put Date**" shall be the 14th day after the expiry of such period of 30 days as referred to above.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Change of Control Put Exercise Notices delivered as aforesaid.

The Issuer shall give notice to Noteholders, the Registrar and the Fiscal Agent in accordance with Condition 14 *(Notices)* by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 5(c) *(Redemption for Change of Control)*.

In this Condition 5(c) *(Redemption for Change of Control)*:

a "**Change of Control**" occurs when either:

(i) the Controlling Shareholder:

(A) ceases to hold, directly or indirectly, at least 30 per cent. of the voting rights of the issued share capital of the Guarantor (except for the 14 calendar day period immediately following any temporary disposal of shares of the Guarantor by the Controlling Shareholder in connection with a private placement of the existing shares of the Guarantor where there is a top-up placing by way of an issue of new shares of the Guarantor to the Controlling Shareholder within 14 calendar days from the date of the relevant placing agreement and the amount of such new shares of the Guarantor to be issued is equal to the amount of shares of the Guarantor disposed by the Controlling Shareholder and no net disposal proceeds are received by the Controlling Shareholder after such top-up placing); or

(B) ceases to be the largest single shareholder of the Guarantor; or

(ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person other than the Controlling Shareholder, unless the consolidation, merger, sale or transfer will result in the Controlling Shareholder:

(A) holding, directly or indirectly, at least 30 per cent. of the voting rights of the issued share capital of the Guarantor (in the case of a consolidation or merger) or the successor entity (in the case of a sale or transfer); and

(B) being the largest single shareholder of the Guarantor (in the case of a consolidation or merger) or the successor entity (in the case of a sale or transfer).

"**Controlling Shareholder**" means the aggregate shareholdings of Mr. Chung Cho Yee, Mico ("**Mr. Chung**") and:

(i) any heir, estate, lineal descendent (or spouse thereof), spouse or parent of Mr. Chung and/or any of their associated companies (as defined in the Listing Rules of The Stock Exchange of Hong Kong Limited); or

(ii) any trust, corporation, partnership or other entity, of which the direct or indirect beneficiaries, equity holders, partners, owners or Persons are, or are controlled by, Mr. Chung and/or such other Persons referred to in paragraph (i) above.

a "**Person**", as used in this Condition 5(c) *(Redemption for Change of Control)*, includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

(d) *Redemption by the Issuer on Specified Dates:* The Issuer shall redeem U.S.$22,500,000 in aggregate principal amount of the Notes at their principal amount on each of 21 November 2026 and 21 May 2027, in each case together with accrued and unpaid interest, if any, to (but excluding) such date fixed for redemption on a pro rata basis by way of a proportional reduction in the principal amount of each Note.

(e) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer, on giving not less than 30 days' nor more than 60 days' notice to the Noteholders, the Registrar and the Fiscal Agent (each an "**Optional Redemption Notice**") (which shall be irrevocable), in whole or in part, at any time on or after 21 May 2027 at 103 per cent. of the principal amount of the Notes to be redeemed, together with accrued and unpaid interest to such date fixed for redemption specified in the Optional Redemption Notice.

(f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) *(Scheduled redemption)* to (e) *(Redemption at the option of the Issuer)* above. If there is more than one notice of redemption given in respect of any Note (which shall include any notice given by the Issuer pursuant to Condition 5(b) (*Redemption for tax reasons*) or 5(d) (*Redemption at the option of the Issuer*) and any Change of Control Put Exercise Notice given by a Noteholder pursuant to Condition 5(c) (*Redemption for Change of Control*)) the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.

(g) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.

(h) *Cancellation:* All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries shall be cancelled and may not be reissued or resold.

6. Payments

(a) *Principal:* Payments of principal shall be made by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of the Paying Agent.

(b) *Interest:* Payments of interest shall be made by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of the Paying Agent.

(c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (Taxation). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) *Payments on business days:* Where payment is to be made by transfer to a U.S. dollar account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day. In this paragraph, business day means any day on which banks are open for general business (including dealings in foreign currencies) in New York City and Hong Kong and the city in which the Specified Office of the Paying Agent is located and, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).

(e) *Partial payments:* If the Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) *Record date:* Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

7. Taxation

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, Bermuda or Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

(a) *Other connection:* held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or, as the case may be, payments made by the Guarantor by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or

(b) *Presentation more than 30 days after the Relevant Date:* where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days assuming (whether or not such is in fact the case) that day to have been a business day (as defined in Condition 6 *(Payments)*).

In these Conditions, Relevant Date means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in New York City by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 *(Taxation)*.

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the British Virgin Islands, Bermuda and/or Hong Kong in respect of payments made by it of the principal or interest on the Notes, references in these Conditions to the British Virgin Islands, Bermuda and/or Hong Kong shall be construed as references to the British Virgin Islands, Bermuda and/or (as the case may be) Hong Kong and/or such other jurisdiction.

8. Events of Default

If any of the following events occur:

(a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within seven days of the due date for payment thereof; or

(b) *Breach of other obligations:* the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Covenant or the Guarantee of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Paying Agent; or

(c) *Breach of covenants:* the Guarantor defaults in the performance or observance of any of its obligations under Condition 3.2 (*Covenants*) and such default remains unremedied for seven days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Paying Agent; or

(d) *Cross-default of Issuer, Guarantor or Subsidiary:*

(i) any Indebtedness of the Issuer, the Guarantor or any of their respective Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or

(iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay any amount payable by it under any Guarantee of any Indebtedness when due or (as the case may be) within any originally applicable grace period,

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds U.S.$15 million (or its equivalent in any other currency or currencies); or

(e) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment of any amount is rendered against the whole or a substantial part of the property, assets or revenue of the Issuer, the Guarantor or any Material Subsidiary and continue(s) to be unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(f) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary and such possession or appointment continues for a period of 30 days after the date thereof; or

(g) *Insolvency, etc.:* (i) the Issuer, the Guarantor or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any Material Subsidiary or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor or any Material Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on all or a substantial part of its business (otherwise than, in the case of a Material Subsidiary only, for the purposes of or pursuant to amalgamation, reorganisation or restructuring whilst solvent); or

(h) *Winding up, etc.:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any Material Subsidiary (otherwise than, in the case of a Material Subsidiary only, for the purposes of or pursuant to amalgamation, reorganisation or restructuring whilst solvent); or

(i) *Analogous event:* any event occurs which under the laws of the British Virgin Islands or Bermuda has an analogous effect to any of the events referred to in paragraphs (e) *(Unsatisfied judgment)* to (h) *(Winding up, etc.)* above; or

(j) *Unlawfulness:* it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Deed of Covenant or the Deed of Guarantee; or

(k) *Guarantee not in force:* the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or

(l) *Controlling shareholder:* the Issuer ceases to be a wholly-owned direct or indirect Subsidiary of the Guarantor,

then Noteholders holding not less than 5 per cent. of the aggregate principal amount of the outstanding Notes may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, declare the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders.

The Agents need not do anything to ascertain whether any Event of Default has occurred and will not be responsible to Noteholders or any other person for any loss arising from any failure by it to do so, and, unless and until the Agent otherwise has notice in writing to the contrary, the Agent may assume that (i) no such event has occurred and (ii) that the Issuer is performing all of its obligations under the Agency Agreement and the Conditions.

9. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date. The Agents shall not be responsible or liable for any amounts so prescribed.

10. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar and the Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11. Agents

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or fiscal agent and additional or successor paying agents and transfer agents. Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. Meetings of Noteholders; Modification

(a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the percentage of Notes outstanding required to call an Event of Default, to amend the terms of the Guarantee of the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, (i) a resolution in writing signed by or on behalf of Holders of not less than 90 per cent. of the aggregate principal amount of Notes outstanding will take effect as if it were an Extraordinary Resolution, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders (a "**Written Resolution**") and (ii) a resolution passed by way of electronic consents through the clearing systems by or on behalf of Noteholders of not less than three quarters of the aggregate principal amount of Notes for the time being outstanding (an "**Electronic Consent**") will take effect as if it were an Extraordinary Resolution, in each case whether or not relating to a Reserved Matter.

A Written Resolution and/or an Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(b) *Modification:* The Notes, these Conditions, the Deed of Covenant and the Deed of Guarantee may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

13. Further Issues

The Issuer may (with the prior written consent of the Guarantor) from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

14. Notices

Notices to the Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail (at the Issuer's, failing which, the Guarantor's expense) at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

15. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the second currency) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall to the fullest extent permitted under applicable law indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

16. Governing Law and Jurisdiction

(a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

(b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

(c) *Appropriate forum:* Each of the Issuer and the Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England:* Condition 16(b) *(English courts)* is for the benefit of the Noteholders only. As a result, nothing in this Condition 16 *(Governing Law and Jurisdiction)* prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Process agent:* Each of the Issuer and the Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer or the Guarantor in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantor, each of the Issuer and the Guarantor shall, on the written demand of any Noteholder addressed to the Issuer and the Guarantor and delivered to the Issuer, the Guarantor or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer, the Guarantor or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

THE GLOBAL NOTE CERTIFICATE

The Global Note Certificate contains the following provisions which apply to the Notes in respect of which they are issued while they are represented by the Global Note Certificate, some of which modify the effect of the Terms and Conditions of the Notes. Terms defined in the Terms and Conditions of the Notes have the same meaning in the paragraphs herein.

The Original Notes are initially (and the New Notes will initially be) represented by a Global Note Certificate registered in the name of Citivic Nominees Limited as nominee for, and deposited with, a common depositary for Euroclear and Clearstream.

The Global Note Certificate will become exchangeable in whole, but not in part, for definitive notes (the "**Individual Note Certificates**") if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 *(Events of Default)* occurs.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Holder of the Global Note Certificate, Euroclear and/or Clearstream, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been issued and delivered by 5:00 p.m. (local time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Note Certificate; or

(b) any of the Notes evidenced by the Global Note Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the Holder of the Global Note Certificate on the due date for payment in accordance with the terms of the Global Note Certificate,

then, at 5:00 p.m. (local time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (local time) on such due date (in the case of (b) above) the Registrar shall in respect of each person shown in the records of Euroclear and/or Clearstream (or any other relevant clearing system) as being entitled to interest in the Notes (each an "**Accountholder**"), enter in the Register the name of such Accountholder as the holder of direct rights under the deed of covenant dated 21 May 2025 (the "**Deed of Covenant**") in respect of the Notes in an aggregate principal amount equal to the principal amount shown in the records of Euroclear and/or Clearstream (or any other relevant clearing system) of such Accountholder's interest in the Notes. To the extent that the Registrar makes such entries in the Register, the holder will have no further rights under the Global Note Certificate, but without prejudice to the rights which the holder or Accountholders may have under the Deed of Covenant. Under the Deed of Covenant,

Accountholders will acquire directly against the Issuer, subject to their rights being entered in the Register as described above and subject as provided in the Deed of Covenant, all those rights to which they would have been entitled if, immediately before the date on which the Registrar is required to enter in the Register the rights of the Accountholders, they had been the registered holders of Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear, Clearstream or any other relevant clearing system (as the case may be).

In addition, the Global Note Certificate contain provisions that modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Note Certificate. The following is a summary of certain of those provisions:

Payments on business days: In the case of all payments made in respect of the Global Note Certificate "**business day**" means any day which is a day on which dealings in foreign currencies may be carried on in New York City and Hong Kong.

Payment Record Date: Each payment in respect of the Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "Clearing System Business Day" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Payment: The calculation of any interest amount in respect of Notes represented by the Global Note Certificate will be calculated on the aggregate outstanding nominal amount of the Notes represented by the Global Note Certificate and not by reference to the Calculation Amount.

Exercise of put option: In order to exercise the option contained in Condition 5(c) *(Redemption for Change of Control)* the Holder of the Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note Certificate and put notice, give written notice of such exercise to the Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 14 *(Notices)*, so long as the Global Note Certificate is held on behalf of Euroclear, Clearstream or any other clearing system (an "**Alternative Clearing System**"), notices to Holders of Notes represented by the Global Note Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream or (as the case may be) such Alternative Clearing System.

USE OF PROCEEDS

The gross proceeds from the offering of the New Notes, before deducting underwriting commissions and expenses, will amount to U.S.$50.875 million, excluding the accrued interest from (and including) 21 May 2026 to (but excluding) the New Issue Date. The entire amount of the net proceeds will be utilised or on-lent by the Issuer to the Guarantor and/or other members of the Group for refinancing or repayment of certain indebtedness (including without limitation, for refinancing the redemption by the Issuer of all amounts outstanding under the 2021 Guaranteed Notes (to the extent not repurchased pursuant to the Tender Offer)).

CAPITALISATION AND INDEBTEDNESS

The following table sets out the consolidated capitalisation and indebtedness of the Group as at 30 September 2025, which has been extracted from the consolidated statement of financial position of the Group as at the same date, and as adjusted to give effect to the issuance of the New Notes offered hereby. The table should be read in conjunction with the reviewed unaudited condensed consolidated financial statements of the Group as at 30 September 2025 and the notes thereto:

- on an actual basis; and
- as adjusted to give effect to the par value of the New Notes of U.S.$50,000,000 (the Issue Price of the New Notes is 101.75 per cent.) and excluding the amount of accrued interest from (and including) 21 May 2026 to (but excluding) the New Issue Date) issued in this offering without taking into account the relevant transaction costs

	As at 30 September 2025		
	HK$'000 (Actual)	*U.S.$'000* (Actual)[1]	*U.S.$'000* (as adjusted)
Bank borrowings – due within one year	1,545,620	198,643	198,643
Bank borrowings – due after one year	5,108,253	656,512	656,512
Notes payable – due after one year[2]	1,959,204	251,797	251,797
New Notes to be issued	–	–	50,000[3]
	8,613,077	1,106,952	1,156,952
Shareholders' funds:			
Share capital[4]	206,299	26,514	26,514
Reserves	12,749,144	1,638,518	1,638,518
Equity attributable to owners of the Guarantor	12,955,443	1,665,032	1,665,032
Non-controlling interests	(53,686)	(6,900)	(6,900)
Total equity	12,901,757	1,658,132	1,658,132
Total Capitalisation	21,514,834	2,765,084	2,815,084

Notes:

(1) A rate of HK$7.7809 to U.S.$1.00 was adopted for the conversion of Hong Kong dollars to U.S. dollars, the noon buying rate as set forth in the weekly H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York on 30 September 2025.

(2) Includes the par value of the Original Notes of U.S.$150,000,000 (the issue price being 95.48 per cent.) and U.S.$50,000,000 (the issue price being 100.00 per cent.) and a 4-year senior unsecured note of HK$500,000,000 issued on 30 April 2025 without taking into account the relevant transaction costs.

(3) As adjusted to give effect to the par value of the New Notes of U.S.$50,000,000 (the Issue Price of the New Notes is 101.75 per cent.) and excluding the amount of accrued interest from (and including) 21 May 2026 to (but excluding) the New Issue Date) issued in this offering without taking into account the relevant transaction costs.

(4) As at 30 September 2025, the total authorised share capital of the Guarantor is HK$500 million divided into 31,250 million ordinary shares of HK$0.016 each and its issued share capital was approximately HK$206.3 million consisting of 12,893.7 million ordinary shares of HK$0.016 each.

On 13 November 2025, the Guarantor (as guarantor) and Southwater Hong Kong Limited, a joint venture company (as borrower, the attributable equity interest to the Guarantor of which is 50 per cent.), entered into a facility agreement in relation to term loan facilities in the aggregate amount of HK$6,111,000,000 for refinancing certain banking facilities.

Save as disclosed in this Offering Circular, there has been no material change in the total capitalisation of the Group since 30 September 2025.

Capitalisation and Indebtedness of the Issuer

As at the date of this Offering Circular, the Issuer was authorised to issue a maximum of 50,000 U.S.$1.00 par value shares of a single class and series, of which one share is held by the Guarantor.

DESCRIPTION OF THE ISSUER

Formation

Estate Sky Limited is a British Virgin Islands business company incorporated under the BVI Business Companies Act of the British Virgin Islands (BVI Company Number: 1740429). It was incorporated in the British Virgin Islands on 25 October 2012. Its registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The Issuer is a wholly-owned subsidiary of the Guarantor.

Business Activity

The Issuer was established with unrestricted objects and powers as set out in its memorandum of association. The Issuer does not sell any products or provide any services and it has undertaken no business activities since its date of incorporation, other than those incidental to its incorporation and establishment as a wholly-owned subsidiary of the Guarantor and those incidental to the issuance of the Notes.

Financial Statements

Under British Virgin Islands law, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep proper books of account as are sufficient to show and to explain its transactions and which will, at any time, enable the financial position of the Issuer to be determined with reasonable accuracy.

Directors and Officers

The directors of the Issuer are Messrs. Kan Sze Man and Chow Hou Man and each of their business addresses is c/o 31st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. None of the directors of the Issuer holds any shares or options to acquire shares of the Issuer.

The Issuer does not have any employees and has no subsidiaries.

DESCRIPTION OF THE GROUP

Overview

The Guarantor is an investment holding company and is primarily engaged in property development, repositioning and investment. The principal subsidiaries of the Guarantor are primarily engaged in property enhancement and development and property investment in Hong Kong, the PRC and Macau.

Corporate Information

The Guarantor is an exempted company incorporated in Bermuda with limited liability, with its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business in Hong Kong of the Guarantor is located at 31st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

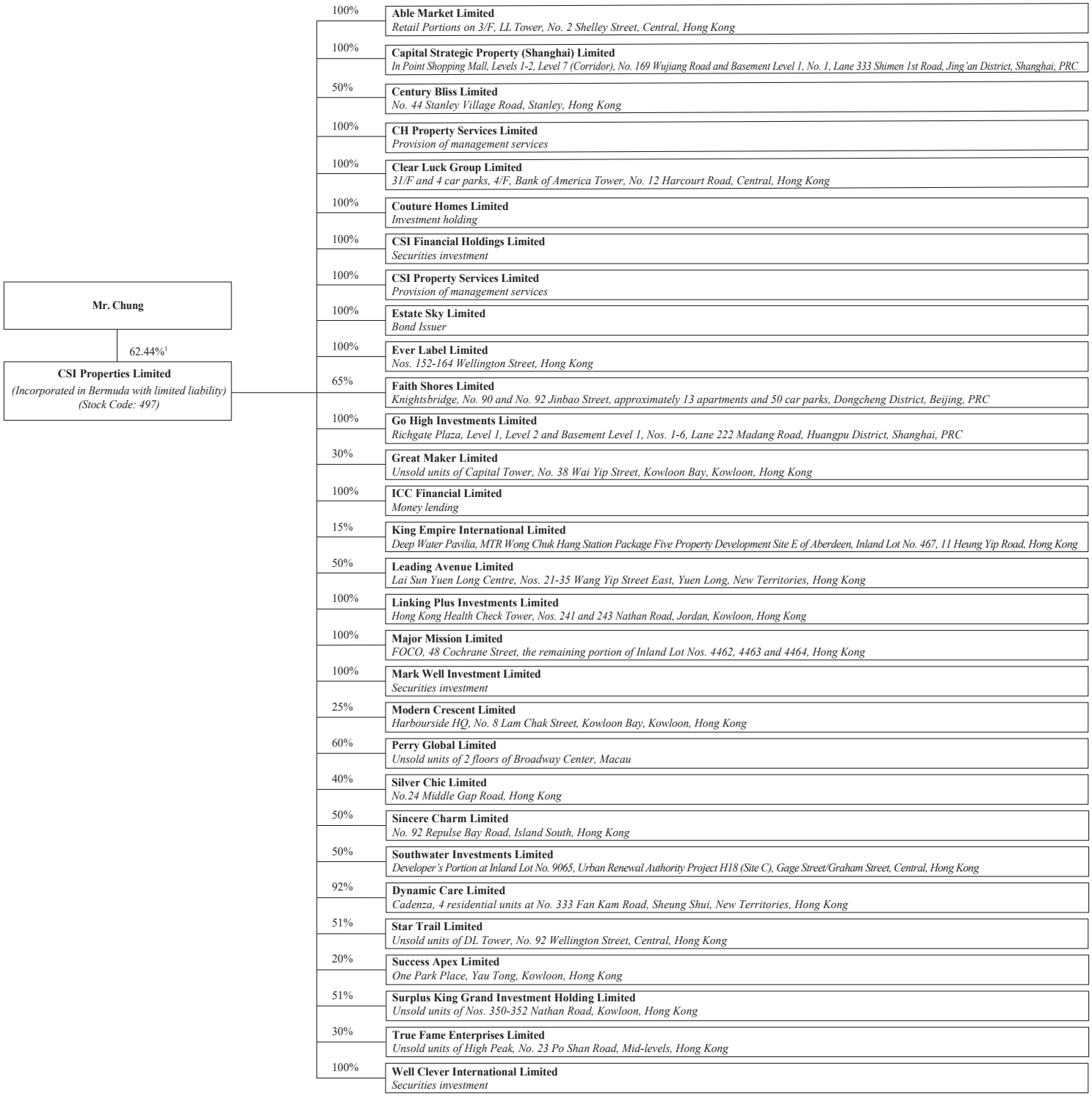
Business Organisation

Mr. Mico Chung, the Chairman and Executive Director, obtained control of the Group in 2004 as a platform to expand his property investment business. As at the date of this Offering Circular, Mr. Chung maintains statutory control over the Group.

The following chart sets forth an overview of the Group's organisational structure:

Organisation Chart of the Group's Key Subsidiaries and Affiliates and showing principal business activities or properties held

(as at the date of this Offering Circular)



[1] Through interest of controlled corporations.

Competitive Strengths

Solid execution capabilities with proven track record and excellent market reputation

As at 30 September 2025, the Group's equity attributable to owners of the Guarantor was HK$12,955 million. As at 30 September 2025, the Group owned and managed approximately 3.6 million square feet (attributable interest of approximately 1.5 million square feet) of prime commercial and residential space in Hong Kong, Shanghai, Beijing and Macau. As at 30 September 2025, the Group held 25 major properties in prime locations across Hong Kong, Shanghai, Beijing and Macau, with a total attributable book value of approximately HK$25 billion.

Self-funded business model through capital recycling

The Group funds its operations primarily via internally generated cash flow, in addition to bank loans. Compared with typical Hong Kong retail property and office property developers, the Group's inherent business model, coupled with its efficient practices, results in a shorter cash conversion cycle. In the Group's experience, the time required to acquire, plan, reposition, and lease out a commercial property is on average three years, substantially less than the time required to develop and stabilise typical Hong Kong retail and office properties, which is an average between five to six years. Unlike typical Hong Kong commercial property developers who tend to hold on to the properties post-completion, the Group sells those completed properties that have reached rental stabilisation. As such, the Group believes it is able to realise its cash returns earlier compared to commercial property developers, and to reinvest the sale proceeds back into its business through capital recycling.

Highly experienced and disciplined management

The Group has a dedicated and experienced management team which has achieved a consistent track record of success in the real estate sectors in Hong Kong and Shanghai. The majority of members in the Group's management team has an average of more than 20 years of relevant experience in the industry, providing the Group with both expertise and continuity.

- **Mr. Chung Cho Yee, Mico**, Chairman, Founder and Executive Director, joined the Group in 2004. He is also a director of certain subsidiaries of the Group. He is also the chairman of the Executive Committee and the Nomination Committee, and a member of the Remuneration Committee of the board of directors of the Guarantor (the "**Board**"). He has over 30 years of corporate finance and real estate experience and had previously been involved in several landmark deals.

- **Mr. Kan Sze Man**, Deputy Chief Executive Officer and Executive Director, joined the Group as Group General Counsel in 2001 and served as the Chief Operating Officer of the Group from 2016 until 28 February 2025. He is a director of certain subsidiaries and associates of the Group, and a member of the Executive Committee of the Board. Mr. Kan is a qualified solicitor by profession. He has worked in the commercial department of a Hong Kong law firm and a U.K. city firm, until joining Hikari Tsushin International Limited (now known as China Oil and Gas Group Limited) as its senior vice president and legal counsel in early 2000.

- **Mr. Chow Hou Man**, Executive Director – Operations and Finance, joined the Group in 2001 and was Group Chief Financial Officer up to 7 February 2025. He is a director of certain subsidiaries and associates of the Group, and a member of the Executive Committee of the Board. He has over 20 years of financial experience in various companies listed in Hong Kong and overseas and an international firm of certified public accountants. He is a member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

- **Mr. Ho Lok Fai**, Executive Director, joined the Group in 2005. He is a deputy managing director/ director of certain subsidiaries and associates of the Group, and a member of the Executive Committee of the Board. He has been involved in the commercial property investment and agency business since 1991, having over 30 years of solid and proven experience specialising in the investment in Grade A and B offices in Hong Kong. He has served the Group from 2005, and is responsible for investment in commercial properties, leasing matters, and the property management business for offices and industrial properties of the Group. He possesses exceptional acumen and insight in the property market business, with comprehensive understanding of extensive clientele in commercial property investments, and has extensive and reliable connections with reputable estate agents in the commercial property market which he can readily call upon to dispose of the Group's commercial and development projects into the market in the most profitable and efficient manner. Over many years, he has achieved very satisfactory results and performance for those projects or investments that he has been involved in.

- **Mr. Leung King Yin, Kevin**, Executive Director, joined the Group in 2021 and was appointed as managing director of development. He is a director of a subsidiary and associates of the Group, and a member of Executive Committee of the Board. He is the head of the project management and development department of the Group, leading a team of project managers and surveyors in managing a variety of residential and commercial projects in Hong Kong. Prior to joining the Group, he was the general manager/project director of a number of sizable listed companies. He has over 30 years of experience in the property development field, with a varied portfolio that includes residential, commercial and hotel developments in Hong Kong, Mainland China and Canada. He holds a Bachelor degree of Architecture from the University of Melbourne. He is a registered architect and an authorized person under the Buildings Ordinance (Cap. 123 of the Laws of Hong Kong) (the "**BO**"), with extensive project management experience.

- **Ms. Chung Yuen Tung, Jasmine**, Executive Director, joined the Group in 2017. She is a member of the Executive Committee and the Nomination Committee of the Board. She is responsible for driving corporate development strategy to optimise business units, sales and marketing functions of the Group. She also plays an active role in promoting the Group's Environmental, Social and Governance initiatives and integrating corporate branding strategy.

- **Mr. Yip Chai Tuck**, Executive Director, joined the Group in 2025. He is a member of the Executive Committee of the Board. He has extensive experience in corporate management, business development and investment banking. Before joining the Group, he was the chief executive officer of Media Asia Group Holdings Limited (whose shares were delisted from the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 March 2023 with previous stock code: 8075) between February 2024 and April 2025 and the executive director of eSun Holdings Limited (listed on the Main Board of the Stock Exchange with stock code: 571) from February 2014 to April 2025. Mr. Yip was also an executive director of Media Asia Group Holdings Limited from July 2014 until its shares were delisted from the Stock Exchange, and the chief executive officer of Lai Sun Garment (International) Limited (listed on the Main Board of the Stock Exchange with stock code: 191) from August 2013 to February 2024. Prior to joining the Lai Sun Group in 2013, he was also a managing director of Goldman Sachs and head of mergers and acquisitions ("**M&A**") for China. Mr. Yip had also worked for PCCW Limited as vice president of ventures and M&A, responsible for strategic investments and M&A transactions.

- **Ms. Wong Ho Yee, Janet**, Group Chief Financial Officer, joined the Group in 2014. She is a director of certain subsidiaries and associates of the Group. She holds a Bachelor of Business Administration degree and a Master of Business Administration degree from the University of Hong Kong. She has over 20 years of financial and audit experience gained from major property developers in Hong Kong and one of the Big Four accounting firms. She is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Furthermore, Mr. Chung was nominated as one of "Asia's Business Leaders" at the CNBC Asia Business Leaders Awards 2014. The Group was also awarded the "Best Small-Cap Company in Hong Kong" for 2013 and 2014 and "Best Mid-Cap Company in Hong Kong" for 2018 in Asia's Best Managed Companies annual poll conducted by Finance Asia, one of the leading financial journals in the Asia-Pacific region.

Recurring rental income base, underpinned by high quality portfolio with solid fundamentals

As at 30 September 2025, the Group has a portfolio of 13 major commercial properties across different sectors, covering retail, office and hotel properties in Hong Kong, Shanghai and Macau, with a recurring income base. For the years ended 31 March 2023, 2024 and 2025, and for the six months ended 30 September 2024 and 2025, the Group's revenue from rental income has generally been stable and amounted to HK$258 million, HK$236 million, HK$231 million, HK$120 million and HK$118 million, respectively. Until their disposals, these properties generate a stable recurring income base which reduces the potential volatility in the Group's financial results, which is associated with property trading and provides a solid foundation for the Group's future growth and strategy.

Prudent financial policy and conservative capital structure with low gearing

The Group has a conservative capital structure and adopts a balanced approach to maintain an optimal mix of equity and debt financing. As at 30 September 2025, the Group had a net gearing ratio of approximately 26.8 per cent. (net gearing ratio is calculated by the Group's bank borrowings and notes payable (due after one year) less cash and bank balances divided by total assets) and total debt (banks and other borrowings) to total assets ratio of approximately 37.3 per cent. In addition, it is the Group's policy to maintain a prudent amount of cash and bank balances at all times in order to ensure, among other things, liquidity and credit-worthiness, as well as to provide funds towards project acquisition when opportunities arise. As at 30 September 2025, the Group had consolidated cash and bank balances (including cash held by securities brokers) and marketable securities held for sale comprising of financial assets at FVTPL of approximately HK$2,439 million and HK$268 million, respectively. In addition to its internally generated cash flow, the Group has access to diversified sources of funds for its operations. In July 2021, the Issuer issued the notes guaranteed by the Guarantor in the aggregate principal amount of US$300,000,000 at an interest rate of 5.45 per cent. ("**2021 Guaranteed Notes**"). In 2025, the Issuer issued the Original Notes (comprising the initial issue of US$150 million in May 2025 and the tap issue of US$50 million in September 2025). In addition, as at 30 September 2025, the Group has undrawn committed facilities of approximately HK$1,355 million. The Group's ability to obtain funding from a variety of sources, both internally and externally, allows it to maintain a competitive advantage under volatile market conditions. These factors enable the Group to maintain a strong financial position with a healthy level of liquidity.

The Group also has a prudent dividend policy, which takes into account cash requirements, investment and growth plans, future prospects, general economic and business conditions, and peer group norms. For the year ended 31 March 2023, the Group declared a dividend of HK$39.4 million. For the years ended 31 March 2024 and 2025, the Group's consolidated loss attributable to owners of the Guarantor was at HK$425.6 million and HK$1,691.5 million, respectively, and the Board has recommended not to declare a final dividend for the years ended 31 March 2024 and 2025. For the year ended 31 March 2025, the loss attributable to owners of the Guarantor was primarily attributable to the aggregate of (i) decrease in revenue from the sales of properties; and (ii) adverse change in fair value of the Group's investment properties, write-down of the Group's properties held for sale and the impairment provisions for joint ventures and associates' properties of approximately HK$1,122.3 million. For the six months ended 30 September 2024 and 2025, the Group's consolidated loss attributable to owners of the Guarantor was at HK$904.1 million and HK$556.7 million, respectively, and no dividends were paid, declared and proposed by the Guarantor for the six months ended 30 September 2024 and 2025. For the six months ended 30 September 2025, the consolidated loss attributable to owners of the Guarantor was primarily attributable to write-down of the Group's properties held for sale and the impairment provisions for joint ventures and associates' properties of approximately HK$287.4 million. Change in fair value of investment properties, write-down of the Group's properties held for sale and impairment provisions for joint ventures and associates' properties are non-cash items which will not have an impact on the operating cash flow of the Group. The overall financial, business and trading positions of the Group remain healthy.

Strategies

Focus on core strength of making value-added investments in Hong Kong and the PRC

The Group's principal strategy is to make value-added investments in Hong Kong and the PRC with a focus on creating value through its "repositioning" strategy by investing in properties for resale and/or enhancing rental income. The Group's approach involves identifying and acquiring under-performing properties with room for rental and capital value enhancement. This is followed by implementation of the Group's proven enhancement strategy through a combination of, among other things: (i) upgrade and refurbishments; (ii) active lease management to improve the tenant mix; (iii) change of usage; and (iv) site redevelopment, followed by disposal soon after the enhancement process is complete and rental yield reaches stabilisation. The Group closely monitors market conditions to optimise disposals of properties for re-investment opportunities. The Group will continue to leverage on its core strength in identifying, acquiring, redeveloping and repositioning strategically located properties to improve rental yields and drive capital value appreciation.

Strategic partnerships with established developers

The Group is self-sufficient and capable of targeting, acquiring, repositioning, developing and exiting projects on its own. However, where it is expedient and value-adding to do so, the Group has entered into, and will continue to enter into, strategic partnerships and joint ventures with established property developers in Hong Kong and the PRC or such other appropriate partners. The Group's existing joint ventures are all undertaken with existing and recognised institutions in the real estate industry which the Group believes can provide complementary expertise beneficial to the Group's investment strategy.

Active management of the investment property portfolio to maximise value

The Group intends to actively manage its property portfolio to maximise value creation. The Group will continue to explore opportunities to carry out asset improvement activities on its properties to generate organic growth, including reconfiguration of certain retail and office units and converting certain ancillary areas into leasable space, as well as undertaking refurbishments to enhance the overall positioning of these properties. The Group's business model seeks to attract premium tenants to improve the overall offering of the Group's projects, as well as to improve product offering to allow renegotiation of existing lease agreements with a view to increasing the Group's rental cash flow as well as the capital value of the Group's properties. The Group will also continue to work closely with property managers to actively manage lease renewals and market the properties to prospective tenants in desired target groups, in order to achieve the optimal mix of types of tenants in addition to diversification within each category of tenants (for example, office tenants and food & beverage tenants are accommodated separately).

Improving tenant mix is a key strategy of the Group and an aspect of the development process in which the Group takes an active role – benefiting the product overall and enhancing rental income potential. The Group will continue to monitor the macro environment and market conditions closely in order to capitalise on the optimal market window for property disposals.

Continue to leverage on industry knowledge and relationship network in order to identify and invest in properties that fit within the Group's value enhancement business model

The Group intends to continue to utilise its extensive network of property brokers and business relationships to identify under-performing properties and draw on its on-the-ground industry knowledge, structuring expertise and strong execution capabilities to seize development opportunities. The Group also demonstrates a competitive advantage with the speed and ease of its decision-making due to the size and closeness of its senior management, which allows the Group to identify potential acquisitions and execute transactions within a short timeframe. The Group's close relationships with property brokers, which have been developed over a number of years, often allow the Group first access to view properties for sale and in advance of other investors, allowing the Group to identify mispricing opportunities earlier than its competitors.

Expand into luxury residential developments under the "Couture Homes" brand

Having recognised a gap in the market to provide uniquely designed and furnished premium lifestyle residences to clients from Hong Kong, as well as from the PRC, Taiwan and elsewhere seeking a pre-furnished home in Hong Kong, the Group established the "Couture Homes" brand in 2010 in order to further extend its presence in the residential property markets of Hong Kong and the PRC. Couture Homes combines design concepts from world-renowned interior designers with bespoke furnishings and décor. The Hampton in Happy Valley, the Group's first project launched under the Couture Homes brand designed and fitted-out by an internationally-renowned design team, led by the award-winning architect and designer, Mr. Steve Leung, was well received in the market. The Group believes that the premium pricing achieved for these units reinforces the reputation of Couture Homes as a leading lifestyle property developer in Greater China. Management's aim is to grow Couture Homes into a world-class premium lifestyle residential developer and a distinguished provider of bespoke premium quality residences to satisfy the growing needs of lifestyle-oriented end-users in Hong Kong and the PRC. In addition, the Group has also furthered presence in the mass residential market with participation in two residential sites at Yau Tong and Wong Chuk Hang MTR stations.

Business

The business of the Guarantor follows a property repositioning model, focusing on commercial projects and premium "lifestyle" residential properties in prime locations in Hong Kong, Shanghai, Beijing and Macau. The Guarantor's luxury residential development division is marketed as "Couture Homes", which combines architectural and interior design to an internationally recognised standard, with bespoke "lifestyle" furnishing and interior decoration.

As at 30 September 2025, the Group owns and manages over 3.6 million square feet (attributable interest of approximately 1.5 million square feet) of prime properties in Hong Kong, Shanghai, Beijing and Macau.

The Group seeks to maximise shareholders' returns by identifying "mismatched" properties where the property's true value has not yet been reflected, and by uplifting its true capital value via the Group's strategic repositioning model. The Group builds on management's strengths in making swift and professional investment decisions, leverages on internal resources, and forms strategic alliances with partners and shareholders.

The following table sets forth the revenue and results for the business divisions of the Group for the years/periods indicated:

	For the year ended 31 March			For the six months ended 30 September	
	2023	**2024**	**2025**	**2024**	**2025**
	HK$'000 (audited)	*HK$'000* (audited)	*HK$'000* (audited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
Sales of properties held for sale	545,879	1,343,298	289,790	23,080	6,280
Rental income	258,391	235,834	230,833	119,904	117,834
	804,270	**1,579,132**	**520,623**	**142,984**	**124,114**

The following is an analysis of the Group's revenue and results by reportable and operating segments for the six months ended 30 September 2025 (unaudited):

	Commercial property holding	Residential property holding	Macau property holding	Securities investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
External revenue					
Rental income	116,520	692	622	–	117,834
Sales of properties held for sale	–	–	6,280	–	6,280
Revenue of the Group	116,520	692	6,902	–	124,114
Interest income and dividend income	–	–	–	4,058	4,058
	116,520	692	6,902	4,058	128,172
Share of revenue of associates and joint ventures					
Rental income	30,189	89	–	–	30,278
Sales of properties held for sale	61,837	377,373	–	–	439,210
	92,026	377,462	–	–	469,488
Segment revenue	208,546	378,154	6,902	4,058	597,660
Results					
Share of results of joint ventures *(Note)*	(90,808)	(56,364)	–	–	(147,172)
Share of results of associates *(Note)*	75	(186,844)	–	–	(186,769)
Segment profit (loss) excluding share of results of joint ventures and associates	31,564	(64,489)	1,785	(50,476)	(81,616)
Segment (loss) profit	(59,169)	(307,697)	1,785	(50,476)	(415,557)
Unallocated other income					39,512
Unallocated other gains					48,550
Central administration costs					(10,844)
Finance costs					(238,838)
Loss before taxation					(577,177)

Note: Share of results of associates and joint ventures mainly represent share of the operating profits or loss of these entities from their businesses of property investment and development.

Market developments

The market conditions have been very challenging. The persistently high interest rate environment has dampened overall property investment sentiment, and has remained a substantial strain on the Group's profitability. Facing continuing weakness in the Mainland China and Hong Kong economies, the Group's asset sales have remained relatively subdued, in addition to the need for making impairment provisions for some of the Group's property portfolio. All these factors have combined to extend the Group's losses since the year ended 31 March 2024.

In the residential property market, Hong Kong Government has relaxed the various measures previously taken to dampen purchase sentiment since the beginning of 2024. The results have been mixed with improving sales volume but at subdued pricing levels. The Group's portfolio of residential properties has seen gradually stronger sales on both the mass end and luxury end since the beginning of 2025 which the Group hopes is a turning sign. In light of the better equity market performance in Hong Kong since the beginning of 2025 and some influx of capital from the Mainland China and overseas resulting in much lower Hong Kong Interbank Offered Rate, the Group remains optimistic of an improving residential market and sales going forward, albeit at subdued prices.

The Hong Kong commercial property sector continues to face significant challenges, with office and retail uptake demand remaining at subdued levels. The ongoing uncertainty in the broader economic environment, coupled with shifts in consumer behaviour and workplace dynamics, have contributed to sluggish demand for commercial spaces. The outlook for the commercial property market remains challenging, however the Group is hopeful of improvements in the medium to longer term due to a recovering Hong Kong stock market and the Mainland China economy. In spite of the still elevated interest rate cycle, the Group will endeavor to navigate the complex landscape and seek strategies to adapt to the evolving market conditions prudently and carefully.

In 2025, the Group has made tremendous efforts to significantly improve the balance sheet and liquidity. In February 2025, the Group announced the strategic fundraising of HK$1,992 million including the HK$1,492 million rights issue and the HK$500 million 4-year senior unsecured note. The exercise was led by the Group's chairman and majority shareholder, who made a personal contribution, and introduced a new institutional investor Gaw Capital as an equity partner. The successful equity fundraising helped to inject additional equity and liquidity to the Group to support the Group's strong belief in a gradual recovery of the real estate markets, which the Group can benefit on a more orderly unlocking of values for the Group's assets.

Furthermore, the successful issue of the Original Notes (comprising the initial issue of US$150 million in May 2025 and the tap issue of US$50 million in September 2025) also demonstrates investors' confidence in the ongoing credit strength and asset quality of the Group. This is the first unrated bond issue by any Hong Kong issuer for the year 2025 and the issue was well supported by numerous leading international credit investors, highlighting their strong conviction in the Group's future and a validation of the Group's business model and management strength in a challenging but hopefully improving real estate market.

