漢國置業有限公司
Hon Kwok Land Investment Company, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 160)

2025-26 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "Board") of Hon Kwok Land Investment Company, Limited (the "Company", and together with its subsidiaries, the "Group") announces the consolidated annual results of the Group for the year ended 31 March 2026.

Result for the year

	For the year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Revenue	**832,126**	1,012,714
Property development	***336,886***	*528,210*
Property investment	***460,280***	*438,068*
Property, carpark management and others	***34,960***	*46,436*
Gross profit	**428,634**	526,861
Fair value losses on investment properties	**(640,832)**	(678,919)
Loss for the year	**(509,535)**	(609,029)

Financial information

	For the year ended 31 March	
	2026	2025
	HK$	*HK$*
Loss per share	**(0.7320)**	(0.9374)
Dividend per share		
Final	**0.01**	0.03

	As at 31 March	
	2026	2025
	HK$	*HK$*
Net assets value per share	**14.36**	14.61

CHAIRMAN'S STATEMENT

Straight talk: We had another tough year. But there is light at the end of the tunnel.

This was a hard year. Net loss of HK$510 million. Revenue down 17.8%. Operating profit fell 30.5%. I am not going to bury those numbers in qualifications or dress them up with careful language. You deserve to know that we are not using optimism as a strategy.

And here is what we are doing about it:

- we are managing this company with discipline,
- we are protecting your equity,
- and we are building something that will be worth considerably more when this cycle turns.

Shareholders' equity held essentially flat at HK$10,347 million. Net assets per share: HK$14.36. Essentially, we did not destroy value, and in this environment, that matters.

Here is an honest look at the numbers

Leasing income grew 5.1% to HK$460 million. In a weak office market with new supply continuously coming online, that is a genuine achievement. This result reflects the quality of our assets, not luck. Property sales revenue declined sharply, and that pulled total revenue down to HK$832 million. We saw this coming. Fewer units to deliver means less recognized revenue. That's purely accounting, not a true reflection of the underlying business. We are steadily selling our remaining inventory and maintaining a decent price.

The revaluation loss on investment properties was a painful HK$641 million, but it is 5.6% smaller than last year's HK$679 million loss. The pace of markdowns is slowing. While this may not be the bottom on valuations, but the direction matters. After two years of sharp corrections, we are beginning to see stabilization in the market.

The World that we are navigating through

I want to be realistic about the macro environment, because I think too many companies in this sector are still hoping the old normal comes back. It is not coming back — at least not quickly. The challenges facing the property sector are structural and not just cyclical.

Interest rates are elevated longer than the market expected. And they are going to stay there for a while. Capital has become highly selective. Geopolitical fragmentation is ongoing. The US-China tensions have not gone away just because there has been high-level diplomatic engagement. Tariffs, technology restrictions, and strategic competition are reshaping investment flows in ways that will persist for years.

In China, the government has done the right things, like easing purchase restrictions, cutting mortgage rates, supporting demand, etc.. Transaction volumes have stabilized. But consumer and investor confidence takes longer to rebuild than policy takes to change. We need to be patient and let this play out.

Hong Kong's office market remains oversupplied and competitive. While core rental prices have stabilized, peripheral areas remain weak. Retail is improving, residential transaction volumes are ticking up, but nobody should be forecasting a sharp V-shaped recovery in commercial real estate here.

What I am excited about is technology: robotics, the low altitude economy, artificial intelligence, and data infrastructure are attracting serious capital and policy support across the Greater Bay Area. That structural shift is real, and it directly benefits the kinds of assets we own and are building.

What we actually did this year

The Riverside in Guangzhou continued to sell, HK$308 million in recognized revenue. This project has all the right factors: Prime riverside location, premium product, and disciplined pricing. We released additional units during the year, and more are coming to market. The pipeline has real upside.

Our Guangzhou commercial cluster (including Hon Kwok Building, Tung Hing Fong, and Ganghui Dasha alongside The Riverside) is genuinely working. Hon Kwok Building went from 5% occupied to 54% occupied during the year. It is now 89%. Tung Hing Fong retail went from 42% to 71% and is now at 99%. Those are not incremental improvements. That's a commercial district coming alive, and we built it.

Shenzhen's Hon Kwok City Commercial Centre hit 75% occupancy, up from 63%. We added a hotel operator on the top floors to improve our tenant mix and commercial offering. We are targeting occupancy to reach 80% by the third quarter of 2026. We will get there.

Japan remained a standout. Our hotel portfolio ran at 91% average occupancy. Japan's inbound tourism boom is real, and we positioned ourselves to capture it. In addition to buying and opening new assets, we also believe in disciplined capital recycling and taking advantage of the upswing. We have disposed of two hotel assets post-year-end at meaningful premiums to acquisition cost.

The Bauhinia Hotel and Serviced Apartment in Central reopened in January 2026, and early performance has been strong. We refurbished this asset with purpose, updating the image with a new design, solar-integrated curtain wall, genuine ESG credentials that are not just marketing. This is a flagship that will contribute in the coming year and grow our recurring income base for years to come.

Our data centre in Kwai Chung remains 100% leased on a long-term basis to a leading international operator. Stable. Predictable. Exactly aligned with where technology infrastructure demand is heading.

Our South Bay luxury joint venture is on schedule. Infrastructure will be completed by the third quarter of 2026, with sneak peeks available by 2027.

The Balance Sheet — We Are Being Responsible

We reduced total debt from HK$6,344 million to HK$5,981 million. Gearing came down from 48.7% to 48.6%. We sold The Bauhinia Hotel in Tsim Sha Tsui for HK$338 million and redeployed the capital. Taking a small loss on that disposal was the right call — we freed up capital, reduced debt, and removed a non-core asset.

I want to be transparent about our refinancing position. Approximately 38.5% of our borrowings mature within a year. We are actively working through extensions on HK$1,965 million syndicated facilities. We have strong, long-standing banking relationships, and I am confident that we will resolve this.

Where We Go from Here

There is no rapid recovery coming.

Instead, we are entering a phase of stabilization. The brutal valuation corrections of the past two years are moderating. Occupancy rates across our portfolio are moving in the right direction. Our new leasing products — Hon • Link, Hon • Work and Hon • Cowork — are gaining attraction in the market because they solve real problems for real tenants.

Our priorities are straight forward and deliverable: maintain financial discipline, keep building recurring income, drive occupancy across every asset we own, and recycle capital when we can get good prices. We have a luxury residential development at Repulse Bay completing in 2028 that will be exceptional. We have further Riverside inventory coming to market. We have a portfolio of investment properties that in a normalized environment will generate substantially more income than they do today.

Going forward, I am optimistic that the Greater Bay Area will keep growing. Technology and data infrastructure will keep attracting capital. Hong Kong, despite its challenges, remains one of the world's great financial and commercial centers. We own premium assets at the heart of all of this key geography.

Our Managing Director Mr. Donald Lam and his young team are extraordinarily well tuned to both the capital as well as the business markets. And their continuing innovations show our ability to adjust to evolving sentiments.

