



Tai Cheung Holdings Limited

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(Stock Code: 88)

2026 ANNUAL REPORT

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Financial Highlights

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>	Percentage Change
(Loss)/Profit Attributable to Equity Holders of the Company	(22.0)	62.8	N/A
Dividends	111.2	148.2	-25%
Total Equity	6,186.2	6,353.0	-3%
(Loss)/Earnings Per Share	(\$0.036)	\$0.102	N/A
Dividends Per Share	\$0.18	\$0.24	-25%

Corporate Information

Board of Directors

David Pun CHAN *Chairman and Managing Director*
Ivy Sau Ching CHAN
*Joseph Wing Siu CHEUNG
*Karl Chi Leung KWOK
*Man Sing KWONG
*Patrick Chi Kwong WONG
William Wai Lim LAM
Wing Sau LI

* *Independent non-executive directors*

Audit Committee

Karl Chi Leung KWOK *Committee Chairman*
Ivy Sau Ching CHAN
Joseph Wing Siu CHEUNG
Man Sing KWONG
Patrick Chi Kwong WONG

Remuneration Committee

Karl Chi Leung KWOK *Committee Chairman*
Ivy Sau Ching CHAN
Man Sing KWONG
Patrick Chi Kwong WONG

Nomination Committee

David Pun CHAN *Committee Chairman*
Karl Chi Leung KWOK
Ivy Sau Ching CHAN
Man Sing KWONG
Patrick Chi Kwong WONG

Company Secretary

Kit Yan LUK

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

Registered Office

Canon's Court,
22 Victoria Street,
Hamilton, HM12,
Bermuda

Head Office

20th Floor, The Hong Kong
Club Building,
3A Chater Road, Central,
Hong Kong
Telephone: (852) 2532 2688
Fax: (852) 2810 4108
Website: www.taicheung.com

Principal Share Registrar and Transfer Office

Appleby Global Corporate Services
(Bermuda) Limited
Canon's Court,
22 Victoria Street,
Hamilton, HM12,
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Computershare Hong Kong Investor
Services Limited
Shops 1712-16,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

Bankers

Bank of Communications (Hong Kong) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking
Corporation Limited

Biography of Directors and Senior Management

Directors

David Pun CHAN, SB HonLLD

David Pun CHAN, 75, joined the group in 1973, appointed a director of its holding company in 1975 and Chairman in 1981. He has more than 30 years' experience in construction, property development and investment businesses. Currently, he is Life Honorary Chairman of the Chinese General Chamber of Commerce. He is the brother of Ivy Sau Ching Chan, another director of the company.

Ivy Sau Ching CHAN, BA

Ivy Sau Ching CHAN, 73, has been a director of the group's holding company since 1981. She was a partner with Woo Kwan Lee & Lo since 1985 until she retired from partnership of the firm on 1st April 2025. She is currently a consultant of the firm. She has over 30 years' experience in the legal field. She advises on legal matters of the businesses of the group. She is the sister of David Pun Chan, another director of the company.

Joseph Wing Siu CHEUNG, MS

Joseph Wing Siu CHEUNG, 80, appointed a director of the group's holding company in 2004. He is a director of The Garden Company Limited and its major subsidiaries ("The Garden Group") and has over 30 years' experience in manufacturing, sales and marketing management in The Garden Group.

Karl Chi Leung KWOK, BA MBA BBS MH

Karl Chi Leung KWOK, 77, has been a director of the group's holding company since 1983. He has more than 30 years' management experience in the banking and finance businesses. He is the Chairman of Wing On International Holdings Limited and Wing On Company International Limited, a trustee member of the Board of The Trustees of Chung Chi College of The Chinese University of Hong Kong, a trust member of The Outward Bound Trust of Hong Kong Limited and vice president of Sports Federation & Olympic Committee of Hong Kong, China.

Man Sing KWONG, BASc

Man Sing KWONG, 79, appointed a director of the group's holding company in 2006. He was with PricewaterhouseCoopers, Certified Public Accountants for more than 32 years, of which he was an audit partner since 1980 until he retired from the firm on 30th June 2002.

Patrick Chi Kwong WONG, LLB HonLLD

Patrick Chi Kwong WONG, 64, appointed a director of the group's holding company in 2023. He was a partner of Johnson Stokes & Master from 1996 to 2015 with which he had practised for over 20 years. He is an independent non-executive director of Nanyang Holdings Limited, the Chairman of the Court of Lingnan University and a director of Lingnan Education Organization Limited.

William Wai Lim LAM, BBus MBA CPA CPA(Aust.) CPA(US) FCCA

William Wai Lim LAM, 62, joined the group in 1996, appointed a director of its holding company in 2004. He has more than 30 years' experience in auditing, accounting, corporate finance and strategic planning. He is also the Financial Controller of the group.

Wing Sau LI, BA DipMS

Wing Sau LI, 73, joined the group in 1994, appointed a director of its holding company in 1997. Prior to joining the group, he worked as project manager of a project and construction management consultant company in Canada. He has more than 30 years' project management experience both in Hong Kong and Canada. He is also the Controller of Project Management and Construction division of the group.

Biography of Directors and Senior Management

Senior Management

Head of Construction

Yung Kan KU, BEng(Hon) MSc(Civil) MSc(Eng) MSc(FM) CEng MHKIE MRICS, 57, the Construction Manager of the group. He joined the group in 2013, prior to which he was a project manager of a major listed property developer and builder. He has more than 30 years' project and construction management experience in Hong Kong, Macau and mainland China.

Head of Sales

Tsuen Ho CHAU, MSc(Real Estate), 50, the Sales Manager of the group. He joined the group in 2021. Prior to joining the group, he was a sales & marketing director of a listed property developer. He has more than 20 years' experience in sales and marketing of property projects.

Head of Property Management

Felix Hoi Yan TANG, FRICS FHKIH, 58, the Chief Property Manager of the group. He joined the group in 2025, prior to which he was head of property management department of a listed property developer. He has more than 30 years' experience in facilities and property management.

Head of US Operations

Chi Hung POON, BA MSc MBA, 79, the President of the US Operations. He joined the group in 1988. He has more than 30 years' experience in property development, civil engineering and construction in the United States. He is the cousin of David Pun Chan and Ivy Sau Ching Chan, the directors of the company.