During the six months ended 30 September 2025, the Group has also achieved satisfactory operational objectives. The Group achieved over HK$5 billion of attributable contracted sales commitment (including joint ventures and associates) by the end of October 2025, putting the Group on track to fulfill its previously announced objective to achieve HK$9 billion in sales by March 2029. This was primarily driven by robust presales at "Deep Water Pavilia" in Wong Chuk Hang, complemented by other transactions across residential and commercial properties.

Looking ahead, the Group expects the property markets in both Hong Kong and the Mainland China to have a gradually improving future, with encouraging signs from the improving Hong Kong stock market and the ongoing Chinese economic stimulus measures. The Group will maintain a cautiously optimistic outlook given the Group's improved balance sheet and liquidity, while focusing on continued asset disposal to further raise liquidity, prudent financial management and strategic commercial bank refinancing strategies to balance the interests of all stakeholders.

Major Properties

Set out below is a list of the Group's major properties held as at 30 September 2025. The table below sets out the breakdown of major commercial and residential properties held by the Group in Hong Kong, Shanghai, Beijing and Macau:

Portfolio Information	Location	Approximate gross floor area[1]	Approximate gross floor area attributable to the Group	Book Value as at 30 September 2025[1]	Book value attributable to the Group as at 30 September 2025
		(sq. ft '000)	*(sq. ft '000)*	*(HK$'m)*	*(HK$'m)*
Commercial Properties					
G/F and 11 car parks of Capital Centre, No. 151 Gloucester Road	Wan Chai	17	17	137	137
Retail portions on G/F and 2-3/F, LL Tower, No. 2 Shelley Street	Central	4[2]	4[2]	115	115
FOCO, 48 Cochrane Street	Central	32	32	647	647
Developer's Portion at Inland Lot No. 9065, Urban Renewal Authority Project H18 (Site C), Gage Street/ Graham Street commercial site (Redevelopment) (CSI-50 per cent.)	Central	395	198	12,432	6,216
No. 350-352 Nathan Road (Redevelopment) (CSI-51 per cent.)	Jordan	254	130	4,898	2,498
Unsold units of Capital Tower, No. 38 Wai Yip Street (CSI-30 per cent.)	Kowloon Bay	185[2]	56[2]	1,826	548
Harbourside HQ, No. 8 Lam Chak Street (CSI-25 per cent.)	Kowloon Bay	680	170	6,762	1,691
Hong Kong Health Check Tower, Nos. 241 and 243 Nathan Road	Jordan	62	62	1,650	1,650
Lai Sun Yuen Long Centre, Nos. 21-35 Wang Yip Street East (CSI-50 per cent.)	Yuen Long	388	194	1,037	519
Unsold units of DL Tower, No. 92 Wellington Street (CSI-51 per cent.)	Central	17[2]	9[2]	563	287
Unsold units of 2 floors of Broadway Center (CSI-60 per cent.)	Macau	3[2]	2[2]	14	8
In-Point Shopping Mall, Levels 1-2, Level 7 (Corridor), No. 169 Wujiang Road and Basement Level 1, No. 1, Lane 333 Shimen 1st Road	Jing'an District, Shanghai	122	122	1,686	1,686
Richgate Plaza, Level 1, Level 2 and Basement Level 1, Nos. 1-6, Lane 222 Madang Road	Huangpu District, Shanghai	122	122	1,422	1,422
		2,281	1,118	33,189	17,424

Portfolio Information	Location	Approximate gross floor area[1]	Approximate gross floor area attributable to the Group	Book Value as at 30 September 2025[1]	Book value attributable to the Group as at 30 September 2025
		(sq. ft '000)	*(sq. ft '000)*	*(HK$'m)*	*(HK$'m)*
Residential Properties					
Dukes Place, at No. 47 Perkins Road (CSI-60 per cent.) (2 units, 4 car parks and 1 motorcycle parking space)	Jardine's Lookout	11[2]	7[2]	503	302
Knightsbridge, No. 90 and No. 92 Jinbao Street (15 apartments and 53 car parks) (CSI-65 per cent.)	Dongcheng District, Beijing	87	57	556	361
House B, "8-12 Peak Road", No. 10 Peak Road	The Peak	5	5	474	474
Cadenza, No. 333 Fan Kam Road (CSI-92 per cent.)	Sheung Shui	32[2]	29[2]	512	471
No. 44 Stanley Village Road (CSI-50 per cent.)	Stanley	74	37	816	408
One Park Place (Redevelopment) (CSI-20 per cent.)	Yau Tong	325	65	3,764	753
High Peak, No. 23 Po Shan Road (CSI-30 per cent.)	Mid-levels	64[2]	19[2]	2,677	803
Deep Water Pavilia, MTR Wong Chuk Hang Station Package Five Property Development Site E of Aberdeen Inland Lot No. 467, 11 Heung Yip Road (Redevelopment) (CSI-15 per cent.)	Aberdeen	636	95	14,781	2,217
No. 92 Repulse Bay Road (Redevelopment) (CSI-50 per cent.)	Repulse Bay	9	5	670	335
No. 24 Middle Gap Road (Redevelopment) (CSI-40 per cent.)	The Peak	8	3	888	355
No. 15 Shouson, No. 15 Shouson Hill Road West (CSI-8 per cent.)	Southside	47[2]	4[2]	2,345	188
Nos. 152-164 Wellington Street (Redevelopment)	Central	69	69	1,314	1,314
		1,367	395	29,300	7,981
Total (Commercial and Residential Properties)		3,648	1,513	62,489	25,405

Notes:

(1) Approximate gross floor area and book value are on a 100 per cent. interest basis.

(2) Saleable area applied.

Major disposals and unrecognised contracted sales commitment for the period ended 30 September 2025

Major disposals and contracted sales commitment for the period ended 30 September 2025

Major disposals achieved for the period ended 30 September 2025 included the following sales: (i) 4 units at Broadway Center, Macau, (ii) 3 units and 71 car parking spaces at the Knightsbridge at No. 90 and 92 Jinbao Street, Beijing, (iii) 1 car parking space at Capital Tower of No. 38 Wai Yip Street, Hong Kong, (iv) 2 floors at DL Tower, No. 92 Wellington Street, Hong Kong, (v) 1 unit at High Peak at No. 23 Po Shan Road, Hong Kong and (vi) 1 garden villa unit at the "Infinity" at No. 8-12 Peak Road, Hong Kong.

Major unrecognised contracted sales commitment achieved up to the period ended 30 September 2025 included the following: (i) 2 floors at LL Tower at No.2 Shelley Street, Hong Kong, (ii) a house at Cadenza of No. 333 Fan Kam Road, Hong Kong, (iii) 1 ground floor shop at the Capital Centre, No. 151 Gloucester Road, Hong Kong, (iv) one detached luxury house at No. 8-12 Peak Road, Hong Kong, (v) one car parking space at the Knightsbridge at No. 90 and 92 Jinbao Street, Beijing, (vi) one unit at Dukes Place at No. 47 Perkins Road, Jardine's Lookout, Hong Kong, (vii) one house at No. 15 Shouson Hill, Hong Kong, (viii) 646 units at the Deep Water Pavilia, No. 11 Heung Yip Road, Hong Kong and (ix) 245 units at Topside Residences, Jordan.

Commercial Properties

The Group's commercial properties section is engaged in investment, re-design, renovation and redevelopment of commercial properties to add value for letting and disposal.

Set out below are the details of the Group's certain major commercial property projects as at 30 September 2025:

Hong Kong

G/F and 11 car parks of Capital Centre, No. 151 Gloucester Road, Wan Chai, Hong Kong

The Group holds a 100 per cent. interest in its remaining properties in this grade-A office building located at No. 151 Gloucester Road, Wan Chai, with a prime view of the Victoria Harbour. As at 30 September 2025, the Group owns the ground floor and 11 car parking spaces, totalling a GFA of approximately 16,600 square feet. As at 30 September 2025, the book value attributable to the Group was HK$137 million. The Group entered into sales contract to sell the ground floor and 11 car parking spaces as at 30 September 2025.

Retail portions on G/F and 2-3/F, LL Tower, No. 2 Shelley Street, Central, Hong Kong

In March 2011, the Group acquired an old building in the SOHO area in Central, Hong Kong, for a total consideration of HK$285 million for redevelopment. The Group holds a 100 per cent. interest in this project. The newly redeveloped building has a GFA of approximately 40,200 square feet, with the upper floors being used as office and the ground floor, upper ground floor and 1st to 3rd floors as retail and food and beverage outlets. As at 30 September 2025, the Group has sold all office floors totalling approximately 34,200 square feet. The book value of the remaining units attributable to the Group, with GFA totalling approximately 4,000 square feet, was HK$115 million as at 30 September 2025. The Group entered into sales contract to sell the ground floor and second floor of LL Tower during the six months ended September 2025. The only remaining interest is the third floor of LL Tower.

FOCO, 48 Cochrane Street, Central, Hong Kong

In March 2016, the Group acquired an old building at Nos. 46 and 48 Cochrane Street for a total consideration of HK$405 million for redevelopment. This commercial development project is situated at the heart of SOHO district of Central, immediately across from "Tai Kwun". The SOHO district is world-famous for its restaurants, bars, art galleries and comedy clubs and therefore is also highly frequented by tourists, expatriates and locals alike. The Group plans to make the project a Ginza-style food and beverage destination with a design theme inspired by the New York meatpacking district. As at 30 September 2025, this site has a GFA of approximately 32,000 square feet and the book value attributable to the Group was HK$647 million.

Developer's Portion at Inland Lot No. 9065, Urban Renewal Authority Project H18 (Site C), Gage Street/ Graham Street, Central, Hong Kong

In December 2017, the Group won the tender for this site from Urban Renewal Authority. The Group holds a 50 per cent. interest through its joint venture with a third party real estate company established in Hong Kong. As at 30 September 2025, the book value attributable to the Group was HK$6,216 million. The Group is working with the renowned architectural firm Foster + Partners and has initiated the master planning for this project which consists of a grade-A office tower, an international luxury hotel, with a combined GFA of approximately 395,000 square feet. The Group expects this building to be an iconic and high-tech landmark to attract a mix of industries including retail, education and high-end hospitality. The construction is underway with final construction completion sets for the second half of 2026.

Nos. 350-352 Nathan Road, Jordan, Kowloon, Hong Kong

The ex-Novotel Hong Kong Nathan Road Kowloon ("**Ex-Novotel Hotel**") commenced the redevelopment plan since September 2021. The Group formed a joint venture with Canada Pension Plan Investment Board and a minority partner to undertake this project. The redevelopment plan is a joint commercial and residential complex with total GFA of approximately 254,000 square feet. Demolition of the Ex-Novotel Hotel was completed and construction part is expected to be completed in the latter part of 2025. The residential portion, namely "Topside Residences", as at 30 September 2025 had conducted successful presale exercises since May 2024 with over 245 units out of 259 units presold. As at 30 September 2025, the book value attributable to the Group was HK$2,498 million.

Capital Tower, No. 38 Wai Yip Street, Kowloon Bay, Kowloon, Hong Kong

In May 2015, the Group won a government tender for the acquisition of an office land site in Kowloon Bay by participating in the government tender process through a consortium bid with Billion Development and Project Management Limited and Sino Land Company Limited for a total consideration of HK$3.04 billion. The Group holds a 30 per cent. interest in this joint venture project. The site has an area of approximately 40,800 square feet with a maximum GFA of approximately 490,200 square feet. In mid-2019, the Group completed construction of a commercial office building on the site. The book value of remaining units attributable to the Group was HK$548 million as at 30 September 2025. The Group sold one carparking space at this building during the six months ended 30 September 2025.

Harbourside HQ, No. 8 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong

In August 2018, the Group purchased this office tower with three other joint venture partners through a consortium arrangement. The Group holds a 25 per cent. interest in this property. The site has a total GFA of approximately 680,000 square feet. The Group has completed renovations for this property and has continually upgraded its tenant mix with the Hospital Authority as an anchor tenant renting an additional 16,000 square feet of office space in addition to the 100,000 square feet previously rented. The Group will strive to continue bringing in high calibre tenants, as well as achieving respectable rental yields. As at 30 September 2025, the book value attributable to the Group was HK$1,691 million.

Hong Kong Health Check Tower, Nos. 241 and 243 Nathan Road, Jordan, Kowloon, Hong Kong

In May 2018, the Group purchased this prime commercial/retail building in Jordan for a total consideration of HK$1.9 billion. The Group holds a 100 per cent. interest in this project. The total GFA of this property is approximately 62,000 square feet. The building is strategically situated on the junction of Nathan Road and Jordan Road and directly opposite to Jordan MTR station, which only requires a fifteen-minute walk from the high-speed railway station and thus provides fast and frequent access to Mainland China. The area is also well known to both the locals and mainland tourists for its high density of clinic and medical centres. The Hong Kong Health Check Tower has a leading Hong Kong medical service provider, Hong Kong Health Check and Medical Diagnostic Centre Limited, anchored as main tenant. Other tenants include Chow Tai Fook Jewellery and the Bank of East Asia. As at 30 September 2025, the book value attributable to the Group was HK$1,650 million.

Lai Sun Yuen Long Centre, Nos. 21-35 Wang Yip Street East, Yuen Long, New Territories, Hong Kong

In October 2017, the Group acquired a 50 per cent. interest in this industrial building with a joint venture partner for a total consideration of approximately HK$1,037 million. The Group holds a 50 per cent. interest in this project. Lai Sun Yuen Long Centre is planned for conversion into a mass residential complex with an anticipated GFA of approximately 480,000 square feet. The Group is progressing with the preparation work for the site. As at 30 September 2025, the book value attributable to the Group was HK$519 million. The Group is planning to commence the redevelopment into residential towers in the second half of 2026.

DL Tower, No. 92 Wellington Street, Central, Hong Kong

In 2019, the Group completed the acquisition of all ownership interest of a commercial site at Nos. 92-96 Wellington Street in Central. Group has once again partnered with Canada Pension Plan Investment Board and a minority partner to develop a new commercial building with a total GFA of approximately 43,000 square feet at the original site. The construction was completed in March 2024. The strata-sale of individual floors is well underway with a total of ten floors sold as at the end of September 2025. The book value attributable to the Group was HK$287 million as at 30 September 2025.

The PRC

In addition to the Group's strong market presence in Hong Kong and Macau, the Group owns two commercial properties in the PRC under management comprising an aggregate GFA of approximately 244,000 square feet. The Group's interests are focused in Shanghai, where the Group has an office employing local staff with knowledge of and expertise in the local market. The Group seeks to target the long-term growth potential for sales of tailor-made residences to high net worth individuals in the PRC looking to invest in Shanghai, as well as the long-term growth in demand for prime retail and commercial spaces.

Particulars of the Group's major commercial projects in the PRC as at 30 September 2025 are set out below:

In Point Shopping Mall, Levels 1-2, Level 7 (Corridor), No. 169 Wujiang Road and Basement Level 1, No. 1, Lane 333 Shimen 1st Road, Jing'an District, Shanghai, PRC

The Group holds a 100 per cent. interest in In Point Shopping Mall, Shanghai, a shopping mall located in central Shanghai, with a GFA of approximately 122,000 square feet. As at 30 September 2025, the book value attributable to the Group was HK$1,686 million. This site is located next to the "HKRI Taikoo Hui" complex jointly owned by Swire Properties and HKR International, which the Group expects to result in a high demand for leasing space in this shopping mall. The Group has completed the repositioning of this property to enhance yield by converting this shopping mall into a strip of double-decker premium street-front stores to attract well-known retail tenants. With the tenancy upgrade, the Group is achieving significant value creation with much improved rental.

Richgate Plaza, Level 1, Level 2 and Basement Level 1, Nos. 1-6, Lane 222 Madang Road, Huangpu District, Shanghai, PRC

In 2017, the Group purchased a retail shopping mall named Richgate Plaza in the prime Xintiandi area for a total consideration of approximately RMB1.37 billion with a total GFA of approximately 122,000 square feet. As at 30 September 2025, the book value attributable to the Group was HK$1,422 million. The tenants of Richgate Plaza include banks, sportswear, beauty salons and fashion. The Group has completed the refurbishment and repositioning of this shopping mall and has achieved significant rental improvement with tenancy upgrade.

Residential Properties Development – Couture Homes

Couture Homes was formally launched in 2010 to meet the demand of premium lifestyle residences which target potential customers who are willing to pay a premium for bespoke design and furnishings.

Set out below are the details of the Group's certain major residential development projects as at 30 September 2025:

Dukes Place, 2 residential units, 4 car parks and 1 motorcycle parking space at No. 47 Perkins Road, Jardine's Lookout, Hong Kong

In December 2012, the Group acquired an old building at this site for redevelopment. In 2020, following extensive construction work, the new luxury residential tower is built. This luxury apartment project, which is located in an ultra-high net-worth neighbourhood, consisting of 16 spacious apartments with multiple layouts, with saleable area ranging from approximately 2,850 square feet to over 6,800 square feet. The Group holds a 60 per cent. interest in this project. The Group collaborated with an internationally renowned architect firm PDP London and with leading interior designers from the United Kingdom, France, Japan and Hong Kong in this masterpiece project. As at 30 September 2025, the book value attributable to the Group was HK$302 million. The Group has seen improving buying interest of ultra-luxury units after the U.S. Federal Reserve rate cut in September 2024 and sold an additional two duplex units since then. As at 30 September 2025, the Group has sold a substantial majority of units in the project.

Knightsbridge, No. 90 and No. 92 Jinbao Street, Dongcheng District, Beijing, PRC

In May 2017, the Group with its partner acquired Knightsbridge residential units, which consist of 114 apartments and 124 car parking spaces with a total GFA of approximately 396,000 square feet, located in Beijing. The Group holds a 65 per cent. interest in this project. The surrounding area of this site is one of the most prime locations in Beijing and is adjacent to the Regent Hotel and the Hong Kong Jockey Club Beijing Clubhouse. Extensive renovation work was done and sales of the units have commenced at the beginning of 2021. Sales of the units are well underway with over 95 of the total 114 refurbished units sold at solid pricing as at 30 September 2025, demonstrating resilient demand from affluent mainlanders for high-end luxury residential properties in the Mainland China. As at 30 September 2025, the book value attributable to the Group was HK$361 million. As at 30 September 2025, the Group has sold the majority of the units with 15 refurbished units remaining.

House B, "8-12 Peak Road", No. 10 Peak Road, The Peak, Hong Kong

In October 2015, the Group acquired with a partner a house at No. 10 Peak Road, The Peak, Hong Kong. In 2021, the Group acquired the remaining 35 per cent. interest in the house. The Group currently holds a 100 per cent. interest in this project. The property was a rare purchase in the premier residential area on the Peak in Hong Kong. As at 30 September 2025, the book value attributable to the Group was HK$474 million. The Group entered into sales agreement to sell the luxury house during the six months ended 30 September 2025.

Cadenza, No. 333 Fan Kam Road, Sheung Shui, New Territories, Hong Kong

In May 2015, the Group won a government tender to acquire this land site for a total consideration of HK$302 million. The Group holds a 92 per cent. interest in this project. The site area is approximately 69,000 square feet with total saleable area of approximately 39,000 square feet. This project comprises 6 luxurious villas with each villa providing a saleable area of approximately 6,000 square feet. Each villa includes an exquisite private garden and swimming pool, setting the benchmark for the true dream country houses. The project is a mere three-minute drive from the acclaimed Hong Kong Golf Club at Fanling, with easy accessibility to the Mainland China for cross border travellers. As at 30 September 2025, the book value attributable to the Group was HK$471 million. The Group sold one of the villas in the second half of the year ended 31 March 2025. The Group entered into sales agreement to sell one more house during the six months ended 30 September 2025.

No. 44 Stanley Village Road, Stanley, Hong Kong

In October 2016, the Group acquired with a partner No. 44 Stanley Village Road for a consideration of approximately HK$780 million for the site of around 82,300 square feet. The Group holds a 50 per cent. interest in this project. As at 30 September 2025, the book value attributable to the Group was HK$408 million. The site is located adjacent to Stanley Knoll, a high-end residential area in Stanley with a stunning view of Stanley Bay. The Group is working closely with the relevant government authorities on the preservation plan for this site for which the rezoning plan has been approved.

One Park Place, Yau Tong, Kowloon, Hong Kong

The Group acquired a residential site at Yau Tong with its joint venture partner Sino Land Company Limited through a tender of the Mass Transit Railway ("**MTR**") in May 2018 for a total consideration of approximately HK$2.64 billion. The Group holds a 20 per cent. interest in this project. Such property is located near the Yau Tong MTR station and has developed into a property of around 500 units at this convenient residential site in Kowloon East. The presale of the residential units has commenced in November 2025. As at 30 September 2025, the book value attributable to the Group was HK$753 million.

High Peak, No. 23 Po Shan Road, Mid-Levels, Hong Kong

In 2015, the Group acquired with other joint venture partners a residential land lot at No. 23 Po Shan Road in Hong Kong. In May 2021, the Group acquired an additional 10 per cent. stake in the project and the Group's interest in this project raised to 30 per cent. The residential site has a total GFA of approximately 79,000 square feet. As at 30 September 2025, the book value of remaining 14 units attributable to the Group was HK$803 million.

Deep Water Pavilia, MTR Wong Chuk Hang Station Package Five Property Development Site E of Aberdeen Inland Lot No. 467, 11 Heung Yip Road, Aberdeen, Hong Kong

In January 2021, the Group joined with a consortium formed with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and Lai Sun Development Company Limited, which won the tender for the Wong Chuk Hang Station Package Five Property Development. The Group holds a 15 per cent. interest in this project. As at 30 September 2025, the book value attributable to the Group was HK$2,217 million. This prime property, namely "Deep Water Pavilia", is located on top of the Wong Chuk Hang MTR station mall podium and can be developed into a total GFA of around 636,000 square feet. The units to be built will have excellent unblocked views of the Ocean Park Hong Kong and Deep Water Bay, creating a prime haven for premium residential units at this convenient address with five-minute MTR access to prime area of Central. Construction of superstructure has commenced with target project completion in 2026. Presales of Phase 5A of the residential units have already commenced in June 2025 with solid buyer interest, over 640 units presold and with top pricings being achieved for some superior high floor units via the tender process.

No. 92 Repulse Bay Road, Repulse Bay, Hong Kong

In March 2020, the Group acquired with a joint venture partner a residential land lot at No.92 Repulse Bay Road in Hong Kong. The Group is considering the various options available including sale of the site or the redevelopment into a new luxury residential house at this site. The residential site has a total GFA of approximately 9,000 square feet. The Group holds a 50 per cent. interest in this project. As at 30 September 2025, the book value attributable to the Group was HK$335 million.

No. 24 Middle Gap Road, The Peak, Hong Kong

The Group holds a 40 per cent. interest in this residential redevelopment project located at No.24 Middle Gap Road, The Peak, Hong Kong. The residential site has a total GFA of approximately 8,000 square feet. The old residential structure has been demolished and the Group is in the process of commencing a redevelopment into a new luxury detached residential house. As at 30 September 2025, the book value attributable to the Group was HK$355 million.

No. 15 Shouson, No. 15 Shouson Hill Road West, Hong Kong

In 2019, the Group purchased the joint venture stake of the residential project from another developer. The project has a total of 15 luxury detached houses in this luxury area at the Southside. The total saleable area of the project amounts to approximately 97,000 square feet. The sales of the houses are well underway and a total of seven luxury houses were sold as at the end of March 2025. The book value attributable to the Group was HK$188 million as at 30 September 2025. The Group entered into agreement to sell one more luxury house during the six months ended September 2025.

Nos. 152-164 Wellington Street, Central, Hong Kong

In 2021, the Group completed the acquisition of all ownership interest at Nos. 152-164 Wellington Street and Nos. 1-2 Wa On Lane, Central, Hong Kong for a total consideration of approximately HK$1,314 million. The site has a total GFA of approximately 69,000 square feet. The site has been approved by the government for the redevelopment into a residential building. The book value attributable to the Group was HK$1,314 million as at 30 September 2025. The Group is planning to commence the redevelopment of the site into a residential tower in second half of 2026.

Asset Value

The Group's properties held for sale are stated at the lower of cost and net realisable value on an individual property basis in accordance with current accounting standards. The principal assets of the Group's joint ventures are properties held for sale and stated at the lower of cost and net realisable value in accordance with HKFRS Accounting Standards.

In order to fully reflect the underlying economic value of the properties held for sale by the Group and its joint ventures, the Group considers it appropriate also to present supplementary information on the Group's statement of net assets on the same basis as if the Group were to state its properties held for sale at their open market valuations as at 30 September 2025.

	As at 30 September 2025
	(HK$'m)
	(unaudited)
Net assets attributable to owners of the Guarantor	12,955
Add: Attributable revaluation surplus relating to the Group's properties held for sale as per independent valuation[(1)]	815
Attributable revaluation surplus relating to the Group's properties held for sale by joint ventures as per independent valuation[(1)]	900
Net assets attributable to owners of the Guarantor as if the properties held for sale and interests in joint ventures were stated at open market value[(2)]	14,670
Net assets per ordinary share as if the properties held for sale and interests in joint ventures were stated at open market value[(3)]	1.14

Notes:

(1) Based on latest open market valuations as most applicable dates of 30 September 2025 as carried out by independent firms of qualified professional valuers not connected to the Group (the value of which has been slightly adjusted due to the RMB to HK$ exchange rate) or actual transaction prices or estimated based on average transaction price as specified in "Description of the Group – Major Properties".

(2) Deferred tax liabilities have not been provided for the attributable revaluation surplus of the properties held for sale.

(3) Net assets per ordinary share calculated based on 12,893.7 million shares in issue as at 30 September 2025.

Borrowings

As at 30 September 2025, the Group's total net external borrowings comprising of bank borrowings and notes payable (net of cash and bank balances and cash held by securities brokers) amounted to HK$6,174 million (as compared with HK$7,990 million, HK$7,661 million and HK$7,819 million, respectively, comprising of bank borrowings and guaranteed notes (net of cash and bank balances and cash held by securities brokers) as at 31 March 2023, 2024 and 2025).

The Group's short-term bank borrowings increased from HK$2,064 million as at 31 March 2023 to HK$3,877 million as at 31 March 2024, decreased to HK$1,113 million as at 31 March 2025 and subsequently increased to HK$1,546 million as at 30 September 2025. The Group's long-term bank borrowings decreased significantly from HK$6,792 million as at 31 March 2023 to HK$4,006 million as at 31 March 2024, increased to HK$5,812 million as at 31 March 2025, and decreased to HK$5,108 million as at 30 September 2025. As a result, the Group's total bank borrowings have gradually decreased in recent years, falling from HK$8,856 million as at 31 March 2023 to HK$7,883 million as at 31 March 2024, further to HK$6,925 million as at 31 March 2025 and HK$6,654 million as at 30 September 2025.

The Group's ratio of total debt (bank and other borrowings) to total assets was 40.2 per cent., 38.8 per cent, 41.1 per cent. and 37.3 per cent., respectively, as at 31 March 2023, 2024, 2025 and 30 September 2025. The bank borrowings were mainly denominated in Hong Kong dollars and Renminbi, which were on a floating rate basis at either bank prime rate lending rates or short-term inter-bank offer rates. As at 30 September 2025, the Group's bank borrowings had an effective interest rate ranging from 1.63 per cent. to 5.99 per cent. per annum.

The following table sets out the maturity profile of the Group's bank borrowings as at 30 September 2025:

	As at 30 September 2025
	(HK$'m)
	(unaudited)
Within 1 year	1,545.6
Between 1 to 5 years	4,766.0
Over 5 years	342.3
Total	6,653.9

Competition

The Group competes with other property investment holding companies engaged in property repositioning, development and investment in Hong Kong, the PRC and Macau for the acquisition of suitable commercial and/or residential properties. The Group has entered into a number of strategic joint venture arrangements with certain of its competitors which are typically project-based only, and such arrangements do not restrict them from competing with the Group on other projects. New competitors entering the market would also make it more competitive for the Group to acquire suitable properties but the Group believes that its cumulative experience in property investment, development, leasing and management enable it to compete effectively with its competitors.

Intellectual Property

The Group has obtained trademarks in Hong Kong in relation to its "Couture Homes", "Couture Heritage" and "Couture Living". The Group has filed applications for trademark registration in the PRC in relation to its "Couture Homes" and "CSI Properties" brands. As of the date of this Offering Circular, there have been no instances of any material abuse of the Group's intellectual property rights.

Insurance

The Group is covered by industry-standard insurance policies arranged with reputable insurance companies which cover loss of rental, fire, flood, riot, strike, malicious damage, other material damage to property and development sites, business interruption and public liability.

The Group believes that its properties are covered with adequate insurance provided by reputable independent insurance companies and with commercially reasonable deductibles and limits on coverage. Notwithstanding the Group's insurance coverage, damage to the Group's buildings, facilities, equipment or other properties as a result of occurrences such as fire, floods, water damage, explosion, power loss, typhoons and other natural disasters could nevertheless have a material adverse effect on the Group's financial condition and results of operations.

Employees

As at 30 September 2025, the total number of employees of the Group was 94. The Group's employees are remunerated in line with the prevailing market terms as well as with reference to individual performance, with remuneration packages and policies reviewed on a regular basis. In addition to salaries, discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee.

Retirement benefit schemes

The Group participates in a Mandatory Provident Fund Scheme ("**MPF Scheme**") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contributions payables in the future years.

The Group also operates a defined contribution retirement scheme for all qualifying employees in Macau. The assets of the scheme are held separately from those of the Group in funds under control of independent trustees. The retirement scheme cost recognised in profit or loss represents contributions payable to funds by the Group at rates specified in the rules of the scheme. Where there are employees of the Group who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The employees employed by the operations in the PRC are members of the state managed retirement benefit schemes operated by the PRC government. The PRC operations are required to contribute a certain percentage of payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make specified contributions.

Contributions to retirement benefits schemes of the Group amounted to HK$6,388,000, HK$6,063,000, HK$5,306,000, HK$2,993,000 and HK$2,636,000, and were charged to the consolidated statement of profit or loss, respectively, for the years ended 31 March 2023, 2024 and 2025 and for the six months ended 30 September 2024 and 2025.

Environmental and Safety Matters

The Group believes that as at the date of this Offering Circular, it is in compliance in all material respects with applicable environmental regulations in Hong Kong, Macau and the PRC which relate to its business and operations. As at the date of this Offering Circular, the Group is not aware of any environmental proceedings or investigations to which it is or might become a party.

Government Regulations

The operations of the Group are subject to various laws and regulations in Hong Kong, Macau and the PRC. The Group's activities conducted on its investment and development properties are limited by zoning ordinances and other regulations. Developing properties, refurbishment and other redevelopment projects require government permits, some of which may take a longer time to obtain than others. The Group's properties are subject to routine inspections by government officials in relation to various safety and environmental issues. The Group believes that, as at the date of this Offering Circular, it is in compliance in all material respects with government safety regulations currently in effect. The Group has not experienced significant problems with any regulation with regard to these issues, and is not aware of any pending legislation on these issues that might have a material adverse effect on its properties.

Legal Proceedings

The Group is involved in litigation as part of its day-to-day business. As at the date of this Offering Circular, the Group is not involved in any litigation which would have a material adverse effect on the business or financial position of the Group.

Financial Guarantee Contracts

	As at 30 September 2025
	(HK$'000)
	(unaudited)
Guarantees given by the Group for banking facilities granted to:	
Joint ventures	6,589,112
Associates	1,205,296
	7,794,408
and utilised by:	
Joint ventures	6,209,367
Associates	928,096
	7,137,463

Recent Developments

Key disposal transactions subsequent to 30 September 2025

Subsequent to 30 September 2025, the Group has sold additional residential properties.

The Group entered into sales agreement for two additional house at the "Cadenza" project with sales completion at December 2025 and July 2026.

The Group entered into sales agreement for the remaining penthouse unit at the Duke's Place project with sales completion at February 2026.

The Group also entered into sales agreements for three additional luxury houses at No. 15 Shouson Hill with sales completion all within the first quarter of 2026.

The Group entered into sales agreements for eight additional luxury residential unit at the "High Peak", No 23 Po Shan Road, with sales completion for five of them completed at December 2025 and March 2026. The remaining three units are set for completion at late May, July and August 2026.

Refinancing of banking facilities by Southwater Hong Kong Limited

On 13 November 2025, the Guarantor (as guarantor) and Southwater Hong Kong Limited, a joint venture company (as borrower, the attributable equity interest to the Guarantor of which is 50 per cent.), entered into a facility agreement in relation to term loan facilities in the aggregate amount of HK$6,111,000,000 for refinancing certain banking facilities.

Disposal of investment

On 15 May 2026, Trade Sector Limited (the "**Seller**"), an indirect wholly-owned subsidiary of the Guarantor, entered into the sale and purchase agreement with AIP SFII Aggregator Pte. Ltd. and AIP Amber I Holdco Pte. Ltd. (together, the "**Purchasers**"), pursuant to which (i) the Seller conditionally agreed to sell, and the Purchasers have conditionally agreed to purchase, 4,990 ordinary shares (the "**Sale Shares**") of Action Soar Investments Limited (the "**Target Company**"), representing 49.9 per cent. of issued share capital of the Target Company; and (ii) the Seller has conditionally agreed to assign to the Purchasers the interest-free shareholder loans in the aggregate principal amount of AU$39,005,307, for the aggregate consideration of AU$29,940,000 (subject to a downward adjustment by an amount equal to the sum of all distributions in respect of the Sale Shares paid or made after 31 December 2025 through (and including) the completion date).

Upon completion, the Seller's shareholding in the Target Company will be reduced from 56.06 per cent. to 6.16 per cent. The Target Company is not a subsidiary of the Guarantor as of 15 May 2026 and both immediately before and after the completion. Accordingly, the financial results, assets and liabilities of the Target Company are currently not, and will following completion continue not to be, consolidated into the accounts of the Group.

While the disposal is expected to be completed at a discount to the Group's historical net investment cost and the Group is expected to record a loss from the disposal, the Group considers that the disposal nonetheless represents a timely opportunity for the Group to realise its investment in the Target Company and to crystallise value at the current prevailing market conditions, thereby avoiding the risk of further deterioration in value. The net proceeds from the disposal will strengthen the Group's cash position and provide the Group with additional financial flexibility to deploy capital towards general working capital or other investment/business opportunities.

DIRECTORS

The members of the Board as at the date of this Offering Circular are as follows:

Name	Position
CHUNG Cho Yee, Mico	Chairman and Executive Director
KAN Sze Man	Executive Director
CHOW Hou Man	Executive Director
HO Lok Fai	Executive Director
LEUNG King Yin, Kevin	Executive Director
CHUNG Yuen Tung, Jasmine	Executive Director
YIP Chai Tuck	Executive Director
LO Hing Hung	Non-Executive Director
LO Wing Yan, William, *JP*	Independent Non-Executive Director
SHEK Lai Him, Abraham, *GBS, JP*	Independent Non-Executive Director
CHAK Hubert	Independent Non-Executive Director
YIP Ka Kay	Independent Non-Executive Director

Chairman and Executive Director

Mr. Chung Cho Yee, Mico, Chairman and Executive Director of the Guarantor, joined the Group in 2004. He is a director of certain subsidiaries of the Guarantor. He is also the chairman of the Executive Committee and the Nomination Committee, and a member of the Remuneration Committee of the Board. Mr. Chung graduated from University College London in the United Kingdom, with a law degree in 1983 and qualified as a solicitor in Hong Kong in 1986. Mr. Chung is currently a non-executive director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, the shares of which are listed on the Stock Exchange. Mr. Chung is the father of Ms. Chung Yuen Tung, Jasmine, an executive director of the Guarantor. He is also the brother-in-law of Mr. Kan Sze Man, an executive director and Deputy Chief Executive Officer of the Guarantor.

Executive Directors

Mr. Kan Sze Man, Deputy Chief Executive Officer, joined the Group as Group General Counsel in 2001 and served as the Chief Operating Officer of the Group from 2016 until 28 February 2025. He is a director of certain subsidiaries and associates of the Guarantor, and a member of the Executive Committee of the Board. Mr. Kan is a qualified solicitor by profession. He graduated from Wadham College, University of Oxford in the United Kingdom in 1993 and qualified as a solicitor in Hong Kong in 1997. He has worked in the commercial department of a Hong Kong law firm and a U.K. city firm, until joining Hikari Tsushin International Limited (now known as China Oil and Gas Group Limited) as its senior vice president and legal counsel in early 2000. Mr. Kan is the brother-in-law of Mr. Chung Cho Yee, Mico, the Chairman and the controlling shareholder of the Guarantor. He also is the uncle of Ms. Chung Yuen Tung, Jasmine, an executive director of the Guarantor.

Mr. Chow Hou Man, Executive Director – Operations and Finance, joined the Group in 2001 and was Group Chief Financial Officer up to 7 February 2025. He is a director of certain subsidiaries and associates of the Guarantor, and a member of the Executive Committee of the Board. Mr. Chow graduated from The Hong Kong Baptist University and holds a Master of Business Administration degree from The Hong Kong Polytechnic University. He has over 20 years of financial experience in various companies listed in Hong Kong and overseas and in an international firm of certified public accountants. He is a member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Mr. Ho Lok Fai, joined the Group in 2005. He is a deputy managing director/director of certain subsidiaries and associates of the Guarantor, and a member of the Executive Committee of the Board. Mr. Ho has been involved in the commercial property investment and agency business since 1991, having over 30 years of solid and proven experience specialising in the investment in Grade A and B offices in Hong Kong. He is responsible for investment in commercial properties, leasing matters, and the property management business for offices and industrial properties of the Group. He possesses exceptional acumen and insight in the property market business, with comprehensive understanding of extensive clientele in commercial property investments; extensive and reliable connection with the reputable estate agents in the commercial property market for which he can readily procure to dispose commercial and development projects of the Group into the market in the most profitable and efficient manner. For many years, he has achieved very satisfactory results and performance for those projects or investments that he has been involved in.

Mr. Leung King Yin, Kevin, joined the Group in 2021 and was appointed as managing director of development in May 2021. He is a director of a subsidiary and associates of the Guarantor, and a member of the Executive Committee of the Board. He is the head of the project management and development department of the Group, leading a team of project managers and surveyors in managing a variety of residential and commercial projects in Hong Kong. Prior to joining the Group, he was the general manager/project director of a number of sizable listed companies. He has over 30 years of experience in the property development field with a variety of portfolio including residential, commercial and hotel developments in Hong Kong, Mainland China and Canada. He holds a Bachelor degree of Architecture from the University of Melbourne. He is a registered architect and an authorized person under the BO, with extensive project management experience.

Ms. Chung Yuen Tung, Jasmine, joined the Group in 2017. She is a member of the Executive Committee and the Nomination Committee of the Board. Ms. Chung holds a Bachelor of Arts degree with a major in Economics from New York University. Ms. Chung is responsible for driving corporate development strategy to optimise business units, sales and marketing functions of the Group. She also plays an active role in promoting the Group's Environmental, Social and Governance initiatives and integrating corporate branding strategy. Ms. Chung is the daughter of Mr. Chung Cho Yee, Mico, the Chairman and the controlling shareholder of the Guarantor. She is also the niece of Mr. Kan Sze Man, an executive director and Deputy Chief Executive Officer of the Guarantor.

Mr. Yip Chai Tuck, joined the Group in 2025. He is a member of the Executive Committee of the Board. He has extensive experience in corporate management, business development and investment banking. Before joining the Group, he was the chief executive officer of Media Asia Group Holdings Limited (whose shares were delisted from the GEM of the Stock Exchange on 20 March 2023 with previous stock code: 8075) between February 2024 and April 2025 and the executive director of eSun Holdings Limited (listed on the Main Board of the Stock Exchange with stock code: 571) from February 2014 to April 2025. Mr. Yip was also an executive director of Media Asia Group Holdings Limited from July 2014 until its shares were delisted from the Stock Exchange, and the chief executive officer of Lai Sun Garment (International) Limited (listed on the Main Board of the Stock Exchange with stock code: 191) from August 2013 to February 2024.

Prior to joining the Lai Sun Group in 2013, he was also a managing director of Goldman Sachs and head of M&A for China. Mr. Yip had also worked for PCCW Limited as vice president of ventures and M&A, responsible for strategic investments and M&A transactions.

He graduated from Macquarie University, Australia with a Bachelor of Economics (Accounting) degree.

Mr. Yip is the Honorary Consul of Fiji in Hong Kong. He is currently a member appointed by the HKSAR Government on the Hong Kong Securities and Futures Appeals Tribunal. He had also served on the board of directors of the Hong Kong Film Awards Association.

Non-Executive Director

Mr. Lo Hing Hung, joined the Group in 2025. He is currently the Managing Director, Principal – Investments, and a member of the Investment Committee of Gaw Capital Partners. Prior to joining Gaw Capital Partners, Mr. Lo served as director of Wachovia Bank, in charge of real estate debt and equity investments in the Greater China. He worked as Head of Investments for both Jones Lang LaSalle and DTZ in Hong Kong for over 15 years. Mr. Lo graduated from the Hong Kong Polytechnic University and has been a Chartered Surveyor since 1989.