We will come through this cycle stronger. I am certain of it.

Our shareholders have stood by this Company through thick and thin, and we do not take that loyalty for granted. Therefore, we must occasionally take a longer view and make tough decisions. In light of the current headwinds, the Board will propose a dividend of one cent for the financial year. This decision wasn't made lightly, but keeping our cash reserves robust and our capital base rock-solid is our highest fiduciary duty to you right now.

To Our People and Partners

Our team of 300 executed well under genuine pressure this year. I want to acknowledge that directly. Running a leasing operation, managing a construction pipeline, operating hotels across multiple markets, and maintaining financial discipline in this environment all at once is hard work, and they delivered.

On behalf of the Board, I would like to thank my fellow directors for their guidance and support. To our shareholders, partners, and banking relationships: thank you for your continued confidence. We do not take your trust in us for granted, and we are committed to earning it through results.

James Sing-Wai Wong
Chairman

Hong Kong, 29 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the year ended 31 March **2026** ***HK$'000***	2025 *HK$'000*
Revenue	*3*	**832,126**	1,012,714
Cost of sales		**(403,492)**	(485,853)
Gross profit		**428,634**	526,861
Other income and gains	*3*	**49,879**	50,538
Fair value losses on investment properties, net		**(640,832)**	(678,919)
Administrative expenses		**(115,977)**	(81,618)
Other operating expenses, net		**(41,531)**	(44,332)
Finance costs	*4*	**(248,622)**	(291,194)
Share of profits/(losses) of associates		**(7,874)**	204
Share of loss of a joint venture		**(746)**	(1,862)
Loss before tax	*5*	**(577,069)**	(520,322)
Income tax credit/(expense)	*6*	**67,534**	(88,707)
Loss for the year		**(509,535)**	(609,029)
Attributable to:			
Owners of the Company		**(527,368)**	(675,309)
Non-controlling interests		**17,833**	66,280
		(509,535)	(609,029)
Loss per share attributable to ordinary equity holders of the Company	*7*		
Basic and diluted		**(HK$0.7320)**	(HK$0.9374)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Loss for the year	**(509,535)**	(609,029)
Other comprehensive income/(loss)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Share of exchange differences on translation of foreign operations of associates	**23,990**	5,813
Exchange differences on translation of foreign operations	**358,079**	203,801
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**382,069**	209,614
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Revaluation gain on a property	**579**	-
Equity Investments designated at fair value through other comprehensive income:		
Changes in fair value	**-**	(19,368)
Other comprehensive income for the year, net of tax	**382,648**	190,246
Total comprehensive loss for the year	**(126,887)**	(418,783)
Attributable to:		
Owners of the Company	**(157,996)**	(489,097)
Non-controlling interests	**31,109**	70,314
	(126,887)	(418,783)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 March 2026 *HK$'000***	31 March 2025 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**229,346**	232,211
Investment properties		**14,406,086**	14,877,026
Investments in joint ventures		**390,521**	391,267
Investments in associates		**804,905**	775,831
Financial assets at fair value through other comprehensive income		**39,197**	37,790
Total non-current assets		**15,870,055**	16,314,125
CURRENT ASSETS			
Tax recoverable		**36,116**	35,614
Properties held for sale under development and completed properties held for sale		**851,859**	1,074,838
Trade receivables	*9*	**5,431**	11,047
Contract costs		**20,003**	18,401
Prepayments, deposits and other receivables		**408,578**	371,477
Financial assets at fair value through profit or loss		**5,860**	7,247
Amount due from a joint venture		**89,766**	56,616
Cash and cash equivalents		**764,229**	1,043,470
		2,181,842	2,618,710
Assets held for sale	*10*	**196,490**	-
Total current assets		**2,378,332**	2,618,710
CURRENT LIABILITIES			
Trade payables, other payables and accrued liabilities	*11*	**142,793**	282,826
Derivative financial instruments		**-**	1,435
Interest-bearing bank borrowings		**2,288,160**	535,955
Lease liabilities		**18,461**	16,933
Contract liabilities		**90,258**	42,395
Customer deposits		**88,329**	74,932
Tax payable		**114,592**	81,257
Total current liabilities		**2,742,593**	1,035,733
NET CURRENT ASSETS/(LIABILITIES)		**(364,261)**	1,582,977
TOTAL ASSETS LESS CURRENT LIABILITIES		**15,505,794**	17,897,102

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	31 March 2026	31 March 2025
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**3,659,843**	5,779,610
Lease liabilities	**14,775**	11,483
Deferred tax liabilities	**1,097,018**	1,223,351
Total non-current liabilities	**4,771,636**	7,014,444
Net assets	**10,734,158**	10,882,658
EQUITY		
Equity attributable to owners of the Company		
Share capital	**1,519,301**	1,519,301
Reserves	**8,827,658**	9,007,267
	10,346,959	10,526,568
Non-controlling interests	**387,199**	356,090
Total equity	**10,734,158**	10,882,658

NOTES:

1. Basis of Preparation and Changes in Accounting Policies and Disclosures

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, assets held for sale, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments which have been measured at fair value. The consolidated financial statements of the Group are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited financial information relating to the year ended 31 March 2026 and the financial information relating to the year ended 31 March 2025 included in this preliminary announcement of annual results for the year ended 31 March 2026 do not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 March 2025, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The financial statements for the year ended 31 March 2026 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the financial statements for the year ended 31 March 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on the consolidated financial statements of the Group for the year ended 31 March 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

As at 31 March 2026, the Group had net current liabilities of HK$364 million, including contract liabilities of HK$90 million that will be realised as revenue rather than resulting in cash outflows, out of which HK$852 million represented properties held for sale under development and completed properties held for sale and HK$764 million represented the Group's cash and bank balances. The Group has interest-bearing bank borrowings due within one year amounting to HK$2,288 million at 31 March 2026.

In view of the continued slow-down of the property market and the current economic environment, the directors of the Company have given due consideration to the future liquidity and operating performance of the Group in assessing whether the Group will have sufficient fund to fulfill its financial obligations and to continue as a going concern for at least 12 months from 31 March 2026. Taking into account the cash flows projections of the Group including the Group's ability to obtain new financing, to renew or refinance the existing credit facilities before maturity and the fact that:

(i) the Group has successfully renewed an existing bank loan of approximately HK$243 million after the end of the reporting period and up to the date of this report;
(ii) the Group has entered into agreements in March 2026 and April 2026 to dispose of certain investment properties with carrying value of HK$74 million and HK$122 million as at 31 March 2026 respectively;
(iii) the fair value of investment properties exceeded the total amount of bank loans by approximately HK$8,458 million as of 31 March 2026; and
(iv) the Group can repay the outstanding borrowings through realisation of assets,

the directors of the Company are of the view that the Group has sufficient working capital to finance its operations in the next twelve months from the end of the reporting period.