Head of General Secretarial

Kit Yan LUK, MBA FCG HKFCG, 61, the Company Secretarial Manager of the group. She joined the group in 1991 and has been responsible for company secretarial, corporate governance and compliance matters. Prior to joining the group, she was an assistant company secretary of a listed company. She has more than 30 years' company secretarial experience.

Head of Human Resources

Maggie Wai Man LAI, BBA MSc MIHRM CPHR, 55, the Human Resources Manager of the group. She joined the group in 1994 and served at various positions within the human resources department. Prior to joining the group, she worked for a large construction company. She has more than 25 years' human resources management experience.

Report of the Directors

The directors have pleasure in submitting their report together with the audited consolidated financial statements for the year ended 31st March 2026.

Principal Activities

The principal activity of the company is investment holding. The principal activities of its subsidiaries include property development, investment holding and property management. Details are set out in note 35 to the consolidated financial statements.

An analysis of the group's performance for the year by reporting segment is set out in note 5 to the consolidated financial statements.

Results and Appropriations

The results of the group for the year are set out in the consolidated income statement on page 46.

The directors declared an interim dividend of HK12 cents per ordinary share, totalling HK\$74.1 million, which was paid on 7th January 2026.

The directors recommend the payment of a final dividend of HK6 cents per ordinary share, totalling HK\$37.1 million, to the shareholders on the register of members of the company on 9th September 2026.

Reserves

Movements in the reserves of the group during the year are set out in note 28 to the consolidated financial statements.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the group are set out in note 16 to the consolidated financial statements.

Financial Summary

A five year financial summary of the group is set out on page 104.

Borrowings

Details of the borrowings of the group are set out in note 25 to the consolidated financial statements.

Major Properties

Particulars of major properties of the group are set out on page 103.

Directors

The directors in office during the year and up to the date of this report are Messrs David Pun Chan, Joseph Wing Siu Cheung*, Karl Chi Leung Kwok*, Man Sing Kwong*, Patrick Chi Kwong Wong*, William Wai Lim Lam, Wing Sau Li and Ms Ivy Sau Ching Chan.

Report of the Directors

In accordance with Bye-law 84 of the company's Bye-laws, Mr Karl Chi Leung Kwok, Mr Patrick Chi Kwong Wong and Mr Wing Sau Li retire from the board by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Each of the independent non-executive directors shall inform the company as soon as practicable if there is any change of circumstances which may affect his independence. None of the independent non-executive directors have informed the company that there is any change of circumstances which may affect his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The company is of the view that all independent non-executive directors are independent in accordance with the terms of the guidelines set out in Rule 3.13 of the Listing Rules.

None of the directors has a service contract with the company which is not determinable within one year without payment of compensation.

* Independent non-executive directors

Biography of Directors and Senior Management

The biographical details of the directors and senior management are set out on pages 3 and 4.

Directors' Interests

At 31st March 2026, the interests of the directors and chief executive in the shares of the company as recorded in the register maintained under section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

Name	Number of Shares				Total	% Interest
	Personal Interests	Family Interests	Corporate Interests	Other Interests		
David Pun Chan	236,798,626	–	40,614,799 (Note 1)	–	277,413,425	44.92%
Ivy Sau Ching Chan	20,132,706	–	–	–	20,132,706	3.26%
Karl Chi Leung Kwok	282,462	–	–	–	282,462	0.05%
Wing Sau Li	73,000	–	–	–	73,000	0.01%
Patrick Chi Kwong Wong	170,000 (Note 2)	–	–	–	170,000	0.03%

Notes:

- Such 40,614,799 shares were held through Great Edward Investment Company Limited, which is a company wholly owned by Mr David Pun Chan.
- These shares were held jointly with the spouse of Mr Patrick Chi Kwong Wong.

All the interests disclosed above represent long positions in the shares of the company.

Report of the Directors

Save as disclosed above, no directors, chief executive or their associates had any interest or short position in the shares of the company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”).

During the year, the company did not grant to the directors or chief executive any right to subscribe for shares of the company.

No transactions, arrangements or contracts of significance in relation to the group’s business to which the company or its subsidiaries was a party and in which a director of the company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the company or any subsidiary a party to any arrangement to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

Substantial Shareholders

At 31st March 2026, save as disclosed under the section “Directors’ Interests” above, the company has not been notified by any other person who has an interest or short position in the shares of the company which is required to be recorded in the register kept by the company pursuant to section 336 of the SFO.

Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the company nor any of its subsidiaries had purchased, sold or redeemed any of the company’s listed securities during the year.

Report of the Directors

Public Float

Based on the information that is publicly available to the company and within the knowledge of the directors, the company has complied with the applicable public float requirement of not less than 25% of the company's total number of issued shares under Rules 13.32B of the Listing Rules during the year and up to date of this report.

As at 31st March 2026, the public float of the company was approximately 51.73%. The composition of ownership of the ordinary shares of the company listed on the Stock Exchange is as follows:–

Group of Shareholders	Number of Issued Shares held	Approximate % of Shareholding
(a) <i>Non-public shareholders</i>		
David Pun Chan	277,413,425	44.92%
Ivy Sau Ching Chan	20,132,706	3.26%
Karl Chi Leung Kwok	282,462	0.05%
Wing Sau Li	73,000	0.01%
Patrick Chi Kwong Wong	170,000	0.03%
(b) <i>Public shareholders</i>	319,459,832	51.73%
Total number of issued shares	617,531,425	100%

Note: For details of the ownership of the ordinary shares of the company disclosed in paragraph (a) above, please refer to the paragraph headed "Directors' Interests" of the "Report of the Directors" of this annual report.

For the composition of the share capital of the company as at 31st March 2026, please refer to note 27 to the consolidated financial statements.

Pre-emptive Rights

No pre-emptive rights exist under Bermuda law in relation to the issue of new shares by the company.

Report of the Directors

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

Assets Value

The group has equity accounted for its interest in Sheraton-Hong Kong Hotel, which has adopted the cost model for its hotel land and buildings which are stated at cost less accumulated depreciation, in accordance with the current accounting standards.

In order to fully reflect the underlying economic value of the group's hotel properties, the group considers it appropriate also to present to shareholders, as set out below, supplementary information on the group's statement of net assets on the basis that the group were to state these hotel properties at their open market valuations as at 31st March 2026.