Independent Non-Executive Directors

Dr. Lo Wing Yan, William, ***JP***, joined the Group in 2014. He is the chairman of the Remuneration Committee, and a member of the Audit Committee and the Nomination Committee of the Board. Dr. Lo is a distinguished business leader, entrepreneur, educator, and molecular neuroscientist with a multifaceted career spanning various industries. Known for his strategic acumen and visionary leadership, Dr. Lo has made significant contributions to telecommunications, technology, retails, finance, media, and education. Dr. Lo is a Founding Governor of The Independent Schools Foundation Academy, one of the most well-known independent schools in HK, he is also a Founding Governor and Chairman of the Charles K Kao Foundation for Alzheimer's Diseases as well as a Chairman of Junior Achievement Hong Kong since 2013.

Dr. Lo began his illustrious career as a strategy consultant with McKinsey & Company in the 1980s. He later transitioned to Hong Kong Telecom IMS Ltd in the 1990s, where he served as Managing Director. During his tenure, he pioneered the launch of Netvigator, Hong Kong's largest internet service provider, and iTV, the world's first interactive on-demand TV service, now known as NowTV.

He further expanded his influence in the business world as the CEO of Citibank Hong Kong and Macau, where he oversaw significant growth and innovation in the late 90's. He also held the position of Non-Executive Chairman of WPP Greater China, the world's largest communications services group, and served as Executive Director and Vice President of China Unicom, one of China's major state-owned telecommunications operators.

In addition to these roles, Dr. Lo has held key leadership positions such as Vice Chairman of I.T Limited, a major fashion conglomerate, South China Media Group, a renowned magazine publishing group, and Kidsland International Holdings Ltd., the largest children's and toy retail group in Greater China. Dr. Lo is the also founder of Da Z Masterclass, a digital knowledge platform designed to democratize education and provide access to courses across various fields taught by top notch Chinese Masters.

Dr. Lo's academic journey began at St. Louis School in Hong Kong, followed by earning an MPhil in Molecular Pharmacology and a PhD in Molecular Neuroscience from Cambridge University in 1987.

Dr. Lo has been actively involved in public service and community engagement, serving on numerous Hong Kong SAR Government committees, including the Central Policy Unit, Broadcasting Authority, HKEx Listing Committee, Applied Science and Technology Research Institute, and Education Commission. He is currently a honorary member of the Advisory Committee of the School of Chinese Medicine at Hong Kong Baptist University, the Institute of Web 3.0 HK, the Hong Kong Proptech Association, our Hong Kong Foundation and a Board Governor of the Hong Kong Adventist Hospital Foundation.

Dr. Lo's contributions to business and society have been widely recognized. He was named one of the "Global Leaders for Tomorrow" by the World Economic Forum in 1996, an accolade that honors individuals poised to shape the future. In 1999, he was appointed as a Justice of the Peace (JP) by the Hong Kong SAR Government, recognizing his outstanding community service and dedication.

Dr. Lo's leadership and impact have also been acknowledged with his appointment to various prestigious roles, including being the leader of a FinTech research project by the United Nations Economic and Social Commission for Asia and the Pacific's Banking and Finance sector in 2019. He was also appointed as an expert committee member of the GP Capital Research Institute of Shanghai GP Capital. In addition, Dr. Lo is a Board Mentor at Criticaleye, where he provides strategic guidance and mentorship to senior executives and board members.

Over the past three decades, Dr. Lo has served as a director for more than twenty publicly listed companies across Hong Kong, the United States, Singapore, and the United Kingdom.

Dr. Lo is an independent non-executive director of Television Broadcasts Limited, OCI International Holdings Limited, CWT International Limited and NetDragon Websoft Holdings Limited, the shares of all of which are listed on the Stock Exchange. Also, Dr. Lo is an independent non-executive director of Regencell Bioscience Holdings Limited (NASDAQ: RGC).

Dr. Lo was an independent non-executive director of Jingrui Holdings Limited up to December 2024 and Oshidori International Holdings Limited up to July 2023, the shares of all of which are listed on the Stock Exchange.

Mr. Shek Lai Him, Abraham, ***GBS, JP***, joined the Group in 2018. He is a member of the Audit Committee of the Board. Mr. Shek obtained a bachelor degree of arts and a diploma in education in the University of Sydney in May 1969 and March 1970 respectively. Mr. Shek also obtained a Juris Doctor Degree in The City University of Hong Kong in June 2022. He became the honorary fellow of Lingnan University, The Hong Kong University of Science and Technology, The University of Hong Kong and The Education University of Hong Kong in November 2008, June 2014, September 2016 and March 2018, respectively. In addition to his achievements in the academic field, Mr. Shek has also earned certain honorary titles in various ambits. He was appointed as Justice of the Peace in July 1995 and awarded the Silver Bauhinia Star and Gold Bauhinia Star in the Hong Kong Special Administrative Region 2007 and 2013 Honors Lists respectively. He was a member of the advisory committee board of the Independent Commission Against Corruption from 2017 to 2022. Mr. Shek is currently an honorary member of the Court of The Hong Kong University of Science and Technology, a member of the Court of The City University of Hong Kong and a member of the Court of The Hong Kong Metropolitan University.

In addition, Mr. Shek is the chairman and non-executive director of JY Grandmark Holdings Limited, the shares of which are listed on the Stock Exchange. He is an independent non-executive director of the following listed companies, the shares of all of which are listed on the Stock Exchange: Paliburg Holdings Limited; Chuang's Consortium International Limited; CTF Services Limited (formerly known as NWS Holdings Limited); Chuang's China Investments Limited; ITC Properties Group Limited; Lai Fung Holdings Limited; Cosmopolitan International Holdings Limited; Everbright Grand China Assets Limited; Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust; Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust; Far East Consortium International Limited; Shin Hwa World Limited (formerly known as Landing International Development Limited) and Hao Tian International Construction Investment Group Limited.

Mr. Shek was the chairman and an executive director of Goldin Financial Holdings Limited up to October 2023, the shares of which were delisted from the Stock Exchange in October 2023.

Mr. Shek was also an independent non-executive director of the following companies: Alliance International Education Leasing Holdings Limited (formerly known as International Alliance Financial Leasing Co., Ltd) up to April 2026, China Resources Building Materials Technology Holdings Limited (formerly known as China Resources Cement Holdings Limited) up to October 2025 and Country Garden Holdings Company Limited up to March 2024, the shares of all of which are listed on the Stock Exchange.

Mr. Chak Hubert, joined the Group in 2025. He is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Board. He is currently an executive director and the Chief Executive Officer of SF REIT Asset Management Limited ("**SF REIT Manager**"), the manager of SF Real Estate Investment Trust ("**SF REIT**") (listed on the Main Board of the Stock Exchange with stock code: 2191) and is also one of the Responsible Officers of SF REIT Manager. Mr. Chak retired as an executive director and the Chief Executive Officer of SF REIT Manager with effect from the conclusion of the annual general meeting of SF REIT held on 12 May 2026 but will remain as a Responsible Officer of SF REIT Manager. He is currently an independent non-executive director of Tradelink Electronic Commerce Limited (listed on the Main Board of the Stock Exchange with stock code: 536).

Mr. Chak joined Link Asset Management Limited, a wholly-owned subsidiary and the Manager of Link Real Estate Investment Trust (listed on the Main Board of the Stock Exchange with stock code: 823) in June 2010 and was its Director of Finance when he left in December 2018. Prior to that and for a brief tenure afterwards, Mr. Chak held two positions within the Group: he was (a) an executive Director of the Guarantor from April 2007 to May 2010; and (b) a responsible officer of CSI Asset Management Limited (a subsidiary of the Guarantor) from January to November 2020. Mr. Chak has ceased to hold any position in the Group after November 2020. He also held various senior management positions at Pacific Century Group between October 1999 and February 2007 and was an executive director of Pacific Century Premium Developments Limited (listed on the Main Board of the Stock Exchange with stock code: 432) from May 2004 to February 2007.

Mr. Chak began his career with KPMG in Hong Kong and worked as an investment banker between 1990 and 1999. He holds a Master of Business Administration degree and a Bachelor of Science degree in Mechanical Engineering from University of Wales (now known as Cardiff University).

Mr. Yip Ka Kay, joined the Group in 2025. He is a member of the Nomination Committee of the Board. Mr. Yip is the managing director and responsible officer of GRE Investment Advisors Limited, a Hong Kong Securities and Futures Commission licensed advisor to NM Strategic Management, LLC and licensed manager to QLA Investment GP SÀRL.

Mr. Yip is also an independent non-executive director of Shun Tak Holdings Limited (listed on the Main Board of the Stock Exchange with stock code: 242) and a non-executive director of VCREDIT Holdings Limited (listed on the Main Board of the Stock Exchange with stock code: 2003).

Mr. Yip has extensive experience in private equity, alternative and portfolio investment. He was previously the managing director and responsible officer of Bosera Asset Management (International) Co., Limited in Hong Kong. Prior to that, he was a founding and senior partner of General Enterprise Management Services (HK) Limited, a private equity management company. He was also previously a vice president of JP Morgan International Capital Corporation.

Mr. Yip is currently a member of the Investment Advisory Committee of EQT Partners, a leading private equity group in Europe, which works with portfolio companies to achieve sustainable growth, operational excellence and market leadership.

Mr. Yip holds an A.B. Degree in Economics (magna cum laude) from Harvard University, and is currently a member of Dean's Asia Advisory Committee of Harvard University's Faculty of Arts and Sciences. He sits as a non-scientific member of the Institutional Review Board of the University of Hong Kong/Hospital Authority Hong Kong West Cluster and is a member of the Routine and Expedited Panel of the Hospital Authority Central Institutional Review Board. He was chairman emeritus of the Hong Kong Venture Capital and Private Equity Association. He had also served on the Financial Services Advisory Committee of the Trade Development Council of the Hong Kong Special Administrative Region of the People's Republic of China.

The Board of Directors of the Guarantor

The Guarantor has four Board committees, namely, the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**"), the nomination committee (the "**Nomination Committee**") and the executive committee (the "**Executive Committee**"), for overseeing particular aspects of the Guarantor's affairs.

Audit Committee

The main role and function of the Audit Committee are to consider the application of financial reporting, risk management and internal control principles and to maintain an appropriate relationship with the external auditors of the Guarantor. Currently, the Audit Committee comprises three independent non-executive directors ("**INEDs**") of the Guarantor, namely, Mr. Chak Hubert, Dr. Lo Wing Yan, William, *JP* and Mr. Shek Lai Him, Abraham, *GBS, JP*. The chairman of the Audit Committee is Mr. Chak Hubert.

Remuneration Committee

The Remuneration Committee was established on 21 July 2005, with written terms of reference which clearly state its authority and duty to fix the remuneration package for all directors with formal and transparent procedures. The main roles and functions of the Remuneration Committee are to formulate reward packages for senior management and individual executive directors. The Remuneration Committee will consult the Chairman of the Board on the adequacy of the corporate remuneration policy and individual reward package, with particular reference to fairness, sufficiency of incentive elements and effective application of company resources.

Currently, the Remuneration Committee comprises two INEDs of the Guarantor, Dr. Lo Wing Yan, William, *JP* (the chairman of the Remuneration Committee) and Mr. Chak Hubert, and one executive director, Mr. Chung Cho Yee, Mico.

Nomination Committee

The Nomination Committee was established on 13 March 2012, with specific written terms of reference. The main roles and functions of the Nomination Committee are to review the structure, size and composition of the Board and the Board Diversity Policy; to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors; to identify, screen and recommend to the Board appropriate candidates to serve as directors of the Guarantor; and to assess the independence of each INED.

Currently, the Nomination Committee comprises, three INEDs of the Guarantor, Dr. Lo Wing Yan, William, *JP*, Mr. Chak Hubert and Mr. Yip Ka Kay, and two executive directors, Mr. Chung Cho Yee, Mico (the chairman of the Nomination Committee) and Ms. Chung Yuen Tung, Jasmine.

Executive Committee

The Executive Committee, comprised of the executive directors, was formed on 21 July 2005 with specific written terms of reference. The main roles and functions of the Executive Committee are to manage the day-to-day operations of the Group's business and make investment and divestment decisions for and on behalf of the Group, unless otherwise restricted by its terms of reference. In addition, the Executive Committee reviews the corporate and financial planning, investment and operation strategy of the Group, as well as monitoring the progress of the carrying out of Board decisions by the management. The Executive Committee reports its view and puts forward recommendations to the Board through the Chairman of the Board.

Currently, the Executive Committee comprises seven executive directors of the Guarantor, namely, Mr. Chung Cho Yee, Mico (the chairman of the Executive Committee), Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Ho Lok Fai, Mr. Leung King Yin, Kevin, Ms. Chung Yuen Tung, Jasmine and Mr. Yip Chai Tuck.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as at the date of this Offering Circular all of which are subject to changes and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It is emphasised that neither the Issuer, the Guarantor nor any other persons involved in the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.

BERMUDA

Tax

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Guarantor or by its shareholders who are resident outside Bermuda. The Guarantor has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to the Guarantor or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Guarantor in respect of real property owned or leased by the Guarantor in Bermuda.

Stamp duty

As an exempted company, the Guarantor is exempt from all stamp duties except on transactions involving "Bermuda property". This term relates essentially to real and personal property physically situated in Bermuda, including shares in local (as opposed to exempted companies). None of the Guarantor, the shareholders and the holders of the Notes, as the case may be (other than persons ordinarily resident in Bermuda), are subject to stamp duty or other similar duty in relation to the Notes (including the transfer thereof).

Corporate Income Tax Act 2023

The Corporate Income Tax Act (the "**CIT Act**"), effective for fiscal years beginning on or after 1 January 2025, imposes a 15 per cent. corporate income tax on Bermuda entities that are part of multinational enterprise groups with annual consolidated revenue of €750 million or more. As the Guarantor is not a Bermuda constituent entity of such a multi-national group, it is therefore not subject to tax under the CIT Act.

British Virgin Islands

As a company incorporated under the BVI Business Companies Act, the Issuer is exempt from all provisions of the Income Tax Act of the British Virgin Islands (including with respect to all dividends, interests, rents, royalties, compensation and other amounts payable by the Issuer to persons who are not persons resident in the British Virgin Islands). Capital gains realised with respect to any shares, debt obligations or other securities of the Issuer by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Act of the British Virgin Islands. No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to any shares, debt obligations or other securities of the Issuer, save for interest payable to or for the benefit of an individual resident in the European Union. The Issuer is required to pay an annual government fee which is determined by reference to the number of shares the Issuer is authorised to issue.

Hong Kong

The following summary of certain Hong Kong tax consequences of the purchase, ownership and disposition of the Notes is based upon laws, regulations, decisions and practice now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Notes should consult their own tax advisers concerning the application of Hong Kong tax laws to their particular situation as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**Inland Revenue Ordinance**") as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside of Hong Kong; or

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong; or

(c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a corporation) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business; or

(d) a corporation, other than a financial institution, and arises through or from carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance), even if the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (as defined in section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or redemption of the Notes will be subject to profits tax.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Notes will be subject to profits tax.

Stamp duty

No Hong Kong stamp duty is payable on the issue or transfer of the Notes.

Estate duty

There is no estate duty in Hong Kong, and thus no estate duty is payable under the Estate Duty Ordinance in respect of the Notes.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary' market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

The Hongkong and Shanghai Banking Corporation Limited (the "**Sole Lead Manager**") has, pursuant to a Subscription Agreement dated 21 May 2026 among the Issuer, the Guarantor and the Sole Lead Manager, agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the New Notes at the Issue Price (101.75 per cent. of their principal amount) (plus an amount corresponding to accrued interest from (and including) 21 May 2026 to (but excluding) the New Issue Date), any subsequent offering of the New Notes to investors may be at a price different from the Issue Price. The Issuer has agreed to pay the Sole Lead Manager certain fees and an underwriting commission, to reimburse the Sole Lead Manager for certain of its expenses in connection with the initial sale and distribution of the New Notes, and to indemnify the Sole Lead Manager against certain liabilities in connection with the offering and sale of the New Notes. The Sole Lead Manager is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the New Notes. The Sole Lead Manager and certain of its affiliates may have performed investment banking and advisory services for the Guarantor from time to time, for which they may have received customary fees and expenses. The Sole Lead Manager and certain of its affiliates may, from time to time, engage in transactions with and perform services for the Guarantor in the ordinary course of business.

The Sole Lead Manager and certain of its affiliates may purchase the New Notes and be allocated the New Notes for asset management and/or proprietary purposes but not with a view to distribution. The Sole Lead Manager and its respective affiliates may purchase the New Notes for its own accounts and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the New Notes and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the New Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the New Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the New Notes).

United States

The New Notes and the Guarantee of the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Sole Lead Manager has represented, warranted and undertaken to the Issuer and the Guarantor that it has not offered or sold, and will not offer or sell, any New Notes and the Guarantee of the Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of the Sole Lead Manager or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the New Notes and the Guarantee of the Notes.

Terms used in the paragraphs above have the meanings given to them by Regulation S under the Securities Act.

Prohibition of Sales to EEA Retail Investors

The Sole Lead Manager has represented, warranted and undertaken that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any New Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Sole Lead Manager has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any New Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other regulatory restrictions

The Sole Lead Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any New Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any New Notes in, from or otherwise involving the United Kingdom.

Hong Kong

The Sole Lead Manager has represented, warranted and undertaken that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any New Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

PRC

The Sole Lead Manager has represented, warranted and undertaken that the offer of the New Notes is not an offer of securities within the meaning of the PRC Securities Law or other applicable laws and regulations of the PRC and the New Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region), unless such offer or sale is made in compliance with all applicable and regulations of the PRC.

Singapore

The Sole Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Sole Lead Manager has represented, warranted and undertaken that it has not offered or sold any New Notes or caused the New Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any New Notes or cause the New Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The New Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Sole Lead Manager has represented, warranted and undertaken that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any New Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Bermuda

The Sole Lead Manager has acknowledged that: (i) this Offering Circular, the New Notes and any other document relating to the New Notes are not subject to, and have not received approval from either the Bermuda Monetary Authority or the Registrar of Companies in Bermuda and no statement to the contrary, explicit or implicit, is authorised to be made in this regard; (ii) for the purposes of the Companies Act 1981 of Bermuda (as amended), the New Notes are being offered on a private basis to investors who satisfy the criteria outlined in any of the documents relating to the New Notes; (iii) the New Notes may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda (as amended); (iv) non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation; and (v) engaging in the activity of offering or marketing the securities being offered in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

British Virgin Islands

This Offering Circular does not constitute and shall not be construed as an offer or solicitation to the public in the British Virgin Islands to subscribe for the New Notes. The New Notes shall not be acquired for the account or benefit of any person who is a resident of, or who is domiciled in, the British Virgin Islands, other than a Business Company incorporated pursuant to the BVI Business Companies Act in the British Virgin Islands that is not resident in the British Virgin Islands, nor to a custodian, nominee or trustee of any such person. The Sole Lead Manager has represented, warranted and undertaken that it has not and will not make any invitation to the public or any member of the public in the British Virgin Islands to purchase the New Notes and the New Notes may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law.

GENERAL INFORMATION

1. **Clearing Systems:** The Original Notes have been accepted for clearance through Euroclear and Clearstream. On the New Issue Date, the New Notes, upon issue, will be consolidated and form a single series with the Original Notes, and the Notes will be cleared through Euroclear and Clearstream. The securities codes for the Notes are as follows:

   Common Code: 304675403

   ISIN: XS3046754035

2. **Legal Entity Identifier:** 213800N7Q1FQC8CEUC74

3. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in the British Virgin Islands in connection with the issue and performance of the Notes. The Guarantor has obtained all necessary consents, approvals and authorisations in Bermuda in connection with the Guarantee of the Notes. The issue of the Notes was authorised by written resolutions of the directors of the Issuer dated 11 April 2025 and the giving of the Guarantee of the Notes was authorised by a meeting of the Executive Committee of the Board of Directors of the Guarantor held on 11 April 2025.

4. **Listing of the Notes:** The Original Notes are listed on the SGX-ST. Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note Certificate is exchanged for Individual Note Certificates. In addition, in the event that the Global Note Certificate is exchanged for Individual Note Certificates, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Individual Note Certificates, including details of the paying agent in Singapore, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

5. **No Material Adverse Change:** Except as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position or prospects of the Issuer, the Guarantor or the Group since 30 September 2025.

6. **Litigation:** Except as disclosed in this Offering Circular, neither the Issuer, the Guarantor nor any member of the Group is involved in any governmental, legal or arbitration proceedings which is material in the context of the issue of the Notes, nor is the Issuer, the Guarantor or any member of the Group aware that any such proceedings are pending or threatened.

7. **Available Documents:** Copies of the latest interim report, annual report, the most recently published consolidated financial statements of the Guarantor may be obtained free of charge, and copies of the Agency Agreement (which includes the form of the Global Note Certificate), the Deed of Covenant and the Deed of Guarantee, will be available for inspection at the specified office of the Guarantor at 31st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong during normal business hours, so long as any of the Notes are outstanding.

8. **Auditor:** The consolidated financial statements of the Group as at and for the years ended 31 March 2024 and 31 March 2025 have been audited by, and the condensed consolidated interim financial statements of the Group as at and for the six months ended 30 September 2025 have been reviewed by, Deloitte Touche Tohmatsu in Hong Kong, Certified Public Accountants and Registered Public Interest Entity Auditor.

9. **Issuer's Financial Statements:** Under British Virgin Islands law, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published, and does not propose to publish, any of its financial statements. The Issuer is, however, required to keep proper books of account as are sufficient to show and to explain its transactions and which will, at any time, enable the financial position of the Issuer to be determined with reasonable accuracy.

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The following are extracted from the audited consolidated financial statements of the Group as at and for the year ended 31 March 2024 together with the independent auditor's report as they appear in the 2024 annual report of the Guarantor, the audited consolidated financial statements of the Group as at and for the year ended 31 March 2025 together with the independent auditor's report as they appear in the 2025 annual report of the Guarantor, and the reviewed condensed consolidated financial statements of the Group as at and for the six months ended 30 September 2025 together with the independent auditor's review report as they appear in the 2025 interim report of the Guarantor.

References to page numbers in the audited consolidated financial statements refer to the original page numbers in the 2024 annual report and the 2025 annual report respectively, and cross-references to page numbers included in the independent auditor's reports are to such original page numbering. References to page numbers in the reviewed condensed consolidated financial statements refer to the original page numbers in the 2025 interim report, and cross-references to page numbers included in the independent auditor's report are to such original page numbering.

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Deloitte. 德勤

TO THE MEMBERS OF CSI PROPERTIES LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of CSI Properties Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 72 to 161, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") 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 are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Assessing the net realisable value of properties held for sale owned by the Group and the joint ventures	
As at 31 March 2024, the Group held a number of residential and commercial properties held for sale in Hong Kong and Macau. In addition, the Group also has interests in residential and commercial properties held for sale in Mainland China and Hong Kong through joint ventures which are equity accounted for in the consolidated financial statements. We identified the valuation assessment of properties held for sales, owned by the Group or through joint ventures (collectively referred to as the "Properties") as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with significant estimates involved in determining the net realisable value ("NRV"). As disclosed in note 4 to the consolidated financial statements, the determination of the NRV of Properties requires significant estimation, particularly in determining open market value with reference to the valuations carried out by the independent and qualified property valuers (the "Valuers") for the Properties. As at 31 March 2024, the Group had properties held for sale amounted to HK$5,598,042,000 whilst the joint ventures had properties held for sale that are attributable to the Group amounted to HK$7,251,375,000 and properties under development for sale that are attributable to the Group amounted to HK$10,664,303,000 as disclosed in notes 23 and 19 to the consolidated financial statements, respectively. For the year ended 31 March 2024, a net reversal of write-down of Group's properties held for sale amounting to approximately HK$40,992,000 has been recognised in the consolidated statement of profit or loss.	Our procedures in relation to assessing the NRV of the Properties included: • evaluating the competence, capabilities and objectivity of the Valuers; • assessing the appropriateness and reasonableness of the valuation methodology and significant estimation used in the valuations; and • checking the reasonableness of source data of significant estimation including open market value underlying the valuation to publicly available information of comparable properties.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgments associated with the determination of the fair value. The Group's investment properties are located in the Mainland China. As at 31 March 2024, the Group's investment properties amounted to HK$3,204,457,000 and represented 12.21% of the Group's total assets. For the year ended 31 March 2024, fair value loss on investment properties amounting to HK$36,069,000 has been recognised in the consolidated statement of profit or loss. All of the Group's investment properties are stated at fair value based on valuations carried out by the Valuers. The valuations are dependent on significant unobservable inputs that involve significant judgment including reversionary income and capitalisation rates. Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 17 to the consolidated financial statements.	Our procedures in relation to the valuation of the investment properties included: • evaluating the competence, capabilities and objectivity of the Valuers; • assessing the appropriateness and reasonableness of the valuation methodology and significant inputs used in the valuations; and • checking the reasonableness of source data of significant unobservable inputs including reversionary income and capitalisation rates underlying the valuation to publicly available information of comparable properties.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 THOSE CHARGED WITH GOVERNANCE 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 HKFRSs 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.

Those charged with governance are 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 solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, 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 HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism 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.

- 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.

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

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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 the independent auditor's report is Ms. Lee, Carmen Kar Man.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

27 June 2024

Consolidated Statement of Profit or Loss

For the year ended 31 March 2024

	NOTES	2024 HK$'000	2023 HK$'000
Revenue	5		
Sales of properties held for sale		1,343,298	545,879
Rental income		235,834	258,391
Total revenue		1,579,132	804,270
Cost of sales and services		(793,039)	(400,343)
Gross profit		786,093	403,927
Income from investments	7	44,463	64,965
(Losses) gains from investments	7	(126,312)	29,260
Other income	8	400,704	301,245
Fair value loss on investment properties	17	(36,069)	–
Impairment loss recognised on amounts due from joint ventures, under expected credit loss model		(554,926)	(29,913)
Other gains and losses	9	(114,291)	200,376
Administrative expenses		(231,469)	(281,079)
Finance costs	10	(663,740)	(495,558)
Share of results of joint ventures		62,263	239,251
Share of results of associates		(64,130)	(49,047)
(Loss) profit before taxation		(497,414)	383,427
Income tax credit (expense)	11	41,462	(18,327)
(Loss) profit for the year	12	(455,952)	365,100
(Loss) profit attributable to:			
Owners of the Company		(425,605)	335,654
Holders of perpetual capital securities	30	–	34,300
Non-controlling interests		(30,347)	(4,854)
		(455,952)	365,100
(Loss) earnings per share (HK cents)	15		
Basic		(4.59)	3.58

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	2024 HK$'000	2023 HK$'000
(Loss) profit for the year	(455,952)	365,100
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(94,234)	(232,217)
Share of exchange differences of joint ventures, net of related income tax	(53,349)	(183,494)
	(147,583)	(415,711)
Total comprehensive expense for the year	(603,535)	(50,611)
Total comprehensive expense attributable to:		
Owners of the Company	(573,188)	(80,057)
Holders of perpetual capital securities	–	34,300
Non-controlling interests	(30,347)	(4,854)
	(603,535)	(50,611)

Consolidated Statement of Financial Position

At 31 March 2024

	NOTES	2024 HK$'000	2023 HK$'000
Non-Current Assets			
Property, plant and equipment	*16*	165,047	197,837
Investment properties	*17*	3,204,457	3,356,142
Financial assets at fair value through profit or loss ("FVTPL")	*18*	283,230	350,091
Club memberships		12,405	12,405
Interests in joint ventures	*19*	5,645,075	5,738,958
Amounts due from joint ventures	*19*	6,813,871	6,612,511
Interests in associates	*20*	503,086	455,593
Amounts due from associates	*20*	940,018	880,148
Loan receivables	*21*	72,792	77,553
		17,639,981	17,681,238
Current Assets			
Loan receivables	*21*	115,399	114,028
Trade and other receivables	*22*	290,858	269,403
Properties held for sale	*23*	5,598,042	6,386,824
Financial assets at FVTPL	*18*	68,591	150,491
Taxation recoverable		1,560	2,488
Cash held by securities brokers	*24*	3,399	15,099
Bank balances and cash	*24*	2,520,518	3,146,934
		8,598,367	10,085,267
Current Liabilities			
Other payables and accruals	*25*	229,605	466,180
Contract liabilities	*26*	620	114,000
Taxation payable		128,872	185,349
Amounts due to joint ventures	*19*	1,699,816	1,142,594
Amounts due to non-controlling shareholders of subsidiaries	*38(a)*	123,254	164,728
Bank borrowings – due within one year	*27*	3,876,918	2,064,162
		6,059,085	4,137,013
Net Current Assets		2,539,282	5,948,254
Total assets less current liabilities		20,179,263	23,629,492

	NOTES	2024 HK$'000	2023 HK$'000
Capital and Reserves			
Share capital	*28*	73,678	74,952
Reserves		13,658,907	14,289,340
Equity attributable to owners of the Company		13,732,585	14,364,292
Non-controlling interests		3,533	35,480
Total Equity		13,736,118	14,399,772
Non-Current Liabilities			
Bank borrowings – due after one year	*27*	4,005,930	6,791,830
Guaranteed notes – due after one year	*29*	2,301,660	2,295,909
Deferred tax liabilities	*31*	135,555	141,981
		6,443,145	9,229,720
		20,179,263	23,629,492

The consolidated financial statements on pages 72 to 161 were approved and authorised for issue by the Board of Directors on 27 June 2024 and are signed on its behalf by:

Chung Cho Yee, Mico
DIRECTOR

Chow Hou Man
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 *(note)*	Translation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Holders of perpetual capital securities HK$'000 *(note 30)*	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2022	74,974	2,052,135	6,620	72,579	157,996	12,143,253	14,507,557	1,257,327	41,934	15,806,818
Profit for the year	–	–	–	–	–	335,654	335,654	34,300	(4,854)	365,100
Exchange differences arising on translation of foreign operations	–	–	–	–	(232,217)	–	(232,217)	–	–	(232,217)
Share of exchange differences of joint ventures, net of related income tax	–	–	–	–	(183,494)	–	(183,494)	–	–	(183,494)
Total comprehensive (expense) income for the year	–	–	–	–	(415,711)	335,654	(80,057)	34,300	(4,854)	(50,611)
Share repurchases *(note 28)*	(22)	–	–	–	–	(523)	(545)	–	–	(545)
Dividends recognised as distribution *(note 14)*	–	–	–	–	–	(39,361)	(39,361)	–	–	(39,361)
Distribution to holders of perpetual capital securities	–	–	–	–	–	–	–	(36,509)	–	(36,509)
Redemption of perpetual capital securities	–	–	–	–	–	(23,302)	(23,302)	(1,255,118)	–	(1,278,420)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(1,600)	(1,600)
At 31 March 2023	74,952	2,052,135	6,620	72,579	(257,715)	12,415,721	14,364,292	–	35,480	14,399,772
Loss for the year	–	–	–	–	–	(425,605)	(425,605)	–	(30,347)	(455,952)
Exchange differences arising on translation of foreign operations	–	–	–	–	(94,234)	–	(94,234)	–	–	(94,234)
Share of exchange differences of joint ventures, net of related income tax	–	–	–	–	(53,349)	–	(53,349)	–	–	(53,349)
Total comprehensive expense for the year	–	–	–	–	(147,583)	(425,605)	(573,188)	–	(30,347)	(603,535)
Share repurchases *(note 28)*	(1,274)	–	–	–	–	(17,895)	(19,169)	–	–	(19,169)
Dividends recognised as distribution *(note 14)*	–	–	–	–	–	(39,350)	(39,350)	–	–	(39,350)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(1,600)	(1,600)
At 31 March 2024	73,678	2,052,135	6,620	72,579	(405,298)	11,932,871	13,732,585	–	3,533	13,736,118

Note: The contributed surplus of the Group represents the amount arising from capital reorganisation carried out by the Company during the year ended 31 March 2003.

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 HK$'000	2023 HK$'000
OPERATING ACTIVITIES		
(Loss) profit before taxation	(497,414)	383,427
Adjustments for:		
Finance costs	663,740	495,558
Depreciation of property, plant and equipment	32,778	34,657
Gain on disposal of a subsidiary	–	(163,271)
Loss (gain) on disposal of property, plant and equipment	16	(700)
Loss on fair value change of investment properties	36,069	–
Amortisation of financial guarantee contracts	(8,012)	(8,242)
Amortisation of guaranteed notes	5,751	9,123
Interest income	(327,225)	(239,883)
Net reversal of properties held for sale	(40,992)	(5,080)
Impairment loss (reversal of impairment loss) recognised on financial guarantee contracts	44,889	(18,776)
Impairment loss recognised on amounts due from joint ventures	554,926	29,913
Impairment loss recognised on investment in a joint venture	79,954	–
Share of results of joint ventures	(62,263)	(239,251)
Share of results of associates	64,130	49,047
Decrease (increase) in fair value of financial assets at FVTPL	126,312	(29,260)
Interest income from financial assets at FVTPL	(23,878)	(44,210)
Dividend income from financial assets at FVTPL	(20,585)	(20,755)
Operating cash flows before movements in working capital	628,196	232,297
Decrease in properties held for sale	828,045	244,992
Increase in trade and other receivables	(21,455)	(26,008)
Decrease in financial assets at FVTPL	8,097	111,700
Decrease in other payables and accruals	(184,623)	(107,056)
(Decrease) increase in contract liabilities	(113,380)	103,412
Net cash generated from operations	1,144,880	559,337
Income tax paid	(20,513)	(2,322)
Income tax refund	–	200
NET CASH FROM OPERATING ACTIVITIES	1,124,367	557,215

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	NOTE	2024 HK$'000	2023 HK$'000
INVESTING ACTIVITIES			
Investments in joint ventures		(159,370)	(49,185)
Advances to joint ventures		(944,403)	(851,948)
Repayments from joint ventures		489,868	803,601
Purchases of property, plant and equipment		(4)	(17)
Investments in an associate		(48,889)	(4,200)
Advance to an associate		(60,001)	(29,964)
Dividends received from an associate		360	–
Interest received		144,619	79,993
Interest income received from financial assets at FVTPL		23,878	44,210
Dividend income received from financial assets at FVTPL		20,585	20,755
Proceeds on maturity of loan receivables		3,390	106,852
Proceeds on disposal of property, plant and equipment		–	700
Purchase of club membership		–	(490)
Net cash inflow of disposal of subsidiaries	*33*	–	206,575
Disposal of financial assets at FVTPL		14,352	139,131
Decrease in cash held by securities brokers		11,700	8,505
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(503,915)	474,518

	NOTE	2024 HK$'000	2023 HK$'000
FINANCING ACTIVITIES			
Repayments of bank borrowings		(2,745,781)	(3,706,285)
Repurchase of guaranteed notes		–	(30,170)
Payment for share repurchase		(19,169)	(545)
Dividends paid		(39,350)	(39,361)
Dividends paid to non-controlling shareholders of subsidiaries		(1,600)	(1,600)
Advances from joint ventures		478,843	383,643
Repayments to joint ventures		–	(29,447)
Repayment to non-controlling shareholders of subsidiaries		(41,474)	(3,582)
New bank borrowings raised		1,782,470	3,893,271
Interest paid		(660,807)	(491,513)
Redemption of perpetual capital securities		–	(1,278,420)
Distribution to holders of perpetual capital securities	*30*	–	(36,509)
NET CASH USED IN FINANCING ACTIVITIES		(1,246,868)	(1,340,518)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(626,416)	(308,785)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		3,146,934	3,455,719
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		2,520,518	3,146,934

1. GENERAL INFORMATION

CSI Properties Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited ("HKSE"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" in the annual report. The directors of the Company consider that Earnest Equity Limited, a private company incorporated in the British Virgin Islands ("BVI"), is its immediate holding company while Digisino Assets Limited, also a private company incorporated in the BVI, is its ultimate holding company. Its ultimate controlling party is Mr. Chung Cho Yee, Mico, a director of the Company.

The Company is an investment holding company. The activities of its principal subsidiaries, joint ventures and associates are set out in notes 43, 19 and 20 respectively.

The consolidated financial statements are presented in Hong Kong dollars (HK$), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") have applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in note 3 to the consolidated financial statements.

2.2 Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

2.2 Amendments to HKFRSs in issue but not yet effective (Continued)

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within twelve months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

2.2 Amendments to HKFRSs in issue but not yet effective (Continued)

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

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 March 2024, the application of the 2020 Amendments and the 2022 Amendments will not result in reclassification of the Group's liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the HKSE (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of preparation of consolidated financial statements (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Revenue from properties held for sale is recognised at a point in time when the customer obtains the control of the properties, which is the property stated in the sale and purchase agreement being delivered, through directly pass the property title to the customer. As part of the Group's ordinary activities, the Group entered into contracts with customers to sell its property projects through selling the equity interest in a single asset entity that is a subsidiary. The Group accounts for such transactions using HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15") and recognised the consideration the Group is entitled to as revenue.

Deposits received from sales of properties prior to meeting the above criteria for revenue recognition are presented as contract liabilities in the consolidated statement of financial position under current liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, and are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Completed properties held for sale

Completed properties held for sale are stated in the consolidated statement of financial position at the lower of cost and net realisable value on an individual property basis. Cost includes the cost of the properties and other directly attributable expenses. Net realisable value is calculated at the actual or estimated selling price less the estimated selling expenses.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" ("HKFRS 3") applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the "(losses) gains from investments". Dividend or interest income from financial assets is included in the "Income from investments".

Impairment of financial assets and financial guarantee contracts

The Group performs impairment assessment under expected credit loss ("ECL") on financial assets (including trade and other receivables, loan receivables and amounts due from joint ventures and associates, cash held by securities brokers and bank balances) and financial guarantee contracts which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12 months ECL ("12m ECL"), unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

a) an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

b) significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

c) existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

d) an actual or expected significant deterioration in the operating results of the debtor; and

e) an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(i) Significant increase in credit risk (Continued)

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

(ii) Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and loan receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities including other payables, amounts due to joint ventures and non-controlling shareholders of subsidiaries, guaranteed notes and bank borrowings are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires 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 liabilities are initially measured at their fair values, and are subsequently measured at the higher of:

(i) the amount of the loss allowance determined in accordance with HKFRS 9; and

(ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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 recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. 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, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has recognised deferred tax on changes in fair value of investment properties, amounted to HK$114,625,000 (2023: HK$118,703,000), as the Group is subject to income taxes on the fair value changes of the investment properties on disposal.

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of properties held for sale

The properties held for sale owned by the Group or through joint ventures (collectively referred to as the "Properties") are stated at the lower of cost and net realisable value. The net realisable value of the Properties were determined by management of the Group with reference to external valuation reports prepared by the Valuer, taking into account of open market value and/or the market evidence of transaction prices for similar properties in the same locations and conditions.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Valuation of properties held for sale (Continued)

If there is a decrease in net sales value, the net realisable value will decrease and additional write-down of the Properties would be recognised should the net realisable value be lower that the carrying amount.

In addition, given the volatility of the property market and the unique nature of individual properties, the actual outcomes in terms of revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the estimates would affect profit or loss in future years.

Detail of the carrying amount of the Properties are disclosed in notes 19 and 23.

Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by the Valuers. The determination of the fair value involves certain assumptions of market conditions. In determining the fair values, the Valuers have based on a method of valuation which involves certain unobservable inputs including, among other factors, capitalisation rate and reversionary income used in the valuations as set out in note 17.

In relying on the valuation report, the directors of the Company have exercised their judgements and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

Detail of the carrying amount of the Group's investment properties is disclosed in note 17.

5. REVENUE

(i) Disaggregation of revenue

	2024 HK$'000	2023 HK$'000
Sales of properties held for sale – at a point in time	1,343,298	545,879
Rental income	235,834	258,391
	1,579,132	804,270

5. REVENUE (Continued)

(i) Disaggregation of revenue (Continued)

	Sales of properties held for sale	
	2024	2023
	HK$'000	HK$'000
Geographical market		
Hong Kong	1,343,298	545,879

(ii) Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	2024	2023
	HK$'000	HK$'000
Sales of properties held for sale		
Commercial property holding	203,298	545,879
Residential property holding	1,140,000	–
Revenue from contracts with customers	1,343,298	545,879
Rental income	235,834	258,391
Interest income and dividend income	44,463	64,965
Revenue disclosed in segment information	1,623,595	869,235

(iii) Performance obligations for contracts with customers

Revenue from sales of properties held for sale is recognised at a point in time when the customer obtains the control of the properties, which is the property stated in the sale and purchase agreement being delivered and its title being passed to the customer. The Group receives at least 5% of the contract value as deposits from customers when they sign the preliminary sale and purchase agreements and the balance of purchase price shall be paid upon completion of the sale and purchase of the properties.