1. Basis of Preparation and Changes in Accounting Policies and Disclosures *(Continued)*

Basis of preparation (Continued)

After taking into consideration of (i) the ability to re-finance of existing borrowings as well as new debt financing to the Group to finance the existing financial and future operating and capital expenditures; (ii) the acceleration of the sales of properties and to speed up the collection of sales proceeds; and (iii) the realisation of certain of its assets to generate more cashflow when needed, the directors of the Company are of the view that the Group maintains adequate working capital. Accordingly, these financial statements have been prepared on the going concern basis which assumes, inter alia, the realisation of assets and satisfaction of liabilities in the normal course of business.

Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and an associate for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The amendments did not have any impact on the Group’s financial statements.

2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the property development segment develops properties for sale;

(b) the property investment segment holds investment properties for development and the generation of rental income; and

(c) the property, carpark management and others segment comprises, principally, the sub-leasing of carparking business and the property management service business which provides management services to residential and commercial properties.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that interest income, loss on disposal of subsidiaries, fair value losses on derivative financial instruments, fair value losses on financial assets at fair value through profit or loss, non-lease-related finance costs, share of loss of a joint venture, share of profits/(losses) of associates, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investments in joint ventures, investment in an associate, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, other unallocated head office and corporate assets, including tax recoverable and cash and cash equivalents, as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities, including interest-bearing bank borrowings, tax payable and deferred tax liabilities, as these liabilities are managed on a group basis.

During the current and prior years, there were no intersegment transactions.

2. Operating Segment Information *(Continued)*

	For the year ended 31 March 2026			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment revenue:				
Sales to external customers	**336,886**	**460,280**	**34,960**	**832,126**
Segment results	**147,083**	**(386,610)**	**(4,453)**	**(243,980)**
Reconciliation:				
Interest income				**6,607**
Unallocated expenses				**(60,251)**
Fair value losses on derivative financial instruments				**(10,042)**
Loss on disposal of subsidiaries				**(13,736)**
Fair value loss on a financial asset at fair value through profit or loss				**(1,387)**
Finance costs (other than interest on lease liabilities)				**(245,660)**
Share of loss of a joint venture				**(746)**
Share of losses of associates				**(7,874)**
Loss before tax				**(577,069)**

	For the year ended 31 March 2025			
	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	528,210	438,068	46,436	1,012,714
Segment results	210,286	(403,065)	(4,120)	(196,899)
Reconciliation:				
Interest income				24,297
Unallocated expenses				(56,994)
Fair value losses on derivative financial instruments				(1,435)
Fair value gain on a financial asset at fair value through profit or loss				329
Finance costs (other than interest on lease liabilities)				(287,962)
Share of loss of a joint venture				(1,862)
Share of profit of an associate				204
Loss before tax				(520,322)

2. Operating Segment Information *(Continued)*

	At 31 March 2026			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment assets	**1,586,858**	**14,979,185**	**3,511,666**	**20,077,709**
Reconciliation:				
Elimination of intersegment receivables				**(3,870,150)**
Investments in joint ventures				**390,521**
Investments in associates				**804,905**
Financial assets at fair value through profit or loss				**5,860**
Financial assets at fair value through other comprehensive income				**39,197**
Corporate and other unallocated assets				**800,345**
Total assets				**18,248,387**
Segment liabilities	**1,283,136**	**2,023,799**	**917,831**	**4,224,766**
Reconciliation:				
Elimination of intersegment payables				**(3,870,150)**
Corporate and other unallocated liabilities				**7,159,613**
Total liabilities				**7,514,229**

	For the year ended 31 March 2026			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Other segment information:				
Fair value losses on investment properties, net	**-**	**640,832**	**-**	**640,832**
Gain on disposal of items of property, plant and equipment	**(176)**	**(31)**	**(120)**	**(327)**
Depreciation	**280**	**8,922**	**23,704**	**32,906**
Capital expenditure*	**-**	**189,725**	**2,328**	**192,053**

* Capital expenditure represents additions to property, plant and equipment and investment properties.

2. Operating Segment Information *(Continued)*

	At 31 March 2025			
	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment assets	1,661,920	15,507,687	3,057,864	20,227,471
Reconciliation:				
Elimination of intersegment receivables				(3,585,855)
Investments in joint ventures				391,267
Investment in an associate				775,831
Financial assets at fair value through profit or loss				7,247
Financial assets at fair value through other comprehensive income				37,790
Corporate and other unallocated assets				1,079,084
Total assets				18,932,835
Segment liabilities	1,264,407	2,370,197	381,255	4,015,859
Reconciliation:				
Elimination of intersegment payables				(3,585,855)
Corporate and other unallocated liabilities				7,620,173
Total liabilities				8,050,177

	For the year ended 31 March 2025			
	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Other segment information:				
Fair value losses on investment properties, net	-	678,919	-	678,919
Gain on disposal of items of property, plant and equipment	(91)	-	-	(91)
Depreciation	1,916	7,467	31,748	41,131
Capital expenditure*	976	305,745	591	307,312

* Capital expenditure represents additions to property, plant and equipment and investment properties.

2. Operating Segment Information *(Continued)*

Geographical information

(a) Revenue

	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**172,197**	183,792
Mainland China	**635,213**	819,128
Japan	**24,716**	9,794
	832,126	1,012,714

The revenue information above is based on the locations of operations.

(b) Non-current assets

	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**5,100,304**	5,412,533
Mainland China	**10,350,997**	10,301,356
Japan	**379,358**	562,247
Other	**199**	199
	15,830,858	16,276,335

The non-current asset information above is based on the locations of the assets and excludes financial assets at fair value through other comprehensive income.

3. **Revenue and Other Income**

Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	For the year ended 31 March 2026			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property, carpark management and others** *HK$'000*	**Total** *HK$'000*
Segment				
Type of goods or services				
Sales of properties	**336,886**	**-**	**-**	**336,886**
Property management income and others	**-**	**45,327**	**7,358**	**52,685**
Total revenue from contracts with customers	**336,886**	**45,327**	**7,358**	**389,571**
Revenue from other sources				
Gross rental income	**-**	**414,953**	**27,602**	**442,555**
Total revenue from other sources	**-**	**414,953**	**27,602**	**442,555**
Revenue disclosed in the segment information	**336,886**	**460,280**	**34,960**	**832,126**
Timing of revenue recognition				
Goods transferred at a point in time	**336,886**	**-**	**-**	**336,886**
Services transferred over time	**-**	**45,327**	**7,358**	**52,685**
Total revenue from contracts with customers	**336,886**	**45,327**	**7,358**	**389,571**

	For the year ended 31 March 2025			
	Property development *HK$'000*	Property investment *HK$'000*	Property, carpark management and others *HK$'000*	Total *HK$'000*
Segment				
Type of goods or services				
Sales of properties	528,210	-	-	528,210
Property management income and others	-	38,391	9,530	47,921
Total revenue from contracts with customers	528,210	38,391	9,530	576,131
Revenue from other sources				
Gross rental income	-	399,677	36,906	436,583
Total revenue from other sources	-	399,677	36,906	436,583
Revenue disclosed in the segment information	528,210	438,068	46,436	1,012,714
Timing of revenue recognition				
Goods transferred at a point in time	528,210	-	-	528,210
Services transferred over time	-	38,391	9,530	47,921
Total revenue from contracts with customers	528,210	38,391	9,530	576,131