	2026 (Unaudited) HK\$Million	2025 (Unaudited) HK\$Million
Non-current assets, including interest in associates	342.2	311.1
Add: Attributable revaluation surplus relating to hotel properties*	2,593.1	2,855.4
	2,935.3	3,166.5
Current assets	6,377.6	6,370.0
Current liabilities	(515.8)	(323.9)
Net current assets	5,861.8	6,046.1
Total assets less current liabilities	8,797.1	9,212.6
Non-current liabilities	(17.8)	(4.2)
Net assets as if the hotel properties were stated at open market value	8,779.3	9,208.4
Net assets per ordinary share as if the hotel properties were stated at open market value	\$14.22	\$14.91

* Based on open market valuations as at 31st March 2026 and 2025 respectively, carried out by Cushman & Wakefield Limited, an independent firm of professional valuers.

Major Suppliers and Customers

For the year ended 31st March 2026, the five largest suppliers and the largest supplier of the group accounted for approximately 88% and 53% respectively of the group's total purchases and the five largest customers and the largest customer of the group accounted for approximately 66% and 42% respectively of the group's revenue.

At 31st March 2026, none of the directors, their close associates or any shareholder (which to the knowledge of the directors owned more than 5% of the number of issued shares of the company) had a beneficial interest in any of the group's five largest suppliers or five largest customers.

Business Review

A review of the business of the group during the year and a discussion on the group's future development are provided in the Chairman's Statement on pages 43 to 45.

An analysis of the group's performance during the year using financial key performance indicators is provided in the group's Financial Summary on page 104.

The environmental policies and performance of the group during the year are provided in the Environmental, Social and Governance Report on pages 26 to 42.

The above sections form part of this Report of the Directors.

Liquidity and Financial Resources

The group's funding requirements are met with cash on hand, internally generated cash and, to the extent required, by external floating rate bank borrowings. Other sources of funds include dividends received from associates.

At 31st March 2026, the group's cash net of borrowings was HK\$457.7 million as compared with HK\$859.1 million last year. The group's borrowing facilities were secured by certain properties held by the group with a total carrying value of HK\$440.4 million. All the group's borrowings were denominated in United States dollars. The US dollar loans are directly tied in with the business of the group's United States operations, and therefore these loans are substantially hedged by assets in the same currency.

As at year end, all the group's borrowings were payable within 1 year.

The group strives to maintain its gearing ratio, which is calculated as the ratio of the bank borrowings to equity, at a low level. It was 1.0% at 31st March 2026 as compared with 1.2% last year.

Committed borrowing facilities available to the group, but not drawn, at 31st March 2026 amounted to HK\$25.2 million. Together with the receipts over the next twelve months from tenants and purchasers of the group's properties, the liquid funds of the group are adequate to meet the anticipated working capital requirement in the coming year.

Treasury Policy

The group's overall treasury and funding policy is that of risk management and control. The assets and liabilities of the group are denominated either in Hong Kong or United States dollars. Accordingly, the group has minimal exposure to foreign exchange fluctuation. However, the group will closely monitor the overall currency and interest rate exposures and, when considered appropriate, the group will take the necessary actions to ensure that such exposures are properly hedged.

Principal Risks and Uncertainty

Business Risks

The group operates in Hong Kong and the United States. The economic and market conditions including property market sentiment and property values, legislative and regulatory changes, government policies and political conditions in Hong Kong and the United States may have impact on the group's operating results and financial conditions.

Operational Risks

The group's operation is subject to a number of risk factors distinctive to property development, property leasing, and property related businesses. Default on the part of our buyers, tenants and strategic business partners, and inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the group's operation.

Financial Risks

The group is subject to financial risks in the normal course of business. Details are set out in note 3 to the consolidated financial statements.

The group has formulated policies for various types of risk. These policies are reviewed and revised from time to time to align with market changes, statutory requirements, and best practices in risk management processes. Ongoing risk assessment process is essential and allows the management to have a complete picture of the group's risks and truly understand the internal controls and risk management processes that mitigate them.

Compliance with Laws and Regulations

During the year, the group was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

Employees and Emolument Policy

The group, excluding associates, employs a total of 162 people in Hong Kong and the United States. Employees' costs, excluding directors' emoluments, amounted to HK\$62.7 million for the year ended 31st March 2026. The group understands that employees are valuable assets. Remuneration packages are reviewed annually with other employee benefits including medical subsidies, a non-contributory provident fund scheme and a mandatory provident fund scheme. The group also provides education subsidies to eligible employees.

The emolument policy for the general staff of the group is set up by the management of the group on the basis of their merits, qualifications and competence.

The emoluments of the directors and senior management of the company are reviewed by the Remuneration Committee, having regard to individual duties and market practices.

Relationships with Suppliers and Customers

The group understands that it is important to maintain good relationship with its suppliers and customers to fulfill its immediate and long-term goals. The group strives to maintain fair co-operating relationship with its suppliers and aims at delivering constantly high standards of quality in the products and services to its customers to maintain competitiveness.

Equity-Linked Agreements

For the year ended 31st March 2026, neither the company nor any of its subsidiaries entered into any equity-linked agreement.

Permitted Indemnity Provision

A permitted indemnity provision for the benefit of the directors is currently in force and was in force throughout the financial year.

The company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the directors of the company and its subsidiaries.

Report of the Directors

Contingent Liabilities

The company executed corporate guarantees as part of the securities for general banking facilities granted to certain wholly-owned subsidiaries.

Corporate Governance

Details of the corporate governance practices of the company are set out on pages 14 to 25.

Connected Transactions

No transaction entered by the group during the year ended 31st March 2026 constituted a connected transaction under the Listing Rules.

Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

David Pun Chan

Chairman

Hong Kong, 25th June 2026

(A) Corporate Governance Practices

During the year ended 31st March 2026, all those principles of good corporate governance as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules (the “CG Code”) were applied by the company, and the code provisions in the CG Code were complied with by the company, with the exception of certain deviations to be discussed below. The board will continue to review and monitor the corporate governance practices of the company for the purpose of maintaining high corporate governance standards.

(B) Corporate Culture and Strategy

The group has established a reputation for developing prestigious properties including office towers, industrial and residential buildings, throughout its long history to create long term shareholder value. The company recognises the importance of integrity, ethical conduct, and responsible business practices, which are instilled and continually reinforced across the group. The company’s culture and values of acting lawfully, ethically, and responsibility are integral to its operations, long-term growth and sustainability and is essential to its success. The board acts a leading role in setting the corporate culture of the group, ensuring that the group’s purpose, values and strategies align with its corporate culture.