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Leases

	2024	2023
	HK$'000	HK$'000
For operating leases:		
Lease payments that are fixed	235,834	258,391

6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

There are four reportable and operating segments in current year as follows:

(a) commercial property holding segment, which engages in the investment and trading of commercial properties, properties under development and also the strategic alliances with the partners of the joint ventures and associates in Hong Kong and the People's Republic of China (the "PRC") excluding Macau;

(b) residential property holding segment, which engages in the investment and trading of residential properties, properties under development and also the strategic alliances with the partners of the joint ventures and associates in Hong Kong and the PRC excluding Macau;

(c) Macau property holding segment, which engages in the investment and trading of properties located in Macau; and

(d) securities investment segment, which engages in the securities trading and investment.

The CODM also considered the share of revenue of associates and joint ventures for the purpose of allocating resources and assessing performance of each segment.

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the year ended 31 March 2024					
EXTERNAL REVENUE					
Rental income	232,775	990	2,069	–	235,834
Sales of properties held for sale	203,298	1,140,000	–	–	1,343,298
Revenue of the Group	436,073	1,140,990	2,069	–	1,579,132
Interest income and dividend income	–	–	–	44,463	44,463
	436,073	1,140,990	2,069	44,463	1,623,595
SHARE OF REVENUE OF ASSOCIATES AND JOINT VENTURES					
Rental income	91,803	2,569	–	–	94,372
Sales of properties held for sale	32,475	1,752,379	–	–	1,784,854
	124,278	1,754,948	–	–	1,879,226
Segment revenue	560,351	2,895,938	2,069	44,463	3,502,821
RESULTS					
Share of results of joint ventures *(note)*	(130,946)	193,209	–	–	62,263
Share of results of associates *(note)*	9	(64,139)	–	–	(64,130)
Segment profit (loss) excluding share of results of joint ventures and associates	151,293	76,351	(67,000)	(103,144)	57,500
Segment profit (loss)	20,356	205,421	(67,000)	(103,144)	55,633
Unallocated other income					170,018
Unallocated other gains and losses					(34,337)
Central administrative costs					(24,988)
Finance costs					(663,740)
Loss before taxation					(497,414)

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the year ended 31 March 2023					
EXTERNAL REVENUE					
Rental income	254,699	1,217	2,475	–	258,391
Sales of properties held for sale	545,879	–	–	–	545,879
Revenue of the Group	800,578	1,217	2,475	–	804,270
Interest income and dividend income	–	–	–	64,965	64,965
	800,578	1,217	2,475	64,965	869,235
SHARE OF REVENUE OF ASSOCIATES AND JOINT VENTURES					
Rental income	96,531	4,220	–	–	100,751
Sales of properties held for sale	10,894	1,439,969	–	–	1,450,863
	107,425	1,444,189	–	–	1,551,614
Segment revenue	908,003	1,445,406	2,475	64,965	2,420,849
RESULTS					
Share of results of joint ventures *(note)*	(138,122)	377,373	–	–	239,251
Share of results of associates *(note)*	652	(49,699)	–	–	(49,047)
Segment profit (loss) excluding share of results of joint ventures and associates	359,080	2,989	(2,650)	63,110	422,529
Segment profit (loss)	221,610	330,663	(2,650)	63,110	612,733
Unallocated other income					113,416
Unallocated other gains and losses					170,463
Central administrative costs					(17,627)
Finance costs					(495,558)
Profit before taxation					383,427

Note: Share of results of associates and joint ventures mainly represent share of the operating profit or loss of these entities from their businesses of property investment and development.

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss incurred) profit earned by each segment, without allocation of certain items of other income (primarily bank interest income, interest income from loan receivables and amortisation of financial guarantee contracts) and of other gains and losses (primarily (impairment loss) reversal of impairment loss recognised on financial guarantee contracts and net exchange gain), central administrative costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2024 HK$'000	2023 HK$'000
Segment assets		
Commercial property holding	15,702,835	15,560,504
Residential property holding	7,154,914	7,905,882
Macau property holding	80,180	147,197
Securities investment	408,554	572,638
Total segment assets	23,346,483	24,186,221
Property, plant and equipment	165,047	197,837
Taxation recoverable	1,560	2,488
Bank balances and cash	2,520,518	3,146,934
Other unallocated assets	204,740	233,025
Consolidated total assets	26,238,348	27,766,505
Segment liabilities		
Commercial property holding	367,671	442,691
Residential property holding	1,610,442	1,360,609
Macau property holding	62,898	61,203
Securities investment	6,889	10,301
Total segment liabilities	2,047,900	1,874,804
Guaranteed notes	2,301,660	2,295,909
Bank borrowings	7,882,848	8,855,992
Taxation payable	128,872	185,349
Other unallocated liabilities	140,950	154,679
Consolidated total liabilities	12,502,230	13,366,733

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, taxation recoverable, bank balances and cash and other assets used jointly by reportable and operating segments; and

- all liabilities are allocated to operating segments other than guaranteed notes, bank borrowings, taxation payable and other liabilities for which reportable and operating segments are jointly liable.

Other segment information

For the year ended 31 March 2024

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit (loss) or segment assets and liabilities:							
Interests in joint ventures	2,450,828	3,194,247	–	–	5,645,075	–	5,645,075
Amounts due from joint ventures	5,508,232	1,305,639	–	–	6,813,871	–	6,813,871
Amounts due to joint ventures	175,914	1,523,902	–	–	1,699,816	–	1,699,816
Interests in associates	3,836	499,250	–	–	503,086	–	503,086
Amounts due from associates	–	940,018	–	–	940,018	–	940,018
Net decrease in fair value of financial assets at FVTPL or derivative financial instruments	–	–	–	(126,312)	(126,312)	–	(126,312)
Interest income from amounts due from joint ventures and an associate	97,767	84,528	–	–	182,295	311	182,606
Interest income from financial assets at FVTPL	–	–	–	23,878	23,878	–	23,878
Depreciation of property, plant and equipment	–	–	–	–	–	(32,778)	(32,778)
Net reversal of (write-down of) properties held for sale	107,992	–	(67,000)	–	40,992	–	40,992

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 March 2023

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit (loss) or segment assets and liabilities:							
Interests in joint ventures	2,531,593	3,207,365	–	–	5,738,958	–	5,738,958
Amounts due from joint ventures	5,077,963	1,534,548	–	–	6,612,511	–	6,612,511
Amounts due to joint ventures	156,402	986,192	–	–	1,142,594	–	1,142,594
Interests in associates	5,308	450,285	–	–	455,593	–	455,593
Amounts due from associates	–	880,148	–	–	880,148	–	880,148
Net increase in fair value of financial assets at FVTPL or derivative financial instruments	–	–	–	29,260	29,260	–	29,260
Interest income from amounts due from joint ventures and an associate	97,500	61,594	–	–	159,094	796	159,890
Interest income from financial assets at FVTPL	–	–	–	44,210	44,210	–	44,210
Depreciation of property, plant and equipment	–	–	–	–	–	(34,657)	(34,657)
Net reversal of (write-down of) properties held for sale	7,080	–	(2,000)	–	5,080	–	5,080

Geographical information

The Group's operations in commercial property holding, residential property holding, Macau property holding and securities investment are mainly located in Hong Kong, the PRC (excluding Hong Kong and Macau) and Macau.

The following table provides an analysis of the Group's revenue and non-current assets by geographical location.

Revenue from property rentals and sales of properties held for sale are allocated based on the geographical location of the property interests.

6. SEGMENT INFORMATION (Continued)

Geographical information (Continued)

Non-current assets are allocated by geographical location of the assets.

	Revenue from external customers Year ended 31 March		Non-current assets *(note)*	
	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
Hong Kong	1,452,986	676,510	5,678,185	5,757,793
PRC	124,077	125,285	3,851,885	4,003,142
Macau	2,069	2,475	–	–
	1,579,132	804,270	9,530,070	9,760,935

Note: Non-current assets exclude financial instruments.

Information about major tenants and buyers of properties

Revenue from customers, who are buyers of properties held for sale, which individually accounted for more than 10% of the consolidated revenue from external customers are detailed as below.

	2024 HK$'000	2023 HK$'000
Buyer A[1]	–	440,000
Buyer B[1]	203,298	–
Buyer C[2]	1,140,000	–
	1,343,298	440,000

[1] Revenue from commercial property holding
[2] Revenue from residential property holding

Revenue by type of income

The relevant information is set out in note 5.

7. INCOME AND (LOSSES) GAINS FROM INVESTMENTS

	2024 HK$'000	2023 HK$'000
Income from investments includes the following:		
Interest income from financial assets at FVTPL	23,878	44,210
Dividend income from financial assets at FVTPL	20,585	20,755
	44,463	64,965
(Losses) gains from investments includes the following:		
Net change in fair value of financial assets at FVTPL	(127,890)	(59,890)
Net change in fair value of derivative financial instruments	1,578	89,150
	(126,312)	29,260

The following is the analysis of the investment income and (losses) gains from respective financial instruments:

	2024 HK$'000	2023 HK$'000
Derivative financial instruments	1,578	89,150
Financial assets at FVTPL	(83,427)	5,075
	(81,849)	94,225

8. OTHER INCOME

	2024 HK$'000	2023 HK$'000
Bank interest income	118,990	47,182
Interest income from loan receivables	25,629	32,811
Interest income from amounts due from joint ventures and an associate	182,606	159,890
Amortisation of financial guarantee contracts	8,012	8,242
Assets management income from joint ventures	35,246	27,218
Consultancy fee income	12,834	720
Others	17,387	25,182
	400,704	301,245

Total interest income of financial assets measured at amortised cost amounts to HK$327,225,000 (2023: HK$239,883,000) for the year ended 31 March 2024.

9. OTHER GAINS AND LOSSES

	2024 HK$'000	2023 HK$'000
(Impairment loss) reversal of impairment loss recognised on financial guarantee contracts, net	(44,889)	18,776
Impairment loss recognised on investment in a joint venture	(79,954)	–
Gain on disposal of a subsidiary *(note)*	–	163,271
(Loss) gain on disposal of property, plant and equipment	(16)	700
Net exchange gain	10,568	17,629
	(114,291)	200,376

Note: During the year ended 31 March 2023, the Group disposed of its 49% equity interests in Star Trail Limited to two independent third parties. Detail of the transaction is set out in note 33.

10. FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interests on:		
Bank borrowings	523,827	364,106
Other borrowings	–	6,473
Loan from joint ventures	13,678	6,108
Guaranteed notes	126,235	126,388
Total borrowing costs	663,740	503,075
Less: Amounts capitalised in the cost of qualifying assets	–	(7,517)
	663,740	495,558

11. INCOME TAX (CREDIT) EXPENSE

	2024 HK$'000	2023 HK$'000
The (credit) charge comprises:		
Hong Kong Profits Tax		
– Current year	2,074	38,217
– Overprovision in prior years	(37,110)	(14,227)
	(35,036)	23,990
Deferred taxation *(note 31)*	(6,426)	(5,663)
	(41,462)	18,327

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

According to the Macau Complementary Tax Law, complementary tax is calculated at a rate of 12% on the assessable profits above Macau Pataca ("MOP") 600,000 (2023: MOP600,000) for the year.

No provision for Macau complementary tax was required as the subsidiaries of the Group in Macau did not have assessable profits more than MOP600,000 for both years.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

11. INCOME TAX (CREDIT) EXPENSE (Continued)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for the PRC on enterprise income tax was required as the subsidiaries of the Group in PRC have accumulated losses available for offset against future profits for both years.

Income tax expense for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss as follows:

	2024 HK$'000	2023 HK$'000
(Loss) profit before taxation	(497,414)	383,427
Taxation at Hong Kong Profits Tax rate of 16.5%	(82,073)	63,265
Tax effect of expenses not deductible for tax purpose	108,661	16,993
Tax effect of income not taxable for tax purpose	(101,541)	(61,670)
Tax effect of share of results of joint ventures	(10,273)	(39,476)
Tax effect of share of results of associates	10,581	8,092
Tax effect of tax losses not recognised	71,664	57,375
Utilisation of tax losses previously not recognised	(1,371)	(12,025)
Overprovision in prior years	(37,110)	(14,227)
Income tax (credit) expense for the year	(41,462)	18,327

12. (LOSS) PROFIT FOR THE YEAR

	2024 HK$'000	2023 HK$'000
(Loss) profit for the year has been arrived at after charging (crediting):		
Directors' remuneration *(note 13)*	37,552	44,752
Other staff costs:		
Salaries and other benefits	58,682	66,160
Performance-related incentive bonus	9,607	15,422
Contributions to retirement benefits schemes	4,887	5,166
	73,176	86,748
Total staff costs	110,728	131,500
Auditor's remuneration	3,682	3,540
Cost of properties held for sale recognised as an expense	697,009	325,492
Depreciation of property, plant and equipment	32,778	34,657
Net reversal of write-down of properties held for sale (included in cost of sales)	(40,992)	(5,080)
Gross rental income from investment properties	(124,078)	(125,284)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	40,742	35,579
direct operating expenses incurred for investment properties that did not generate rental income during the year	2,086	5,659
	(81,250)	(84,046)

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

The emoluments paid or payable to each of eleven (2023: ten) directors were as follows:

For the year ended 31 March 2024

	Executive Directors							Independent Non-executive Directors				
	Mr. Chung Cho Yee, Mico	Mr. Kan Sze Man	Mr. Chow Hou Man	Mr. Fong Man Bun, Jimmy (retired on 23 August 2023)	Mr. Ho Lok Fai	Mr. Leung King Yin, Kevin	Ms. Chung Yuen Tung, Jasmine (appointed on 20 April 2023)	Dr. Lam Lee G. (retired on 28 March 2024)	Mr. Cheng Yuk Wo	Dr. Lo Wing Yan, William	Mr. Shek Lai Him, Abraham	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Directors' remuneration												
Fees	–	–	–	–	–	–	–	200	200	200	200	800
Salaries and other benefits	12,421	5,301	4,080	2,770	2,448	3,479	1,069	–	–	–	–	31,568
Performance-related incentive bonus *(note)*	1,552	663	510	–	714	435	134	–	–	–	–	4,008
Contributions to retirement benefits schemes	18	304	246	172	167	216	53	–	–	–	–	1,176
	13,991	6,268	4,836	2,942	3,329	4,130	1,256	200	200	200	200	37,552

For the year ended 31 March 2023

	Executive Directors						Independent Non-executive Directors				
	Mr. Chung Cho Yee, Mico	Mr. Kan Sze Man	Mr. Chow Hou Man	Mr. Fong Man Bun, Jimmy	Mr. Ho Lok Fai	Mr. Leung King Yin, Kevin	Dr. Lam Lee G.	Mr. Cheng Yuk Wo	Dr. Lo Wing Yan, William	Mr. Shek Lai Him, Abraham	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Directors' remuneration											
Fees	–	–	–	–	–	–	200	200	200	200	800
Salaries and other benefits	12,237	5,223	3,693	3,948	2,400	3,427	–	–	–	–	30,928
Performance-related incentive bonus *(note)*	3,569	2,176	1,716	1,913	1,000	1,428	–	–	–	–	11,802
Contributions to retirement benefits schemes	18	311	243	261	167	222	–	–	–	–	1,222
	15,824	7,710	5,652	6,122	3,567	5,077	200	200	200	200	44,752

Note: Performance-related incentive bonus is recommended by the Remuneration Committee and is approved by the board of directors, having regard to the Group's operating results, individual performance and comparable market statistics.

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

The Company has not appointed Chief Executive Officer, and the role and function of the Chief Executive Officer has been performed by the CODM collectively.

The above emoluments to Executive Directors were for their services in connection with the management of the affairs of the Company and of the Group. The above emoluments to Independent Non-executive Directors were for their services as directors of the Company. No directors waived any emoluments during both years.

During both years, no emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office.

Of the five individuals with the highest emoluments in the Group, four (2023: five) were directors of the Company whose emoluments are included above.

Details of the remuneration for the year of the remaining one (2023: nil) highest paid employee who is neither a director nor chief executive of the Company is as follows:

	2024 HK$'000
Salaries, allowances and benefits in kind	3,236
Performance related bonuses	1,146
Pension scheme contributions	15
	4,397

The number of non-director and non-chief executive highest paid employee whose remuneration fell within the following band:

	2024 Number of employee
HK$4,000,001 to HK$4,500,000	1

14. DIVIDENDS

	2024 HK$'000	2023 HK$'000
Dividends recognised as distribution during the year		
– Final dividend of HK0.42 cents per share in respect of financial year ended 31 March 2023 (2023: Final dividend of HK0.42 cents per share in respect of financial year ended 31 March 2022)	39,350	39,361
Dividends proposed after the end of the reporting period		
– Final dividend of HK$nil cents per share (2023: Final dividend of HK0.42 cents per share)	–	39,350

15. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to the owners of the Company is based on the following data:

	2024 HK$'000	2023 HK$'000
(Loss) earnings		
(Loss) earnings for the purpose of basic (loss) earnings per share:		
(Loss) profit for the year attributable to owners of the Company	(425,605)	335,654
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share (in thousands)	9,276,636	9,369,701

No diluted (loss) earnings per share is presented as there is no potential ordinary shares outstanding during both years.

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Vessel	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST						
At 1 April 2022	303,998	30,402	2,327	11,077	81,682	429,486
Additions	–	17	–	–	–	17
Disposal during the year	–	–	–	(1,432)	–	(1,432)
At 31 March 2023	303,998	30,419	2,327	9,645	81,682	428,071
Additions	–	4	–	–	–	4
Disposal during the year	–	–	(36)	–	–	(36)
At 31 March 2024	303,998	30,423	2,291	9,645	81,682	428,039
DEPRECIATION						
At 1 April 2022	113,071	23,759	1,386	11,062	47,731	197,009
Provided for the year	14,905	3,172	268	15	16,297	34,657
Disposal during the year	–	–	–	(1,432)	–	(1,432)
At 31 March 2023	127,976	26,931	1,654	9,645	64,028	230,234
Provided for the year	14,905	1,347	229	–	16,297	32,778
Disposal during the year	–	–	(20)	–	–	(20)
At 31 March 2024	142,881	28,278	1,863	9,645	80,325	262,992
CARRYING VALUES						
At 31 March 2024	161,117	2,145	428	–	1,357	165,047
At 31 March 2023	176,022	3,488	673	–	17,654	197,837

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Land and buildings	Over the shorter of the terms of the relevant lease of the relevant land on which buildings are erected, or 5%
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Motor vehicles	33%
Vessel	20%

Certain of the above property, plant and equipment are pledged to secure the general banking facilities granted to the Group. Details are set out in note 35.

	2024 HK$'000	2023 HK$'000
Expense relating to short-term leases	1,377	1,742
Total cash outflows for leases	1,377	1,742

17. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 April 2022	3,622,644
Exchange adjustments	(266,502)
At 31 March 2023	3,356,142
Fair value loss recognised in profit or loss	(36,069)
Exchange adjustments	(115,616)
At 31 March 2024	3,204,457

The Group leases out retail stores under operating leases with rentals payable monthly or quarterly. The leases typically run for an initial period of 1 to 10 years. The leases of retail stores contain minimum annual lease payments that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currency of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The fair value of the Group's investment properties as at 31 March 2024 have been arrived at on the basis of valuation carried out on the date by Knight Frank Petty Limited and Savills Real Estate Valuation (Guangzhou) Limited Shanghai Branch (2023: Cushman & Wakefield Limited), independent and qualified property valuers not connected to the Group.

17. INVESTMENT PROPERTIES (Continued)

The above investment properties are pledged to secure bank facilities granted to the Group. Details are set out in note 35.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Commercial properties units located in Shanghai, PRC 2024: HK$3,204,457,000 (2023: HK$3,356,142,000)	Investment method derived from the existing tenancies, with due provision for the reversionary potential of each constituent portion of the property at appropriate capitalisation rates.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 3% – 4.5% (2023: 4.2% – 4.5%).	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
		Reversionary income, taking into account the differences in location, and individual factors, such as frontage and size between the comparables and the property ranging from RMB417 to RMB2,079 per sqm per month (2023: RMB282 to RMB1,882 per sqm per month).	A slight increase in the reversionary income used would result in a significant increase in fair value, and vice versa.

The fair value measurement is categorised into Level 3 fair value hierarchy.

18. FINANCIAL ASSETS AT FVTPL

The financial assets at FVTPL comprise:

	2024 HK$'000	2023 HK$'000
Listed equity securities *(note i)*	8,949	13,669
Unlisted equity securities/limited partnership *(note ii)*	175,918	171,124
Listed debt securities *(note iii)*	97,234	211,708
Unlisted debt securities *(note iv)*	69,720	91,307
Derivative financial assets – interest rate swaps *(note v)*	–	12,774
	351,821	500,582
Total and reported as:		
Listed		
Hong Kong	63,916	110,482
Singapore	2,166	16,864
Elsewhere	40,101	110,805
Unlisted	245,638	262,431
	351,821	500,582
Analysed for reporting purposes as:		
Non-current assets	283,230	350,091
Current assets	68,591	150,491
	351,821	500,582

Notes:

(i) The fair value was based on the quoted market closing prices of the respective securities in active markets for identical assets.

(ii) The unlisted equity securities/limited partnership as at 31 March 2024 are measured at fair value. Details are set out in note 40(c).

(iii) The listed debt securities as at 31 March 2024 represented bonds with fixed interest rate of 1% to 11% (2023: 2.5% to 11.75%) per annum. The maturity dates of the listed debt securities range from 30 June 2024 to perpetual (2023: 11 April 2023 to perpetual). Their fair values are determined based on quoted market closing prices available from the market. At 31 March 2024, included in the amount are listed debt securities with carrying amount of HK$4,047,000 (2023: HK$11,968,000) in aggregate which were default. The Group has sought legal advice and has taken legal remedies against the issuer.

18. FINANCIAL ASSETS AT FVTPL (Continued)

Notes: (Continued)

(iii) (Continued)

The summary of listed debt securities of financial assets at FVTPL as at 31 March 2024 and 2023 and their corresponding unrealised loss and interest income for the years ended 31 March 2024 and 2023 are as follows:

	As at 31 March 2024				As at 31 March 2023			
	Issued by PRC-based real estate companies HK$'000	**Issued by financial institutions** HK$'000	**Others** HK$'000	**Total** HK$'000	Issued by PRC-based real estate companies HK$'000	Issued by financial institutions HK$'000	Others HK$'000	Total HK$'000
Market value	69,119	–	28,115	97,234	186,735	–	24,973	211,708
Coupon rate per annum	1% to 11%	N/A	5%	1% to 11%	2.5% to 11.75%	N/A	5%	2.5% to 11.75%
Maturity	June 2024 – Perpetual	N/A	July 2026	June 2024 – Perpetual	April 2023 – Perpetual	N/A	July 2026	April 2023 – Perpetual
Rating	NR	N/A	NR	NR	NR	N/A	NR	NR
Credited (charged) to profit or loss								
Interest income	19,883	2,379	1,616	23,878	40,363	417	3,430	44,210
Unrealised loss	(124,461)	–	(5,431)	(129,892)	(34,322)	–	(3,648)	(37,970)

18. FINANCIAL ASSETS AT FVTPL (Continued)

Notes: (Continued)

(iii) (Continued)

The five largest listed debt securities held as at 31 March 2024 and 2023 are as follows:

	Market value as at 31 March 2024 HK$'000	% of the portfolio of listed debt securities	Interest income for the year ended 31 March 2024 HK$'000	Unrealised (loss) gain for the year ended 31 March 2024 HK$'000
6.7% notes due in September 2025 issued by Guangzhou R&F Properties Co., Ltd.	28,535	29.4%	1,814	(13,955)
5% notes due in July 2026 issued by Lai Sun MTN Limited	19,052	19.6%	1,560	(5,653)
Morgan Stanley Liquidity Funds – US Dollar Treasury Liquidity Fund Class Qualified Accumulation	8,795	9.1%	–	222
3.6% notes due in December 2026 issued by Shanghai Shimao Company Limited	6,705	6.9%	6,254	(8,562)
6.05% notes due in October 2025 issued by Agile Group Holdings Limited	4,624	4.8%	1,878	(10,572)

	Market value as at 31 March 2023 HK$'000	% of the portfolio of listed debt securities	Interest income for the year ended 31 March 2023 HK$'000	Unrealised (loss) gain for the year ended 31 March 2023 HK$'000
6.7% notes due in September 2025 issued by Guangzhou R&F Properties Co., Ltd.	42,490	20.1%	17,506	(17,260)
5% notes due in July 2026 issued by Lai Sun MTN Limited	24,705	11.7%	1,560	(3,648)
6.5% notes due in July 2027 issued by Easy Tactic Limited	18,166	8.6%	3,325	6,512
3.6% notes due in December 2026 issued by Shanghai Shimao Company Limited	15,267	7.2%	–	(4,411)
6.05% notes due in October 2025 issued by Agile Group Holdings Limited	15,197	7.2%	931	6,856

The fair value of each of remaining debts investments represented less than 1% of the total assets of the Group as at 31 March 2024. Certain of the listed debt securities are pledged to secure the general banking facilities granted to the Group. Details are set out in note 35.

(iv) The unlisted debt securities as at 31 March 2024 represented bonds with fixed interest rate of 10% per annum. The unlisted debt securities will mature in April 2024. Their fair values are determined based on quoted prices in the discounted cash flows method.

(v) None of these derivative contracts were designated as hedging instruments and the net change in fair value gain amounting to HK$1,578,000 (2023: HK$89,150,000) is recognised in profit or loss. Details of the fair value measurement of the derivative contracts and investments are set out in note 40.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES

	2024 HK$'000	2023 HK$'000
Costs of unlisted investments in joint ventures	5,032,236	4,952,778
Share of post-acquisition gain and other comprehensive income, net of dividend received	248,919	184,403
Exchange difference arising on translation	(114,799)	(61,451)
Deemed capital contribution – financial guarantee contracts	32,434	33,529
Deemed capital contribution – interest-free loans *(note i)*	446,285	629,699
	5,645,075	5,738,958
Amounts due from joint ventures included in non-current assets *(note i)*	6,813,871	6,612,511
Amounts due to joint ventures included in current liabilities *(note ii)*	1,699,816	1,142,594

Notes:

(i) Included in the amounts due from joint ventures as at 31 March 2024, there are principal amounts with interests of HK$2,822,693,000 (2023: HK$2,784,830,000), which are unsecured, bear interest at Hong Kong Prime Rate plus 1% to 3% and 4.875% (2023: 1% to 3% and 4.875%) per annum and repayable after one year. The remaining amounts with principal of HK$5,292,348,000 (2023: HK$4,481,092,000) are unsecured, non-interest bearing and have no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

In addition, included in the amounts due from joint venture as at 31 March 2024, there are share of loss of joint ventures of HK$982,260,000 (2023: HK$457,231,000) representing share of the loss in excess of the cost of investment to the extent of the Group's legal or constructive obligations.

During the year ended 31 March 2024, an impairment of HK$554,926,000 (2023: HK$29,913,000) is recognised on amounts due from joint ventures, which had been determined by assessing the expected credit loss allowance by management. Details are set out in note 40.

(ii) Included in the amounts due to joint ventures as at 31 March 2024, there is principal amount of HK$108,700,000 (2023: HK$108,700,000), which is unsecured, bear interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.15% (2023: fixed at 2% to 3%) per annum and repayable on demand. Also, there is principal amount of HK$45,000,000 (2023: HK$60,000,000), which is unsecured, bear interest at 15% (2023: 15%) per annum and repayable in August 2024. The remaining balances are unsecured, non-interest bearing and repayable on demand.

Valuation of the properties held for sale held by joint ventures as at 31 March 2024 and 2023 were carried out by the Valuers with reference to expected future selling prices by comparing it to recent sales transaction for similar properties located in the vicinity of each development.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

As at 31 March 2024 and 2023, the Group had interests in the following material joint venture:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held		Principal activity
					2024	2023	2024	2023	
Cleverland Global Limited	Incorporated	BVI	Hong Kong	Ordinary	65%	65%	65% *(note)*	65% *(note)*	Property holding

Note: Regarding the joint venture, the Group had entered into agreement with the joint venture partner in respect of the operations and control of this entity. Based on the legal form and terms of the contractual arrangement, the investment in this entity is treated as joint venture because major decisions relating to relevant activities require consent of all parties.

The above table list the joint venture of the Group which, in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the Group. The remaining joint ventures are considered not material in terms of its individual carrying amount of interest in joint ventures and the share of results recognised by the Group for the current year. To give details of other joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length.

The joint ventures had properties held for sale that are attributable to the Group amounted to HK$7,251,375,000 (2023: HK$6,956,267,000) and properties under development for sale that are attributable to the Group amounted to HK$10,664,303,000 (2023: HK$10,423,927,000) as at 31 March 2024, all of which are situated in the PRC and Hong Kong.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint venture

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

The joint venture is accounted for using the equity method in these consolidated financial statements.

Cleverland Global Limited

	2024 HK$'000	2023 HK$'000
Current assets	2,657,110	2,875,129
Current liabilities	(242,684)	(876,178)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	542,248	358,223

As at 31 March 2024, current assets mainly comprised of amounts due from shareholders of HK$1,509,329,000 (2023: HK$959,326,000), cash and cash equivalents of HK$542,248,000 (2023: HK$358,223,000), property held for sale of HK$325,895,000 (2023: HK$1,104,350,000). Current liabilities as at 31 March 2024 mainly comprised of bank borrowings of HK$132,810,000 (2023: HK$667,621,000).

	2024 HK$'000	2023 HK$'000
Revenue	568,513	333,444
Profit and total comprehensive income for the year	415,475	239,771
The above profit for the year includes the following:		
Income tax expense	55,897	30,497

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint venture (Continued)

Cleverland Global Limited (Continued)

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

	2024 HK$'000	2023 HK$'000
Net assets of the joint venture	2,414,426	1,998,951
Proportion of the Group's ownership interest in the joint venture	65%	65%
	1,569,377	1,299,318
Unrealised gain from intra-group transactions	(124,794)	(124,794)
Deemed capital contribution – financial guarantee contracts	1,999	1,999
Deemed capital contribution – interest-free loans	161,183	161,183
Carrying amount of the Group's interest in the joint venture	1,607,765	1,337,706

Aggregate information of joint ventures that are not individually material

	2024 HK$'000	2023 HK$'000
The Group's share of (loss) profit	(207,796)	83,400
The Group's share of other comprehensive expense	(53,349)	(183,494)
The Group's share of total comprehensive expense	(261,145)	(100,094)
Dividends received from the joint venture during the year *(note)*	–	152,720

Note: During the year ended 31 March 2024, the Company received dividend income of HK$nil (2023: HK$152,720,000) from joint ventures which were recorded in current accounts with joint ventures.

The carrying amount of the individual joint venture that is not individually material represents less than 10% of net asset value of the Group as at 31 March 2024.

Significant restriction

There are no significant restrictions on the ability of the joint ventures to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

20. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES

	2024 HK$'000	2023 HK$'000
Costs of unlisted investments in associates	416,565	367,676
Share of post-acquisition losses and other comprehensive expense, net of dividend received	(20,416)	(18,030)
Deemed capital contribution – financial guarantee contracts	2,744	1,754
Deemed capital contribution – interest-free loans *(note)*	104,193	104,193
	503,086	455,593
Amounts due from associates included in non-current assets *(note)*	940,018	880,148

All of the associates are accounted for using the equity method in these consolidated financial statements.

Note: Included in the amounts due from associates as at 31 March 2024, principals with interest of HK$1,164,683,000 (2023: HK$1,042,710,000) are unsecured, bear interest at Hong Kong Prime Rate plus 1.5% (2023: 1.5%) per annum and have no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

Aggregate information of associates that are not individually material

	2024 HK$'000	2023 HK$'000
The Group's share of loss and total comprehensive expense for the year	(64,130)	(49,047)
Dividends received from an associate during the year	360	–

The carrying amount of the individual associate that is not individually material represents less than 10% of net asset value of the Group as at 31 March 2024.

Significant restriction

There are no significant restrictions on the ability of the associates to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

21. LOAN RECEIVABLES

	2024 HK$'000	2023 HK$'000
Loan receivables	188,191	191,581
Analysed for reporting purposes as:		
Current assets	115,399	114,028
Non-current assets	72,792	77,553
	188,191	191,581

The Group offers loans to buyers of properties sold by the Group and the repayment terms of the loans are specified in the loan agreements. As at 31 March 2024, the loan receivables included the carrying amount of HK$78,191,000 (2023: HK$81,581,000) which are mortgage loans over the properties held by the purchasers and are receivable by instalments over a period of not more than 20 years and the carrying amount of HK$110,000,000 (2023: HK$110,000,000) which is repayable within twelve months from the end of reporting period and secured by the properties held by the borrower.

Before granting loans, the Group uses an internal credit assessment process to assess the potential borrower's credit quality and defines its credit limits granted to the borrowers. The credit limits granted to the borrowers are reviewed by the management regularly.

The Group's loan receivables are denominated in HK$, the functional currency of the relevant group entity. During the year ended 31 March 2024, the range of interest rate on the Group's loan receivables is fixed at 18% or variable at Hong Kong Prime Rate plus 1% (2023: fixed at 13% to 18% or variable at Hong Kong Prime Rate plus 1%) per annum. Including in loan receivables as at 31 March 2024, there were loan receivables with carrying amounts of HK$72,792,000 (2023: HK$77,553,000), which was repayable more than twelve months after the reporting period, and hence was classified as non-current. Pursuant to loan agreements, the Group retains a discretionary right to demand the repayment from the borrower in full before the maturity of the loans at the amount of principals outstanding plus accrued interests.

At the end of each reporting date, the Group's loan receivables were individually assessed for impairment. Given that the value of corresponding properties under the mortgage is substantially higher than the outstanding balance, the loss given default is nil and no ECL is provided for those loan receivables.

22. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprise of rental receivables which are receivable on the presentation of debt notes and rental income is billed in advance. The Group allows credit period of 0 – 60 days (2023: 0 – 60 days) to its tenants. The aging analysis of the trade receivables, presented based on the debit note date for rental receivables which approximated the revenue recognition date, at the end of the reporting period is as follows:

	2024 HK$'000	2023 HK$'000
Trade receivables:		
0 – 30 days	5,125	3,456
31 – 90 days	4,318	3,030
	9,443	6,486
Prepayments and deposits	29,400	34,119
Other receivables *(note)*	252,015	228,798
	290,858	269,403

Before accepting new customers, the Group will assess and understand the potential customer's credit quality.

The entire trade receivables balance was neither past due nor credit-impaired and had no default record based on historical information.

Note: As at 31 March 2024 and 2023, other receivables mainly comprised of promissory note issued by a joint venture amounted to HK$152,000,000, as defined in note 33, which is interest bearing at HIBOR plus 1.2% per annum. Details are set out in note 33.

23. PROPERTIES HELD FOR SALE

	2024 HK$'000	2023 HK$'000
The Group's carrying amounts of properties held for sale stated at lower of cost and net realisable value, comprise:		
– Completed properties	5,598,042	6,386,824

Certain of the above properties held for sale are pledged to secure the general facilities granted to the Group. Details are set out in note 35.

The net realisable value of the properties held for sale as at 31 March 2024 and 2023 were determined by the management with reference to external valuation reports prepared by the Valuers, taking into account open market value and/or the market evidence of transaction prices for similar properties in the same locations and conditions.

23. PROPERTIES HELD FOR SALE (Continued)

The net realisable value of properties held for sale was determined by the Valuers on the following basis:

Completed properties – arrived at by capitalising the net rental income derived from the existing tenancies with due allowance for reversionary potential income of the respective properties, or direct comparison method on basis of market value.

Based on the assessment carried out by the directors of the Company, a net reversal of write-down of HK$40,992,000, comprising a reversal of write-down of HK$107,992,000 for properties located in Hong Kong and a write-down of HK$67,000,000 located in Macau is recognised in the cost of sales for the year ended 31 March 2024 (2023: net reversal of write-down of HK$5,080,000, comprising a reversal of write-down of HK$7,080,000 for properties located in Hong Kong and a write-down of HK$2,000,000 located in Macau is recognised in the cost of sales for the year ended 31 March 2023). All impaired units are commercial properties.

24. CASH HELD BY SECURITIES BROKERS/BANK BALANCES AND CASH

Cash held by securities brokers are short-term deposits which carried variable interest rates ranging from 0.0001% to 0.875% (2023: 0.0001% to 0.625%) per annum.

The amounts of the Group's cash held by securities brokers denominated in a currency other than the functional currencies of the relevant group entities are set out below:

	2024 HK$'000	2023 HK$'000
United States dollars ("US$")	1,820	479

Bank balances and cash comprised bank balances and cash and short-term bank deposits with an original maturity of three months or less. The bank balances carried variable interest rates ranging from 0.01% to 5.85% (2023: 0.01% to 5.38%) per annum.

The amounts of Group's bank balances and cash denominated in currencies other than functional currencies of the relevant group entities are set out below:

	2024 HK$'000	2023 HK$'000
Renminbi ("RMB")	144,591	14,726
US$	885,101	738,658
Euro ("EUR")	2,531	19,628
Great British Pound ("GBP")	316	35,338
Australian Dollars ("AUD")	27,811	86
	1,060,350	808,436

25. OTHER PAYABLES AND ACCRUALS

The following is the breakdown of other payables and accruals at the end of the reporting period:

	2024 HK$'000	2023 HK$'000
Rental and related deposits received	86,949	94,425
Other tax payables	2,488	2,436
Financial guarantee contracts	23,003	61,569
Interest payables	48,372	45,439
Accrued construction costs	38,248	221,478
Accruals and other payables	30,545	40,833
	229,605	466,180

26. CONTRACT LIABILITIES

	2024 HK$'000	2023 HK$'000
Sales of properties held for sale	620	114,000

The Group receives at least 5% of the contract value as deposits from customers when they sign the sale and purchase agreements. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

27. BANK BORROWINGS

	2024 HK$'000	2023 HK$'000
The carrying amounts of the Group's borrowings are repayable based on contractual repayment dates as follows:		
Within one year	3,814,883	1,999,529
More than one year, but not exceeding two years	444,688	3,659,091
More than two years, but not exceeding five years	3,561,242	3,132,739
	7,820,813	8,791,359
The carrying amounts of the Group's borrowings that contain a repayment on demand clause in the loan agreements are repayable as follows:		
Within one year	62,035	2,598
More than one year, but not exceeding two years	–	62,035
	62,035	64,633
Less: Amounts due within one year or contain a repayment on demand clause in the loan agreements shown under current liabilities	(3,876,918)	(2,064,162)
Amounts shown under non-current liabilities	4,005,930	6,791,830
Secured *(note i)*	4,176,247	5,008,769
Unsecured *(note ii)*	3,706,601	3,847,223
	7,882,848	8,855,992

Notes:

i. The secured bank borrowings were secured by various assets held by the Group. The carrying amounts of the assets pledged are disclosed in note 35.

ii. At 31 March 2024, bank borrowings amounting to HK$3,706,601,000 were guaranteed by the Company (2023: HK$3,847,223,000).

As at 31 March 2024, the bank borrowings of HK$nil (2023: HK$198,757,000) and HK$nil (2023: HK$91,961,000) are denominated in AUD and GBP respectively.

27. BANK BORROWINGS (Continued)

The bank borrowings carried floating rate interests, of which borrowings amounting to HK$7,282,153,000 as at 31 March 2024 (2023: HK$8,109,144,000) bore interest at HIBOR plus 1.20% to 2.05% (2023: HIBOR plus 0.60% to 2.05%) per annum, borrowings amounting to HK$nil (2023: HK$91,961,000) bore interest at Sterling Overnight Index Average plus a fixed margin, compounded reference rate and borrowings amounting to HK$600,695,000 (2023: HK$654,887,000) bore interest at the quoted Loan Prime Rate by the National Interbank Funding Center or the Shanghai Interbank Offered Rate plus a fixed margin. At 31 March 2024, the effective interest rates ranged from 4.28% to 7.56% (2023: 0.61% to 6.80%) per annum.

28. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK0.8 cent each		
Authorised:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	22,500,000,000	180,000
Issued and fully paid:		
At 1 April 2022	9,371,729,676	74,974
Shares repurchased and cancelled	(2,790,000)	(22)
At 31 March 2023	9,368,939,676	74,952
Shares repurchased and cancelled	(159,150,000)	(1,274)
At 31 March 2024	9,209,789,676	73,678

All the shares issued or repurchased by the Company rank pari passu with the then existing ordinary shares in all respects.

During the year ended 31 March 2024, the Company repurchased 159,150,000 of its own shares through the HKSE. The below shares were cancelled upon repurchase and the total amount paid to acquire these cancelled shares of HK$19,169,000 was deducted from equity holder's equity.