3. **Revenue and Other Income** *(Continued)*

	2026	2025
	HK$'000	*HK$'000*
Other income and gains		
Bank and other interest income	**6,607**	24,297
Gain on disposal of items of property, plant and equipment	**327**	91
Reversal of provision made for property held for sale under development	**21,600**	-
Others	**21,345**	26,150
	49,879	50,538

4. **Finance Costs**

	2026	2025
	HK$'000	*HK$'000*
Interest on bank loans	**274,968**	378,831
Interest on lease liabilities	**2,962**	3,232
Interest on amounts due to the immediate holding company	**453**	1,239
Less: Interest capitalised under properties under development and investment properties	**(29,761)**	(92,108)
	248,622	291,194

5. **Loss Before Tax**

The Group's loss before tax is arrived at after charging/(crediting):

	2026	2025
	HK$'000	*HK$'000*
Cost of properties sold	**175,561**	280,241
Direct operating expenses (including repairs and maintenance) arising from rental-earning properties	**227,931**	205,612
Depreciation of property, plant and equipment and right-of-use assets	**32,906**	41,131
Amortisation of loan arrangement fee	**19,544**	17,567
Lease payments not included in the measurement of lease liabilities	**227**	699
Contract costs arising from the sale of properties	**24,608**	43,078
Gain on lease modification	**(79)**	(27)
Auditor's remuneration	**3,024**	3,358
Gain on disposal of items of property, plant and equipment	**(327)**	(91)
Loss on disposal of subsidiaries	**13,736**	-
Fair value losses on derivative financial instruments	**10,042**	1,435
Fair value loss/(gain) on financial asset at fair value through profit or loss	**1,387**	(329)
Foreign exchange differences, net	**19**	1,833
Employee benefit expenses (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	**63,590**	76,662
Pension scheme contributions	**2,093**	2,558
	65,683	79,220
Less: Amounts capitalised under investment properties under development	**(25,676)**	(41,400)
	40,007	37,820

At 31 March 2026 and 31 March 2025, the amount of forfeited pension scheme contributions available to the Group for future utilisation was not significant.

6. Income Tax

	2026	2025
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**-**	-
Elsewhere	**39,559**	72,564
Land appreciation tax in Mainland China	**60,898**	63,441
	100,457	136,005
Deferred tax	**(167,991)**	(47,298)
Total tax charge/(credit) for the year	**(67,534)**	88,707

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Land appreciation tax has been calculated in conformity with the prevailing rules and practices on the Group's completed projects in Mainland China at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

7. Loss Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company of HK$527,368,000 (2025: HK$675,309,000) and the weighted average number of ordinary shares in issue during the year of 720,429,301 (2025: 720,429,301).

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2026 and 2025 in respect of a dilution as the Group has no potential dilutive ordinary shares in issue during the years ended 31 March 2026 and 2025.

8. Dividend

	2026	2025
	HK$'000	*HK$'000*
Proposed final – 1 HK cent (2025: 3 HK cents) per ordinary share	**7,204**	21,613

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. Trade Receivables

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice/contract date and net of loss allowance, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**559**	1,349
31 to 60 days	**332**	402
61 to 90 days	**69**	430
Over 90 days	**4,471**	8,866
Total	**5,431**	11,047

Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of the sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Overdue trade debts are closely monitored by management and are provided for in full in cases of non-recoverability. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

10. Assets held for sale

(a) In March 2026, the Group entered into a sale and purchase agreement with an independent third party to dispose of its property comprises land and a 10-storey hotel building situated at 1-18-2, Bakuromachi, Chuo-ku, Osaka, Japan (the "Osaka Property"), which was previously classified as investment property.

As at 31 March 2026, the disposal transaction was highly probable and the Osaka Property was available for immediate sale in its present condition. Accordingly, the Osaka Property was reclassified as assets held for sale. The disposal was completed on 22 May 2026.

(b) In March 2026, the Group accepted the offer from an independent third party to dispose of its property comprises the land and a 9-storey hotel building situated at Kaminarimon 1, Taito-ku, Tokyo, Japan (the "Tokyo Property"), which was previously classified as investment property.

As at 31 March 2026, the disposal transaction was highly probable and the Tokyo Property was available for immediate sale in its present condition. Accordingly, the Tokyo Property was reclassified as assets held for sale. The disposal is expected to be completed within twelve months from the end of the reporting period.

11. Trade Payables, Other Payables and Accrued Liabilities

		2026	2025
	Notes	***HK$'000***	*HK$'000*
Trade payables	*(a)*	**23,156**	16,672
Other payables and accrued liabilities	*(b)*	**99,637**	224,154
Amounts due to the immediate holding company	*(c)*	**20,000**	42,000
Total		**142,793**	282,826

Notes:

(a) As at 31 March 2026 and 2025, the trade payables as at the end of the reporting period, based on the invoice date are within 30 days. The trade payables are non-interest-bearing and are normally settled on 30-day terms.

(b) Other payables and accrued liabilities are non-interest-bearing and there are generally no credit terms.

(c) As at 31 March 2026, the amounts due to the immediate holding company of HK$20,000,000 (2025: HK$42,000,000) are unsecured, interest-bearing and repayable on demand.

12. Contingent Liabilities

(a) As at 31 March 2026, the Group has given a guarantee of HK$487,500,000 (2025: HK$487,500,000) to a bank in connection with a facility granted to a joint venture and such banking facility guaranteed by the Group to the joint venture was utilised to the extent of HK$269,650,000 (2025: HK$237,500,000).

(b) As at 31 March 2026, the Group has given guarantees of HK$21,850,000 (2025: HK$178,200,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property ownership certificates to the purchasers.

13. Events After the Reporting Period

Subsequent to the end of the reporting period, there were updates on the disposal transactions of the Group's hotel properties located in Japan:

(a) Completion of Disposal of the Osaka Property

On 22 May 2026, the Group completed the disposal of the Osaka Property to an independent third party at a total consideration of approximately JPY1,542,000,000 (equivalent to HK$77,100,000). Upon the completion, the Group ceased to hold any interest in the Osaka Property. The transaction resulted in a gain on disposal of approximately HK$1,664,000 (before any related tax and transaction costs), which will be recognised in the Group's consolidated statement of profit or loss for the year ending 31 March 2027.

(b) Disposal of the Tokyo Property

On 6 April, 2026, the Group entered into a sale and purchase agreement with an independent third party to dispose of the Tokyo Property (which was included in assets held for sale as at 31 March 2026) for a total consideration of approximately JPY2,722,500,000 (equivalent to HK$133,402,500). As at the date of approval of these consolidated financial statements, the disposal of the Tokyo Property has not yet been completed.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the year, the Group continued to focus on property development, property investment, property management services and hotel operations in Hong Kong, the Mainland China and Japan.