(C) Board of Directors

(i) Composition of the Board, Number of Board/General Meetings and Directors’ Attendance

The company’s board has a balance of skills and experience and a balanced composition of executive and non-executive directors. The board comprises Mr David Pun Chan (Chairman and Managing Director), Mr William Wai Lim Lam and Mr Wing Sau Li as executive directors, Ms Ivy Sau Ching Chan as non-executive director and Mr Joseph Wing Siu Cheung, Mr Karl Chi Leung Kwok, Mr Man Sing Kwong and Mr Patrick Chi Kwong Wong as independent non-executive directors. Ms Ivy Sau Ching Chan is the sister of Mr David Pun Chan.

Four board meetings and an annual general meeting were held during the year ended 31st March 2026. The attendance of the directors is set out below:

Directors	Attendance at Board Meetings	Attendance at Annual General Meeting
David Pun Chan, <i>Chairman</i>	4	1
Ivy Sau Ching Chan	4	1
Joseph Wing Siu Cheung	4	1
Karl Chi Leung Kwok	4	1
Man Sing Kwong	4	1
Patrick Chi Kwong Wong	4	1
William Wai Lim Lam	4	1
Wing Sau Li	4	1

Each director of the company has been appointed on the strength of his/her calibre, experience and stature, and his/her potential to contribute to the proper guidance of the group and its business. Directors devoted sufficient time and attention to the company's affairs for the year. Apart from formal meetings, matters requiring board approval were arranged by means of circulation of written resolutions.

(ii) Diversity

The company's board has adopted a Board Diversity Policy which sets out the approach to achieve diversity on the board. The company recognizes the benefits of board diversity which is an essential element in supporting the attainment of the group's strategic objectives and sustainable development. Pursuant to the policy, the board seeks to achieve diversity of the board through a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, interpersonal skills, functional expertise and length of services.

The existing board members are well experienced in the construction industry, property development, investment, banking and finance businesses. Some of them are professionals in finance, accounting, legal and project management with more than 30 years of experience. In view of the present size and complexities of the group's operations and the nature of the risks and challenges it faces, the board considers the company has struck a right balance of skills, experience and knowledge among the present board members. The board currently has one female director and as such has achieved gender diversity in respect of the board.

The company has adopted a Workforce Diversity Policy which set out the approach on its commitment to promote diversity and inclusion across the workforce (including senior management). As at 31st March 2026, the group maintained a 2.65:1 ratio of men and women in the workforce (excluding senior management) while the gender diversity for senior management maintained a 3:1 ratio of men and women. The group will strive to maintain gender diversity when recruiting and selecting senior management and other personnel across the group's operations.

The Nomination Committee will monitor the implementation of the Board Diversity Policy and to review the same annually taking into consideration specific needs for the group's business and report to the board accordingly.

(iii) Operation of the Board

The company is headed by an effective board which takes decisions objectively in the interests of the company. The company has mechanisms in place to ensure independent views and input are available to the board and such mechanisms will be reviewed annually by the board, encouraging all directors including independent non-executive directors to express their views in an open manner during the board/board committees meetings. While all independent non-executive directors are also members of the board committees to enable various and independent view in company's matter.

In addition, all directors, including independent non-executive directors, are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the company secretary and, where necessary, independent advice from external professional advisers at the company's expense.

The board considered the said mechanisms have been operating effectively.

The company's management has closely monitored changes to regulations that affect its corporate affairs and businesses, and changes to accounting standards, and adopted an appropriate reporting format in its interim report, annual report and other related documents to present a balanced, clear and comprehensive assessment of the group's performance, position and prospects. Where these changes are pertinent to the company or directors' disclosure obligations, the directors are either briefed during board meetings or issued with regular updates and materials to keep them abreast of their responsibilities and of the conduct, business activities and development of the group. Newly appointed directors receive briefings and materials on their legal and other responsibilities as a director and the role of the board. The company has also provided appropriate information in a timely manner to the directors to enable them to make an informed decision and to discharge their duties and responsibilities as directors of the company.

There is a clear division of responsibilities between the board and the management. Decisions on important matters are specifically reserved to the board while decisions on the group's general operations are delegated to the management. Important matters include those affecting the group's strategic policies, major investment and funding decisions and major commitments relating to the group's operations.

The company has arranged appropriate insurance cover in respect of legal actions against its directors and officers.

(iv) Re-election of Directors

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

Every director of the company, including those appointed for a specific term (save for any chairman or managing director under the company's Private Act which was enacted in Bermuda in 1990), shall be subject to retirement by rotation at least once every three years. Pursuant to section 4(g) of the Private Act of the company, any chairman or any managing director of the company shall not be subject to retirement by rotation under the Bye-laws. The board believes that the continuity of the office of chairman and managing director provides the group with strong and consistent leadership and allows more effective planning and execution of long-term business strategies. The board is of the view that the present arrangement is most beneficial to the company and the shareholders as a whole.

(v) Directors' Continuous Professional Development

The company encourages directors to participate in continuous professional development to develop and refresh their knowledge and skills needed for acting as a director of the company.

According to the training records provided by the directors to the company, all directors, namely, Mr David Pun Chan, Mr Joseph Wing Siu Cheung, Mr Karl Chi Leung Kwok, Mr Man Sing Kwong, Mr Patrick Chi Kwong Wong, Mr William Wai Lim Lam, Mr Wing Sau Li and Ms Ivy Sau Ching Chan, participated in continuous professional development during the year by reading materials or attending seminars on topics relevant to directors' duties and responsibilities.

(D) Chairman and Chief Executive Officer

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The company does not have a separate chairman and chief executive officer and Mr David Pun Chan currently holds both positions. The board considers that the combination of the roles of chairman and chief executive officer can promote the efficient formulation and implementation of the company's strategies to grasp business opportunities efficiently and promptly. Such arrangement, which has been adopted by many local and international corporations, enables the company to meet the rapidly changing business environment which needs quicker decision making to achieve business efficiency. The board believes that the balance of power and authority under such arrangement would not be impaired and would continue to be adequately ensured by the current board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive directors of the company.

(E) Non-executive Directors

Non-executive directors of the company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at an annual general meeting of the company in accordance with the company's Bye-laws.

(F) Board Committees

(i) Audit Committee

The company has set up an Audit Committee consisting of a non-executive director and four independent non-executive directors.