Month, Year	Number of ordinary shares repurchase	Price per share Highest HK$	Price per share Lowest HK$	Aggregate price paid HK$'000
August, 2023	150,000,000	0.125	0.117	18,352
January, 2024	8,060,000	0.090	0.087	730
February, 2024	1,090,000	0.080	0.077	87

29. GUARANTEED NOTES

On 22 July 2021, Estate Sky Limited ("ESL"), a subsidiary of the Group, issued guaranteed notes, which the Company is the guarantor, in the aggregate principal amount of US$300,000,000 (equivalent to approximately HK$2,340,000,000) (the "2021 Guaranteed Notes") at an interest rate of 5.45% per annum, payable semi-annually in arrears. During the year ended 31 March 2024, the Group has not redeemed and cancelled the 2021 Guaranteed Notes (2023: redeemed and cancelled US$3,868,000, equivalent to approximately HK$30,170,000). The 2021 Guaranteed Notes with carrying amount of HK$2,301,660,000 as at 31 March 2024 will mature on 21 July 2025 (2023: HK$2,295,909,000).

The 2021 Guaranteed Notes were listed on the Singapore Exchange Limited (the "Singapore Exchange") and the fair value was HK$2,036,969,000 based on the quoted price as at 31 March 2024 (2023: HK$2,017,530,000).

30. PERPETUAL CAPITAL SECURITIES

On 20 September 2017, ESL issued perpetual capital securities, with an aggregate principal amount of US$200,000,000 (equivalent to approximately HK$1,560,000,000) (the "Perpetual Capital Securities"), of which the Company is the guarantor. The proceeds from the issuance of the Perpetual Capital Securities after netting off the issuance cost is approximately US$197,004,000 (equivalent to approximately HK$1,536,629,000).

The distribution rate for the first five years up to 20 September 2022 is 5.75% per annum, which is paid semi-annually in arrears on 20 March and 20 September of each year (the "Distribution Payment Date"). ESL may defer any interest at its own discretion and is not subject to any limit as to the number of times distributions and arrears of distribution can be deferred. The deferred interest is interest bearing at the current distribution rate during the interest deferral period.

The Perpetual Capital Securities have no fixed maturity and are callable at ESL's option, on 20 September 2022 or on any Distribution Payment Date afterwards, at their principal amounts together with any accrued, unpaid or deferred distribution interest payments. The Perpetual Capital Securities were listed on the Singapore Exchange.

After 20 September 2022, the distribution rate will be reset every five years to a percentage per annum equal to the sum (i) the U.S. Treasury Benchmark Rate which is the rate in percent per annum equal to the semi-annual equivalent yield to maturity of the comparable treasury issue; (ii) the initial spread which is 4.005%; and (iii) step-up margin which is 3%.

Pursuant to the terms and conditions of these Perpetual Capital Securities, ESL has no contractual obligation to repay its principal or to pay any distribution and deferred interest unless a compulsory distribution payment event (which is at the discretion of the issuer) has occurred. Details of which are set out in the Company's announcements published on the HKSE dated 13 and 14 September 2017, and announcement published on the Singapore Exchange dated 21 September 2017. Accordingly, the Perpetual Capital Securities are classified as equity instrument. Subsequent distribution payment will be recorded as equity distribution to Holders of Perpetual Capital Securities.

During the year ended 31 March 2023, the Group redeemed and cancelled the remaining Perpetual Capital Securities with an aggregate principal amount of US$163,900,000 (equivalent to approximately HK$1,278,420,000).

31. DEFERRED TAXATION

The following is the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Fair value change of investment properties HK$'000	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2022	128,129	28,292	(8,777)	147,644
(Credit) charge to consolidated statement of profit or loss for the year	(9,426)	4,656	(893)	(5,663)
At 31 March 2023	118,703	32,948	(9,670)	141,981
(Credit) charge to consolidated statement of profit or loss for the year	(4,078)	10,840	(13,188)	(6,426)
At 31 March 2024	114,625	43,788	(22,858)	135,555

As at 31 March 2024, the Group had unused tax losses of approximately HK$1,858,473,000 (2023: HK$1,352,525,000) available for offset against future profits and certain of these tax losses have not yet been agreed with the tax authority. A deferred tax asset has been recognised in respect of tax loss of HK$138,539,000 (2023: HK$58,609,000). No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK$1,719,934,000 (2023: HK$1,293,916,000) due to unpredictability of future profits streams. The unrecognised tax losses in Hong Kong amounted to HK$1,671,999,000 (2023: HK$1,239,035,000) can be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operated in the PRC will expire as follows:

Tax losses expiring in

	2024 HK$'000	2023 HK$'000
2025	11,770	12,189
2026	23,745	30,745
2027	4,019	4,162
2028	7,518	7,785
2029	883	–
	47,935	54,881

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. As at 31 March 2024, no deferred taxation regarding such withholding tax has been provided as the PRC subsidiaries have accumulated losses and have no retained profits available for distribution (2023: HK$nil).

For the purpose of presentation in the consolidated statement of financial position, the deferred tax assets and liabilities have been offset.

32. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2024

Disposal of Starry View Limited and its subsidiaries (the "2024 Disposed Subsidiaries – Starry View")

During the year ended 31 March 2024, the Group disposed of the entire interests in the 2024 Disposed Subsidiaries – Starry View for a total cash consideration of $393,600,000. Since the 2024 Disposed Subsidiaries – Starry View was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which was the single predominant asset of the 2024 Disposed Subsidiaries – Starry View. Accordingly, the Group had accounted for the disposal of the 2024 Disposed Subsidiaries – Starry View as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2024 Disposed Subsidiaries – Starry View on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	660,645
Other receivables	201
Other payables	(24)
Net assets disposed of:	660,822
Transaction cost	26,289
Gain on disposal	452,889
	1,140,000
Total consideration satisfied by:	
Cash received	393,600
Assignment of loan	746,400
	1,140,000

32. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2024 (Continued)

Disposal of Marble Range Limited (the "2024 Disposed Subsidiary – Marble Range")

During the year ended 31 March 2024, the Group disposed of the entire interests in the 2024 Disposed Subsidiary – Marble Range for a total cash consideration of HK$106,836,000. Since the 2024 Disposed Subsidiary – Marble Range was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2024 Disposed Subsidiary – Marble Range. Accordingly, the Group had accounted for the disposal of the 2024 Disposed Subsidiary – Marble Range as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2024 Disposed Subsidiary – Marble Range on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Property held for sales	175,625
Trade and other receivables, deposits and prepayments	174
Bank balances and cash	4,494
Lease incentive	22,368
Trade and other payables	(3,683)
Taxation payable	(282)
Net assets disposed of:	198,696
Transaction costs	12,040
Loss on disposal	(7,438)
	203,298
Total consideration satisfied by:	
Cash received	106,836
Assignment of loan	96,462
	203,298

33. DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2023

Disposal of Star Trail Limited and its subsidiaries (the "2023 Disposed Subsidiaries")

During the year ended 31 March 2023, the Group disposed of its 49% equity interest in the 2023 Disposed Subsidiaries to two independent third parties and accounted for remaining interest of 51% in the 2023 Disposal Subsidiaries as a joint venture (the "Joint Venture"). The 2023 Disposed Subsidiaries were principally engaged in holding properties under development. Under the relevant shareholders' agreement, decisions on operating and financing activities of the Joint Venture requires unanimous consent from another joint venture partner. Accordingly, neither the Group nor the other joint venture partners have the ability to control the Joint Venture unilaterally and it is considered as jointly controlled by the Group and the joint venture partners.

The amount of the assets and liabilities attributable to the 2023 Disposed Subsidiaries on the date of disposal were as follows:

	HK$'000
Consideration included:	
Cash received	212,138
Promissory note *(note)*	152,000
Total consideration received	364,138
Analysis of assets and liabilities over which control was lost:	
Property under development	670,930
Bank balances and cash	5,563
Trade and other receivables, deposits and prepayments	23
Bank borrowings	(251,000)
Trade and other payables	(5,586)
Net assets disposed of	419,930
Gain on disposal of subsidiaries:	
Consideration received and receivables	364,138
Net assets disposed of	(419,930)
Fair value of retained interests in the Joint Venture	220,796
Transaction costs	(1,733)
Gain on disposal	163,271
Net cash inflow arising on disposal:	
Cash received	212,138
Less: bank balances and cash disposed of	(5,563)
	206,575

Note: The balance is interest bearing and the final maturity date is the earlier of (i) 12 August 2024; or (ii) 6 months from the date of issuance of occupation permit of the aforementioned properties under development by the Hong Kong Building Authority.

34. FINANCIAL GUARANTEE CONTRACTS

	2024 HK$'000	2023 HK$'000
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	8,122,698	8,706,270
Associates	1,220,656	1,099,200
	9,343,354	9,805,470
and utilised by:		
Joint ventures	6,975,561	7,324,305
Associates	993,736	1,099,200
	7,969,297	8,423,505

The directors of the Company assess the ECL allowance in relation to the financial guarantee contracts as set out in note 40. As at 31 March 2024, included in other payables and accruals (note 25) represents financial guarantee contracts amounted to HK$23,003,000 (2023: HK$61,569,000).

35. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	2024 HK$'000	2023 HK$'000
Property, plant and equipment	161,887	177,916
Investment properties	3,204,457	3,356,142
Properties held for sale	5,438,468	6,157,606
Financial assets at FVTPL	5,112	30,270
	8,809,924	9,721,934

For certain properties, the Group has assigned to the banks all its right, title and benefit as lessor of relevant properties for certain banking facilities granted to the Group.

36. OPERATING LEASE AND CAPITAL COMMITMENTS

Operating lease commitments

The Group as lessor

Certain of properties, which are classified as properties held for sale and investment properties, have committed lessees for the next one to six years. The lease commitments will be released when the properties are sold.

Minimum lease payments receivable on leases are as follows:

	2024 HK$'000	2023 HK$'000
Within one year	212,922	227,664
In the second year	160,958	156,178
In the third year	100,861	114,020
In the fourth year	57,897	67,470
In the fifth year	48,111	53,566
After five years	134,240	126,660
	714,989	745,558

37. RETIREMENT BENEFITS SCHEMES

The Group participates in a Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules, subject to a cap of monthly relevant income of HK$30,000 effective 1 June 2014 for the MPF Scheme, which contribution is matched by the employee. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contributions payables in the future years.

The Group also operates a defined contribution retirement scheme for all qualifying employees in Macau. The assets of the scheme are held separately from those of the Group in funds under control of independent trustees. The retirement scheme cost recognised in profit or loss represents contributions payable to funds by the Group at rates specified in the rules of the scheme. Where there are employees of the Group who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

37. RETIREMENT BENEFITS SCHEMES (Continued)

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefits schemes operated by the PRC government. The Group is required to contribute a certain percentage of its payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the schemes.

The retirement benefits schemes contributions relating to the MPF Scheme, stated-managed retirement benefits schemes and defined contribution retirement scheme in Macau charged to the current year's consolidated statement of profit or loss of HK$6,063,000 (2023: HK$6,388,000) represented contributions paid and payable to the schemes by the Group at rates specified in the rules of the schemes.

38. RELATED PARTY DISCLOSURES

Other than those elsewhere disclosed in the consolidated financial statements, the Group has following transactions with related parties:

(a) The amounts due to non-controlling shareholders of subsidiaries are unsecured, non-interest bearing and repayable on demand. Details of the amounts due from (to) joint ventures and associates are set out in the consolidated statement of financial position and on notes 19 and 20 respectively.

(b) The remuneration of directors and other members of key management during the year is as follows:

	2024 HK$'000	2023 HK$'000
Short-term benefits	40,758	48,572
Post-employment benefits	1,191	1,226
	41,949	49,798

The remuneration of executive directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include the amounts due to joint ventures, amount due to non-controlling shareholders of subsidiaries, bank borrowings and guaranteed notes disclosed in notes 19, 38(a), 27 and 29, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, various reserves and retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendation of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends and new shares issue as well as the issue of new debts or the redemption of existing debts.

40. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 HK$'000	2023 HK$'000
Financial assets		
Financial assets at FVTPL		
Financial assets mandatory measured at FVTPL	351,821	487,808
Financial assets at amortised cost	10,735,022	11,109,770
Derivative financial instruments	–	12,774
Financial liabilities		
At amortised cost	12,142,949	12,599,081
Financial guarantee contracts	23,003	61,569

(b) Financial risk management objectives and policies

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and equity and other price risks), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks

(i) Foreign currency risk management

The Group operates in Hong Kong with most of the transactions denominated and settled in HK$, the functional currency of relevant group entities.

The Group is mainly exposed to foreign currency risk in relation to RMB, US$, EUR, GBP and AUD arising from foreign currency denominated bank balances and cash, cash held by securities brokers and guaranteed notes as set out in notes 24 and 29 respectively.

The carrying amounts of the Group's foreign currencies denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
RMB	144,591	14,726	–	–
US$	885,334	739,137	2,301,660	2,295,909
EUR	2,531	19,628	–	–
GBP	316	35,338	–	91,961
AUD	27,811	86	–	198,757

Under the pegged exchange rate system, the financial impact on exchange difference between HK$ and US$ will be immaterial as most US$ denominated monetary assets are held by group entities having HK$ as their functional currency, and the other financial assets denominated in EUR, GBP and AUD are not material, and therefore no sensitivity analysis has been prepared.

Foreign currency sensitivity analysis

The Company is mainly exposed to material currency risk in RMB against HK$ in the year ended 31 March 2024 (2023: immaterial currency risk in RMB against HK$).

The following table details the Company's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary item and adjusts its translation at the year end for a 5% change in foreign currency rate. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currencies. The sensitivity analysis represents bank balances denominated in RMB. A positive number indicates a decrease in loss for the year where the RMB strengthens against the relevant currencies. For a 5% weakening of RMB against the relevant currencies, there would be an equal and opposite impact on the loss for the year.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks (Continued)

(i) Foreign currency risk management (Continued)

Foreign currency sensitivity analysis (Continued)

	2024 HK$'000
RMB	
Decrease in loss for the year	6,037

The Group monitors foreign currency exposure and will consider hedging significant currency exposure should the need arise.

(ii) Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to financial assets at FVTPL and guaranteed notes issued by ESL as set out in notes 18 and 29 respectively. Besides, the Group is also exposed to the cash flow interest rate risk in relation to loan receivables, cash held by securities brokers, bank balances and bank borrowings as set out in notes 21, 24 and 27 respectively.

Sensitivity analyses for cash flow interest rate risk

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate cash held by securities brokers, bank balances, loan receivables and bank borrowings, the analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. An increase or decrease of 10 basis points (2023: 10 basis points) for cash held by securities brokers and bank balances and 50 basis points (2023: 50 basis points) for loan receivables and bank borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For cash held by securities brokers and bank balances, if interest rates had been 10 basis points (2023: 10 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2024 would decrease/increase by HK$2,107,000 (2023: post-tax profit increase/decrease by HK$2,640,000).

For loan receivables and bank borrowings, if interest rates had been 50 basis points (2023: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2024 would increase/decrease by HK$30,077,000 (2023: post-tax profit decrease/increase by HK$33,899,000).

In management's opinion, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks (Continued)

(iii) Equity and other price risks management

The Group is exposed to equity and other price risks through its financial assets at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity and other price risks are mainly concentrated on unlisted equity securities/limited partnership, listed equity securities, listed debt securities and unlisted debt securities quoted in the open markets. In addition, the Group has a designated team to monitor the price risks and will consider hedging the risk exposure should the need arise.

Sensitivity analyses

The sensitivity analyses below have been determined based on the exposure to equity and other price risks at the end of reporting period. In management's opinion, the sensitivity analysis is unrepresentative of inherent equity and other price risks as the year end exposure does not reflect the exposure during the year.

If the prices of the listed equity securities and the prices of underlying investment portfolio of the respective unlisted equity securities/limited partnership had been 5% (2023: 5%) higher/lower, post-tax loss for the year ended 31 March 2024 would decrease/increase by HK$9,243,000 (2023: post-tax profit increase/decrease by HK$9,240,000) as a result of the changes in fair value of equity securities/limited partnership held by the Group.

If the prices of the respective debt securities had been 5% (2023: 5%) higher/lower, post-tax loss for the year ended 31 March 2024 would decrease/increase by HK$8,348,000 (2023: post-tax profit increase/decrease by HK$15,151,000) as a result of the changes in fair value of debt securities.

The Group's sensitivity to equity and other price risks has increased during the year mainly due to the fluctuation of fair value of financial assets at FVTPL.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

As at 31 March 2024, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group is exposed to credit risk which will cause a financial loss to the Group arising from the amount of financial guarantees provided by the Group disclosed in note 34.

In order to minimise the credit risk, monitoring procedures are carried out to ensure that follow-up action is taken to recover overdue debts. In addition, before issuing financial guarantees to joint ventures and associates as part of the Group's investment decision, the management has considered the financial positions or the value of the properties held by respective investees. The Group also closely monitors the financial position, conducts regular reviews on the value of the properties and maintains regular communications with the joint ventures and associates in order to keep updated with the credit risk profile. The credit review process enables the Group to regularly assess the potential loss as a result of the credit risk it is exposed to and to take appropriate corrective actions promptly.

In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Impairment assessment on trade receivables

Trade receivables arise from rental receivables from tenants for leasing the properties. In order to minimise the credit risk, credit checks are carried out before commencement of tenancies and ongoing credit evaluation ensures any doubtful receivables are provided for as required. The exposure to credit risk is limited because the trade receivables are secured by tenant deposits.

Management assessed the expected loss on trade receivables from customers individually, taking into account the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including the use of forecasts of future economic information, as appropriate.

In addition, based on historical credit loss experience, the directors of the Company are of the opinion that there has been no default occurred for trade receivables aged over 90 days and the probability of default of trade receivables is low since the Group generally receives deposits from customers for leasing of properties. Given that the deposits can cover majority of trade receivables, the loss given default is considered insignificant.

Impairment assessment on bank balances/cash held by securities brokers

Credit risk on bank balances/cash held by securities brokers is limited because the counterparties are reputable banks and securities brokers with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances/cash held by securities brokers by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. The 12m ECL on bank balances/cash held by securities brokers is considered to be insignificant and therefore no loss allowance was recognised.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessment on loan receivables

The Group had a concentration of credit risk as the loan receivables are advanced to a few independent third parties. As at 31 March 2024, the loan receivables will be matured ranging from June 2038 to July 2038 (2023: June 2038 to July 2038). Loan receivables of HK$78,191,000 (2023: HK$81,581,000) are secured by properties mortgage, and HK$110,000,000 (2023: HK$110,000,000) are secured by the properties held by the borrower. In respect of loan receivables with gross carrying amount of HK$110,000,000 (2023: HK$nil), the Group has changed the 12m ECL basis to lifetime ECL (credit–impaired) basis during the current year but ECL had not been recognised on these loans because the fair values of the collateral provided were higher than the gross carrying amounts of the loan receivables, on an individual basis. For the remaining loan receivables with gross carrying amount of HK$78,191,000 (2023: HK$191,581,000), the Group considers there is no significant increase in credit risk since initial recognition taking into account the latest or valuation of the related property and therefore 12m ECL is applied and no ECL is recognised as the Group's exposure to credit losses is minimal considering the underlying value of the properties pledged to the Group.

Impairment assessment on other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 March 2024 and 2023, the Group assessed the ECL for other receivables are insignificant and therefore no loss allowance is recognised.

Impairment assessment on amounts due from joint ventures

In determining the ECL for amounts due from joint ventures, the management of the Group has taken into account the operational update of the joint ventures, as well as the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including information such as gross domestic product growth rate and unemployment rate. In respect of amounts due from joint ventures with gross carrying amount of HK$553,979,000 (2023: HK$nil), the Group has changed the 12m ECL basis to lifetime ECL (credit–impaired) basis during the current year in order to reflect the latest status of the recovery of the property project held by the joint venture, and accordingly, an impairment of HK$553,979,000 (2023: HK$nil) is recognised. For the remaining amounts due from joint ventures with gross carrying amount of HK$6,844,731,000 (2023: HK$6,642,424,000), the Group considers there is no significant increase in credit risk since initial recognition taking into account the latest valuation of the related property and therefore 12m ECL is applied and HK$30,860,000 (2023: HK$29,913,000) is recognised.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessment on amounts due from associates

In determining the ECL for amounts due from associates, the management of the Group has taken into account the operational update for the associates, as well as, historical default experience and forward-looking information, as appropriate. There had been no significant increase in credit risk since initial recognition. The Group has considered the consistently low historical default rate in connection with payments, and concluded that credit risk inherent in the Group's outstanding amounts due from associates is insignificant and therefore no loss allowance is recognised. The Group considers there is no significant increase in credit risk since initial recognition taking into account the latest valuation of the related property and therefore 12m ECL is applied and no loss allowance is recognised.

Impairment assessment on financial guarantee contracts

The Group assessed the loss allowances for financial guarantee contracts of HK$9,103,354,000 (2023: HK$9,805,470,000) and HK$240,000,000 (2023: HK$nil), representing the maximum amount the Group has guaranteed under the respective contracts, on 12m ECL basis and lifetime ECL basis respectively. When assessing the ECL, the directors of the Company have taken into account the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including information such as gross domestic product growth rate and unemployment rate. For the year ended 31 March 2024, the Group assessed the ECL for financial guarantee contracts and impairment of HK$44,889,000 (2023: reversal of impairment of HK$18,776,000) is recognised during the year. As at 31 March 2024, except for the aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to joint ventures of HK$1,000,000,000 (2023: HK$1,031,250,000) on which ECL of HK$101,109,000 (2023: HK$56,220,000) is provided, the Group assessed the ECL for the remaining financial guarantee contracts of HK$8,343,354,000 (2023: HK$8,774,220,000) are insignificant and no loss allowance is recognised. Details of the financial guarantee contracts with carrying amount of HK$23,003,000 as at 31 March 2024 (2023: HK$61,569,000) are set out in note 34.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/ other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets and financial guarantee contracts, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2024 Loss provided HK$'000	2024 Gross carrying amount HK$'000	2023 Loss provided HK$'000	2023 Gross carrying amount HK$'000
Financial assets at amortised cost								
Trade receivables	22	N/A	*note a*	Lifetime ECL – not credit-impaired	–	9,443	–	6,486
Other receivables*	22	N/A	Low risk	12m ECL	–	252,015	–	228,798
Loan receivables	21	N/A	Low risk	12m ECL	–	78,191	–	191,581
Loan receivables	21	N/A	Loss	Lifetime ECL – credit-impaired	–	110,000	–	–
Amounts due from joint ventures	19	N/A	Low risk	12m ECL	30,860	6,844,731	29,913	6,642,424
Amounts due from joint ventures	19	N/A	Loss	Lifetime ECL – credit-impaired	553,979	553,979	–	–
Amounts due from associates	20	N/A	Low risk	12m ECL	–	940,018	–	880,148
Cash held by securities brokers	24	A to AA+	Low risk	12m ECL	–	3,399	–	15,099
Bank balances	24	A to AA+	N/A	12m ECL	–	2,520,518	–	3,146,934
Other items								
Financial guarantee contracts *(note b)*	34	N/A	Low risk	12m ECL	22,730	9,103,354	56,220	9,805,470
Financial guarantee contracts *(note b)*	34	N/A	Loss	Lifetime ECL – credit-impaired	78,379	240,000	–	–

* The gross carrying amounts disclosed above include the relevant interest receivables which are presented in other receivables.

Notes:

a. For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on trade receivables individually by past due status of each debtor and the loss allowance is not material.

b. For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

As at 31 March 2024, the loss allowance for financial guarantee contracts issued by the Group of HK$22,730,000 (2023: HK$56,220,000) and loss allowance for amounts due from joint ventures of HK$30,860,000 (2023: HK$29,913,000) are measured at an amount equal to 12m ECL and are recognised during the year. The loss allowance for financial guarantee contracts issued by the Group of HK$78,379,000 (2023: HK$nil) and loss allowance for amounts due from joint ventures of HK$553,979,000 (2023: HK$nil) are measured at an amount equal to lifetime ECL and are credit-impaired.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Investments in listed and unlisted debt securities

The Group determines whether the investments in listed debt securities have suffered from significant increase in credit risk since initial recognition by checking if there is any indication of deterioration of the repayment ability of the issuer at the end of the reporting period. The Group closely monitors the changes in the credit ratings of the issuer, and follows its market news for taking immediate actions if there is any indication of deterioration of the repayment ability of the issuer.

The Group monitors the external credit rating to provide early identification of possible changes in the creditworthiness of counterparties regularly to update the credit risk of issuers of debt securities. This enables the Group to assess the potential loss as a result of the risk to which it is exposed. The Group will closely follow the external credit rating of counterparties and the price movement of the listed debt securities, and will formulate appropriate exit strategy accordingly subject to market conditions prevailing from time to time.

The Group also invested in unlisted debt securities which is exposed to credit risk. The management of the Group reviews and monitors on a regular basis the portfolio of the unlisted debt securities. The unlisted debt securities are entered with reputable financial institutions with credit rating of Baa1 or above issued by Moody's or issued by credit worthy issuers in the market. In this regard, the directors of the Company consider that the credit risk relating to the unlisted debt securities is closely monitored.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures the compliance with loan covenants.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables

The following table details of the Group's remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise the rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash (inflows) outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

	Weighted average interest rate %	On demand HK$'000	1 – 3 months HK$'000	3 months to 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'0000	Total undiscounted cash flows HK$'000	Total carrying amount at 31 March 2024 HK$'000
31 March 2024								
Non-derivative financial liabilities								
Other payables	–	135,371	–	–	–	–	135,371	135,371
Amounts due to joint ventures	–	1,699,816	–	–	–	–	1,699,816	1,699,816
Amounts due to non-controlling shareholders of subsidiaries	–	123,254	–	–	–	–	123,254	123,254
Guaranteed notes	5.45	10,453	31,360	41,814	94,080	2,340,151	2,517,858	2,301,660
Bank borrowings	6.19	62,035	1,074,666	3,223,998	692,487	3,781,534	8,834,720	7,882,848
		2,030,929	1,106,026	3,265,812	786,567	6,121,685	13,311,019	12,142,949
Financial guarantee contracts		9,343,354	–	–	–	–	9,343,354	23,003

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables (Continued)

	Weighted average interest rate	On demand	1 – 3 months	3 months to 1 year	1 – 2 years	2 – 5 years	Total undiscounted cash flows	Total carrying amount at 31 March 2023
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2023								
Non-derivative financial liabilities								
Other payables	–	139,858	–	–	–	–	139,858	139,858
Amounts due to joint ventures	–	1,142,594	–	–	–	–	1,142,594	1,142,594
Amounts due to non-controlling shareholders of subsidiaries	–	164,728	–	–	–	–	164,728	164,728
Guaranteed notes	5.45	10,284	20,912	93,931	125,470	2,459,432	2,710,029	2,295,909
Bank borrowings	5.21	64,633	631,377	1,894,131	4,012,906	3,295,936	9,898,983	8,855,992
		1,522,097	652,289	1,988,062	4,138,376	5,755,368	14,056,192	12,599,081
Financial guarantee contracts		9,805,470	–	–	–	–	9,805,470	61,569
Derivatives – net settlement								
Interest rate swaps		–	–	–	–	(12,774)	(12,774)	(12,774)

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables (Continued)

Bank borrowings with a repayment on demand clause are included in the "on demand" time band in the above maturity analysis. As at 31 March 2024, the aggregate carrying amounts of these bank borrowings amounted to HK$62,035,000 (2023: HK$64,633,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repayable, together with interest, in accordance with the scheduled repayment dates set out in the loan agreements as follows:

	1 – 3 months	3 months to 1 year	1 – 2 years	Total undiscounted cash flows	Total carrying amounts
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2024	2,700	59,400	–	62,100	62,035
31 March 2023	2,700	–	62,100	64,800	64,633

The amounts included above for financial guarantee contracts are the maximum amounts that the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantees. The financial guarantee contracts represent the guarantee given by the Group for banking facilities granted to joint ventures. Based on expectations at the end of the reporting period, the Group does not consider that it is probable that a claim will be made against the Group under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amount included above for variable-rate bank borrowings is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

40. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

40. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2024 HK$'000	31 March 2023 HK$'000				
Financial assets at FVTPL	Listed equity securities in: – Hong Kong: 8,944 – Elsewhere: 5	Listed equity securities in: – Hong Kong: 13,631 – Elsewhere: 38	Level 1	Quoted market closing prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: 19,732 – Singapore: 2,166 – Elsewhere: 40,096	Listed debt securities in: – Hong Kong: 26,320 – Singapore: 16,864 – Elsewhere: 110,767	Level 1	Quoted market closing prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: 35,240	Listed debt securities in: – Hong Kong: 57,757	Level 2	Quoted market closing prices in an active market and adjustment of management fee	N/A	N/A
	Unlisted debt security: nil	Unlisted debt security: 33,874	Level 1	Quoted market closing prices in an OTC market	N/A	N/A
	Unlisted debt security: 69,720	Unlisted debt security: 57,433	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived, based on an appropriate discount rate	Credit spread of 310.50% (2023: 57.55%)	The increase in the credit spread would result in a decrease in fair value
	Unlisted equity securities/ limited partnership: – Financial asset A/B: 160,226	Unlisted equity securities/ limited partnership: – Financial asset A/B: 156,444	Level 3	Adjusted net asset value, determined based on net asset value ("NAV") adjusted for NAV discount	The NAV discount of 8.18% to 14.50% (2023: 7.55% to 14.13%)	The increase in the NAV discount rate would result in a decrease in fair value
	– Financial asset C: 15,692	– Financial asset C: 14,680	Level 2	Market approach, determined with reference to the fair value of the underlying investment i.e. quoted prices in active market and adjustment of operating expenses	N/A	N/A
Derivative financial instruments	Interest rate swaps: nil	Interest rate swaps: 12,774	Level 2	Discounted cash flows, future cash flows are estimated based on interest rates from observable yield curves at the end of the reporting period and contracted interest rates, discounted at a rate that reflects the credit risk of the Group or the counterparties, as appropriate	N/A	N/A

40. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL
	HK$'000
At 1 April 2022	222,572
Fair value loss in profit or loss	(16,017)
Redemption	(849)
Purchases	8,171
At 31 March 2023	213,877
Fair value gains in profit or loss	8,844
Purchases	7,225
At 31 March 2024	229,946

There were no transfers between Level 1 and Level 2 measurements in the current year.

The directors consider that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

41. 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 statement of cash flows as cash flows from financing activities.

	Interest payables HK$'000 *(note 25)*	Dividend payables HK$'000 *(note 14)*	Amounts due to joint ventures HK$'000 *(note 19)*	Bank borrowings HK$'000 *(note 27)*	Guaranteed notes HK$'000 *(note 29)*	Amounts due to non-controlling shareholders of subsidiaries HK$'000 *(note 38(a))*	Total HK$'000
At 1 April 2022	33,877	–	788,398	8,992,486	2,316,956	168,310	12,300,027
Financing cash flows	(491,513)	(40,961)	354,196	186,986	(30,170)	(3,582)	(25,044)
Exchange adjustment	–	–	–	(72,480)	–	–	(72,480)
Dividend declared	–	40,961	–	–	–	–	40,961
Capitalisation of interest expenses	7,517	–	–	–	–	–	7,517
Interest expenses	495,558	–	–	–	–	–	495,558
Disposal of a subsidiary	–	–	–	(251,000)	–	–	(251,000)
Amortisation of guarantee notes	–	–	–	–	9,123	–	9,123
At 31 March 2023	45,439	–	1,142,594	8,855,992	2,295,909	164,728	12,504,662
Financing cash flows	(660,807)	(40,950)	478,843	(963,311)	–	(41,474)	(1,227,699)
Exchange adjustment	–	–	–	(9,833)	–	–	(9,833)
Dividend declared	–	40,950	–	–	–	–	40,950
Interest expenses	663,740	–	–	–	–	–	663,740
Amortisation of guarantee notes	–	–	–	–	5,751	–	5,751
Impairment loss recognised on financial guarantee contracts	–	–	78,379	–	–	–	78,379
At 31 March 2024	48,372	–	1,699,816	7,882,848	2,301,660	123,254	12,055,950

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 HK$'000	2023 HK$'000
Non-current assets		
Investments in subsidiaries	457,586	471,678
Amounts due from subsidiaries	12,931,213	15,805,859
Loan to a subsidiary	80,000	120,000
Interests in joint ventures and associates	35,178	35,283
Club memberships	5,200	5,200
Deferred tax assets	566	9,671
	13,509,743	16,447,691
Current assets		
Other receivables and deposits	4,033	26,571
Bank balances and cash	170,221	184,896
	174,254	211,467
Current liability		
Other payables and accruals	20,018	26,492
Net current assets	154,236	184,975
	13,663,979	16,632,666
Capital and reserves		
Share capital	73,678	74,952
Reserves *(note)*	13,590,301	16,557,714
Total Equity	13,663,979	16,632,666

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 *(note)*	Retained profits HK$'000	Total HK$'000
At 1 April 2022	2,052,135	6,620	134,931	13,321,491	15,515,177
Profit and other comprehensive income for the year	–	–	–	1,081,898	1,081,898
Dividends recognised as distribution	–	–	–	(39,361)	(39,361)
At 31 March 2023	2,052,135	6,620	134,931	14,364,028	16,557,714
Loss and other comprehensive expense for the year	–	–	–	(2,928,063)	(2,928,063)
Dividends recognised as distribution	–	–	–	(39,350)	(39,350)
At 31 March 2024	2,052,135	6,620	134,931	11,396,615	13,590,301

Note: The contributed surplus of the Company represents the amount arising from capital reorganisation carried out by the Company during the year ended 31 March 2003.

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries at 31 March 2024 and 2023 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2024 %	2023 %	2024 %	2023 %	
2 Shelley Street Management Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
45 Barker Road Management Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
46 Lyndhurst Management Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
Able Market Limited	Hong Kong	HK$1	–	–	100	100	Property holding and leasing of property
Able Wealth Enterprise Limited	Hong Kong	HK$10	–	–	100	100	Property holding and leasing of property
Capital Strategic Property (Shanghai) Limited *(note i)* 資地置業(上海)有限公司	PRC	Registered and paid-up capital RMB300,000,000	–	–	100	100	Property holding and leasing of property

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2024 %	2023 %	2024 %	2023 %	
Castle Pacific Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
CH Property Services Limited	Hong Kong	HK$1	–	–	100	100	Provision of management services
Clear Luck Group Limited	BVI	US$1	–	–	100	100	Property holding
COO Management Services Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
Couture Homes Limited	BVI	US$1	100	100	–	–	Investment holding
CSI Financial Holdings Limited	Hong Kong	HK$100	100	100	–	–	Sales of securities and investment holding
CSI Property Services Limited	Hong Kong	HK$2	100	100	–	–	Provision of management services
Earthmark Limited	BVI	US$1	100	100	–	–	Treasury management
Effect Guide Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
Estate Sky Limited	BVI	US$1	100	100	–	–	Bond issuer
Forum East Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
Go Clear Investments Limited	Hong Kong	HK$6	–	–	100	100	Property holding and leasing of property
Highland Management Services Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
Hoyden Holdings Limited	BVI	US$1	–	–	100	100	Property holding and leasing of property
Inbest Limited	Hong Kong	HK$2	–	–	100	100	Sales of securities and investment holding
Knight Basin Limited	Hong Kong	HK$1	100	100	–	–	Treasury management

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2024 %	2023 %	2024 %	2023 %	
Linking Plus Investments Limited	BVI	US$1	–	–	100	100	Property holding and leasing of property
Marble Range Limited *(note ii)*	BVI	US$1	–	–	–	100	Property holding
Mark Well Investment Limited	Hong Kong	HK$100	100	100	–	–	Sale of securities and investment holding
Modern Value Limited	BVI	US$1	–	–	100	100	Property holding and leasing of property
Shanghai Huajian Business Management Company Limited *(note i)* 上海華建商業管理有限公司	PRC	Registered and paid-up capital RMB350,195,250	–	–	100	100	Property holding and leasing of property
Spring Wonder Limited	Hong Kong	HK$100	–	–	92	92	Property holding
Starry View Limited *(note ii)*	BVI	US$1	–	–	–	100	Property holding
Venus Fortune Limited	Hong Kong	HK$1	–	–	100	100	Property holding
Well Clever International Limited	BVI	US$1	–	–	100	100	Sale of securities and investment holding

Notes:

(i) These companies are wholly foreign owned enterprises established in the PRC. The English name of companies established in the PRC are directly translated from their Chinese names and are furnished for identification purpose only.

(ii) During the year, the Group disposed of the entire interests in the 2024 Disposed Subsidiaries – Starry View and the 2024 Disposed Subsidiary – Marble Range, respectively. Details and set out in note 32.

None of the subsidiaries had issued any debt securities or any other securities (other than ordinary/ registered share capital) during the year and at the end of the year except for ESL which had issued guaranteed notes as detailed in note 29.

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities of business	Principal place of business	Number of subsidiaries	
		2024	2023
Corporate services	Hong Kong	4	4
Investment holding	Hong Kong/Macau/PRC	229	224
Inactive	Hong Kong	18	18
Securities investment	Hong Kong	3	3
		254	249

Deloitte. 德勤

TO THE MEMBERS OF CSI PROPERTIES LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of CSI Properties Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 72 to 157, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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") 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 are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Assessing the net realisable value of properties held for sale owned by the Group and the joint ventures	
As at 31 March 2025, the Group held a number of residential and commercial properties held for sale in Hong Kong and Macau. In addition, the Group also has interests in residential and commercial properties held for sale in Mainland China and Hong Kong through joint ventures which are equity accounted for in the consolidated financial statements. We identified the valuation assessment of properties held for sales, owned by the Group or through joint ventures (collectively referred to as the "Properties") as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with significant estimates involved in determining the net realisable value ("NRV"). As disclosed in note 4 to the consolidated financial statements, the determination of the NRV of Properties requires significant estimation, particularly in determining open market value with reference to the valuations carried out by the independent and qualified property valuers (the "Valuers") for the Properties. As at 31 March 2025, the Group had properties held for sale amounted to HK$5,187,679,000 whilst the joint ventures had properties held for sale that are attributable to the Group amounted to HK$4,686,721,000 and properties under development for sale that are attributable to the Group amounted to HK$11,152,898,000 as disclosed in notes 23 and 19 to the consolidated financial statements, respectively. For the year ended 31 March 2025, a net write-down of Group's properties held for sale amounting to approximately HK$130,981,000 has been recognised in the consolidated statement of profit or loss.	Our procedures in relation to assessing the NRV of the Properties included: • evaluating the competence, capabilities and objectivity of the Valuers; • assessing the appropriateness and reasonableness of the valuation methodology and significant estimation used in the valuations; and • checking the reasonableness of source data of significant estimation including open market value underlying the valuation to publicly available information of comparable properties.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgments associated with the determination of the fair value. The Group's investment properties are located in Mainland China. As at 31 March 2025, the Group's investment properties amounted to HK$3,079,657,000 and represented 13.7% of the Group's total assets. For the year ended 31 March 2025, fair value loss on investment properties amounting to HK$69,431,000 has been recognised in the consolidated statement of profit or loss. All of the Group's investment properties are stated at fair value based on valuations carried out by the Valuers. The valuations are dependent on significant unobservable inputs that involve significant judgment including reversionary income and capitalisation rates. Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 17 to the consolidated financial statements.	Our procedures in relation to the valuation of the investment properties included: • evaluating the competence, capabilities and objectivity of the Valuers; • assessing the appropriateness and reasonableness of the valuation methodology and significant inputs used in the valuations; and • checking the reasonableness of source data of significant unobservable inputs including reversionary income and capitalisation rates underlying the valuation to publicly available information of comparable properties.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 THOSE CHARGED WITH GOVERNANCE 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 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.

Those charged with governance are 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 solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, 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 HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism 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.

- 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.