As part of its macroeconomic policies to further strengthen domestic consumption, the Mainland Government relaxed home purchase restrictions, reduced the minimum down payment ratio and lowered housing loan interest rates to support the real estate market and stimulate housing demand. Residential property transaction volumes showed a gradual recovery. The general market in Guangzhou has been recovering slowly, but our sales of The Riverside in Guangzhou remained stable, supported by its prime location and premium quality.

During the year, the number of visitor arrivals to Hong Kong and overnight stays continued to increase. The Group's hotel and serviced apartment operations in Central, Hong Kong have delivered strong revenue growth since its reopening in January 2026.

The leasing markets in Hong Kong and the Mainland China remained challenging. Driven by contributions from its newly built retail and office properties in Guangzhou and its newly acquired hotel portfolio in Japan, the Group recorded an increase in rental income despite the prevailing market slowdown. The Group remain confident in the demand for grade A offices as prospective tenants continue their flight to quality towards premium buildings in prime locations. Our unique range of self-developed leasing products such as Hon • Link, Hon • Work and Hon • Cowork that designed to address the evolving needs of modern businesses has been well received in the market since their launch. Each product offering provides tailored workspace solutions that combine flexibility, functionality and premium service quality.

Hon • Link (Custom-Fitted Office Space) delivers bespoke office environments that are carefully customized to meet the unique operational and branding requirements of individual clients, enabling companies to establish a strong corporate identity while optimizing space efficiency. Hon • Work (Premium Business Center) offers a fully serviced business center experience, providing high-quality office facilities, professional support services, and a prestigious business setting ideal for established enterprises seeking convenience and scalability. Meanwhile, Hon • Cowork (Flexible Micro Office) caters to startups, entrepreneurs and agile teams by offering flexible micro-office solutions that prioritize affordability, mobility and collaborative opportunities within a dynamic work environment. Together, these innovative solutions form a comprehensive ecosystem that supports businesses across different growth stages and operational models. Their strong market reception reflects not only the relevance of our offerings but also our commitment to delivering customer-centric, forward-looking workspace solutions that enhance productivity and business performance.

(i) Property Development

(1) The Riverside 港匯臺, Guangzhou (100% owned by the Group)

The Riverside is one of the few new riverside residential developments in Beijing Road of Guangzhou. It offers ready-for-sale residential units with prime orientations overlooking the Pearl River, featuring premium high-rise residences with a distinctive retro-style Qilou design and high-quality finishes. By the end of 2025, four residential units previously subject to a court-ordered restriction were released and available for sale. Up to 31 March 2026, 148 saleable units (previously 144) have been made available for sale and more will be made available in coming months. This is expected to bring additional revenue upside for the Group.

Since its launch for pre-sale in October 2023, The Riverside recorded a sale of 89 units as at the date of this announcement, with an aggregate sales amount of approximately HK$926 million. Revenue of approximately HK$308 million in respect of 34 fully paid and delivered units were recognised during the year, as compared to 40 units with the revenue of HK$399 million recognized in the prior year.

(2) Botanica 寶翠園, Guangzhou (60% owned by the Group)

Botanica is a residential project located in Tianhe District of Guangzhou and was completed in 2016 with all residential units sold in prior years. The remaining car parking spaces were held as inventory, of which revenue of approximately HK$8 million was recognised for the year (2025: HK$45 million).

(3) Metropolitan Oasis 雅瑤綠洲, Nanhai (100% owned by the Group)

Metropolitan Oasis is a residential project located in Dali District of Foshan Nanhai and was completed in 2020. The remaining residential units were sold last year, with revenue of approximately HK$84 million recognised in 2025. During the year, all the remaining car parking spaces and retail shops were fully sold, contributing approximately HK$21 million to the Group’s revenue.

(4) Enterprise Square 僑城坊, Shenzhen (20% owned by the Group)

The Enterprise Square is a large-scale, premium eco-friendly business complex located in the Overseas Chinese Town area of Nanshan District of Shenzhen, with a total gross floor area of approximately 224,500 square meters. The project comprises 12 standalone buildings and integrates a diverse range of functions, including premium luxury residential apartments, offices buildings and commercial mall. The unsold residential units are classified as properties held for sale, the office tower and commercial mall are recognized as investment properties for rental income generation, with a stable occupancy rate of 90% as at the year-end date. During the year, Enterprise Square recorded total revenue of approximately

HK$189 million (2025: HK$172 million), comprising both property sales and rental income. The complex recorded a net loss attributable to the Group, after deducted fair value loss on investment properties, amounted to approximately HK$7 million (2025: net profit of HK$0.2 million).

(5) Development project on South Bay Road, Repulse Bay (50% owned by the Group)

The Repulse Bay project is located at traditional luxury residential area in Repulse Bay whereas the Group holds 50% equity interest. It is being developed into luxury residences with endless intoxicating sea views, featuring a stunning panoramic view of Repulse Bay. The development project is expected to be completed in 2028.

(ii) Property Investment

The Group's investment properties contributed rental income of approximately HK$460 million (2025: HK$438 million) to revenue for the year, representing a year-on-year increase of 5.1%. The property portfolio comprises a diversified mix of retail, office, data centre and hotel properties located in Hong Kong, the Mainland China and Japan, and is strategically positioned to capture growth opportunities and deliver steady long-term value. During the year, the Group's major property investment projects demonstrated strong resilience despite industry pressures, maintaining competitive rental levels and increasing occupancy rates at the forefront of the market.

(1) Hon Kwok Building and Tung Hing Fong 漢國大廈及同慶坊, Guangzhou (100% owned by the Group)

Hon Kwok Building is a 32-storey commercial and office tower with a gross floor area of approximately 31,300 square meters. Located at Beijing Road of Guangzhou and adjacent to The Riverside, the building sits within an area renowned for its rich historical character and ongoing urban revitalisation. The building has been awarded the Leadership in Energy and Environmental Design (LEED) Gold certification. Completed in late 2024, Hon Kwok Building has demonstrated strong leasing momentum, with its occupancy rate surging from 5% in March 2025 to 54% by this financial year-end and further to 89% at the date of this announcement.

Tung Hing Fong is the retail component occupying the podium levels of The Riverside and Hon Kwok Building, comprising five exquisitely designed podium structures with distinctive retro-style Qilou design, it enjoys high pedestrian traffic in this prime location. The occupancy rate of Tung Hing Fong increased significantly from 42% in March 2025 to 71% by this financial year-end and further to 99% at the date of this announcement.

(2) Ganghui Dasha 港滙大廈, Guangzhou (100% owned by the Group)

Ganghui Dasha is a 20-storey commercial and office building with a total gross floor area of approximately 13,000 square meters. As at the year-end date, Ganghui Dasha achieved an improvement in occupancy rate to 85% from 79% in the previous year.