Two Audit Committee meetings were held during the year ended 31st March 2026. Attendance of the Members is set out below:

Members	Attendance at Meetings
Karl Chi Leung Kwok, <i>Chairman of the Committee</i>	2
Ivy Sau Ching Chan	2
Joseph Wing Siu Cheung	2
Man Sing Kwong	2
Patrick Chi Kwong Wong	2

The main duties of the Audit Committee are to provide an independent review of the effectiveness of the financial reporting process, risk management and internal control systems of the group and reviewing the group's financial information and providing comments to the board. The terms of reference of the Audit Committee are aligned with the code provisions set out in the CG Code and are available on the company's website.

The work performed by the Audit Committee for the year ended 31st March 2026 is summarized below:

- (a) approval of the remuneration and terms of engagement of the external auditor;
- (b) review of the half-year and annual financial statements before submission to the board;
- (c) review of the internal audit findings and internal audit plan;
- (d) review of the effectiveness of the risk management and internal control systems as well as internal audit function of the group;
- (e) review of the external auditor's audit plan; and
- (f) making recommendation to the board on the re-appointment of external auditor.

(ii) Remuneration Committee

The company has set up a Remuneration Committee consisting of a non-executive director and three independent non-executive directors.

One Remuneration Committee meeting was held during the year ended 31st March 2026. Attendance of the Members is set out below:

Members	Attendance at Meeting
Karl Chi Leung Kwok, <i>Chairman of the Committee</i>	1
Ivy Sau Ching Chan	1
Man Sing Kwong	1
Patrick Chi Kwong Wong	1

The main duties of the Remuneration Committee are to review and recommend remuneration policy and packages of directors and senior management of the company. The terms of reference of the Remuneration Committee are aligned with the code provisions set out in the CG Code and are available on the company's website.

The work performed by the Remuneration Committee for the year ended 31st March 2026 is summarized below:

- (a) review of the company's policy and structure for all directors' and senior management remuneration;
- (b) making recommendations to the board on the remuneration packages of individual executive directors and senior management based on the company's remuneration principles; and
- (c) review of the level of fees for directors.

According to the principles of the company's policy for remuneration to directors and senior management, remuneration should reflect performance, complexity and responsibility with a view to attracting, motivating and retaining high performing individuals and promoting the enhancement of the value of the company to its shareholders.

The basis of determining the emoluments payable to its directors and senior management by the company is by reference to individual duties and market practices. The basis of determining the directors' fees (2025: HK\$250,000 for each director) is by reference to the level of fees of similar nature normally paid by a listed company in Hong Kong to its directors. The directors' fees are subject to approval from time to time by shareholders at annual general meetings of the company.

(iii) Nomination Committee

The company has set up a Nomination Committee consisting of the Chairman of the board, a non-executive director and three independent non-executive directors.

One Nomination Committee meeting was held during the year ended 31st March 2026. Attendance of the Members is set out below:

Members	Attendance at Meeting
David Pun Chan, <i>Chairman of the Committee</i>	1
Ivy Sau Ching Chan	1
Karl Chi Leung Kwok	1
Man Sing Kwong	1
Patrick Chi Kwong Wong	1

The main duties of the Nomination Committee are to review the structure, size, composition, performance and diversity of the board, assist the board in maintaining a board skills matrix and make recommendations on any proposed changes to complement the corporate strategy; and to identify, select and nominate suitable individuals for appointment as directors of the company. The terms of reference of the Nomination Committee are aligned with the code provisions set out in the CG Code and are available on the company's website.

The board adopted a Director Nomination Policy. The Nomination Committee shall nominate suitable candidates for directorships to ensure that the board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the company's business, while taking into account of board succession planning considerations and strategies for the ongoing effective performance of the board as a whole. The ultimate responsibility for selection and appointment of directors rests with the entire board.

The Nomination Committee shall consider the following criteria in assessing the suitability of a proposed candidate:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the company's business and corporate strategy;
- willingness to devote adequate time to discharge duties as a board member and other directorships and significant commitments;
- requirement for the board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- considerations as stipulated in the company's Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the board; and
- such other perspectives appropriate to the company's business.

Each proposed new appointment, election or re-election of a director shall be assessed by the Nomination Committee against the criteria and provisions set out in the Director Nomination Policy and the Board Diversity Policy. The Nomination Committee shall make recommendation or nomination for the board's consideration.

The Nomination Committee shall monitor the implementation of the Director Nomination Policy and conduct periodical review of the policy to ensure that it remains relevant to the company's needs and reflects both current regulatory requirements and good corporate governance practices.

The work performed by the Nomination Committee for the year ended 31st March 2026 is summarized below:

- (a) review of the structure, size and composition of the board;
- (b) considering the independence of each independent non-executive director;
- (c) review of Board Diversity Policy;
- (d) review of Director Nomination Policy; and
- (e) making recommendation to the board on the re-election of retiring directors at the company's forthcoming annual general meeting.

No new members have been appointed to the board during the year.

(iv) Corporate Governance Function

The board is responsible for performing the corporate governance duties including:

- (a) develop and review the company's policies and practices on corporate governance;
- (b) review and monitor the training and continuous professional development of directors and senior management;
- (c) review and monitor the company's policies and practices on compliance with legal and regulatory requirements;
- (d) develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and
- (e) review the company's compliance with the CG Code and disclosure in the Corporate Governance Report.

(G) Directors' Securities Transactions

The company has adopted the Model Code set out in Appendix C3 to the Listing Rules as amended from time to time by the Stock Exchange. All directors have confirmed, following enquiry by the company, that they have complied with the required standard set out in the Model Code throughout the year.

(H) Auditor's Remuneration

The fees in relation to the audit and tax services provided by PricewaterhouseCoopers, amounted to HK\$1.8 million and HK\$0.1 million respectively.

(I) Risk Management and Internal Control

The board are ultimately responsible for ensuring that the group establishes and maintains appropriate and effective risk management and internal control systems for the purpose of dealing with identified risks, safeguarding the group's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the group's financial reports and achieving compliance with applicable laws and regulations. Overseen by the board, the management is responsible for the design, implementation and monitoring of the systems on an ongoing basis.

For the year ended 31st March 2026, the board through the Audit Committee have reviewed the effectiveness of the risk management and internal control systems. The risk management and internal control systems comprise a well-defined organizational structure with specified limits of authority in place. Areas of responsibility of each business and operational units are also clearly defined to ensure effective checks and balances.

Procedures have been designed for safeguarding assets against unauthorized use or disposition, maintenance of proper accounting records, assurance of the reliability of financial information for internal use or publication and compliance with relevant legislation and regulations. Such procedures are designed to manage risks of failure in operational systems and can provide reasonable assurance against material errors, losses or fraud.