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

- 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 group 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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 Ms. Lee, Carmen Kar Man (practising certificate number: P07879).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 June 2025

Consolidated Statement of Profit or Loss

For the year ended 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Revenue	5		
Sales of properties held for sale		289,790	1,343,298
Rental income		230,833	235,834
Total revenue		520,623	1,579,132
Cost of sales and services		(504,887)	(793,039)
Gross profit		15,736	786,093
Income from investments	7	29,362	44,463
Losses from investments	7	(108,345)	(126,312)
Other income	8	285,127	400,704
Fair value loss on investment properties	17	(69,431)	(36,069)
Impairment loss recognised on amounts due from joint ventures, under expected credit loss model		(7,920)	(554,926)
Other gains and losses	9	(64,103)	(114,291)
Administrative expenses		(210,209)	(231,469)
Finance costs	10	(577,418)	(663,740)
Share of results of joint ventures		(825,562)	62,263
Share of results of associates		(232,638)	(64,130)
Loss before taxation		(1,765,401)	(497,414)
Income tax credit	11	54,550	41,462
Loss for the year	12	(1,710,851)	(455,952)
Loss attributable to:			
Owners of the Company		(1,691,529)	(425,605)
Non-controlling interests		(19,322)	(30,347)
		(1,710,851)	(455,952)
Loss per share (HK cents)	15		(Restated)
Basic		(36.73)	(9.18)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Loss for the year	(1,710,851)	(455,952)
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(46,635)	(94,234)
Share of exchange differences of joint ventures, net of related income tax	(13,592)	(53,349)
	(60,227)	(147,583)
Total comprehensive expense for the year	(1,771,078)	(603,535)
Total comprehensive expense attributable to:		
Owners of the Company	(1,751,756)	(573,188)
Non-controlling interests	(19,322)	(30,347)
	(1,771,078)	(603,535)

Consolidated Statement of Financial Position

At 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-Current Assets			
Property, plant and equipment	*16*	147,959	165,047
Investment properties	*17*	3,079,657	3,204,457
Financial assets at fair value through profit or loss ("FVTPL")	*18*	186,473	283,230
Club memberships		12,405	12,405
Interests in joint ventures	*19*	3,518,053	5,645,075
Amounts due from joint ventures	*19*	7,088,682	6,813,871
Interests in associates	*20*	535,516	503,086
Amounts due from associates	*20*	927,127	940,018
Loan receivables	*21*	30,741	72,792
		15,526,613	17,639,981
Current Assets			
Loan receivables	*21*	45,338	115,399
Trade and other receivables	*22*	200,005	290,858
Properties held for sale	*23*	5,187,679	5,598,042
Financial assets at FVTPL	*18*	64,465	68,591
Taxation recoverable		1,239	1,560
Cash held by securities brokers	*24*	1,584	3,399
Bank balances and cash	*24*	1,411,918	2,520,518
		6,912,228	8,598,367
Current Liabilities			
Other payables and accruals	*25*	211,236	229,605
Contract liabilities	*26*	348	620
Taxation payable		103,416	128,872
Amounts due to joint ventures	*19*	741,178	1,699,816
Amounts due to non-controlling shareholders of subsidiaries	*36(a)*	119,731	123,254
Bank borrowings – due within one year	*27*	1,112,596	3,876,918
Guaranteed notes – due within one year	*29*	2,307,731	–
		4,596,236	6,059,085
Net Current Assets		2,315,992	2,539,282
Total assets less current liabilities		17,842,605	20,179,263

At 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Capital and Reserves			
Share capital	*28*	73,678	73,678
Reserves		11,907,151	13,658,907
Equity attributable to owners of the Company		11,980,829	13,732,585
Non-controlling interests		(51,302)	3,533
Total Equity		11,929,527	13,736,118
Non-Current Liabilities			
Bank borrowings – due after one year	*27*	5,812,064	4,005,930
Guaranteed notes – due after one year	*29*	–	2,301,660
Deferred tax liabilities	*30*	101,014	135,555
		5,913,078	6,443,145
		17,842,605	20,179,263

The consolidated financial statements on pages 72 to 157 were approved and authorised for issue by the Board of Directors on 30 June 2025 and are signed on its behalf by:

Chung Cho Yee, Mico
DIRECTOR

Chow Hou Man
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 *(note)*	Translation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2023	74,952	2,052,135	6,620	72,579	(257,715)	12,415,721	14,364,292	35,480	14,399,772
Loss for the year	–	–	–	–	–	(425,605)	(425,605)	(30,347)	(455,952)
Exchange differences arising on translation of foreign operations	–	–	–	–	(94,234)	–	(94,234)	–	(94,234)
Share of exchange differences of joint ventures, net of related income tax	–	–	–	–	(53,349)	–	(53,349)	–	(53,349)
Total comprehensive expense for the year	–	–	–	–	(147,583)	(425,605)	(573,188)	(30,347)	(603,535)
Share repurchases *(note 28)*	(1,274)	–	–	–	–	(17,895)	(19,169)	–	(19,169)
Dividends recognised as distribution *(note 14)*	–	–	–	–	–	(39,350)	(39,350)	–	(39,350)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(1,600)	(1,600)
At 31 March 2024	73,678	2,052,135	6,620	72,579	(405,298)	11,932,871	13,732,585	3,533	13,736,118
Loss for the year	–	–	–	–	–	(1,691,529)	(1,691,529)	(19,322)	(1,710,851)
Exchange differences arising on translation of foreign operations	–	–	–	–	(46,635)	–	(46,635)	–	(46,635)
Share of exchange differences of joint ventures, net of related income tax	–	–	–	–	(13,592)	–	(13,592)	–	(13,592)
Total comprehensive expense for the year	–	–	–	–	(60,227)	(1,691,529)	(1,751,756)	(19,322)	(1,771,078)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(35,513)	(35,513)
At 31 March 2025	73,678	2,052,135	6,620	72,579	(465,525)	10,241,342	11,980,829	(51,302)	11,929,527

Note: The contributed surplus of the Group represents the amount arising from capital reorganisation carried out by the Company during the year ended 31 March 2003.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES		
Loss before taxation	(1,765,401)	(497,414)
Adjustments for:		
Finance costs	577,418	663,740
Depreciation of property, plant and equipment	17,527	32,778
(Gain) loss on disposal of property, plant and equipment	(420)	16
Loss on fair value change of investment properties	69,431	36,069
Amortisation of financial guarantee contracts	(7,322)	(8,012)
Amortisation of guaranteed notes	6,071	5,751
Interest income	(227,267)	(327,225)
Net write-down (reversal of write-down) of properties held for sale	130,981	(40,992)
Impairment loss recognised on financial guarantee contracts	3,300	44,889
Impairment loss recognised on amounts due from joint ventures	7,920	554,926
Impairment loss recognised on investment in a joint venture	–	79,954
Written off loan receivables	61,497	–
Share of results of joint ventures	825,562	(62,263)
Share of results of associates	232,638	64,130
Decrease in fair value of financial assets at FVTPL	108,345	126,312
Interest income from financial assets at FVTPL	(5,435)	(23,878)
Dividend income from financial assets at FVTPL	(23,927)	(20,585)
Operating cash flows before movements in working capital	10,918	628,196
Decrease in properties held for sale	277,875	828,045
Decrease (increase) in trade and other receivables	90,853	(21,455)
(Increase) decrease in financial assets at FVTPL	(15,262)	8,097
Increase (decrease) in other payables and accruals	482	(184,623)
Decrease in contract liabilities	(272)	(113,380)
Net cash generated from operations	364,594	1,144,880
Income tax paid	(5,126)	(20,513)
NET CASH FROM OPERATING ACTIVITIES	359,468	1,124,367

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
INVESTING ACTIVITIES		
Investments in joint ventures	(94,637)	(159,370)
Withdrawal of interests in joint ventures	162,879	–
Advances to joint ventures	(709,986)	(944,403)
Repayments from joint ventures	235,673	489,868
Purchases of property, plant and equipment	(439)	(4)
Investments in an associate	(304,237)	(48,889)
Advance to an associate	(136,061)	(60,001)
Dividends received from joint ventures	43,526	–
Dividends received from an associate	251,995	360
Interest received	68,919	144,619
Interest income received from financial assets at FVTPL	5,435	23,878
Dividend income received from financial assets at FVTPL	23,927	20,585
Proceeds on maturity of loan receivables	50,615	3,390
Proceeds on disposal of property, plant and equipment	420	–
Disposal of financial assets at FVTPL	7,800	14,352
Decrease in cash held by securities brokers	1,815	11,700
NET CASH USED IN INVESTING ACTIVITIES	(392,356)	(503,915)

	2025 HK$'000	2024 HK$'000
FINANCING ACTIVITIES		
Repayments of bank borrowings	(3,780,774)	(2,745,781)
Payment for share repurchase	–	(19,169)
Dividends paid	–	(39,350)
Dividends paid to non-controlling shareholders of subsidiaries	(35,513)	(1,600)
Advances from joint ventures	530,002	478,843
Repayment to joint ventures	(29,761)	–
Repayment to non-controlling shareholders of subsidiaries	(3,523)	(41,474)
New bank borrowings raised	2,832,826	1,782,470
Interest paid	(588,969)	(660,807)
NET CASH USED IN FINANCING ACTIVITIES	(1,075,712)	(1,246,868)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,108,600)	(626,416)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,520,518	3,146,934
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	1,411,918	2,520,518

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

CSI Properties Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited ("HKSE"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" in the annual report. The directors of the Company considers that Earnest Equity Limited, a private company incorporated in the British Virgin Islands ("BVI"), is its immediate holding company while Digisino Assets Limited, also a private company incorporated in the BVI, is its ultimate holding company. Its ultimate controlling party is Mr. Chung Cho Yee, Mico, a director of the Company.

The Company is an investment holding company. The activities of its principal subsidiaries, joint ventures and associates are set out in notes 41, 19 and 20 respectively.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") have applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments has no material impact on the classification of the Group's liabilities.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

2.2 New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS 18, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures". Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18 and amendments to other standards will be effective for annual periods beginning on or after 1 January 2027 with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the HKSE (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Revenue from properties held for sale is recognised at a point in time when the customer obtains the control of the properties, which is the property stated in the sale and purchase agreement being delivered, through directly pass the property title to the customer. As part of the Group's ordinary activities, the Group entered into contracts with customers to sell its property projects through selling the equity interest in a single asset entity that is a subsidiary. The Group accounts for such transactions using HKFRS 15 "Revenue from Contracts with Customers" and recognised the consideration the Group is entitled to as revenue.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Deposits received from sales of properties prior to meeting the above criteria for revenue recognition are presented as contract liabilities in the consolidated statement of financial position under current liabilities.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, and are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Completed properties held for sale

Completed properties held for sale are stated in the consolidated statement of financial position at the lower of cost and net realisable value on an individual property basis. Cost includes the cost of the properties and other directly attributable expenses. Net realisable value is calculated at the actual or estimated selling price less the estimated selling expenses.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 "Leases" or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 "Financial Instruments" and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets at FVTPL (Continued)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the "losses from investments". Dividend or interest income from financial assets is included in the "Income from investments".

Impairment of financial assets and financial guarantee contracts

The Group performs impairment assessment under expected credit loss ("ECL") on financial assets (including trade and other receivables, loan receivables and amounts due from joint ventures and associates, cash held by securities brokers and bank balances) and financial guarantee contracts which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12 months ECL ("12m ECL"), unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(i) Significant increase in credit risk (Continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

(ii) Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and loan receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities including other payables, amounts due to joint ventures and non-controlling shareholders of subsidiaries, guaranteed notes and bank borrowings are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires 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 liabilities are initially measured at their fair values, and are subsequently measured at the higher of the amount of the loss allowance determined in accordance with HKFRS 9 and the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Borrowing costs (Continued)

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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 recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. 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, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has recognised deferred tax on changes in fair value of investment properties, amounted to HK$112,603,000 (2024: HK$114,625,000), as the Group is subject to income taxes on the fair value changes of the investment properties on disposal.

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of properties held for sale

The properties held for sale owned by the Group or through joint ventures (collectively referred to as the "Properties") are stated at the lower of cost and net realisable value. The net realisable value of the Properties were determined by management of the Group with reference to external valuation reports prepared by the independent and qualified property valuers (the "Valuers"), taking into account of open market value and/or the market evidence of transaction prices for similar properties in the same locations and conditions.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Valuation of properties held for sale (Continued)

If there is a decrease in net sales value, the net realisable value will decrease and additional write-down of the Properties would be recognised should the net realisable value be lower that the carrying amount.

In addition, given the volatility of the property market and the unique nature of individual properties, the actual outcomes in terms of revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the estimates would affect profit or loss in future years.

Detail of the carrying amount of the Properties are disclosed in notes 19 and 23.

Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by the Valuers. The determination of the fair value involves certain assumptions of market conditions. In determining the fair values, the Valuers have based on a method of valuation which involves certain unobservable inputs including, among other factors, capitalisation rate and reversionary income used in the valuations as set out in note 17.

In relying on the valuation report, the directors of the Company have exercised their judgements and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

Detail of the carrying amount of the Group's investment properties is disclosed in note 17.

5. REVENUE

(i) Disaggregation of revenue

	2025 HK$'000	2024 HK$'000
Sales of properties held for sale – at a point in time	289,790	1,343,298
Rental income	230,833	235,834
	520,623	1,579,132

5. REVENUE (Continued)

(i) Disaggregation of revenue (Continued)

	Sales of properties held for sale	
	2025	2024
	HK$'000	HK$'000
Geographical market		
Hong Kong	260,060	1,343,298
Macau	29,730	–
	289,790	1,343,298

(ii) Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	2025	2024
	HK$'000	HK$'000
Sales of properties held for sale		
Commercial property holding	127,980	203,298
Residential property holding	132,080	1,140,000
Macau property holding	29,730	–
Revenue from contracts with customers	289,790	1,343,298
Rental income	230,833	235,834
Interest income and dividend income	29,362	44,463
Revenue disclosed in segment information	549,985	1,623,595

(iii) Performance obligations for contracts with customers

Revenue from sales of properties held for sale is recognised at a point in time when the customer obtains the control of the properties, which is the property stated in the sale and purchase agreement being delivered and its title being passed to the customer. The Group receives at least 5% of the contract value as deposits from customers when they sign the preliminary sale and purchase agreements and the balance of purchase price shall be paid upon completion of the sale and purchase of the properties.

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. REVENUE (Continued)

(iv) Leases

	2025 HK$'000	2024 HK$'000
For operating leases:		
Lease payments that are fixed	230,833	235,834

6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

There are four reportable and operating segments in current year as follows:

(a) commercial property holding segment, which engages in the investment and trading of commercial properties, properties under development and also the strategic alliances with the partners of the joint ventures and associates in Hong Kong and Mainland China;

(b) residential property holding segment, which engages in the investment and trading of residential properties, properties under development and also the strategic alliances with the partners of the joint ventures and associates in Hong Kong and Mainland China;

(c) Macau property holding segment, which engages in the investment and trading of properties located in Macau; and

(d) securities investment segment, which engages in the securities trading and investment.

The CODM also considered the share of revenue of associates and joint ventures for the purpose of allocating resources and assessing performance of each segment.

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the year ended 31 March 2025					
EXTERNAL REVENUE					
Rental income	227,880	874	2,079	–	230,833
Sales of properties held for sale	127,980	132,080	29,730	–	289,790
Revenue of the Group	355,860	132,954	31,809	–	520,623
Interest income and dividend income	–	–	–	29,362	29,362
	355,860	132,954	31,809	29,362	549,985
SHARE OF REVENUE OF ASSOCIATES AND JOINT VENTURES					
Rental income	65,223	416	–	–	65,639
Sales of properties held for sale	266,188	1,017,353	–	–	1,283,541
	331,411	1,017,769	–	–	1,349,180
Segment revenue	687,271	1,150,723	31,809	29,362	1,899,165
RESULTS					
Share of results of joint ventures *(note)*	(874,653)	49,091	–	–	(825,562)
Share of results of associates *(note)*	153	(232,791)	–	–	(232,638)
Segment profit (loss) excluding share of results of joint ventures and associates	3,691	(16,950)	(34,919)	(153,344)	(201,522)
Segment loss	(870,809)	(200,650)	(34,919)	(153,344)	(1,259,722)
Unallocated other income					91,160
Unallocated other gains and losses					(2,606)
Central administrative costs					(16,815)
Finance costs					(577,418)
Loss before taxation					(1,765,401)

6. SEGMENT INFORMATION (Continued)
Segment revenue and results (Continued)

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the year ended 31 March 2024					
EXTERNAL REVENUE					
Rental income	232,775	990	2,069	–	235,834
Sales of properties held for sale	203,298	1,140,000	–	–	1,343,298
Revenue of the Group	436,073	1,140,990	2,069	–	1,579,132
Interest income and dividend income	–	–	–	44,463	44,463
	436,073	1,140,990	2,069	44,463	1,623,595
SHARE OF REVENUE OF ASSOCIATES AND JOINT VENTURES					
Rental income	91,803	2,569	–	–	94,372
Sales of properties held for sale	32,475	1,752,379	–	–	1,784,854
	124,278	1,754,948	–	–	1,879,226
Segment revenue	560,351	2,895,938	2,069	44,463	3,502,821
RESULTS					
Share of results of joint ventures *(note)*	(130,946)	193,209	–	–	62,263
Share of results of associates *(note)*	9	(64,139)	–	–	(64,130)
Segment profit (loss) excluding share of results of joint ventures and associates	151,293	76,351	(67,000)	(103,144)	57,500
Segment profit (loss)	20,356	205,421	(67,000)	(103,144)	55,633
Unallocated other income					170,018
Unallocated other gains and losses					(34,337)
Central administrative costs					(24,988)
Finance costs					(663,740)
Loss before taxation					(497,414)

Note: Share of results of associates and joint ventures mainly represent share of the operating profit or loss of these entities from their businesses of property investment and development.

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss incurred) profit earned by each segment, without allocation of certain items of other income (primarily bank interest income, interest income from loan receivables and amortisation of financial guarantee contracts) and of other gains and losses (primarily impairment loss recognised on financial guarantee contracts, gain (loss) on disposal of property, plant and equipment and net exchange gain), central administrative costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2025 HK$'000	2024 HK$'000
Segment assets		
Commercial property holding	14,863,962	15,702,835
Residential property holding	5,624,695	7,154,914
Macau property holding	17,280	80,180
Securities investment	187,965	408,554
Total segment assets	20,693,902	23,346,483
Property, plant and equipment	147,959	165,047
Taxation recoverable	1,239	1,560
Bank balances and cash	1,411,918	2,520,518
Other unallocated assets	183,823	204,740
Consolidated total assets	22,438,841	26,238,348
Segment liabilities		
Commercial property holding	364,801	367,671
Residential property holding	654,438	1,610,442
Macau property holding	57,733	62,898
Securities investment	3,623	6,889
Total segment liabilities	1,080,595	2,047,900
Guaranteed notes	2,307,731	2,301,660
Bank borrowings	6,924,659	7,882,848
Taxation payable	103,416	128,872
Other unallocated liabilities	92,913	140,950
Consolidated total liabilities	10,509,314	12,502,230

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, taxation recoverable, bank balances and cash and other assets used jointly by reportable and operating segments; and

- all liabilities are allocated to operating segments other than guaranteed notes, bank borrowings, taxation payable and other liabilities for which reportable and operating segments are jointly liable.

Other segment information

For the year ended 31 March 2025

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit (loss) or segment assets and liabilities:							
Interests in joint ventures	1,846,085	1,671,968	–	–	3,518,053	–	3,518,053
Amounts due from joint ventures	5,661,388	1,427,294	–	–	7,088,682	–	7,088,682
Amounts due to joint ventures	173,898	567,280	–	–	741,178	–	741,178
Interests in associates	3,989	531,527	–	–	535,516	–	535,516
Amounts due from associates	12	927,115	–	–	927,127	–	927,127
Net decrease in fair value of financial assets at FVTPL or derivative financial instruments	–	–	–	(108,345)	(108,345)	–	(108,345)
Interest income from amounts due from joint ventures and an associate	73,459	84,737	–	–	158,196	152	158,348
Interest income from financial assets at FVTPL	–	–	–	5,435	5,435	–	5,435
Depreciation of property, plant and equipment	–	–	–	–	–	(17,527)	(17,527)
Net write-down of properties held for sale	(105,335)	–	(25,646)	–	(130,981)	–	(130,981)

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 March 2024

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit (loss) or segment assets and liabilities:							
Interests in joint ventures	2,450,828	3,194,247	–	–	5,645,075	–	5,645,075
Amounts due from joint ventures	5,508,232	1,305,639	–	–	6,813,871	–	6,813,871
Amounts due to joint ventures	175,914	1,523,902	–	–	1,699,816	–	1,699,816
Interests in associates	3,836	499,250	–	–	503,086	–	503,086
Amounts due from associates	–	940,018	–	–	940,018	–	940,018
Net decrease in fair value of financial assets at FVTPL or derivative financial instruments	–	–	–	(126,312)	(126,312)	–	(126,312)
Interest income from amounts due from joint ventures and an associate	97,767	84,528	–	–	182,295	311	182,606
Interest income from financial assets at FVTPL	–	–	–	23,878	23,878	–	23,878
Depreciation of property, plant and equipment	–	–	–	–	–	(32,778)	(32,778)
Net reversal of (write-down of) properties held for sale	107,992	–	(67,000)	–	40,992	–	40,992

6. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations in commercial property holding, residential property holding, Macau property holding and securities investment are mainly located in Hong Kong, the PRC (excluding Hong Kong and Macau) and Macau.

The following table provides an analysis of the Group's revenue and non-current assets by geographical location.

Revenue from property rentals and sales of properties held for sale are allocated based on the geographical location of the property interests.

Non-current assets are allocated by geographical location of the assets.

	Revenue from external customers Year ended 31 March		Non-current assets *(note)*	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Hong Kong	349,469	1,452,986	3,623,962	5,678,185
PRC (excluding Hong Kong and Macau)	139,345	124,077	3,669,628	3,851,885
Macau	31,809	2,069	–	–
	520,623	1,579,132	7,293,590	9,530,070

Note: Non-current assets exclude financial instruments.

Information about major tenants and buyers of properties

Revenue from customers, who are buyers of properties held for sale, which individually accounted for more than 10% of the consolidated revenue from external customers are detailed as below.

	2025 HK$'000	2024 HK$'000
Buyer A[1]	–	203,298
Buyer B[2]	–	1,140,000
Buyer C[1]	81,180	–
Buyer D[2]	122,000	–
	203,180	1,343,298

[1] Revenue from commercial property holding
[2] Revenue from residential property holding

Revenue by type of income

The relevant information is set out in note 5.

7. INCOME AND LOSSES FROM INVESTMENTS

	2025 HK$'000	2024 HK$'000
Income from investments includes the following:		
Interest income from financial assets at FVTPL	5,435	23,878
Dividend income from financial assets at FVTPL	23,927	20,585
	29,362	44,463
Losses from investments includes the following:		
Net change in fair value of financial assets at FVTPL	(108,345)	(127,890)
Net change in fair value of derivative financial instruments	–	1,578
	(108,345)	(126,312)

The following is the analysis of the investment income and losses from respective financial instruments:

	2025 HK$'000	2024 HK$'000
Derivative financial instruments	–	1,578
Financial assets at FVTPL	(78,983)	(83,427)
	(78,983)	(81,849)

8. OTHER INCOME

	2025 HK$'000	2024 HK$'000
Bank interest income	63,891	118,990
Interest income from loan receivables	5,028	25,629
Interest income from amounts due from joint ventures and an associate	158,348	182,606
Amortisation of financial guarantee contracts	7,322	8,012
Assets management income from joint ventures	34,785	35,246
Consultancy fee income	834	12,834
Others	14,919	17,387
	285,127	400,704

Total interest income of financial assets measured at amortised cost amounts to HK$227,267,000 (2024: HK$327,225,000) for the year ended 31 March 2025.

9. OTHER GAINS AND LOSSES

	2025 HK$'000	2024 HK$'000
Impairment loss recognised on financial guarantee contracts, net	(3,300)	(44,889)
Impairment loss recognised on investment in a joint venture	–	(79,954)
Gain (loss) on disposal of property, plant and equipment	420	(16)
Net exchange gain	274	10,568
Written off loan receivable	(61,497)	–
	(64,103)	(114,291)

10. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interests on:		
Bank borrowings	440,876	523,827
Loan from joint ventures	11,006	13,678
Guaranteed notes	125,536	126,235
Total borrowing costs	577,418	663,740

11. INCOME TAX CREDIT

	2025 HK$'000	2024 HK$'000
The credit comprises:		
Hong Kong Profits Tax		
– Current year	1,447	2,074
– Overprovision in prior years	(22,689)	(37,110)
	(21,242)	(35,036)
Deferred taxation *(note 30)*	(33,308)	(6,426)
	(54,550)	(41,462)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

According to the Macau Complementary Tax Law, complementary tax is calculated at a rate of 12% on the assessable profit above Macau Pataca ("MOP") 600,000 (2024: MOP600,000) for the year.

11. INCOME TAX CREDIT (Continued)

No provision for Macau complementary tax was required as the subsidiaries of the Group in Macau did not have assessable profits more than MOP600,000 for both years.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for the PRC on enterprise income tax was required as the subsidiaries of the Group in the PRC have accumulated losses available for offset against future profits for both years.

Income tax credit for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2025 HK$'000	2024 HK$'000
Loss before taxation	(1,765,401)	(497,414)
Taxation at Hong Kong Profits Tax rate of 16.5%	(291,291)	(82,073)
Tax effect of expenses not deductible for tax purpose	63,057	108,661
Tax effect of income not taxable for tax purpose	(17,693)	(101,541)
Tax effect of share of results of joint ventures	136,218	(10,273)
Tax effect of share of results of associates	38,385	10,581
Tax effect of tax losses not recognised	43,306	71,664
Utilisation of tax losses previously not recognised	(3,843)	(1,371)
Overprovision in prior years	(22,689)	(37,110)
Income tax credit for the year	(54,550)	(41,462)

12. LOSS FOR THE YEAR

	2025 HK$'000	2024 HK$'000
Loss for the year has been arrived at after charging (crediting):		
Directors' remuneration *(note 13)*	36,117	37,552
Other staff costs:		
Salaries and other benefits	52,271	58,682
Performance-related incentive bonus	8,765	9,607
Contributions to retirement benefits schemes	4,325	4,887
	65,361	73,176
Total staff costs	101,478	110,728
Auditor's remuneration	3,103	2,982
Cost of properties held for sale recognised as an expense	285,289	697,009
Depreciation of property, plant and equipment	17,527	32,778
Net write-down (reversal of write-down) of properties held for sale (included in cost of sales)	130,981	(40,992)
Gross rental income from investment properties	(139,345)	(124,078)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	40,093	40,742
direct operating expenses incurred for investment properties that did not generate rental income during the year	13,043	2,086
	(86,209)	(81,250)

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

The emoluments paid or payable to each of nine (2024: eleven) directors were as follows:

For the year ended 31 March 2025

	Executive Directors						Independent Non-executive Directors			
	Mr. Chung Cho Yee, Mico	Mr. Kan Sze Man	Mr. Chow Hou Man	Mr. Ho Lok Fai	Mr. Leung King Yin, Kevin	Ms. Chung Yuen Tung, Jasmine	Mr. Cheng Yuk Wo	Dr. Lo Wing Yan, William	Mr. Shek Lai Him, Abraham	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Directors' remuneration										
Fees	–	–	–	–	–	–	200	200	200	600
Salaries and other benefits	12,421	5,301	4,258	2,700	3,479	1,086	–	–	–	29,245
Performance-related incentive bonus *(note)*	2,070	1,105	680	720	580	136	–	–	–	5,291
Contributions to retirement benefits schemes	18	298	239	176	195	55	–	–	–	981
	14,509	6,704	5,177	3,596	4,254	1,277	200	200	200	36,117

For the year ended 31 March 2024

	Executive Directors							Independent Non-executive Directors				
	Mr. Chung Cho Yee, Mico	Mr. Kan Sze Man	Mr. Chow Hou Man	Mr. Fong Man Bun, Jimmy (retired on 23 August 2023)	Mr. Ho Lok Fai	Mr. Leung King Yin, Kevin	Ms. Chung Yuen Tung, Jasmine (appointed on 20 April 2023)	Dr. Lam Lee G. (retired on 28 March 2024)	Mr. Cheng Yuk Wo	Dr. Lo Wing Yan, William	Mr. Shek Lai Him, Abraham	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Directors' remuneration												
Fees	–	–	–	–	–	–	–	200	200	200	200	800
Salaries and other benefits	12,421	5,301	4,080	2,770	2,448	3,479	1,069	–	–	–	–	31,568
Performance-related incentive bonus *(note)*	1,552	663	510	–	714	435	134	–	–	–	–	4,008
Contributions to retirement benefits schemes	18	304	246	172	167	216	53	–	–	–	–	1,176
	13,991	6,268	4,836	2,942	3,329	4,130	1,256	200	200	200	200	37,552

Note: Performance-related incentive bonus is recommended by the Remuneration Committee and is approved by the board of directors, having regard to the Group's operating results, individual performance and comparable market statistics.

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

The Company has not appointed Chief Executive Officer, and the role and function of the Chief Executive Officer has been performed by the CODM collectively.

The above emoluments to Executive Directors were for their services in connection with the management of the affairs of the Company and of the Group. The above emoluments to Independent Non-executive Directors were for their services as directors of the Company. No directors waived any emoluments during both years.

During both years, no emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office.

Of the five individuals with the highest emoluments in the Group, five (2024: four) were directors of the Company whose emoluments are included above.

Details of the remuneration for the year zero (2024: remaining one) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 HK$'000
Salaries, allowances and benefits in kind	3,236
Performance related bonuses	1,146
Pension scheme contributions	15
	4,397

The number of non-director and non-chief executive highest paid employee whose remuneration fell within the following bands which is presented in Hong Kong Dollar ("HK$") is as follows:

	2024 Number of employee
HK$4,000,001 to HK$4,500,000	1

14. DIVIDENDS

	2025 HK$'000	2024 HK$'000
Dividends recognised as distribution during the year		
– Final dividend of HKnil cent per share in respect of financial year ended 31 March 2024 (2024: Final dividend of HK0.42 cent per share in respect of financial year ended 31 March 2023)	–	39,350
Dividends proposed after the end of the reporting period		
– Final dividend of HKnil cent per share (2024: Final dividend of HKnil cent per share)	–	–

15. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2025 HK$'000	2024 HK$'000
Loss		
Loss for the purpose of basic loss per share:		
Loss for the year attributable to owners of the Company	(1,691,529)	(425,605)

	2025	2024 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share (in thousands)	4,604,895	4,638,318

The weighted average number of ordinary shares used to calculate the basic loss per share for both years have been adjusted to reflect the Share Consolidation (as defined in note 28) during the year ended 31 March 2025. Accordingly, the basic loss per share for the year ended 31 March 2024 is restated.

No diluted loss per share is presented as there is no potential ordinary shares outstanding during both years.

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Vessel	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST						
At 1 April 2023	303,998	30,419	2,327	9,645	81,682	428,071
Additions	–	4	–	–	–	4
Disposal during the year	–	–	(36)	–	–	(36)
At 31 March 2024	303,998	30,423	2,291	9,645	81,682	428,039
Additions	–	9	–	430	–	439
Disposal during the year	–	–	–	(3,136)	–	(3,136)
At 31 March 2025	303,998	30,432	2,291	6,939	81,682	425,342
DEPRECIATION						
At 1 April 2023	127,976	26,931	1,654	9,645	64,028	230,234
Provided for the year	14,905	1,347	229	–	16,297	32,778
Disposal during the year	–	–	(20)	–	–	(20)
At 31 March 2024	142,881	28,278	1,863	9,645	80,325	262,992
Provided for the year	14,904	1,048	206	12	1,357	17,527
Disposal during the year	–	–	–	(3,136)	–	(3,136)
At 31 March 2025	157,785	29,326	2,069	6,521	81,682	277,383
CARRYING VALUES						
At 31 March 2025	146,213	1,106	222	418	–	147,959
At 31 March 2024	161,117	2,145	428	–	1,357	165,047

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Land and buildings	Over the shorter of the terms of the relevant lease of the relevant land on which buildings are erected, or 5%
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Motor vehicles	33%
Vessel	20%

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Certain of the above property, plant and equipment are pledged to secure the general banking facilities granted to the Group. Details are set out in note 33.

	2025 HK$'000	2024 HK$'000
Expense relating to short-term leases	1,139	1,377
Total cash outflows for leases	1,139	1,377

17. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 April 2023	3,356,142
Fair value loss recognised in profit or loss	(36,069)
Exchange adjustments	(115,616)
At 31 March 2024	3,204,457
Fair value loss recognised in profit or loss	(69,431)
Exchange adjustments	(55,369)
At 31 March 2025	3,079,657

The Group leases out retail stores under operating leases with rentals payable monthly or quarterly. The leases typically run for an initial period of 1 to 10 years. The leases of retail stores contain minimum annual lease payments that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currency of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The fair value of the Group's investment properties as at 31 March 2025 has been arrived at on the basis of a valuation carried out on the date by Knight Frank Petty Limited (2024: Knight Frank Petty Limited and Savills Real Estate Valuation (Guangzhou) Limited Shanghai Branch), independent and qualified property valuers not connected to the Group.

The above investment properties are pledged to secure bank facilities granted to the Group. Details are set out in note 33.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

17. INVESTMENT PROPERTIES (Continued)

	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Commercial properties located in Shanghai, PRC 2025: HK$3,079,657,000 (2024: HK$3,204,457,000)	Investment method derived from the existing tenancies, with due provision for the reversionary potential of each constituent portion of the property at appropriate capitalisation rates.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 6% – 6.5% (2024: 3% – 4.5%).	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
		Reversionary income, taking into account the differences in location, and individual factors, such as frontage and size between the comparables and the property ranging from RMB280 to RMB1,557 per sqm (2024: RMB417 to RMB2,079 per sqm) per month.	A slight increase in the reversionary income used would result in a significant increase in fair value, and vice versa.

The fair value measurement is categorised into Level 3 fair value hierarchy.

18. FINANCIAL ASSETS AT FVTPL

The financial assets at FVTPL comprise:

	2025 HK$'000	2024 HK$'000
Listed equity securities *(note i)*	6,933	8,949
Unlisted equity securities/limited partnership *(note ii)*	103,944	175,918
Listed debt securities *(note iii)*	87,635	97,234
Unlisted debt securities	52,426	69,720
	250,938	351,821
Total and reported as:		
Listed		
Hong Kong	62,542	63,916
Singapore	2,132	2,166
Elsewhere	29,894	40,101
Unlisted	156,370	245,638
	250,938	351,821
Analysed for reporting purposes as:		
Non-current assets	186,473	283,230
Current assets	64,465	68,591
	250,938	351,821

Notes:

(i) The fair value was based on the quoted market closing prices of the respective securities in active markets for identical assets.

(ii) The unlisted equity securities/limited partnership as at 31 March 2025 are measured at fair value. Details are set out in note 38(c).

(iii) The listed debt securities at 31 March 2025 represented bonds with fixed interest of 1% to 11% (2024: 1% to 11%) per annum. The maturity dates of the listed debt securities range from 11 July 2025 to perpetual (2024: 30 June 2024 to perpetual). Their fair values are determined based on quoted market closing prices available from the market.

Certain of the listed debt securities are pledged to secure the general banking facilities granted to the Group. Details are set out in note 33.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES

	2025 HK$'000	2024 HK$'000
Costs of unlisted investments in joint ventures	4,963,993	5,032,236
Share of post-acquisition (loss) gain and other comprehensive (expense) income, net of dividend received	(1,779,877)	248,919
Exchange difference arising on translation	(128,391)	(114,799)
Deemed capital contribution – financial guarantee contracts	29,157	32,434
Deemed capital contribution – interest-free loans *(note i)*	433,171	446,285
	3,518,053	5,645,075
Amounts due from joint ventures included in non-current assets *(note i)*	7,088,682	6,813,871
Amounts due to joint ventures included in current liabilities *(note ii)*	741,178	1,699,816

Notes:

(i) Included in the amounts due from joint ventures as at 31 March 2025, there are principal amounts with interests of HK$2,851,347,000 (2024: HK$2,822,693,000), which are unsecured, bear interest at 4.875%, and Hong Kong prime rate plus 1% to 3% (2024: 4.875% and 1% to 3%) per annum, and repayable after one year. The remaining amounts with principal of HK$5,835,777,000 (2024: HK$5,292,348,000) are unsecured, non-interest bearing and have no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

In addition, included in the amounts due from joint venture as at 31 March 2025, there are share of loss of joint ventures of HK$1,203,052,000 (2024: HK$982,260,000) representing share of the loss in excess of the cost of investment to the extent of the Group's legal or constructive obligations.

During the year ended 31 March 2025, an impairment of HK$7,920,000 (2024: HK$554,926,000) is recognised on amounts due from joint ventures, which had been determined by assessing the expected credit loss allowance by management. Details are set out in note 38.

(ii) Included in the amounts due to joint ventures as at 31 March 2025, there is principal amount of HK$79,474,000 (2024: HK$108,700,000), which is unsecured, bear interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.15% (2024: HIBOR plus 1.15%) per annum and repayable on demand. Also, there is principal amount of HK$36,000,000 (2024: HK$45,000,000), which is unsecured, bear interest at 15% (2024: 15%) per annum and repayable in August 2025. The remaining balances are unsecured, non-interest bearing and repayable on demand.

Valuation of the properties held for sale held by joint ventures as at 31 March 2025 and 2024 were carried out by the Valuers, with reference to expected future selling prices by comparing it to recent sales transaction for similar properties located in the vicinity of each development.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

As at 31 March 2025, the Group had interests in the following material joint venture:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held		Principal activities
					2025	2024	2025	2024	
Tiptop Noble Limited	Incorporated	BVI	Hong Kong	Ordinary	51%	51%	51% *(note)*	51% *(note)*	Property holding

Note: Regarding this joint venture, the Group has entered into agreements with the joint venture partner in respect of the operations and control of this entity. Based on the legal form and terms of the contractual arrangements, the investments in this entity is treated as a joint venture because major decisions relating to relevant activities require consent of all parties.

The above table lists the joint venture of the Group which, in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the group. The remaining joint ventures are considered not material in terms of its individual carrying amount of interest in joint ventures and the share of results recognised by the Group for the current year. To give details of other joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length.

The joint ventures had properties held for sale that are attributable to the Group amounted to HK$4,686,721,000 (2024: HK$7,251,375,000) and properties under development for sale that are attributable to the Group amounted to HK$11,152,898,000 (2024: HK$10,664,303,000) as at 31 March 2025, all of which are situated in Mainland China and Hong Kong.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures

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

The joint venture is accounted for using the equity method in these consolidated financial statements.

Tiptop Noble Limited

	2025 HK$'000
Current assets	5,258,516
Current liabilities	(2,912,756)
Non-current liabilities	(52,130)
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	595,284

As at 31 March 2025, current assets mainly comprised of property held for sale of HK$4,610,932,000 and cash and cash equivalents of HK$595,284,000. Current liabilities as at 31 March 2025 mainly comprised of bank borrowing of HK$1,838,000,000 and contract liabilities of HK$986,560,000.

	2025 HK$'000
Loss and total comprehensive expense for the year	(12,865)

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

	2025 HK$'000
Net assets of the joint venture	2,293,630
Proportion of the Group's ownership interest in the joint venture	51%
	1,169,751
Deemed Capital Contribution - financial guarantee contracts	5,961
Carrying amount of the Group's interest in the joint venture	1,175,712

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Aggregate information of joint ventures that are not individually material

	2025 HK$'000	2024 HK$'000
The Group's share of loss	(819,001)	(207,796)
The Group's share of other comprehensive expense	(13,592)	(53,349)
The Group's share of total comprehensive expense	(832,593)	(261,145)
Dividends received from joint ventures during the year *(note)*	1,424,026	–
Aggregate carrying amount of the Group's interest in joint ventures	2,342,341	4,037,310

Note: During the year ended 31 March 2025, the Company received dividend income of HK$1,380,500,000 (2024: HK$nil) from joint ventures which were recorded in current accounts with joint ventures.

Significant restriction

There are no significant restrictions on the ability of the joint ventures to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

20. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES

	2025 HK$'000	2024 HK$'000
Costs of unlisted investments in associates	720,802	416,565
Share of post-acquisition losses and other comprehensive expense, net of dividend received	(292,223)	(20,416)
Deemed capital contribution – financial guarantee contracts	2,744	2,744
Deemed capital contribution – interest-free loans *(note)*	104,193	104,193
	535,516	503,086
Amounts due from associates included in non-current assets *(note)*	927,127	940,018

All of the associates are accounted for using the equity method in these consolidated financial statements.

Note: Included in the amounts due from associates as at 31 March 2025, principal amounts with interests of HK$1,364,607,000 (2024: HK$1,164,683,000) are unsecured, bear interest at HIBOR plus 1.5% (2024: HIBOR plus 1.5%) per annum and have no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

20. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES (Continued)

At 31 March 2025, the Group had interest in the following material associate:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of shares held	Proportion of nominal value of issued share capital held indirectly by the Group		Proportion of voting power held		Principal activities
					2025	2024	2025	2024	
True Fame Enterprises Limited	Incorporated	BVI	Hong Kong	Ordinary	30%	30%	30%	30%	Investment holding

The above table lists the associate of the Group which, in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

Summarised financial information of material associates

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

True Fame Enterprises Limited

	2025 HK$'000
Non-current assets	20,073
Current assets	2,912,398
Current liabilities	(1,408,024)
Non-current liabilities	(100,000)
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	34,204

As at 31 March 2025, current assets mainly comprised of property held for sale of HK$2,839,133,000 and cash and cash equivalents of HK$34,204,000. Current liabilities as at 31 March 2025 mainly comprised of bank borrowing of HK$1,089,120,000.

20. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

True Fame Enterprises Limited (Continued)

	2025 HK$'000
Revenue	–
Loss and total comprehensive expense for the year	(66,553)
Dividend received from the associate during the year	251,995

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2025 HK$'000
Net assets of the associate	1,424,447
Proportion of the Group's ownership interest in the associate	30%
	427,334
Deemed Capital Contribution - financial guarantee contracts	1,408
Carrying amount of the Group's interest in the associate	428,742

Aggregate information of associates that are not individually material

	2025 HK$'000	2024 HK$'000
The Group's share of loss and total comprehensive expense for the year	(212,672)	(64,130)
Dividends received from an associate during the year	–	360
Aggregate carrying amount of the Group's interest in associates	106,774	503,086

Significant restriction

There are no significant restrictions on the ability of the associates to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

21. LOAN RECEIVABLES

	2025 HK$'000	2024 HK$'000
Loan receivables	76,079	188,191
Analysed for reporting purposes as:		
Current assets	45,338	115,399
Non-current assets	30,741	72,792
	76,079	188,191

The Group offers loans to buyers of properties sold by the Group and the repayment terms of the loans are specified in the loan agreements. As at 31 March 2025, the loan receivables included the carrying amount of HK$76,079,000 (2024: HK$78,191,000) which are mortgage loans over the properties held by the purchasers and are receivable by instalments over a period of not more than 20 years and the carrying amount of HK$nil (2024: HK$110,000,000) which is repayable within 12 months from the end of reporting period and secured by the properties held by the borrower.

Before granting loans, the Group uses an internal credit assessment process to assess the potential borrower's credit quality and defines its credit limits granted to the borrowers. The credit limits granted to the borrowers are reviewed by the management regularly.

The Group's loan receivables are denominated in HK$, the functional currency of the relevant group entity. During the year ended 31 March 2025, the range of interest rate on the Group's loan receivables is variable at Hong Kong Prime Rate plus 1% (2024: fixed at 18% or variable at Hong Kong Prime Rate plus 1%) per annum. Including in loan receivables as at 31 March 2025, there were loan receivables with carrying amounts of HK$30,741,000 (2024: HK$72,792,000), which was repayable more than twelve months after the reporting period, and hence was classified as non-current. Pursuant to loan agreements, the Group retains a discretionary right to demand the repayment from the borrower in full before the maturity of the loans at the amount of principals outstanding plus accrued interests.

At the end of each reporting date, the Group's loan receivables were individually assessed for impairment. Details are set out in note 38.

22. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprise of rental receivables which are receivable on the presentation of debit notes and rental income is billed in advance. The Group allows credit period of 0 – 60 days (2024: 0 – 60 days) to its tenants. The ageing analysis of the trade receivables, presented based on the debit note date for rental receivables which approximated the revenue recognition date, at the end of the reporting period is as follows:

	2025 HK$'000	2024 HK$'000
Trade receivables:		
0 – 30 days	5,131	5,125
31 – 90 days	5,145	4,318
	10,276	9,443
Prepayments and deposits	38,908	29,400
Other receivables *(note)*	150,821	252,015
	200,005	290,858

Before accepting new customers, the Group will assess and understand the potential customer's credit quality.

The entire trade receivables balance was neither past due nor credit-impaired and had no default record based on historical information.

Note: As at 31 March 2025 and 2024, other receivables mainly comprised of promissory note issued by a joint venture amounted to HK$72,000,000 and HK$152,000,000 respectively, which is interest bearing at HIBOR plus 1.2% per annum.

23. PROPERTIES HELD FOR SALE

	2025 HK$'000	2024 HK$'000
The Group's carrying amounts of properties held for sale, stated at lower of cost and net realisable value, comprise:		
– Completed properties	5,187,679	5,598,042

Certain of the above properties held for sale are pledged to secure the general facilities granted to the Group. Details are set out in note 33.

The net realisable value of the properties held for sale as at 31 March 2025 and 2024 were determined by the management with reference to external valuation reports prepared by the Valuers, taking into account open market value and/or the market evidence of transaction prices for similar properties in the same locations and conditions.

23. PROPERTIES HELD FOR SALE (Continued)

The net realisable value of properties held for sale was determined by the Valuers on the following basis:

Completed properties – arrived at by capitalising the net rental income derived from the existing tenancies with due allowance for reversionary potential income of the respective properties, or direct comparison method on basis of market value.

Based on the assessment carried out by the directors of the Company, a net write-down of HK$130,981,000, comprising a write-down of HK$105,335,000 for properties located in Hong Kong and a write-down of HK$25,646,000 located in Macau are recognised in the cost of sales for the year ended 31 March 2025 (2024: a net reversal of write-down of HK$40,992,000, comprising a reversal of write-down of HK$107,992,000 for properties located in Hong Kong and a write-down of HK$67,000,000 located in Macau were recognised in the cost of sales). All impaired units are commercial properties.

24. CASH HELD BY SECURITIES BROKERS/BANK BALANCES AND CASH

Cash held by securities brokers are short-term deposits which carried variable interest rates ranging from 0.025% to 0.875% (2024: 0.0001% to 0.875%) per annum.

The amounts of the Group's cash held by securities brokers denominated in a currency other than the functional currencies of the relevant group entities are set out below:

	2024 HK$'000
United States dollars ("US$")	1,820

Bank balances and cash comprised bank balances and cash and short-term bank deposits with an original maturity of three months or less. The bank balances carried variable interest rates ranging from 1.00% to 5.48% (2024: 0.01% to 5.85%) per annum.

The amounts of Group's bank balances and cash denominated in currencies other than functional currencies of the relevant group entities are set out below:

	2025 HK$'000	2024 HK$'000
Renminbi ("RMB")	19,548	144,591
US$	426,558	885,101
Euro ("EUR")	2,521	2,531
Great British Pound ("GBP")	322	316
Australian Dollars ("AUD")	114	27,811
	449,063	1,060,350

25. OTHER PAYABLES AND ACCRUALS

The following is the breakdown of other payables and accruals at the end of the reporting period:

	2025 HK$'000	2024 HK$'000
Rental and related deposits received	89,674	86,949
Other tax payables	2,590	2,488
Financial guarantee contracts	12,618	23,003
Interest payables	36,821	48,372
Accrued construction costs	33,515	38,248
Accruals and other payables	36,018	30,545
	211,236	229,605

26. CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Sales of properties held for sale	348	620

The Group receives at least 5% of the contract value as deposits from customers when they sign the sale and purchase agreements. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

27. BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
The carrying amounts of the Group's borrowings are repayable based on contractual repayment dates as follows:		
Within one year	1,054,461	3,814,883
More than one year, but not exceeding two years	2,469,612	444,688
More than two years, but not exceeding five years	2,984,856	3,561,242
More than five years	357,596	–
	6,866,525	7,820,813
The carrying amounts of the Group's borrowings that contain a repayment on demand clause in the loan agreements are repayable as follows:		
Within one year	3,564	62,035
More than one year, but not exceeding two years	3,564	–
More than two years, but not exceeding five years	51,007	–
	58,135	62,035
Less: Amounts due within one year or contain a repayment on demand clause in the loan agreements shown under current liabilities	(1,112,596)	(3,876,918)
Amounts shown under non-current liabilities	5,812,064	4,005,930
Secured *(note i)*	3,701,265	4,176,247
Unsecured *(note ii)*	3,223,395	3,706,601
	6,924,660	7,882,848

Notes:

i. The secured bank borrowings were secured by various assets held by the Group. The carrying amounts of the assets pledged are disclosed in note 33.

ii. At 31 March 2025, bank borrowings amounting to HK$3,223,395,000 were guaranteed by the Company (2024: HK$3,706,601,000).

The bank borrowings carried floating rate interests, of which borrowings amounting to HK$6,377,430,000 as at 31 March 2025 (2024: HK$7,282,153,000) bore interest at HIBOR plus 1.00% to 2.05% (2024: HIBOR plus 1.20% to 2.05%) per annum, compounded reference rate and borrowings amounting to HK$547,230,000 (2024: HK$600,695,000) bore interest at the quoted Loan Prime Rate by the National Interbank Funding Center or the Shanghai Interbank Offered Rate plus a fixed margin. At 31 March 2025, the effective interest rates ranged from 4.40% to 6.86% (2024: 4.28% to 7.56%) per annum.

28. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK0.8 cent each (before share consolidation) and HK1.6 cents each (after share consolidation)		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	22,500,000,000	180,000
Issued and fully paid:		
At 1 April 2023	9,368,939,676	74,952
Shares repurchased and cancelled	(159,150,000)	(1,274)
At 31 March 2024	9,209,789,676	73,678
Shares consolidation *(note)*	(4,604,894,838)	–
At 31 March 2025	4,604,894,838	73,678

All the shares issued or repurchased by the Company rank *pari passu* with the then existing ordinary shares in all respects.

Note: On 17 February 2025, the Company proposed to implement a share consolidation on the basis that every two issued and unissued shares of HK0.8 cent each would be consolidated into one consolidated share of HK1.6 cents each ("Consolidated Share(s)") (collectively referred to the "Share Consolidation").

Pursuant to an ordinary resolution passed on 6 March 2025, the Share Consolidation was approved by the shareholders of the Company and has become effective on 10 March 2025. Immediately after the Share Consolidation, the total number of issued shared of the Company was adjusted from 9,209,789,676 to 4,604,894,838.

29. GUARANTEED NOTES

On 22 July 2021, Estate Sky Limited ("ESL"), a subsidiary of the Group, issued guaranteed notes, which the Company is the guarantor, in the aggregate principal amount of US$300,000,000 (equivalent to approximately HK$2,340,000,000) ("2021 Guaranteed Notes") at an interest rate of 5.45% per annum, payable semi-annually in arrears. The guaranteed notes with carrying amount of HK$2,307,731,000 as at 31 March 2025 will mature on 21 July 2025 (2024: HK$2,301,660,000).

The 2021 Guaranteed Notes were listed on the Singapore Exchange and the fair value was HK$2,248,596,000 based on the quoted price as at 31 March 2025 (2024: HK$2,036,969,000).

30. DEFERRED TAXATION

The following is the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Fair value change of investment properties HK$'000	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2023	118,703	32,948	(9,670)	141,981
(Credit) charge to consolidated statement of profit or loss for the year	(4,078)	10,840	(13,188)	(6,426)
At 31 March 2024	114,625	43,788	(22,858)	135,555
Deregistration of a subsidiary	–	(1,233)	–	(1,233)
(Credit) charge to consolidated statement of profit or loss for the year	(2,022)	1,499	(32,785)	(33,308)
At 31 March 2025	112,603	44,054	(55,643)	101,014

As at 31 March 2025, the Group had unused tax losses of approximately HK$2,296,338,000 (2024: HK$1,858,473,000) available for offset against future profits and certain of these tax losses have not yet been agreed with the tax authority. A deferred tax asset has been recognised in respect of tax loss of HK$337,235,000 (2024: HK$138,539,000). No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK$1,959,103,000 (2024: HK$1,719,934,000) due to unpredictability of future profits streams. The unrecognised tax losses in Hong Kong amounted to HK$1,929,755,000 (2024: HK$1,671,999,000) can be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operated in the PRC will expire as follows:

Tax losses expiring in

	2025 HK$'000	2024 HK$'000
2025	–	11,770
2026	14,766	23,745
2027	3,948	4,019
2028	7,385	7,518
2029	868	883
2030	2,381	–
	29,348	47,935

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. As at 31 March 2025, no deferred taxation regarding such withholding tax has been provided as the PRC subsidiaries have accumulated losses and have no retained profits available for distribution (2024: HK$nil).

For the purpose of presentation in the consolidated statement of financial position, the deferred tax assets and liabilities have been offset.

31. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2025

Disposal of Hoyden Holdings Limited (the "2025 Disposed Subsidiary – Hoyden")

During the year ended 31 March 2025, the Group disposed of the entire interests in the 2025 Disposed Subsidiary – Hoyden for a total cash consideration of HK$9,258,000. Since the 2025 Disposed Subsidiary – Hoyden was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2025 Disposed Subsidiary – Hoyden. Accordingly, the Group had accounted for the disposal of the 2025 Disposed Subsidiary – Hoyden as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2025 Disposed Subsidiary – Hoyden on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	10,080
Trade and other receivables, deposits and prepayments	58
Other payables	(8)
Net assets disposed of	10,130
Transaction cost	542
Loss on disposal	(542)
	10,130
Total consideration satisfied by:	
Cash received	9,258
Assignment of loan	872
	10,130

31. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2025 (Continued)

Disposal of several companies located in Macau (the "2025 Disposed Subsidiaries – Macau Companies")

During the year ended 31 March 2025, the Group disposed of the entire interests in the 2025 Disposed Subsidiaries – Macau Companies for a total cash consideration of HK$8,560,000. Since the 2025 Disposed Subsidiaries – Macau Companies were principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2025 Disposed Subsidiaries – Macau Companies. Accordingly, the Group had accounted for the disposal of the 2025 Disposed Subsidiaries – Macau Companies as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2025 Disposed Subsidiaries – Macau Companies on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	5,954
Other payables	(63)
Net assets disposed of	5,891
Transaction cost	286
Gain on disposals	2,383
	8,560
Total consideration satisfied by:	
Cash received	8,560

31. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2024

Disposal of Starry View Limited and its subsidiaries (the "2024 Disposed Subsidiaries – Starry View")

During the year ended 31 March 2024, the Group disposed of the entire interests in the 2024 Disposed Subsidiaries – Starry View for a total cash consideration of HK$393,600,000. Since the 2024 Disposed Subsidiaries – Starry View was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2024 Disposed Subsidiaries – Starry View. Accordingly, the Group had accounted for the disposal of the 2024 Disposed Subsidiaries – Starry View as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2024 Disposed Subsidiaries – Starry View on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	660,645
Other receivables	201
Other payables	(24)
Net assets disposed of	660,822
Transaction cost	26,289
Gain on disposal	452,889
	1,140,000
Total consideration satisfied by:	
Cash received	393,600
Assignment of loan	746,400
	1,140,000

31. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2024 (Continued)

Disposal of Marble Range Limited (the "2024 Disposed Subsidiary – Marble Range")

During the year ended 31 March 2024, the Group disposed of the entire interests in the 2024 Disposed Subsidiary – Marble Range for a total cash consideration of HK$106,836,000. Since the 2024 Disposed Subsidiary – Marble Range was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2024 Disposed Subsidiary – Marble Range. Accordingly, the Group had accounted for the disposal of the 2024 Disposed Subsidiary – Marble Range as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2024 Disposed Subsidiary – Marble Range on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Property held for sales	175,625
Trade and other receivables, deposits and prepayments	174
Bank balances and cash	4,494
Lease incentive	22,368
Trade and other payables	(3,683)
Taxation payable	(282)
Net assets disposed of	198,696
Transaction costs	12,040
Loss on disposal	(7,438)
	203,298
Total consideration satisfied by:	
Cash received	106,836
Assignment of loan	96,462
	203,298

32. FINANCIAL GUARANTEE CONTRACTS

	2025 HK$'000	2024 HK$'000
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	7,294,388	8,122,698
Associates	1,317,240	1,220,656
	8,611,628	9,343,354
and utilised by:		
Joint ventures	6,397,388	6,975,561
Associates	957,240	993,736
	7,354,628	7,969,297

The directors of the Company assess the ECL allowance in relation to the financial guarantee contracts as set out in note 38. As at 31 March 2025, included in other payables and accruals (note 25) represents financial guarantee contracts amounted to HK$12,618,000 (2024: HK$23,003,000).

33. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	2025 HK$'000	2024 HK$'000
Property, plant and equipment	146,089	161,887
Investment properties	3,079,657	3,204,457
Properties held for sale	5,101,088	5,438,468
Financial assets at FVTPL	5,723	5,112
	8,332,557	8,809,924

For certain properties, the Group has assigned to the banks all its right, title and benefit as lessor of relevant properties for certain banking facilities granted to the Group.

34. OPERATING LEASE AND CAPITAL COMMITMENTS

Operating lease commitments

The Group as lessor

Certain of properties, which are classified as properties held for sale and investment properties, have committed lessees for the next one to six years. The lease commitments will be released when the properties are sold.

Minimum lease payments receivable on leases are as follows:

	2025 HK$'000	2024 HK$'000
Within one year	225,007	212,922
In the second year	204,809	160,958
In the third year	121,593	100,861
In the fourth year	90,827	57,897
In the fifth year	73,175	48,111
After five years	127,919	134,240
	843,330	714,989

35. RETIREMENT BENEFITS SCHEMES

The Group participates in a Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules, subject to a cap of monthly relevant income of HK$30,000 effective 1 June 2014 for the MPF Scheme, which contribution is matched by the employee. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contributions payables in the future years.

The Group also operates a defined contribution retirement scheme for all qualifying employees in Macau. The assets of the scheme are held separately from those of the Group in funds under control of independent trustees. The retirement scheme cost recognised in profit or loss represents contributions payable to funds by the Group at rates specified in the rules of the scheme. Where there are employees of the Group who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefits schemes operated by the PRC government. The Group is required to contribute a certain percentage of its payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the schemes.

35. RETIREMENT BENEFITS SCHEMES (Continued)

The retirement benefits scheme contributions relating to the MPF Scheme, stated-managed retirement benefits schemes and defined contribution retirement scheme in Macau charged to the current year's consolidated statement of profit or loss of HK$5,306,000 (2024: HK$6,063,000) represented contributions paid and payable to the schemes by the Group at rates specified in the rules of the schemes.

36. RELATED PARTY DISCLOSURES

Other than those elsewhere disclosed in the consolidated financial statements, the Group has following transactions with related parties.

(a) The amounts due to non-controlling shareholders of subsidiaries are unsecured, non-interest bearing and repayable on demand. Details of the amounts due from (to) joint ventures and associates are set out in the consolidated statement of financial position and on notes 19 and 20 respectively.

(b) The remuneration of directors and other members of key management during the year is as follows:

	2025 HK$'000	2024 HK$'000
Short-term benefits	35,136	40,758
Post-employment benefits	981	1,191
	36,117	41,949

The remuneration of executive directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which includes the amounts due to joint ventures, amounts due to non-controlling shareholders of subsidiaries, bank borrowings and guaranteed notes disclosed in notes 19, 36(a), 27 and 29, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, various reserves and retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendation of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

38. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at FVTPL		
Financial assets mandatory measured at FVTPL	250,938	351,821
Financial assets at amortised cost	9,666,487	10,735,022
Financial liabilities		
At amortised cost	10,219,795	12,142,949
Financial guarantee contracts	12,618	23,003

(b) Financial risk management objectives and policies

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and equity and other price risks), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks

(i) Foreign currency risk management

The Group operates in Hong Kong with most of the transactions denominated and settled in HK$, the functional currency of relevant group entities.

The Group is mainly exposed to foreign currency risk in relation to RMB, US$, EUR, GBP and AUD arising from foreign currency denominated bank balances and cash, cash held by securities brokers and guaranteed notes as set out in notes 24 and 29 respectively.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
RMB	19,548	144,591	–	–
US$	426,558	885,334	2,307,731	2,301,660
EUR	2,521	2,531	–	–
GBP	322	316	–	–
AUD	114	27,811	–	–

Under the pegged exchange rate system, the financial impact on exchange difference between HK$ and US$ will be immaterial as most US$ denominated monetary assets are held by group entities having HK$ as their functional currency, and the other financial assets denominated EUR, GBP and AUD are not material, and therefore no sensitivity analysis has been prepared.

Foreign currency sensitivity analysis

The Company mainly exposes to material currency risk in RMB against HK$ in year ended 31 March 2025 (2024: material currency risk in RMB against HK$).

The following table details the Company's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary item and adjusts its translation at the year end for a 5% change in foreign currency rate. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currencies. The sensitivity analysis represents bank balances denominated in RMB. A positive number indicates a decrease in loss for the year where the RMB strengthens against the relevant currencies. For a 5% weakening of RMB against the relevant currencies, there would be an equal and opposite impact on the loss for the year.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks (Continued)

(i) Foreign currency risk management (Continued)

Foreign currency sensitivity analysis (Continued)

	2025 HK$'000
RMB	
Decrease in loss for the year	816

The Group monitors foreign currency exposure and will consider hedging significant currency exposure should the need arises.

(ii) Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to financial assets at FVTPL, guaranteed notes issued by ESL as set out in notes 18 and 29 respectively. Besides, the Group is also exposed to the cash flow interest rate risk in relation to loan receivables, cash held by securities brokers, bank balances and bank borrowings as set out in notes 21, 24 and 27 respectively.

Sensitivity analysis for cash flow interest rate risk

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate cash held by securities brokers, bank balances, loan receivables and bank borrowings, the analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. An increase or decrease of 10 basis points (2024: 10 basis points) for cash held by securities brokers and bank balances and 50 basis points (2024: 50 basis points) for loan receivables and bank borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For cash held by securities brokers and bank balances, if interest rates had been 10 basis points (2024: 10 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2025 would decrease/increase by HK$1,180,000 (2024: HK$2,107,000).

For loan receivables and bank borrowings, if interest rates had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2025 would increase/decrease by HK$26,308,000 (2024: HK$30,077,000).

In management's opinion, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks (Continued)

(iii) Equity and other price risks management

The Group is exposed to equity and other price risks through its financial assets at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity and other price risks are mainly concentrated on unlisted equity securities/limited partnership, listed equity securities, listed debt securities and unlisted debt securities quoted in the open markets. In addition, the Group has a designated team to monitor the price risks and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity and other price risks at the end of reporting period. In management's opinion, the sensitivity analysis is unrepresentative of inherent equity and other price risks as the year end exposure does not reflect the exposure during the year.

If the prices of the listed equity securities and the prices of underlying investment portfolio of the respective unlisted equity securities/limited partnership had been 5% (2024: 5%) higher/lower, post-tax loss for the year ended 31 March 2025 would decrease/increase by HK$5,544,000 (2024: HK$9,243,000) as a result of the changes in fair value of equity securities/limited partnership and mutual funds held by the Group.

If the prices of the respective debt securities had been 5% (2024: 5%) higher/lower, post-tax loss for the year ended 31 March 2025 would decrease/increase by HK$7,003,000 (2024: HK$8,348,000) as a result of the changes in fair value of debt securities.

The Group's sensitivity to equity and other price risks has increased during the year mainly due to the fluctuation of fair value of financial assets at FVTPL.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

As at 31 March 2025, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group is exposed to credit risk which will cause a financial loss to the Group arising from the amount of financial guarantees provided by the Group disclosed in note 32.

In order to minimise the credit risk, monitoring procedures are carried out to ensure that follow-up action is taken to recover overdue debts. In addition, before issuing financial guarantee to joint ventures and associates as part of the Group's investment decision, the management has considered the financial positions or the value of the properties held by respective investees. The Group also closely monitor the financial position, conducts regular reviews on the value of the properties and maintains regular communications with the joint ventures and associates in order to keep updated with the credit risk profile. The credit review process enables the Group to regularly assess the potential loss as a result of the credit risk it is exposed to and to take appropriate corrective actions promptly.

In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Impairment assessment on trade receivables

Trade receivables arise from rental receivables from tenants for leasing the properties. In order to minimise the credit risk, credit checks are carried out before commencement of tenancies and ongoing credit evaluation ensures any doubtful receivables are provided for as required. The exposure to credit risk is limited because the trade receivables are secured by tenant deposits.

Management assessed the expected loss on trade receivables from customers individually, taking into account the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including the use of forecasts of future economic information, as appropriate.

In addition, based on historical credit loss experience, the directors of the Company are of the opinion that there has been no default occurred for trade receivables aged over 90 days and the probability of default of trade receivables is low since the Group generally receives deposits from customers for leasing of properties. Given that the deposits can cover majority of trade receivables, the loss given default is considered insignificant.

Impairment assessment on bank balances/cash held by securities brokers

Credit risk on bank balance/cash held by securities brokers is limited because the counterparties are reputable banks and securities brokers with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balance/cash held by securities brokers by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. The 12m ECL on bank balances/cash held by securities brokers is considered to be insignificant and therefore no loss allowance was recognised.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessment on loan receivables

The Group had a concentration of credit risk as the loan receivables are advanced to a few independent third parties. As at 31 March 2025, the loan receivables will be matured ranging from April 2025 to July 2038 (2024: June 2038 to July 2038). Loan receivables of HK$76,079,000 (2024: HK$78,191,000) are secured by properties mortgage, and HK$nil (2024: HK$110,000,000) is secured by the properties held by the borrower. In respect of loan receivables with gross carrying amount of HK$42,817,000 (2024: HK$110,000,000), the Group has changed the 12m ECL basis to lifetime ECL (credit-impaired) basis due to default during the current year but ECL had not been recognised on these loans because the fair values of the collateral provided were higher than the gross carrying amounts of the loan receivables, on an individual basis. For the remaining loan receivables with gross carrying amount of HK$33,262,000 (2024: HK$78,191,000), the Group considers there are no significant increase in credit risk since initial recognition taking into account the latest or valuation of the related property and therefore 12m ECL is applied and no ECL is recognised as the Group's exposure to credit losses is minimal considering the underlying value of the properties pledged to the Group.

Impairment assessment on other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 March 2025 and 2024, the Group assessed the ECL for other receivables are insignificant and therefore no loss allowance is recognised.

Impairment assessment on amounts due from joint ventures

In determining the ECL for amounts due from joint ventures, the management of the Group has taken into account the operational update of the joint ventures, as well as the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including information such as gross domestic product growth rate and unemployment rate. In respect of amounts due from joint ventures with gross carrying amount of HK$637,158,000 (2024: HK$553,979,000), the Group has recognised in lifetime ECL (credit-impaired) basis during the current year in order to reflect the latest status of the recovery of the property project held by the joint venture, and accordingly, an impairment of HK$637,158,000 (2024: HK$553,979,000) is recognised in respect of this amount. For the remaining amounts due from joint venture with gross carrying amount of HK$7,122,662,000 (2024: HK$6,844,731,000), the Group considers there is no significant increase in credit risk since initial recognition taking into account the latest or valuation of the related property and therefore 12m ECL is applied and an impairment of HK$33,980,000 (2024: HK$30,860,000) is recognised.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessment on amounts due from associates

In determining the ECL for amounts due from associates, the management of the Group has taken into account the operational update for the associates, as well as, historical default experience and forward-looking information, as appropriate. There had been no significant increase in credit risk since initial recognition. The Group has considered the consistently low historical default rate in connection with payments, and concluded that credit risk inherent in the Group's outstanding amounts due from associates is insignificant and therefore no loss allowance is recognised. The Group considers there are no significant increase in credit risk since initial recognition taking into account the latest or valuation of the related property and therefore 12m ECL is applied and no loss allowance is recognised.

Impairment assessment on financial guarantee contracts

The Group assessed the loss allowances for financial guarantee contracts of HK$8,611,628,000 (2024: HK$9,103,354,000) and HK$nil (2024: HK$240,000,000), representing the maximum amount the Group has guaranteed under the respective contracts, on 12m ECL basis and lifetime ECL basis respectively. During the year, loss allowance for credit-impaired financial guarantee contract of HK$240,000,000 (2024: HK$nil) was written off. When assessing the ECL, the directors of the Company taken into account the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including information such as gross domestic product growth rate and unemployment rate. For the year ended 31 March 2025, the Group assessed the ECL for financial guarantee contracts and impairment of HK$3,300,000 (2024: impairment of HK$44,889,000) is recognised. As at 31 March 2025, except for the aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to joint ventures of HK$731,500,000 (2024: HK$1,000,000,000) on which ECL of HK$26,030,000 (2024: HK$101,109,000) is provided, the Group assessed the ECL for the remaining financial guarantee contracts of HK$7,880,128,000 (2024: HK$8,343,354,000) are insignificant and no loss allowance is recognised. Details of the financial guarantee contracts with carrying amount of HK$12,618,000 as at 31 March 2025 (2024: HK$23,003,000) are set out in note 32.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/ other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contracts, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2025 Loss provided HK$'000	2025 Gross carrying amount HK$'000	2024 Loss provided HK$'000	2024 Gross carrying amount HK$'000
Financial assets at amortised cost								
Trade receivables	22	N/A	note a	Lifetime ECL – not credit-impaired	–	10,276	–	9,443
Other receivables*	22	N/A	Low risk	12m ECL	–	150,821	–	252,015
Loan receivables	21	N/A	Low risk	12m ECL	–	33,262	–	78,191
Loan receivables	21	N/A	Loss	Lifetime ECL – credit-impaired	–	42,817	–	110,000
Amounts due from joint ventures	19	N/A	Low risk	12m ECL	33,980	7,122,662	30,860	6,844,731
Amounts due from joint ventures	19	N/A	Loss	Lifetime ECL – credit-impaired	637,158	637,158	553,979	553,979
Amounts due from associates	20	N/A	Low risk	12m ECL	–	927,127	–	940,018
Cash held by securities brokers	24	A to AA+	Low risk	12m ECL	–	1,584	–	3,399
Bank balances	24	A to AA+	N/A	12m ECL	–	1,411,918	–	2,520,518
Other item								
Financial guarantee contracts *(note b)*	32	N/A	Low risk	12m ECL	26,030	8,611,628	22,730	9,103,354
Financial guarantee contracts *(note b)*	32	N/A	Loss	Lifetime ECL – credit-impaired	–	–	78,379	240,000

* The gross carrying amounts disclosed above include the relevant interest receivables which are presented in other receivables.

Notes:

a. For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on trade receivables individually by past due status of each debtor and the loss allowance is not material.

b. For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

As at 31 March 2025, the loss allowance for financial guarantee contracts issued by the Group of HK$26,030,000 (2024: loss allowance of HK$22,730,000) and loss allowance for amounts due from joint ventures of HK$33,980,000 (2024: HK$30,860,000) are measured at an amount equal to 12m ECL and impairment of HK$3,300,000 and HK$3,120,000 are recognised respectively during the year. The loss allowance for financial guarantee contracts issued by the Group of HK$nil (2024: HK$78,379,000) and loss allowance for amounts due from joint ventures of HK$637,158,000 (2024: HK$553,979,000) are measured at an amount equal to lifetime ECL and are credit impaired and an impairment of HK$4,800,000 (2024: HK$nil) are recognised during the year.

Investments in listed and unlisted debt securities

The Group determines whether the investments in listed debt securities have suffered from significant increase in credit risk since initial recognition by checking if there is any indication of deterioration of the repayment ability of the issuer at the end of the reporting period. The Group closely monitors the changes in the credit ratings of the issuer, and follows its market news for taking immediate actions if there is any indication of deterioration of the repayment ability of the issuer.

The Group monitors the external credit rating to provide early identification of possible changes in the creditworthiness of counterparties regularly to update the credit risk of issuers of debt securities. This enables the Group to assess the potential loss as a result of the risk to which it is exposed. The Group will closely follow the external credit rating of counterparties and the price movement of the listed debt securities, and will formulate appropriate exit strategy accordingly subject to market conditions prevailing from time to time.

The Group also invested in unlisted debt securities which is exposed to credit risk. The management of the Group reviews and monitors on a regular basis the portfolio of the unlisted debt securities. The unlisted debt securities are entered with reputable financial institutions with credit rating of Baa1 or above issued by Moody's or issued by credit worthy issuers in the market. In this regard, the directors of the Company consider that the credit risk relating to the unlisted debt securities is closely monitored.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures the compliance with loan covenants.

Liquidity tables

The following table details of the Group's remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise the rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables (Continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group consider that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

	Weighted average interest rate %	On demand HK$'000	1 – 3 months HK$'000	3 months to 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'0000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount at 31 March 2025 HK$'000
31 March 2025									
Non-derivative financial liabilities									
Other payables	–	126,495	–	–	–	–	–	126,495	126,495
Amounts due to joint ventures	–	741,178	–	–	–	–	–	741,178	741,178
Amounts due to non-controlling shareholders of subsidiaries	–	119,731	–	–	–	–	–	119,731	119,731
Guaranteed notes	5.45	10,481	31,443	2,440,653	–	–	–	2,482,577	2,307,731
Bank borrowings	5.64	58,135	391,062	1,056,915	2,797,151	3,173,220	458,358	7,934,841	6,924,660
		1,056,020	422,505	3,497,568	2,797,151	3,173,220	458,358	11,404,822	10,219,795
Financial guarantee contracts		8,611,628	–	–	–	–	–	8,611,628	12,618

	Weighted average interest rate %	On demand HK$'000	1 – 3 months HK$'000	3 months to 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'0000	Total undiscounted cash flows HK$'000	Total carrying amount at 31 March 2024 HK$'000
31 March 2024								
Non-derivative financial liabilities								
Other payables	–	135,371	–	–	–	–	135,371	135,371
Amounts due to joint ventures	–	1,699,816	–	–	–	–	1,699,816	1,699,816
Amounts due to non-controlling shareholders of subsidiaries	–	123,254	–	–	–	–	123,254	123,254
Guaranteed notes	5.45	10,453	31,360	41,814	94,080	2,340,151	2,517,858	2,301,660
Bank borrowings	6.19	62,035	1,074,666	3,223,998	692,487	3,781,534	8,834,720	7,882,848
		2,030,929	1,106,026	3,265,812	786,567	6,121,685	13,311,019	12,142,949
Financial guarantee contracts		9,343,354	–	–	–	–	9,343,354	23,003

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables (Continued)

Bank borrowings with a repayment on demand clause are included in the "on demand" time band in the above maturity analysis. As at 31 March 2025, the aggregate carrying amounts of these bank borrowings amounted to HK$58,135,000 (2024: HK$62,035,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repayable, together with interest, in accordance with the scheduled repayment dates set out in the loan agreements as follows:

	1 – 3 months	3 months to 1 year	1 – 2 years	2 – 5 years	Total undiscounted cash flows	Total carrying amounts
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2025	891	2,673	3,779	60,574	67,917	58,135
31 March 2024	2,700	59,400	–	–	62,100	62,035

The amounts included above for financial guarantee contracts are the maximum amounts that the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantees. The financial guarantee contracts represent the guarantee given by the Group for banking facilities granted to joint ventures and associates. Based on expectations at the end of the reporting period, the Group does not consider that it is probable that a claim will be made against the Group under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amount included above for variable-rate bank borrowings is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

38. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2025 HK$'000	31 March 2024 HK$'000				
Financial assets at FVTPL	Listed equity securities in: – Hong Kong: 6,928 – Elsewhere: 5	Listed equity securities in: – Hong Kong: 8,944 – Elsewhere: 5	Level 1	Quoted market closing prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: 21,934 – Singapore: 2,132 – Elsewhere: 29,889	Listed debt securities in: – Hong Kong: 19,732 – Singapore: 2,166 – Elsewhere: 40,096	Level 1	Quoted market closing prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: 33,680	Listed debt securities in: – Hong Kong: 35,240	Level 2	Quoted market closing prices in active market and adjustment of management fee	N/A	N/A
	Unlisted debt security: 7,800	Unlisted debt security: nil	Level 1	Quoted market closing prices in an OTC market	N/A	N/A
	Unlisted debt security: 44,626	Unlisted debt security: 69,720	Level 3	Discount cash flow method was used to capture the present value of the expected future economic benefits to be derived, based on an appropriate discount rate	N/A	N/A
	Unlisted equity securities/ limited partnership: – Financial asset A/B: 87,318	Unlisted equity securities/ limited partnership: – Financial asset A/B: 160,226	Level 3	Adjusted net asset value, determined based on net asset value ("NAV") adjusted for NAV discount	N/A	N/A
	– Financial asset C: 16,626	– Financial asset C: 15,692	Level 2	Market approach, determined with reference to the fair value of the underlying investment i.e. quoted prices in active market and adjustment of operating expenses	N/A	N/A

38. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL HK$'000
At 1 April 2023	213,877
Fair value gains in profit or loss	8,844
Purchases	7,225
At 31 March 2024	229,946
Fair value gains in profit or loss	(103,716)
Purchases	5,714
At 31 March 2025	131,944

There were no transfers between Level 1 and Level 2 measurements in the current year.

The directors of the Company consider that the carrying amounts of the other financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

39. 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 statement of cash flows as cash flows from financing activities.

	Interest payables HK$'000 *(note 25)*	Dividend payables HK$'000 *(note 14)*	Amounts due to joint ventures HK$'000 *(note 19)*	Bank borrowings HK$'000 *(note 27)*	Guaranteed notes HK$'000 *(note 29)*	Amounts due to non-controlling shareholders of subsidiaries HK$'000 *(note 36(a))*	Total HK$'000
At 1 April 2023	45,439	–	1,142,594	8,855,992	2,295,909	164,728	12,504,662
Financing cash flows	(660,807)	(40,950)	478,843	(963,311)	–	(41,474)	(1,227,699)
Exchange adjustment	–	–	–	(9,833)	–	–	(9,833)
Dividend declared	–	40,950	–	–	–	–	40,950
Interest expenses	663,740	–	–	–	–	–	663,740
Amortisation of guaranteed notes	–	–	–	–	5,751	–	5,751
Impairment loss recognised on financial guarantee contracts	–	–	78,379	–	–	–	78,379
At 31 March 2024	48,372	–	1,699,816	7,882,848	2,301,660	123,254	12,055,950
Financing cash flows	(588,969)	(35,513)	500,241	(947,948)	–	(3,523)	(1,075,712)
Exchange adjustment	–	–	–	(10,240)	–	–	(10,240)
Dividend declared	–	35,513	(1,380,500)	–	–	–	(1,344,987)
Interest expenses	577,418	–	–	–	–	–	577,418
Reversal of impairment loss on financial guarantee contracts	–	–	(78,379)	–	–	–	(78,379)
Amortisation of guaranteed notes	–	–	–	–	6,071	–	6,071
At 31 March 2025	36,821	–	741,178	6,924,660	2,307,731	119,731	10,130,121

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK$'000	2024 HK$'000
Non-current assets		
Investments in subsidiaries	466,921	457,586
Amounts due from subsidiaries	10,506,299	12,931,213
Loan to a subsidiary	–	80,000
Interests in joint ventures and associates	31,902	35,178
Club memberships	5,200	5,200
Deferred tax assets	566	566
	11,010,888	13,509,743
Current assets		
Other receivables and deposits	8,733	4,033
Bank balances and cash	303,618	170,221
	312,351	174,254
Current liability		
Other payables and accruals	16,191	20,018
Net current assets	296,160	154,236
	11,307,048	13,663,979
Capital and reserves		
Share capital	73,678	73,678
Reserves *(note)*	11,233,370	13,590,301
Total Equity	11,307,048	13,663,979

Note:

Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 *(note)*	Retained profits HK$'000	Total HK$'000
At 1 April 2023	2,052,135	6,620	134,931	14,364,028	16,557,714
Loss and other comprehensive expense for the year	–	–	–	(2,928,063)	(2,928,063)
Dividends recognised as distribution	–	–	–	(39,350)	(39,350)
At 31 March 2024	2,052,135	6,620	134,931	11,396,615	13,590,301
Loss and other comprehensive expense for the year	–	–	–	(2,356,931)	(2,356,931)
At 31 March 2025	2,052,135	6,620	134,931	9,039,684	11,233,370

Note: The contributed surplus of the Company represents the amount arising from capital reorganisation carried out by the Company during the year ended 31 March 2003.

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries at 31 March 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2025 %	2024 %	2025 %	2024 %	
2 Shelley Street Management Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
46 Lyndhurst Management Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
Able Market Limited	Hong Kong	HK$1	–	–	100	100	Property holding and leasing of property
Able Wealth Enterprise Limited	Hong Kong	HK$10	–	–	100	100	Property holding and leasing of property
Capital Strategic Property (Shanghai) Limited *(note i)* 資地置業(上海)有限公司	PRC	Registered and paid-up capital RMB300,000,000	–	–	100	100	Property holding and leasing of property
Castle Pacific Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
CH Property Services Limited	Hong Kong	HK$1	–	–	100	100	Provision of management services
Clear Luck Group Limited	BVI	US$1	–	–	100	100	Property holding
Couture Homes Limited	BVI	US$1	100	100	–	–	Investment holding
CSI China Limited	Hong Kong	HK$2	–	–	100	100	Investment holding
CSI Financial Holdings Limited	Hong Kong	HK$100	100	100	–	–	Sales of securities and investment holding
CSI Property Services Limited	Hong Kong	HK$2	100	100	–	–	Provision of management services

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2025 %	2024 %	2025 %	2024 %	
Embrace Success Limited	BVI	US$1	–	–	100	–	Property holding
Estate Sky Limited	BVI	US$1	100	100	–	–	Bond issuer
Ever Label Limited	BVI	US$1	–	–	100	100	Property holding
Forum East Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
Go Clear Investments Limited	Hong Kong	HK$6	–	–	100	100	Property holding and leasing of property
Group East Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
Highland Management Services Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
Hoyden Holdings Limited *(note ii)*	BVI	US$1	–	–	–	100	Property holding and leasing of property
Inbest Limited	Hong Kong	HK$2	–	–	100	100	Sales of securities and investment holding
Knight Basin Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
Linking Plus Investments Limited	BVI	US$1	–	–	100	100	Property holding and leasing of property
Mark Well Investment Limited	Hong Kong	HK$100	100	100	–	–	Sale of securities and investment holding
Modern Value Limited	BVI	US$1	–	–	100	100	Property holding and leasing of property
Shanghai Huajian Business Management Company Limited *(note i)* 上海華建商業管理有限公司	PRC	Registered and paid-up capital RMB350,195,250	–	–	100	100	Property holding and leasing of property

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2025 %	2024 %	2025 %	2024 %	
Spring Wonder Limited	Hong Kong	HK$100	–	–	92	92	Property holding
Well Clever International Limited	BVI	US$1	–	–	100	100	Sale of securities and investment holding

Notes:

(i) These companies are wholly foreign owned enterprises established in the PRC. The English name of companies established in the PRC are directly translated from their Chinese names and are furnished for identification purpose only.