It is located along Beijing Road of Guangzhou in close proximity to The Riverside. Ganghui Dasha, Hon Kwok Building and Tung Hing Fong together form an integrated cluster of developments that create strong synergy in attracting high pedestrian traffic. They contribute to a vibrant and evolving commercial ecosystem, enhancing the overall vitality and attractiveness of the area.

(3) Hon Kwok City Commercial Centre 漢國城市商業中心, Shenzhen (100% owned by the Group)

Hon Kwok City Commercial Centre is a landmark 75-storey office tower rising 330 meters above the ground with a total gross floor area of approximately 128,000 square meters. The building is located in the prime commercial district of Futian in Shenzhen. It offers high-quality grade A office and retail component positioned at the heart of the Shenzhen Hong Kong Science and Technology Innovation Cooperation Zone. It was awarded the Leadership in Energy and Environmental Design (LEED) Platinum certification and continued to maintain the WELL Health-Safety Rating during the year.

During the year, the top nine floors were leased to a tenant for hotel operations under "Intercity" four-star brand. This arrangement is expected to enhance the building's tenant mix and overall commercial offerings. As at the year-end date, Hon Kwok City Commercial Centre achieved an increase in overall occupancy rate to 75% from 63% in the previous year, with further growth expected to reach 80% by the end of the third quarter of 2026.

(4) City Square and City Suites 城市天地廣場及寶軒公寓, Shenzhen (100% owned by the Group)

City Square is a 5-storey commercial building located in Jiabin Road of Shenzhen, adjacent to Luohu Port and directly opposite to China Resources MixC in Luohu. Along with the City Suites on the upper floors, City Square is designed as a vibrant urban hub, offering a curated mix of retail and lifestyle offerings to meet the needs of the surrounding business community and residents.

City Suites occupies levels 32 to 39 of City Square, offering a collection of 64 premium serviced apartment units that deliver refined urban living experience for residents in one of Shenzhen's most desirable locations.

During the year, City Square and City Suites implemented a series of upgrades to enhance tenant operations and elevate the overall customer experience. As at the year-end date, the overall occupancy rate increased to 96% from 93% in the previous year.

(5) *Chongqing Hon Kwok Centre 重慶漢國中心, Chongqing (100% owned by the Group)*

Chongqing Hon Kwok Centre is a 25-storey twin-tower integrated office complex with a 4-storey retail and commercial podium, offers a total gross floor area of approximately 108,000 square meters. The building is located in Liangjiang New District of Chongqing, the core of Chongqing's northern CBD area, a key district earmarked for growth by the municipal government. As at the year-end date, Chongqing Hon Kwok Centre achieved an increase in occupancy rate to 67% from 65% in the previous year.

Chongqing Hon Kwok Centre offers open-plan shared spaces, enhanced by natural ventilation and daylighting systems to promote energy conservation and environmental sustainability. The design incorporates multi-layered vertical landscaping features, creating a green and engaging urban office environment. The office spaces are further enhanced by the provision of open-plan shared areas, fostering collaboration, flexibility and a dynamic workplace culture. Our full suite of self-developed leasing solutions including Hon • Link, Hon • Work and Hon • Cowork are fully deployed in Chongqing.

(6) *Chongqing Jinshan Shangye Zhongxin 重慶金山商業中心, Chongqing (100% owned by the Group)*

Chongqing Jinshan Shangye Zhongxin is another twin-tower development adjacent to Chongqing Hon Kwok Centre, comprising a 41-storey office tower and a 42-storey hotel-cum-office composite tower, each with a 4-storey retail and commercial podium, with a total gross floor area of approximately 173,000 square meters. As at the year-end date, Chongqing Jinshan Shangye Zhongxin recorded an increase in occupancy rate to 85% from 81% in the previous year.

Benefited from the recent merger of three districts in Chongqing which is expected to enhance regional integration, with improved connectivity and growing demand, Chongqing Jinshan Shangye Zhongxin and Chongqing Hon Kwok Centre are well positioned to attract more tenants and increase occupancy rates further.

(7) *Digital Realty Kin Chuen (HKG11) (100% owned by the Group)*

Digital Realty Kin Chuen is a 12-storeys above ground and a 2-level basement with a gross floor area of approximately 228,000 square feet. Located at Kin Chuen Street of Kwai Chung of New Territories, the building is entirely leased to a leading international data centre operator on a long-term basis with progressive rental increments. During the year, Digital Realty Kin Chuen continues to generate stable and solid income stream to the Group.

(8) Hon Kwok Jordan Centre 漢國佐敦中心 (100% owned by the Group)

Hon Kwok Jordan Centre is a 23-storey commercial and office building with a gross floor area of approximately 62,000 square feet, located at Hillwood Road of Tsim Sha Tsui. As at the year-end date, Hon Kwok Jordan Centre recorded an improvement in occupancy rate to 88% from 86% in the previous year, reflecting positive leasing momentum and sustained demand for its office space.

(9) The Bauhinia Hotel (Central) and The Bauhinia Serviced Apartment 寶軒酒店 (中環)及寶軒服務式住宅 (100% owned by the Group)

The Bauhinia (Central) is a 20-storey commercial building composite retail, hotel and serviced apartments, located in the heart of Sheung Wan. The Bauhinia Hotel (Central) and the Bauhinia Serviced Apartment, situated within the building, re-opened in January 2026 with a new design concept incorporating stamp-frame motif aesthetics. The project has made meaningful progress in enhancing sustainability and climate resilience through the introduction of a new glass curtain wall with a grid-connected solar solution, this building-Integrated Photovoltaic (BIPV) system integrates solar panels directly into the building structure, improving energy efficiency and reducing carbon emissions.

The Bauhinia Hotel (Central) is a four-star boutique hotel comprises 44 rooms, occupying the four podium floors of the building, of which 31 rooms were available for rent as at the year-end date. **The Bauhinia Serviced Apartment** comprises of 112 units located above the hotel, of which 48 units were available for leasing as at the year-end date. The complex of hotel and serviced apartments provides a range of amenities including a fitness centre and restaurant, while selected rooms offer views of Victoria Harbour.

(10) Hotels in Japan

During the year, the Group operated seven hotels in Japan in collaboration with a joint venture partner, primarily located in Tokyo, Osaka and Okinawa. One of the hotels in Tennoji has been temporarily closed for renovation since January 2026 and is scheduled to reopen in October 2026. Supported by a full year of operations and a booming tourism market in Japan, the investment property portfolio posted higher rental income, with an average occupancy rate of 91% at the year-end date.

(iii) Property Management and Other Business

The Group provides property and car park management services in Hong Kong and continues to explore the catering business under the name Chef Kam Japanese Cuisine. During the year, property management and other businesses contributed approximately HK$35 million (2025: HK$46 million) in revenue to the Group.

Financial Review

Revenue

For the year ended 31 March 2026, the Group recorded total revenue of approximately HK$832 million, representing a 17.8% decrease compared to last year, the decline was primarily attributable to reduced revenue from property sales.