The group conducts a risk assessment on the existing or potential risks (including environmental, social and governance ("ESG") risks) of business operation. The assessment includes potential likelihood and impact of the identified risks including ESG risks. For the risks identified, the group determines the action plans, management targets and the management is responsible for managing their respective day-to-day operating risks, and implementing measures to mitigate such risks.

The company has an internal audit function. It monitors compliance with policies and standards and the effectiveness of internal control structures across the whole group. It also evaluates the design and operating effectiveness of areas across financial, operational and compliance. The Internal Auditor reports to the Audit Committee. The Audit Committee annually assesses the effectiveness of the risk management and internal control systems by reviewing the work of internal audit and its findings. A follow-up review will be performed by internal auditor when necessary.

The company is required to disclose inside information as soon as practicable in accordance with the SFO and the Listing Rules. It ensures, through its internal reporting processes, the appropriate handling and dissemination of inside information. Reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the group, which include:

- The access of inside information is restricted to a limited number of employees (mainly senior management and directors) on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- The company has adopted the Model Code as its model code for securities transactions by the directors and guidelines on insider dealing on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information.
- All employees are required to strictly adhere to the relevant company code of conduct and staff handbook adopted which include a prohibition on the unauthorized use of confidential information.

During the year, a review of the effectiveness of the group's risk management and internal control systems and procedures was conducted by the Audit Committee and subsequently reported to the board. The review covered all material controls, including financial, operational and compliance controls. It also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the group's accounting, internal audit and financial reporting functions, as well as environmental, social and governance performance and reporting. The board continuously oversees the group's risk management and internal control systems. Based on the result of the review in respect of the year ended 31st March 2026, the directors considered that the risk management and internal control systems and procedures of the group were effective and adequate.

(J) Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of consolidated financial statements of the company and its subsidiaries that give a true and fair view in accordance with HKFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. In preparing the consolidated financial statements for the year ended 31st March 2026, the directors have ensured the selection of suitable accounting policies and consistent application thereof; made judgments and estimates that are prudent and reasonable, stated the reasons for any significant departures from applicable accounting standards and ensured the going concern basis of presentation has been applied.

The independent auditor's report, which contains the statement of the external auditor about its reporting responsibilities on the consolidated financial statements of the company and its subsidiaries, is set out on pages 99 to 102.

(K) Dividend Policy

The board adopted a Dividend Policy. It is the policy of the board, in considering the payment of dividends, to allow shareholders of the company to participate in the company's profits whilst retaining adequate reserves for the group's future growth. The board shall consider the following factors before declaring or recommending dividends:

- the company's actual and expected financial performance;
- retained earnings and distributable reserves of the company and each of the members of the group;
- the group's working capital requirements, capital expenditure requirements and future expansion plans;
- the group's liquidity position;
- general economic conditions, business cycle of the group's business and other internal or external factors that may have an impact on the business or financial performance and position of the company; and
- other factors that the board deems relevant.

The payment of dividend is also subject to compliance with applicable laws and regulations including the laws of Bermuda and the company's Bye-laws. The board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

(L) Shareholders' Rights

(i) Convening a Special General Meeting

Pursuant to Section 74 of the Companies Act 1981 of Bermuda (the "Companies Act"), shareholders holding not less than one-tenth (10%) of the paid-up capital of the company carrying voting rights at general meetings of the company are entitled to make a requisition to the board to convene a special general meeting ("SGM").

The requisition stating the purposes of the meeting, duly signed by the requisitionists must be deposited at the registered office or head office of the company.

(ii) Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Companies Act, shareholders holding not less than one-twentieth (5%) of the total voting rights of the company, or not less than 100 shareholders are entitled to put forward a proposal at a general meeting of the company.

The requisition specifying the proposal, duly signed by the requisitionists, together with a statement with respect to the matter referred to in the proposal must be deposited at the registered office or head office of the company.

(iii) Proposing a Person for Election as a Director

Details of the procedures for proposing a person for election as a director are available on the company's website.

(iv) Putting Enquiries to the Board

Shareholders may send their enquiries to the board in writing through the Company Secretary at the head office (e-mail: tcpl@taicheung.com).

(M) Investor Relations

The company has in place a shareholders communication policy to ensure that its shareholders and the investment community are provided with ready, equal and timely access to the information of the company. It endeavours to maintain an on-going dialogue with its shareholders and in particular, through annual general meetings and other general meetings. The company website provides a wide range of information about the company and its operation as well as all corporate communications including announcements, annual reports, interim reports, notices of meeting and circulars.

The board has reviewed the implementation of the communication channels and, based on the above, considered the shareholders communication policy has been effectively implemented during the year.

(N) Constitutional Documents

There was no change to the company's Memorandum of Association and Bye-laws during the year.

Reporting Period and Scope

This Environmental, Social and Governance (“ESG”) Report covered the financial year from 1st April 2025 to 31st March 2026 (the “year”) and is prepared in accordance with the ESG Reporting Code (the “ESG Code”) set out in Appendix C2 to the Listing Rules. The reporting scope of this report focuses on the group’s main operations including property development and property management activities in Hong Kong. It covers current development project, properties managed by its property management subsidiary and head office. Information relating to the group’s corporate governance practices are disclosed separately in Corporate Governance Report on pages 14 to 25.

Reporting Principles

The following principles are adopted in this report:

Balance:	The information is presented without the inappropriate use of selections, omissions or other forms of manipulation that would influence a decision or judgment by the reader.
Consistency:	Whenever deemed material, the report details the standards, tools, assumptions and/or source of conversion factors used, as well as explanations of any inconsistencies to previous reports.
Quantitative:	Quantitative data are available throughout this report and in the Performance Table on pages 40 to 42.
Materiality:	By conducting materiality review and communicating with key stakeholders to identify material ESG-related issues to the group and incorporate such material issues as the group’s business strategy. Details are disclosed in the section “ESG Governance Structure” and paragraphs under the sub-heading of “Governance” of this report.

ESG Governance Structure

To address ESG issues, the group takes a top-down management approach. The board is responsible for the group’s ESG strategy (including ESG-related risks and opportunities) setting and reporting, overseeing the implementation of relevant policies and ensuring the relevant risk management and internal control systems and action plans are in place to manage ESG risks effectively. The effectiveness of which is monitored by the internal audit function, under the oversight of the Audit Committee. An independent consultant has also been appointed to provide ESG reporting and consultancy services for this report.