(ii) During the year, the Group disposed of the entire interests in the 2025 Disposed Subsidiary – Hoyden. Details are set out in note 31.

None of the subsidiaries had issued any debt securities or any other securities (other than ordinary/ registered share capital) during the year and at the end of the year except for ESL which had issued guaranteed notes as detailed in note 29.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities of business	Principal place of business	Number of subsidiaries	
		2025	2024
Corporate services	Hong Kong	4	4
Investment holding	Hong Kong/Macau/PRC	186	229
Inactive	Hong Kong	18	18
Securities investment	Hong Kong	3	3
		211	254

42. EVENTS AFTER REPORTING PERIOD

On 2 February 2025, the Company announced the strategic funding & partnership proposal under which, Gaw Capital Partners ("Gaw Capital"), an exempted company incorporated in the Cayman Islands with limited liability, at the invitation of the controlling shareholder of the Company, will through its managed funds, become a new long-term strategic investor in the Company. Gaw Capital is a well-regarded institutional real estate investor with a strong track record of investing in Asia and other major international markets.

To facilitate the introduction of Gaw Capital as a strategic investor through its managed funds, the Company has agreed to the strategic funding & partnership proposal with a view to raising aggregate proceeds of approximately HK$1,992 million involving:

(i) The rights issue, being the offer by way of rights of new shares to be allotted and issued 8,288,810,694 rights shares at the subscription price of HK$0.18 per rights share on the basis of 18 rights shares for every 10 Consolidated Shares held on 20 March 2025 ("Record Date") so as to raise HK$1,492 million and the net proceeds from the rights issue, after deducting all relevant expenses for the rights issue, are estimated to be approximately HK$1,463 million ("Rights Issue").

(ii) The senior unsecured note, being a 4-year senior unsecured note to be issued to a company incorporated in the Cayman Islands with limited liability owned by a consortium of institutional investors led by a subsidiary of Gaw Capital, by a subsidiary of the Company in principal amount of HK$500 million on normal commercial terms with an interest rate of 8.22% per annum ("Senior Unsecured Note").

In addition to the Rights Issue and the Senior Unsecured Note, the Board of the Company also proposes the bonus warrants issue with the aim to further enhance shareholders' participation in the Company's future development. Under the proposed bonus warrants on the basis of 1 bonus warrant for every 10 Consolidated Shares held on the Record Date, holders of the bonus warrants will be entitled to subscribe for Consolidated Shares at an initial warrant subscription price of HK$0.22 before 7 April 2027.

Subsequent to 31 March 2025, the Rights Issue became unconditional on 11 April 2025 and was completed shortly afterwards.

On 14 May 2025, ESL offered the issuance of guaranteed notes, which the Company is the guarantor, in the aggregate principal amount of US$150,000,000 (equivalent to approximately HK$1,170,000,000) ("Guaranteed Notes due 2028"), with precedent conditions. The Guaranteed Notes due 2028 bear interest at a rate of 10.50 per cent. per annum and are payable semi-annually in arrears.

Subsequent to 31 March 2025, the precedent conditions are satisfied and the offer of Guaranteed Notes due 2028 is completed on 27 May 2025.

The board of directors (the "Board") of CSI Properties Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2025. The condensed consolidated interim financial statements of the Group have not been audited, but have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and the Company's Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

		Six months ended 30 September	
	NOTES	**2025 HK$'000 (unaudited)**	2024 HK$'000 (unaudited)
Revenue	*3*	**124,114**	142,984
Cost of sales and services		**(87,671)**	(107,530)
Gross profit		**36,443**	35,454
Income and losses from investments	*4*	**(9,298)**	(8,394)
Other income	*5*	**72,016**	166,603
Fair value loss on investment properties	*13*	**(5,477)**	(51,010)
Other gains and losses	*6*	**48,550**	(61,407)
Administrative expenses		**(146,632)**	(95,611)
Finance costs	*7*	**(238,838)**	(298,510)
Share of results of joint ventures		**(147,172)**	(581,869)
Share of results of associates		**(186,769)**	(43,869)
Loss before taxation		**(577,177)**	(938,613)
Income tax credit	*8*	**19,320**	23,971
Loss for the period	*9*	**(557,857)**	(914,642)
Loss for the period attributable to:			
Owners of the Company		**(556,673)**	(904,102)
Non-controlling interests		**(1,184)**	(10,540)
		(557,857)	(914,642)
Loss per share *(HK cents)*	*11*		(Restated)
– Basic		**(4.54)**	(19.63)
– Diluted		**(4.54)**	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Six months ended 30 September	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Loss for the period	**(557,857)**	(914,642)
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**29,490**	15,546
Share of exchange differences of joint ventures, net of related income tax	**9,811**	3,242
	39,301	18,788
Total comprehensive expense for the period	**(518,556)**	(895,854)
Total comprehensive expense attributable to:		
Owners of the Company	**(517,372)**	(885,314)
Non-controlling interests	**(1,184)**	(10,540)
	(518,556)	(895,854)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2025

	NOTES	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Non-Current Assets			
Property, plant and equipment	12	**140,005**	147,959
Investment properties	13	**3,107,407**	3,079,657
Financial assets at fair value through profit or loss ("FVTPL")	17	**182,372**	186,473
Club memberships		**12,405**	12,405
Interests in joint ventures		**3,362,843**	3,518,053
Amounts due from joint ventures	14	**7,110,571**	7,088,682
Interests in associates		**541,115**	535,516
Amounts due from associates	14	**772,821**	927,127
Loan receivables		**29,821**	30,741
		15,259,360	15,526,613
Current Assets			
Loan receivables		**3,441**	45,338
Trade and other receivables	15	**153,882**	200,005
Properties held for sale	16	**5,130,131**	5,187,679
Financial assets at FVTPL	17	**85,482**	64,465
Taxation recoverable		**3,813**	1,239
Cash held by securities brokers		**1,661**	1,584
Bank balances and cash			
– restricted		**121,130**	–
– unrestricted		**2,315,940**	1,411,918
		7,815,480	6,912,228
Current Liabilities			
Other payables and accruals	18	**238,487**	211,236
Contract liabilities		**128,130**	348
Taxation payable		**82,175**	103,416
Amounts due to joint ventures	14	**905,940**	741,178
Amounts due to non-controlling shareholders of subsidiaries	14	**106,484**	119,731
Bank borrowings – due within one year	19	**1,545,620**	1,112,596
Notes payable – due within one year	21	**–**	2,307,731
		3,006,836	4,596,236
Net Current Assets		**4,808,644**	2,315,992
Total assets less current liabilities		**20,068,004**	17,842,605

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

AT 30 SEPTEMBER 2025

	NOTES	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Capital and Reserves			
Share capital	*20*	**206,299**	73,678
Reserves		**12,749,144**	11,907,151
Equity attributable to owners of the Company		**12,955,443**	11,980,829
Non-controlling interests		**(53,686)**	(51,302)
Total Equity		**12,901,757**	11,929,527
Non-Current Liabilities			
Bank borrowings – due after one year	*19*	**5,108,253**	5,812,064
Notes payable – due after one year	*21*	**1,959,204**	–
Deferred tax liabilities		**98,790**	101,014
		7,166,247	5,913,078
		20,068,004	17,842,605

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 *(note)*	Translation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2025 (audited)	73,678	2,052,135	6,620	72,579	(465,525)	10,241,342	11,980,829	(51,302)	11,929,527
Loss for the period	–	–	–	–	–	(556,673)	(556,673)	(1,184)	(557,857)
Exchange differences arising on translation of foreign operations	–	–	–	–	29,490	–	29,490	–	29,490
Share of exchange differences of joint ventures, net of related income tax	–	–	–	–	9,811	–	9,811	–	9,811
Total comprehensive income (expense) for the period	–	–	–	–	39,301	(556,673)	(517,372)	(1,184)	(518,556)
Right issue	132,621	1,359,365	–	–	–	–	1,491,986	–	1,491,986
Dividends recognised as distribution *(note 10)*	–	–	–	–	–	–	–	–	–
Dividend paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(1,200)	(1,200)
At 30 September 2025 (unaudited)	206,299	3,411,500	6,620	72,579	(426,224)	9,684,669	12,955,443	(53,686)	12,901,757

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 *(note)*	Translation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2024 (audited)	73,678	2,052,135	6,620	72,579	(405,298)	11,932,871	13,732,585	3,533	13,736,118
Loss for the period	–	–	–	–	–	(904,102)	(904,102)	(10,540)	(914,642)
Exchange differences arising on translation of foreign operations	–	–	–	–	15,546	–	15,546	–	15,546
Share of exchange differences of joint ventures, net of related income tax	–	–	–	–	3,242	–	3,242	–	3,242
Total comprehensive income (expense) for the period	–	–	–	–	18,788	(904,102)	(885,314)	(10,540)	(895,854)
Dividends recognised as distribution *(note 10)*	–	–	–	–	–	–	–	–	–
Dividend paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(800)	(800)
At 30 September 2024 (unaudited)	73,678	2,052,135	6,620	72,579	(386,510)	11,028,769	12,847,271	(7,807)	12,839,464

Note: The contributed surplus of the Group represents the amount arising from capital reorganisation carried out by the Company during the year ended 31 March 2003.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Six months ended 30 September	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Net cash from operating activities:		
Decrease in fair value of financial assets at FVTPL	**15,249**	32,950
Decrease in other payables and accruals	**(23,507)**	(62,101)
Increase in contract liabilities	**127,782**	1,146
Decrease in properties held for sale	**57,548**	26,742
Decrease in trade and other receivables	**43,104**	112,783
(Increase) decrease in cash held by securities brokers	**(77)**	1,816
Net cash outflows from other operating activities	**(14,387)**	(25,291)
	205,712	88,045
Net cash from (used in) investing activities:		
Interest received	**33,232**	42,176
Interest income received from financial assets at FVTPL	**520**	5,306
Dividend income received from financial assets at FVTPL	**3,538**	15,638
Purchase of financial assets at FVTPL	**(39,965)**	(21,307)
Disposal of financial assets at FVTPL	**7,800**	24,619
Purchases of property, plant and equipment	**(217)**	–
Withdrawal of investment (investments) in joint ventures	**84,592**	(92,234)
Advances to joint ventures	**(177,085)**	(321,036)
Repayments from joint ventures	**137,305**	209,801
Investment in an associate	**(9,401)**	(16,801)
Advance to an associate	**(15,751)**	(59,850)
Dividend received from a joint venture	**–**	6,279
Repayment of loan receivables	**42,817**	49,224
	67,385	(158,185)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash from (used in) financing activities:		
Repayments of bank borrowings	**(383,513)**	(2,610,067)
Dividends paid to non-controlling shareholders of subsidiaries	**(1,200)**	(800)
Repayment of notes payable	**(2,307,731)**	–
Issue of notes	**2,025,000**	–
Expenditure incurred on issue of notes	**(78,186)**	–
Advances from joint ventures	**169,463**	314,187
Repayments to joint ventures	**(4,701)**	(26,226)
Repayment to non-controlling shareholders	**(13,247)**	(18,741)
Proceeds from issue of shares	**1,491,986**	–
New bank borrowings raised	**84,973**	2,116,917
Interest paid	**(230,789)**	(252,675)
	752,055	(477,405)
Net increase (decrease) in cash and cash equivalents	**1,025,152**	(547,545)
Cash and cash equivalents at beginning of the period	**1,411,918**	2,520,518
Effect of foreign exchange rate changes, net	**–**	(3,099)
Cash and cash equivalents at end of the period, represented by bank balances and cash	**2,437,070**	1,969,874
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**2,437,070**	1,969,874
Less: Restricted bank balance	**(121,130)**	–
	2,315,940	1,969,874

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(a) Disaggregation of revenue

For the six months ended 30 September

	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Sales of properties held for sale – at a point in time	**6,280**	23,080
Rental income	**117,834**	119,904
	124,114	142,984

	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Sales of properties held for sale		
Geographical market		
Hong Kong	**–**	10,080
Macau	**6,280**	13,000
	6,280	23,080

3. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Disaggregation of revenue (Continued)

For the six months ended 30 September (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the six months ended 30 September 2025 (unaudited)					
Segment revenue	208,546	378,154	6,902	4,058	597,660
Less: share of revenue of associates and joint ventures					
Rental income	(30,189)	(89)	–	–	(30,278)
Sales of properties held for sale	(61,837)	(377,373)	–	–	(439,210)
Segment revenue excluding share of revenue of associates and joint ventures	116,520	692	6,902	4,058	128,172
Less: other revenue					
Rental income	(116,520)	(692)	(622)	–	(117,834)
Interest income and dividend income	–	–	–	(4,058)	(4,058)
Revenue from contracts with customers	–	–	6,280	–	6,280

3. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Disaggregation of revenue (Continued)

For the six months ended 30 September (Continued)

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the six months ended 30 September 2024 (unaudited)					
Segment revenue	372,197	706,190	14,078	24,556	1,117,021
Less: share of revenue of associates and joint ventures					
Rental income	(36,705)	(279)	–	–	(36,984)
Sales of properties held for sale	(217,103)	(695,394)	–	–	(912,497)
Segment revenue excluding share of revenue of associates and joint ventures	118,389	10,517	14,078	24,556	167,540
Less: other revenue					
Rental income	(118,389)	(437)	(1,078)	–	(119,904)
Interest income and dividend income	–	–	–	(24,556)	(24,556)
Revenue from contracts with customers	–	10,080	13,000	–	23,080

Revenue from properties held for sale is recognised at a point in time when the customer obtains the control of the properties, which is the property stated in the sale and purchase agreement being delivered and its title being passed to the customer. The Group receives at least 5% of the contract value as deposits from customers when they sign the preliminary sale and purchase agreements and the balance of purchase price shall be paid upon completion of the sale and purchase of the properties.

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

There are four reportable and operating segments as follows:

(a) commercial property holding segment, which engages in the investment and trading of commercial properties, properties under development and also the strategic alliances with the partners of the joint ventures and associates in Hong Kong and Mainland China;

(b) residential property holding segment, which engages in the investment and trading of residential properties, properties under development and also the strategic alliances with the partners of the joint ventures and associates in Hong Kong and Mainland China;

(c) Macau property holding segment, which engages in the investment and trading of properties located in Macau; and

(d) securities investment segment, which engages in the securities trading and investment.

The CODM also considered the share of revenue of associates and joint ventures for the purpose of allocating resources and assessing performance of each segment.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the six months ended 30 September 2025 (unaudited)					
External revenue					
Rental income	116,520	692	622	–	117,834
Sales of properties held for sale	–	–	6,280	–	6,280
Revenue of the Group	116,520	692	6,902	–	124,114
Interest income and dividend income	–	–	–	4,058	4,058
	116,520	692	6,902	4,058	128,172
Share of revenue of associates and joint ventures					
Rental income	30,189	89	–	–	30,278
Sales of properties held for sale	61,837	377,373	–	–	439,210
	92,026	377,462	–	–	469,488
Segment revenue	208,546	378,154	6,902	4,058	597,660
Results					
Share of results of joint ventures *(note)*	(90,808)	(56,364)	–	–	(147,172)
Share of results of associates *(note)*	75	(186,844)	–	–	(186,769)
Segment profit (loss) excluding share of results of joint ventures and associates	31,564	(64,489)	1,785	(50,476)	(81,616)
Segment (loss) profit	(59,169)	(307,697)	1,785	(50,476)	(415,557)
Unallocated other income					39,512
Unallocated other gains					48,550
Central administrative costs					(10,844)
Finance costs					(238,838)
Loss before taxation					(577,177)

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results (Continued)

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the six months ended 30 September 2024 (unaudited)					
External revenue					
Rental income	118,389	437	1,078	–	119,904
Sales of properties held for sale	–	10,080	13,000	–	23,080
Revenue of the Group	118,389	10,517	14,078	–	142,984
Interest income and dividend income	–	–	–	24,556	24,556
	118,389	10,517	14,078	24,556	167,540
Share of revenue of associates and joint ventures					
Rental income	36,705	279	–	–	36,984
Sales of properties held for sale	217,103	695,394	–	–	912,497
	253,808	695,673	–	–	949,481
Segment revenue	372,197	706,190	14,078	24,556	1,117,021
Results					
Share of results of joint ventures *(note)*	(642,976)	61,107	–	–	(581,869)
Share of results of associates *(note)*	(298)	(43,571)	–	–	(43,869)
Segment profit (loss) excluding share of results of joint ventures and associates	22,352	6,835	(20,615)	(55,139)	(46,567)
Segment (loss) profit	(620,922)	24,371	(20,615)	(55,139)	(672,305)
Unallocated other income					57,278
Unallocated other gains and losses					90
Central administrative costs					(25,166)
Finance costs					(298,510)
Loss before taxation					(938,613)

Note: Share of results of associates and joint ventures mainly represent share of the operating profits or loss of these entities from their business of property investment and development.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment revenue and results (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss incurred) profit earned by each segment, without allocation of certain items of other income (primarily bank interest income, interest income from loan receivables and amortisation of financial guarantee contracts) and of other gains and losses (primarily reversal of impairment loss recognised on financial guarantee contracts, gain on disposal of property, plant and equipment and net exchange gain), central administrative costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Segment assets		
Commercial property holding	**14,800,891**	14,863,962
Residential property holding	**5,336,675**	5,624,695
Macau property holding	**14,060**	17,280
Securities investment	**276,508**	267,965
Total segment assets	**20,428,134**	20,773,902
Property, plant and equipment	**140,005**	147,959
Taxation recoverable	**3,813**	1,239
Bank balances and cash	**2,437,070**	1,411,918
Other unallocated assets	**65,818**	103,823
Consolidated total assets	**23,074,840**	22,438,841
Segment liabilities		
Commercial property holding	**336,253**	364,801
Residential property holding	**972,278**	654,438
Macau property holding	**56,081**	57,733
Securities investment	**12,854**	3,623
Total segment liabilities	**1,377,466**	1,080,595
Notes payable	**1,959,204**	2,307,731
Bank borrowings	**6,653,873**	6,924,659
Taxation payable	**82,176**	103,416
Other unallocated liabilities	**100,364**	92,913
Consolidated total liabilities	**10,173,083**	10,509,314

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, taxation recoverable, bank balances and cash and other assets used jointly by reportable and operating segments; and
- all liabilities are allocated to operating segments other than notes payable, bank borrowings, taxation payable and other liabilities for which reportable and operating segments are jointly liable.

Geographical information

The Group's operations in commercial property holding, residential property holding, Macau property holding and securities investment are mainly located in Hong Kong, the People's Republic of China (the "PRC") (excluding Hong Kong and Macau) and Macau.

The following table provides an analysis of the Group's revenue and non-current assets by geographical location.

Revenue from property rentals and sales of properties held for sale are allocated based on the geographical location of the property interests.

Non-current assets are allocated by geographical location of the assets.

	Revenue from external customers Six months ended 30 September		**Non-current assets** *(note)*	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)	**30 September 2025 HK$'000 (unaudited)**	31 March 2025 HK$'000 (audited)
Hong Kong	**43,982**	53,086	**4,010,276**	3,623,962
PRC (excluding Hong Kong and Macau)	**73,230**	75,820	**3,153,499**	3,669,628
Macau	**6,902**	14,078	**–**	–
	124,114	142,984	**7,163,775**	7,293,590

Note: Non-current assets exclude financial instruments.

4. INCOME AND LOSSES FROM INVESTMENTS

	Six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest income from financial assets at FVTPL	**520**	5,306
Dividend income from financial assets at FVTPL	**3,538**	19,250
Net change in fair value of financial assets at FVTPL	**(11,657)**	(32,950)
Net change in fair value of derivative financial instruments	**(1,699)**	–
	(9,298)	(8,394)

5. OTHER INCOME

	Six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Bank interest income	**31,810**	41,095
Interest income from loan receivables	**1,422**	2,639
Interest income from amounts due from joint ventures and an associate	**21,422**	92,415
Amortisation of financial guarantee contracts	**3,475**	3,736
Assets management income from joint ventures	**10,893**	16,721
Consultancy fee income	**189**	189
Others	**2,805**	9,808
	72,016	166,603

6. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net exchange gain	**–**	10
Reversal of impairment loss recognised on financial guarantee contracts	**48,550**	–
Written off of loan receivable	**–**	(61,497)
Gain on disposal of property, plant and equipment	**–**	80
	48,550	(61,407)

7. FINANCE COSTS

	Six months ended 30 September	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Interest on:		
Bank borrowings	**143,285**	229,465
Notes payable	**91,412**	63,293
Loan from joint ventures	**4,141**	5,752
Total borrowing costs	**238,838**	298,510

8. INCOME TAX CREDIT

	Six months ended 30 September	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
The credit comprises of:		
Hong Kong Profits Tax		
Current period	**4,831**	1,035
Overprovision in prior years	**(21,927)**	(20,000)
	(17,096)	(18,965)
Deferred taxation	**(2,224)**	(5,006)
	(19,320)	(23,971)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

According to the Macau Complementary Tax Law, complementary tax is calculated at a rate of 12% on the assessable profits over Macau Pataca ("MOP") 600,000 (2024: MOP600,000) for the period.

No provision for Macau complementary tax was required as the subsidiaries of the Group in Macau did not have assessable profits more than MOP600,000 for both periods.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

No provision for the PRC on enterprise income tax was required as the subsidiaries of the Group in the PRC have accumulated losses available for offset against future profits for both periods.

9. LOSS FOR THE PERIOD

	Six months ended 30 September	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Loss for the period has been arrived at after charging the following items:		
Directors' remuneration:		
Salaries and other benefits	**15,952**	14,445
Contributions to retirement benefits schemes	**585**	506
	16,537	14,951
Other staff costs:		
Salaries and other benefits	**26,838**	27,183
Contributions to retirement benefits schemes	**2,051**	2,487
	28,889	29,670
Total staff costs	**45,426**	44,621
Depreciation of property, plant and equipment	**8,168**	9,437
Cost of properties held for sale recognised as an expense	**3,238**	27,497
Write-down of properties held for sale (included in cost of sales)	**54,476**	44,131

10. DIVIDENDS

No dividends were paid, declared and proposed by the Company during the current interim period (six months ended 30 September 2024: nil).

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2025 and 2024.

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Loss		
Loss for the purpose of basic loss per share:		
Loss for the period attributable to owners of the Company	**(556,673)**	(904,102)

	Six months ended 30 September	
	2025 Number of shares (unaudited)	2024 Number of shares (unaudited) (Restated)
Weighted average number of ordinary shares for the purposes of basic loss per share (in thousands)	**12,259,589**	4,604,895

The weighted average number of ordinary shares used to calculate the basic loss per share for both periods have been adjusted to reflect the Share Consolidation (as defined in note 20) during the period ended 30 September 2025. Accordingly, the basic loss per share for the period ended 30 September 2024 is restated.

Diluted loss per share for the period ended 30 September 2025 does not assume the exercise of bonus warrants since the exercise will result in a decrease in loss per share. No diluted loss per share is presented for the prior period as there is no potential ordinary shares outstanding during the prior period.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2025, the Group acquired property, plant and equipment for a cash consideration of HK$217,000 (six months ended 30 September 2024: nil).

13. INVESTMENT PROPERTIES

The Group's investment properties at the end of the current interim period was valued by Knight Frank Petty Limited, an independent and qualified property valuer not connected to the Group.

The valuation was principally based on investment method by taking into account the reversionary income and capitalisation rate. The resulting decrease in fair value of investment properties of HK$5,477,000 (six months ended 30 September 2024: HK$51,010,000) has been recognised directly in profit or loss for the six months ended 30 September 2025.

14. AMOUNTS DUE FROM (TO) JOINT VENTURES/ASSOCIATES/ NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Amounts due from joint ventures included in non-current assets *(note i)*	**7,110,571**	7,088,682
Amounts due to joint ventures included in current liabilities *(note ii)*	**905,940**	741,178
Amounts due from associates included in non-current assets *(note iii)*	**772,821**	927,127
Amounts due to non-controlling shareholders of subsidiaries included in current liabilities *(note iv)*	**106,484**	119,731

The above balances due from (to) the various parties are non-trade in nature and had no default record based on historical information.

Notes:

(i) Included in the amounts due from joint ventures as at 30 September 2025, there are principal amounts with interests of HK$2,739,919,000 (31 March 2025: HK$2,851,347,000), which are unsecured, bear interest at Hong Kong Prime Rate plus 1% to 3% and 4.875% (31 March 2025: Hong Kong Prime Rate plus 1% to 3% and 4.875%) per annum and repayable after one year. The remaining amounts with principal of HK$5,995,497,000 (31 March 2025: HK$5,835,777,000) are unsecured, non-interest bearing and have no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

In addition, included in the amounts due from joint ventures as at 30 September 2025, there are share of loss of joint ventures of HK$1,256,280,000 (31 March 2025: HK$1,203,052,000) representing share of the loss in excess of the cost of investment to the extent of the Group's legal or constructive obligations.

During the period ended 30 September 2025, no impairment (31 March 2025: HK$7,920,000) is recognised on amounts due from joint ventures, which had been determined by assessing the expected credit loss allowance by management.

14. AMOUNTS DUE FROM (TO) JOINT VENTURES/ASSOCIATES/ NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES (Continued)

Notes: (Continued)

(ii) Included in the amounts due to joint ventures as at 30 September 2025, there is principal amount of HK$79,474,000 (31 March 2025: HK$79,474,000), which is unsecured, bear interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.15% (31 March 2025: HIBOR plus 1.15%) per annum and repayable on demand. Also, there is principal amount of HK$36,000,000 (31 March 2025: HK$36,000,000), which is unsecured, bear interest at 15% (31 March 2025: 15%) per annum and repayable in November 2025 (31 March 2025: August 2025). The remaining balances are unsecured, non-interest bearing and repayable on demand.

(iii) Included in the amounts due from associates as at 30 September 2025, there is principal amount with interest of HK$1,393,267,000 (31 March 2025: HK$1,364,607,000), which is unsecured, bear interest at One Month HIBOR plus 1.5% (31 March 2025: One Month HIBOR plus 1.5%) per annum and has no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

(iv) The balances are unsecured, non-interest bearing and repayable on demand.

15. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprise of rental receivables which are receivable on the presentation of debit notes and rental income is billed in advance. The Group allows credit period of 0 – 60 days (31 March 2025: 0 – 60 days) to its tenants. The aging analysis of the trade receivables, presented based on the debit note date for rental receivables which approximated the revenue recognition date, at the end of the reporting period is as follows:

	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Trade receivables:		
0 – 30 days	**4,873**	5,131
31 – 90 days	**17**	5,145
	4,890	10,276
Prepayments and deposits	**38,149**	38,908
Other receivables *(note)*	**110,843**	150,821
	153,882	200,005

Note: As at 30 September 2025, other receivables mainly comprised of promissory note issued by a joint venture amounted to HK$31,000,000 (31 March 2025: HK$72,000,000), which is interest bearing at HIBOR plus 1.2% per annum.

16. PROPERTIES HELD FOR SALE

During the six months ended 30 September 2025, the Group incurred HK$167,000 (six months ended 30 September 2024: HK$756,000) in capital expenditure for properties held for sale.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FINANCIAL ASSETS AT FVTPL")

The financial assets at FVTPL comprise of:

	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Listed equity securities *(note i)*	**7,510**	6,933
Unlisted equity securities/limited partnership *(note ii)*	**100,561**	103,944
Listed debt securities *(note iii)*	**115,157**	87,635
Unlisted debt securities	**44,626**	52,426
	267,854	250,938
Total and reported as:		
Listed		
Hong Kong	**61,332**	62,542
Singapore	**1,891**	2,132
Elsewhere	**59,444**	29,894
Unlisted	**145,187**	156,370
	267,854	250,938
Analysed for reporting purpose as:		
Non-current assets	**182,372**	186,473
Current assets	**85,482**	64,465
	267,854	250,938

Notes:

(i) The fair values are based on the quoted market closing prices of the respective securities in active markets for identical assets.

(ii) The unlisted equity securities/limited partnership as at 30 September 2025 are measured at fair value. Details are set out in the note 22.

(iii) The listed debt securities at 30 September 2025 represented bonds with fixed interest of 0% to 11% (31 March 2025: 1% to 11%) per annum. The maturity dates of the listed debt securities range from 13 October 2025 to perpetual (31 March 2025: 11 July 2025 to perpetual). Their fair values are determined based on quoted market closing prices available from the market.

Certain of the listed debt securities are pledged to secure the general banking facilities granted to the Group. Details are set out in note 25.

All of the above financial assets are stated at fair value and details of the fair value measurements are set out in note 22.

18. OTHER PAYABLES AND ACCRUALS

The following is the breakdown of other payables and accruals at the end of the reporting period:

	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Rental and related deposits received	**88,020**	89,674
Other tax payables	**5,904**	2,590
Financial guarantee contracts	**6,052**	12,618
Interest payables	**87,949**	36,821
Accrued construction costs	**32,530**	33,515
Accruals and other payables	**18,032**	36,018
	238,487	211,236

19. BANK BORROWINGS

During the period, the Group obtained bank borrowings of approximately HK$84,973,000 (six months ended 30 September 2024: HK$2,116,917,000) and repaid bank borrowings of approximately HK$383,513,000 (six months ended 30 September 2024: HK$2,610,067,000). The bank borrowings as at 30 September 2025 and 31 March 2025 carried floating rate interests, of which borrowings amounting to HK$6,119,907,000 (31 March 2025: HK$6,377,430,000) bore interest at HIBOR plus 1.00% to 2.10% (31 March 2025: HIBOR plus 1.00% to 2.05%) per annum, borrowing amounting to HK$533,966,000 (31 March 2025: HK$547,230,000) bore interest at the quoted Loan Prime Rate by the National Interbank Funding Center or the Shanghai Interbank Offered Rate plus a fixed margin. At 30 September 2025, the effective interest rates ranged from 1.63% to 5.99% (31 March 2025: 4.40% to 6.86%) per annum.

The bank borrowings are secured by the Group's property, plant and equipment, properties held for sale and financial assets at FVTPL. The carrying amounts of the assets pledged are set out in note 25.

20. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK0.8 cent each (before share consolidation) and HK1.6 cents each (after share consolidation)		
Authorised:		
At 1 April 2024 and 30 September 2024	22,500,000,000	180,000
Share consolidation *(note i)*	(11,250,000,000)	–
	11,250,000,000	180,000
Increase in authorised share capital on 10 March 2025	20,000,000,000	320,000
At 31 March 2025 and 30 September 2025	31,250,000,000	500,000
Issued and fully paid:		
At 1 April 2024 and 30 September 2024	9,209,789,676	73,678
Share consolidation *(note i)*	(4,604,894,838)	–
At 31 March 2025	4,604,894,838	73,678
Rights issue allotted and issued *(note ii)*	8,288,810,694	132,621
At 30 September 2025	12,893,705,532	206,299

All the shares issued by the Company rank *pari passu* with the then existing ordinary shares in all respects.

During the period, the Company issued bonus warrants to shareholders on the basis of one warrant for every ten consolidated ordinary shares held. Each warrant entitles the holder to subscribe for one ordinary share at HK$0.22 per share, exercisable during the subscription period from 7 April 2025 to 7 April 2027. As at 30 September 2025, no warrants had been exercised.

Notes:

(i) On 17 February 2025, the Company proposed to implement a share consolidation on the basis that every two issued and unissued shares of HK0.8 cent each would be consolidated into one consolidated share of HK1.6 cents each (the "Consolidated Share(s)") (collectively referred to the "Share Consolidation").

Pursuant to an ordinary resolution passed on 6 March 2025, the Share Consolidation was approved by the shareholders of the Company and has become effective on 10 March 2025. Immediately after the Share Consolidation, the total number of issued shares of the Company was adjusted from 9,209,789,676 to 4,604,894,838.

(ii) Allotment and issue of 8,288,810,694 rights shares on 15 April 2025 on the basis of 18 rights shares for every 10 shares held on 20 March 2025.

21. NOTES PAYABLE

	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Notes payable:		
Guaranteed notes *(note i)*	–	2,307,731
10.50% US$ Notes maturing in May 2028 (the "2028 Consolidated Notes") *(note ii)*	1,498,984	–
8.22% HK$ Note maturing in April 2029 (the "2029 Note") *(note iii)*	460,220	–
	1,959,204	2,307,731
Analysed for reporting purpose as:		
Current liabilities	–	2,307,731
Non-current liabilities	1,959,204	–
	1,959,204	2,307,731

Notes:

(i) On 21 July 2021, Estate Sky Limited ("ESL"), a subsidiary of the Group, issued guaranteed notes, of which the Company is the guarantor, in the aggregate principal amount of US$300,000,000 (equivalent to approximately HK$2,340,000,000) (the "2021 Guaranteed Notes") at an interest rate of 5.45% per annum, payable semi-annually in arrears. The 2021 Guaranteed Notes was matured on 21 July 2025 (31 March 2025: HK$2,307,731,000) and fully redeemed.

(ii) On 21 May 2025, ESL issued guaranteed notes, which the Company is the guarantor, in the principal amount of US$150,000,000 (equivalent to approximately HK$1,170,000,000) at an interest rate of 10.50% per annum, payable semi-annually in arrears (the "2028 Notes"). On 29 September 2025, ESL issued additional guaranteed notes in principal amount of US$50,000,000 (equivalent to approximately HK$390,000,000) which have the same terms and conditions as the 2028 Notes, except for the issue price, the closing date and the amounts ESL shall redeem on specified dates. The additional guaranteed notes, upon issue, have been consolidated and formed a single series with the 2028 Notes (the "2028 Consolidated Notes") with aggregate principal amount of US$200,000,000 and thereby constitute a further issue of notes pursuant to the terms and conditions of the 2028 Notes. The 2028 Consolidated Notes with carrying amount of HK$1,498,984,000 as at 30 September 2025 is unsecured and will mature on 21 May 2028.

The 2028 Consolidated Notes were listed on the Singapore Exchange Securities Trading Limited and the fair value was HK$1,503,668,000 based on the quoted price as at 30 September 2025.

(iii) The Company announced the strategic funding & partnership proposal on 2 February 2025 and issued a 4-year senior unsecured note of HK$500,000,000 on 30 April 2025 at an interest rate of 8.22% per annum and is guaranteed by the Company (the "2029 Note") to Gaw Capital Partners. The 2029 Note with carrying amount of HK$460,220,000 as at 30 September 2025 will mature on 30 April 2029.

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at 30 September 2025 HK$'000 (unaudited)	Fair value as at 31 March 2025 HK$'000 (audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial assets at FVTPL	Listed equity securities in: – Hong Kong: 7,497 – Elsewhere: 13	Listed equity securities in: – Hong Kong: 6,928 – Elsewhere: 5	Level 1	Quoted market closing prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: 19,886 – Singapore: 1,891 – Elsewhere: 59,431	Listed debt securities in: – Hong Kong: 21,934 – Singapore: 2,132 – Elsewhere: 29,889	Level 1	Quoted market closing prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: 33,949	Listed debt securities in: – Hong Kong: 33,680	Level 2	Quoted market closing prices in an active market and adjustment of management fee	N/A	N/A

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 30 September 2025 HK$'000 (unaudited)	Fair value as at 31 March 2025 HK$'000 (audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial assets at FVTPL	Unlisted debt security: nil	Unlisted debt security: 7,800	Level 1	Quoted market closing prices in an OTC market	N/A	N/A
	Unlisted debt security: 44,626	Unlisted debt security: 44,626	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived, based on an appropriate discount rate	N/A	N/A
	Unlisted equity securities/limited partnership: – Financial asset A/B: 83,935	Unlisted equity securities/limited partnership: – Financial asset A/B: 87,318	Level 3	Adjusted net asset value, determined based on net asset value ("NAV") adjusted for NAV discount	N/A	N/A
	– Financial asset C: 16,626	– Financial asset C: 16,626	Level 2	Market approach, determined with reference to the fair value of the underlying investment, i.e. quoted prices in active market and adjustment of operating expenses	N/A	N/A

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of level 3 fair value measurements

	Financial asset at FVTPL HK$'000
At 1 April 2024 (audited)	229,946
Fair value loss in profit or loss	(30,000)
Purchases	5,090
At 30 September 2024 (unaudited)	205,036
At 1 April 2025 (audited)	131,944
Fair value loss in profit or loss	(3,537)
Purchases	154
At 30 September 2025 (unaudited)	128,561

There were no transfers between Levels 1 and 2 measurements in both periods.

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

23. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES

For the period ended 30 September 2025

Disposal of a company located in Macau (the "2025 Disposed Subsidiary – Macau Company")

During the six months ended 30 September 2025, the Group disposed of the entire interests in the 2025 Disposed Subsidiary – Macau Company for a total consideration of HK$1,980,000. Since the 2025 Disposed Subsidiary – Macau Company was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2025 Disposed Subsidiary – Macau Company. Accordingly, the Group had accounted for the disposal of the 2025 Disposed Subsidiary – Macau Company as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2025 Disposed Subsidiary – Macau Company on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	712
Other payables	(15)
Net assets disposed of	697
Transaction costs	98
Gain on disposal	1,185
	1,980
Total consideration satisfied by:	
Cash received	1,980

23. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the period ended 30 September 2024

Disposal of Hoyden Holdings Limited (the "2024 Disposed Subsidiary – Hoyden")

During the six months ended 30 September 2024, the Group disposed of the entire interests in the 2024 Disposed Subsidiary – Hoyden for a total consideration of HK$10,130,000. Since the 2024 Disposed Subsidiary – Hoyden was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2024 Disposed Subsidiary – Hoyden. Accordingly, the Group had accounted for the disposal of the 2024 Disposed Subsidiary – Hoyden as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2024 Disposed Subsidiary – Hoyden on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	10,080
Trade and other receivables, deposits and prepayments	58
Trade and other payables	(8)
Net assets disposed of	10,130
Transaction costs	542
Loss on disposal	(542)
	10,130
Total consideration satisfied by:	
Cash received	9,258
Assignment of loan	872
	10,130

23. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the period ended 30 September 2024 (Continued)

Disposal of Broadway Center G1 Limited and Broadway Center H1 Limited (the "2024 Disposed Subsidiaries – Broadway Center")

During the six months ended 30 September 2024, the Group disposed of the entire interests in the 2024 Disposed Subsidiaries – Broadway Center for a total consideration of HK$4,200,000. Since the 2024 Disposed Subsidiaries – Broadway Center was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2024 Disposed Subsidiaries – Broadway Center. Accordingly, the Group had accounted for the disposal of the 2024 Disposed Subsidiaries – Broadway Center as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2024 Disposed Subsidiaries – Broadway Center on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	3,310
Trade and other payables	(14)
Net assets disposed of	3,296
Transaction costs	137
Gain on disposal	767
	4,200
Total consideration satisfied by:	
Cash received	4,200

24. FINANCIAL GUARANTEE CONTRACTS

	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	**6,589,112**	7,294,388
Associates	**1,205,296**	1,317,240
	7,794,408	8,611,628
and utilised by:		
Joint ventures	**6,209,367**	6,397,388
Associates	**928,096**	957,240
	7,137,463	7,354,628

The directors of the Company assess the expected credit loss allowance in relation to the financial guarantee contracts. As at 30 September 2025, included in other payables and accruals (note 18) represents financial guarantee contracts to HK$6,052,000 (31 March 2025: HK$12,618,000).

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2025.

25. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	30 September 2025 HK$'000 (unaudited)	31 March 2025 HK$'000 (audited)
Property, plant and equipment	**138,382**	146,089
Investment properties	**3,107,407**	3,079,657
Properties held for sale	**5,046,778**	5,101,088
Financial assets at FVTPL	**5,213**	5,723
	8,297,780	8,332,557

26. RELATED PARTY DISCLOSURES

(a) During the period, the Group entered into the following transactions with related parties:

		Six months ended 30 September	
		2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Joint ventures	Assets management income	**10,893**	16,721
Joint ventures	Interest income	**8,512**	60,456
Joint ventures	Interest expense	**1,433**	2,404
An associate	Interest income	**12,910**	31,959

(b) Details of the amounts due from (to) joint ventures, associates and non-controlling shareholders of subsidiaries are set out in the condensed consolidated statement of financial position and note 14.

(c) The remuneration of directors and other members of key management during the period is as follows:

	Six months ended 30 September	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Short-term benefits	**15,952**	14,445
Post-employment benefits	**585**	506
	16,537	14,951

The remuneration of executive directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Deloitte. 德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CSI PROPERTIES LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of CSI Properties Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 2 to 36, which comprise the condensed consolidated statement of financial position as of 30 September 2025 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 November 2025

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