Despite a weak office leasing market in general, the Group's revenue from property leasing segment increased by 5.1% to approximately HK$460 million. This growth was primarily driven by the strong performance of the Guangzhou buildings which provided additional leasable area and contributed progressively higher rental income, in addition to the solid performance of the hotel portfolio in Japan for a full year operation, which partially offsetting the softer demand in the overall market.

Other Income

Other income of the Group comprised interest income from bank deposits, reversal of prior over-provisions, forfeited rental deposits, government subsidies and sundry income. For the year under review, other income amounted to approximately HK$50 million (2025: HK$51 million).

Disposal of Subsidiaries

On 28 October 2025, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of its interests in the hotel property located at Knutsford Place, Nos. 5, 7 and 9 Observatory Court, Kowloon, Hong Kong via sale of share together with assignment of shareholder's loans in Oseling Investments Limited, an indirect wholly-owned subsidiary of the Company, and its subsidiaries (altogether the "Target Group") for a consideration of HK$338 million. Following completion of the transaction on 12 December 2025, the Group ceased to have any interest in the Target Group and no longer operating the hotel. A small loss on disposal of approximately HK$14 million was recognised for the year.

The transaction constituted a major transaction to the Group under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Details of the transaction were set out in the announcement of the Company dated 28 October 2025 and the circular of the Company dated 17 December 2025.

Property Revaluation

As at 31 March 2026, the Group's investment properties were valued at a total of HK$14,406 million. These comprised primarily the Mainland China portfolio of approximately HK$9,360 million and the Hong Kong portfolio of approximately HK$4,667 million. These properties were appraised by an independent valuer, Savills Valuation and Professional Services Limited, as of the same date.

A revaluation loss of approximately HK$641 million was recorded for the year (2025: HK$679 million). The Mainland China portfolio recorded a revaluation loss of approximately HK$594 million, representing less than 6.4% of the portfolio value as of 31 March 2025. The Hong Kong portfolio had a revaluation loss of approximately HK$58 million, representing less than 1.2% of the portfolio value as of 31 March 2025.

Operating Profit and Loss for The Year

The Group's overall operating profit represents the profit generated from its business operations excluding finance costs, the changes in fair value of investment properties and income tax credit/(expense), amounted to approximately HK$312 million for the year, representing a decrease of 30.5% from HK$450 million last year. The decline in operating profit was primarily due to reduced revenue from property sales.

After taking into account the revaluation loss on investment properties, finance costs and income tax credit/(expense), the Group reported a loss for the year of approximately HK$510 million, representing a 16.3% reduction with the net loss of HK$609 million in the prior year.

Liquidity and Financial Resources

During the year, the Group financed its operations and investment activities through a combination of operating cashflows and interest-bearing bank borrowings. As at 31 March 2026, the Group's total interest-bearing bank borrowings amounted to approximately HK$5,948 million (2025: HK$6,316 million), of which 28.6% was denominated in RMB, acting as a natural hedge against its net investments in the Mainland China.

Regarding the maturity profile, approximately 38.5% of the borrowings were repayable within one year. The average tenure of the Group's debt portfolio was maintained at 2.7 years (2025: 3.5 years). At the date of this announcement, the Group successfully completed the refinancing of a HK$243 million term loan facility and is currently in the process of obtaining final approvals from respective credit risk departments of the syndicated banks for the extension of loan facilities of HK$1,965 million. These initiatives will lengthen the loan maturity profile and enhance funding sources for business development.

The directors of the Company have given careful consideration to the current and anticipated future liquidity of the Group and the ability of the Group to continue to attain profitable and positive cash flows from operations in the immediate and longer terms.

As at 31 March 2026, equity attributable to owners of the Company amounted to approximately HK$10,347 million (2025: HK$10,527 million).

Gearing Ratio

The gearing ratio of the Group is measured by the net interest-bearing debts of approximately HK$5,217 million (2025: HK$5,301 million) over the shareholders' funds plus non-controlling interests totaling approximately HK$10,734 million (2025: HK$10,883 million). The gearing ratio as at 31 March 2026 showed a slight improvement from 48.7% to 48.6%.

Funding and Treasury Policies

All deposits are placed with banks that carry a strong credit rating, with thresholds set for concentration management and routine monitoring of counterparty risk. Funding needs are closely monitored and regularly reviewed to allow for a fair degree of financial flexibility and liquidity while optimizing the cost of funds. The Group maintain various sources of debt financing channels to mitigate concentration risks.

For debt portfolio management, the Group prioritize mitigating foreign exchange, interest rate, and refinancing risks through a mix of Hong Kong Dollar and Renminbi borrowings with gradually increasing reliance on Renminbi denominated borrowings, a balanced combination of floating-rate debts, a staggered debt repayment profile, and diversified sources of funding.

The Group manages its foreign exchange risk by regularly reviewing its net exposure to foreign currencies, the management of the Group continuously monitors factors that may affect exchange rate fluctuations, including but not limited to changes in the economic environment, policy changes, and geopolitical events and considers taking appropriate hedging measures when necessary.

Pledge of Assets

As at the year-end date, properties with an aggregate carrying value of approximately HK$14,928 million (2025: HK$15,633 million) were pledged as security to banks in the Mainland China and Hong Kong for majority of the banking facilities of the Group.

Employees and Remuneration Policies

As at 31 March 2026, the Group (not including its joint ventures and associates) had 300 employees (2025: 320). Employee costs (including directors' compensation and before deduct the amount capitalised under properties under development) were approximately HK$66 million (2025: HK$79 million) for the year, representing a 17.1% reduction from previous year.

Employee compensation aligns with market trends and industry standards and is regularly reviewed based on individual performance. Besides basic salaries, our employees receive benefits including social security contributions, participation in an employee provident fund scheme.

LEGAL PROCEEDINGS

The Group had no significant legal proceedings during the year.

CAPITAL MANAGEMENT

The objective of the Group's capital management is to ensure adequate return and to uphold the assets of the Group to continue as going concern. The Group actively and regularly reviews and adjusts capital structure to cope with changes in economic conditions.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2026.

CONNECTED TRANSACTIONS

On 26 September 2022, Honour Well Development Limited ("Honour Well"), an indirect wholly-owned subsidiary of the Company and an indirect non wholly-owned subsidiary of Chinney Investments, Limited ("Chinney Investments") (Stock Code: 216), entered into a framework agreement with each of Chinney Construction Company, Limited ("Chinney Construction") and Shun Cheong Building Services Limited ("Shun Cheong"), both being indirect wholly-owned subsidiaries of Chinney Alliance Group Limited ("Chinney Alliance") (Stock Code: 385), pursuant to which, Chinney Construction was appointed by Honour Well as the contractor for the builder's works at the contract sum of not exceeding HK$96.3 million and Shun Cheong was appointed by Honour Well as the contractor for the mechanical and electrical engineering works and façade works at the contract sum of not exceeding HK$141 million relating to the revamp project of the building located at 119-121 Connaught Road Central, Sheung Wan, Hong Kong. The related transactions constituted connected transactions for each of Chinney Investments, the Company and Chinney Alliance under the Listing Rules. The transactions were approved by independent shareholders of Chinney Investments, the Company and Chinney Alliance at the respective general meetings held by each of the companies on 28 November 2022.