The group conducted an ESG materiality review by benchmarking the sustainability-related resource allocation and attention of a number of industry peers. The group also maintains ongoing dialogue and collects views from key stakeholders, such as customers, employees, suppliers, shareholders and regulators, through a range of channels such as meetings and surveys, to understand their expectations and address their concerns. Moreover, risk assessment of the material ESG issues has been conducted and the implementation of mitigation measures have been reviewed. The board further evaluated and prioritised the risks of significant impacts to the group. Occupational health and safety, climate-related issues, and environment and natural resources are the top three material issues. Those identified material issues to the group are included in this report.

The ESG-related Goals and Targets

The group is committed to exploring clean energy sources with the integration of innovation technology to meeting relevant sustainable building standards such as “Building Environmental Assessment Method Plus for New Buildings” for all new property development projects in future. By adopting an affordable range of best practices, it seeks to reduce the environmental impacts of a new building while also improving environmental quality and user satisfaction.

The ESG-related targets are set out on page 41 and the details of the steps taken to achieve them are included in this report. The board will also regularly review progress made against the ESG-related goals and targets. It can enable the group to plan the sustainable development direction more comprehensively in the future.

Environmental Performance

Environmental Policy

The group demonstrates its commitment to sustainable development and responsible environmental stewardship through an environmental policy in place. Specifically, the group is committed to:

- Giving due consideration to environmental issues in its corporate decision-making process and actively minimizing the impact of its business operations on the environment
- Identifying environmental impacts associated with the group’s operations and setting targets to continually improve its environmental performance
- Following environmental sustainable development principles and complying with all applicable environmental laws and regulations
- Following eco-friendly construction and management practices
- Making efficient use of resources and minimizing waste in its daily operations
- Giving priority to environmentally-friendly designs, materials and construction approaches and exploring green alternatives for its projects
- Favouring consultants, contractors and suppliers who follow environmentally-friendly practices when providing their designs, services and products
- Enhancing environmental awareness among its staff members, business partners and the public
- Assessing and reporting on material environmental performance regularly

In light of the emerging environmental challenges, the group shall constantly review and refine the environmental policy to enhance its preparedness and to reduce its environmental footprints.

Emissions

Managing Greenhouse Gas Emissions

Greenhouse gas (“GHG”) and air pollutant emissions in the group’s business operations would contribute to global warming and air pollution with adverse impacts. As an environmentally-responsible company, the group is committed to carrying out mitigating measures to demonstrate its determination in combating emissions.

Electricity consumption contributes to the largest part of the group’s indirect GHG emissions. The group has implemented initiatives by exploring clean energy sources and purchasing energy saving equipment to reduce electricity consumption in order to lower the indirect GHG emissions. Throughout the year, the group continuously reviews its performances to identify any improvement areas. Details of the measures to control energy usage are addressed in the paragraphs under the sub-heading of “Achieving Higher Energy Efficiency”.

Waste Management

The group is committed to minimize non-hazardous waste generation by incorporating a range of proactive measures into its operations. In order to minimize the waste generation at source and promote sustainability practices, the group has participated in various recycling programmes such as Waste Electrical and Electronic Equipment Recycling Programme. Recycling bins are also put in office to collect recyclables including waste paper, aluminium and plastic, before they are taken to recycling centers. At construction project site, the group particularly cares for construction waste management to minimize the adverse impacts to the environment. To relieve the burden on Hong Kong’s landfill, the group proactively diverts waste away from landfill by reducing the generation of waste and manages waste in an environmentally friendly manner.

During the year, the group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the group.

Use of Resources

Achieving Higher Energy Efficiency

Improving operational energy efficiency with the implementation of eco-friendly facilities is a fundamental strategy to reduce energy consumption. Electricity is attributable to the majority of the group's energy consumption. To achieve optimal energy performance, the group has invested resources and encouraged the use of biofuel as a sustainable energy source to reduce energy usage from the office setting to the properties it manages.

During the year, the group continued to purchase energy saving equipment and replace electrical appliances such as lighting fixtures with models that have better performance and are eco-friendly. The group also prioritized the equipment with energy label from Electrical and Mechanical Service Department ("EMSD") in the procurement stage. A number of the lighting systems have adopted "energy efficient lamps and luminaries" as recommended by the EMSD. The group also encourages utilisation of renewable energy and sharing of renewable energy in the energy mix.

The group encourages its employees to join it in building a green office by switching off unnecessary lightings, computers and electrical equipment when not in use. Energy-saving signages are displayed at office to encourage employees to follow energy efficient practices. The group also extends its energy saving practices by reducing the number of lifts operating at mid-night. Apart from daily operational measures, the group places continuous effort in increasing the staff members' awareness on sustainability. The group has echoed with "Earth Hour" of World Wildlife Fund ("WWF") to communicate the practices of energy saving to its staff as well as the public.

Environmental considerations are taken into the group's building designs. At PULSA, the Repulse Bay project, the group has installed insulated glass units on the building envelope to conserve energy while enhancing interior comfort.

Reducing the Use of Water

In terms of water usage, the group does not encounter any significant issue in sourcing water for daily operations, as its major businesses are sited in Hong Kong. Nevertheless, the group sees water as a valuable resource to conserve.

The group has pushed forward a stronger water conservation effort by adopting water reduction practices and upgrading water-efficient fixtures. The group also actively promotes water efficient practices and advocates responsible consumption behavior among its staff, contractors and customers. Training programme has been conducted for frontline workers to raise their awareness on water conservation.

Control measures on wastewater like protection of drainage system and discharge point to avoid blockage, and conducting regular self-monitoring checks to ensure the quality of the effluent discharge meeting the prescribed standards, are being practised in the daily operations.

Environment and Natural Resources

Managing Environmental Impact

For the sake of compliance with relevant laws and regulations, the group regularly assesses the environmental risks of its operations and adopt preventive measures as necessary to reduce the risks. In addition to adhering to strict environmental policies and guidelines, the group places an emphasis on implementing mitigation measures and promoting environmental consciousness.

The group actively advocates paperless operation to reduce unnecessary paper use in offices. Employees are encouraged to prioritize the use of email, intranet and other electronic ways to communicate and disseminate information. For example, adopting an online system for staff to make leave application in paperless way. This initiative translates into the group's commitment to make efficient use of resources. During the year, the group further promoted environmental awareness at work with three main focuses, including reducing waste at the source, saving energy and encouraging the use of eco-friendly utensils. Employees are encouraged to using less disposable tableware, using their own bottles instead of single-use paper cups and turning off equipment not in use during lunchtime. The group believes that small changes can make a big impact.