Details of the transactions were set out in the joint announcement of Chinney Investments, the Company and Chinney Alliance dated 26 September 2022 and the Company's circular dated 8 November 2022. Up to the year ended 31 March 2026, aggregate payments of approximately HK$128 million and HK$81 million were made to Shun Cheong and Chinney Construction respectively, in relation to the transactions.

EVENTS AFTER THE REPORTING PERIOD

On 4 March 2026, the Group entered into a sale and purchase agreement with an independent third party for the disposal of a hotel property in Osaka, Japan, in which the Group holds a 60% interest, at the consideration of JPY1,542 million (equivalent to approximately HK$77 million). The property was acquired by the Group in September 2023 at a cost of approximately JPY900 million (equivalent to approximately HK$45 million). The consideration represented a premium of 2.1% of the valuation of the property as of 31 December 2025. Completion of the transaction took place on 22 May 2026.

On 6 April 2026, the Group entered into a sale and purchase agreement with an independent third party for the disposal of a hotel property in Asakusa Tokyo, Japan, in which the Group holds a 60% interest, for a consideration of JPY2,722.5 million (equivalent to approximately HK$133 million). The property was acquired by the Group in August 2023 at a cost of approximately JPY1,573 million (equivalent to approximately HK$77 million). The consideration represented a premium of 8.9% over the market valuation as at 1 March 2026. Completion of the transaction is expected to take place in the second half of 2026.

Furthermore, the Group has ongoing transactions in relation to the sale of the remaining portions of its prior development projects, all of which are non-core in nature and are classified as inventory, including the sale of the residual portion of the Dongguan Zhuang project and the remaining retail shops in Botanica Guangzhou, for considerations of RMB100 million and RMB33 million respectively. These disposals enable the Group to unlock the underlying value of its assets and provide it with an opportunity to reallocate capital into other investments.

DIVIDEND

The Directors recommend payment of a final dividend of 1 Hong Kong cent per ordinary share for the year ended 31 March 2026 (2025: 3 Hong Kong cents) to shareholders whose names appear on the Company's register of members on 4 September 2026. Subject to approval by shareholders at the forthcoming annual general meeting, the dividend cheques are expected to be despatched to shareholders on or before 8 October 2026.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on 27 August 2026. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 24 August 2026 to 27 August 2026 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 21 August 2026. Shareholders whose names appear on the register of members of the Company on 27 August 2026 (i.e. the record date) will be entitled to attend and vote at the annual general meeting.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The proposed final dividend for the year ended 31 March 2026 is subject to the approval by the shareholders at the annual general meeting. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 3 September 2026 to 4 September 2026, during which period no share transfers will be registered. The last day for dealing in the Company's shares cum entitlements to the proposed final dividend will be 31 August 2026. In order to qualify for the proposed final dividend, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 2 September 2026.

INTERNAL CONTROL AND RISK MANAGEMENT

The Group has dedicated internal audit function which reviews the effectiveness of risk management and internal control systems from time to time in order to ensure that they meet with the dynamic and ever-changing business environment. The Group recognises the operational challenges it faces and manages them prudently with the support of a robust internal control environment that is responsive to an ever-changing business and market landscape. Set out below is a non-exhaustive summary of the key risks and uncertainties facing by the Group.

Market Risk

The Group is engaged in the real estate industry, the market demand is closely related to the development of the national economy, infrastructure investment and construction and environmental protection policies etc. Any future adverse changes in the macro environment, market demand and the environment of competition in the future, which will adversely affect the business growth, its revenue or cost, will lead to a decline in the results of operations of the Group and adversely affect its sustainable profitability. The Group is committed to carry out asset enhancement initiatives to maintain its properties' competitiveness and create a decent environment to tenants and customers, act on market changes to recruit best trades under leasing portfolios. The Group promotes compliance across its diversified development, enhances business arrangements to enrich the revenue structure of its core operations and maintains a sustainable competitive advantage in a complex operating environment.

Exchange Risk

The major operating units of the Group are in the Mainland China and are exposed to foreign exchange risk that comes from future commercial transactions and holding assets and liabilities in Renminbi, as the reporting currency of the Group is Hong Kong Dollar, a strengthen of the Hong Kong Dollar against Renminbi will have a negative impact on the reported comprehensive income. The Group manages its foreign exchange risk by regularly reviewing its net exposure to foreign exchange risk, the management of the Group continuously monitors factors that may affect exchange rate fluctuations, including but not limited to changes in the economic environment, policy changes, and geopolitical events and considers taking appropriate hedging measures when necessary.

Financial Risk

A portion of the Group's borrowings comprises floating-rate bank loans, exposing the Group to potential fluctuations in interest rates and market conditions. The Group continuously tracks and monitors interest rate movements and utilises a range of financing instruments and derivatives, such as interest rate swaps, to achieve an appropriate mix of fixed and floating-rate debts. In addition, the Group performs regular stress testing on its borrowing capacity and maintains a relatively conservative gearing ratio.

CORPORATE GOVERNANCE

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct for directors' securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2026.

Compliance with the Corporate Governance Code

In the Board's opinion, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules for the year ended 31 March 2026, except for the following deviations:

1. CG Code provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

   Article 109(A) of the articles of association of the Company require that at each annual general meeting of the Company, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that no director holding office as an executive chairman and/or managing director of the Company shall be subject to retirement by rotation or taken into account in determining the number of directors to retire. The Board will ensure the retirement of each director, other than the one who holds the office as executive chairman and/or managing director, by rotation at least once every three years in order to comply with the CG Code provisions.

   The Chairman and the Managing Director will not be subject to retirement by rotation; which deviates from CG Code provision B.2.2 as the Board considers that the continuity of office of the Chairman and the Managing Director provides the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

2. CG Code provision E.1.2 stipulates that the remuneration committee should review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives.

The remuneration of the Company's management is currently attended by the executive directors of the Company. The management report to the executive directors who therefore have a clear understanding of the management's performance, enabling a more objective review of the management remuneration. In the Board's opinion, it is more appropriate for the executive directors, instead of the Remuneration Committee, to perform these responsibilities.

Audit Committee

Regular meetings have been held by the Audit Committee of the Company since its establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Audit Committee has reviewed with management the annual results of the Group for the year ended 31 March 2026.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

By Order of the Board
Donald Yin-Shing Lam
Managing Director

Hong Kong, 29 June 2026

At the date of this announcement, the directors of the Company are Mr. James Sing-Wai Wong (Chairman) and Mr. Donald Yin-Shing Lam (Managing Director) as executive directors; Dr. Emily Yen Wong and Mr. Philip Bing-Lun Lam as non-executive directors; and Ms. Janie Fong, Mr. James C. Chen and Ms. Rui-Hua Chang as independent non-executive directors.