To further fulfil the group's commitment in exploring clean energy sources, the group has been incorporating sustainability elements into its property development and business operation. The group has adopted green building design in the development of PULSA which has been completed. There are over 50% of the site areas in PULSA covered by greenery, providing a nature habitat for wildlife while protecting ecological balance.

Climate Change

Climate change has led to frequent extreme weather affecting the group's daily operations. The group fully recognizes the potential impact of climate-related risks and opportunities on business operations, financial performance and long-term sustainable development. In response to such environmental challenges and to support our transition to a low-carbon economy, the group has put in place a comprehensive climate change policy and environmental policy which outlines its approach for climate change mitigation, adaptation and resilience.

Governance

The board, as the highest supervision body, oversees the group's climate-related risks and opportunities and delegates day-to-day climate-related governance to senior management from different business functions to implement the overall climate change strategy as approved by the board and monitor performance and targets relating to climate change, with key matters reported to the board regularly to ensure climate strategy development and performance are in alignment with the group's strategy and risk management framework.

Climate-related performance is initiated at the management level to assist the board in evaluating the effectiveness of its climate strategy and measures on an annual basis. To ensure climate matters are systematically addressed by the board, they are integrated into the agenda of regular meetings at least once annually. To ensure the board stays up to date on climate-related risks and opportunities and maintains the necessary skills and competence, relevant training is provided to the board annually.

Strategy and Risk Management

During the year, the group has conducted climate-related scenario analysis against globally recognised climate scenarios to identify climate-related risks and opportunities and to assess the resilience of its business model. Two contrasting scenarios, from the Intergovernmental Panel on Climate Change (“IPCC”)⁽¹⁾ and the Network for Greening the Financial System (“NGFS”)⁽²⁾, were applied. The climate-related scenario analysis focus on the group’s main operation in Hong Kong only, which is the same as our reporting scope. The scenarios considered both physical risks arising from the direct impacts of climate change and transition risks associated with the economy’s shift towards lower-carbon emissions across multiple time horizons.

Climate Scenarios	High emission scenario (> 3°C) ⁽³⁾	Low emission/Net zero scenario (< 2°C) ⁽⁴⁾
General assumptions	The group applies two high-contrast scenarios to assess potential climate-related risks and opportunities across future climate pathways. We model from low- to high-emissions scenarios using NGFS and IPCC scenarios. Our selection of a low-emissions scenario aligns with the Paris Agreement’s goal to limit global warming to well below 2°C. This enables us to stress-test our business resilience against both the transition risks of a decarbonizing economy and the physical risks of more challenging climate futures, ensuring informed operational planning.	
Scenario reference	IPCC SSP5-8.5 NGFS Current Policies	IPCC SSP1-2.6 NGFS Net Zero 2050
In-scope properties	Same as reporting scope	
Time horizon ⁽⁵⁾	Short-term Medium-term Long-term	

Notes:

- (1) The IPCC is the international body tasked with assessing the science of climate change. There are five SSP-RCP (“SSPX-Y”) scenarios, each with a different set of narrative assumptions and emissions trajectories.
- (2) NGFS was established by eight central banks in 2017 and seven scenarios are created to address the physical and transitions risks. These scenarios are frequently used by central banks and financial supervisors.
- (3) This scenario imagines that emissions will keep increasing until 2080, causing the temperature to rise by more than 3°C by the end of this century.
- (4) This scenario is based on the idea that countries around the world will implement strong climate policies and innovation to keep global warming under 2°C by the end of this century.
- (5) Considering our business operations, we set the time horizon for the impact of climate risks and opportunities as follows:

Short-term: current/less than 5 years
Medium-term: (2030) 5-10 years
Long-term: (2050) More than 10 years

Environmental, Social and Governance Report

By leveraging external climate-related scenario tools and holding meetings with key stakeholders to collect their views, the group assessed the likelihood and potential impact of the following climate-related risks and opportunities that may affect our business:

	Related Risks/ Opportunities	Time horizon	Likelihood⁽³⁾	Potential Impact
Physical Risks ⁽¹⁾	Acute Risks – Rainstorms and Floods; Typhoons	Short-term Medium-term Long-term	Likely	Damage to physical infrastructure, properties and office facilities, including shattered windows and roof leaks, affects employee safety and gradually leads to the depreciation of fixed assets and increases in repair costs and operating costs, ultimately reducing profitability As the intensity of typhoons increases, both existing properties and developing properties face heightened vulnerability
	Chronic Risks – Heat Stress	Short-term Medium-term Long-term	Likely	Rising average temperatures create long-term risks to properties and operations. It significantly increases the demand for air conditioning and energy consumption, which in turn reduces labour productivity at construction sites and disrupts timelines for development activities Prolonged periods of high temperature and humidity pose health risks for on-site workers, which ultimately affects business continuity and operations and increases operating costs
Transition Risks ⁽²⁾	Policy and Legal Risks	Short-term Medium-term Long-term	Possible	Tightening government regulations regarding carbon emissions and more stringent environmental disclosures ultimately increase operating cost for compliance as well as construction projects
	Technology Risks	Medium-term Long-term	Possible	The group needs to keep pace with the latest changes in technological transformation. Failure to keep pace with the transformation may lead to the replacement of existing technologies which ultimately increases operating costs
Opportunity	Increasing demand for new green technologies and energy-saving solutions for newly developed properties	Medium-term Long-term	Possible	Meeting market preferences by focusing on energy-efficient properties ultimately increases revenue

Notes:

- (1) Physical Risks: Risks related to the physical impacts of climate change, which can be event-driven (acute risks) or caused by longer-term shifts in climate patterns (chronic risks).
- (2) Transition Risks: Risks related to the transition to a lower-carbon economy, which may include policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.
- (3) Scale of Likelihood are as follows:
 - Unlikely
 - Possible
 - Likely
 - Highly Likely
 - Almost Certain

The above climate-related risks and opportunities are integrated into the group's overall risk management systems to ensure consistent identification and monitoring. While climate-related risk has not yet been classified as a material risk within the group's enterprise risk exposure and a transition plan has not been formally established, the group has a range of measures in place to enhance its resilience to physical climate risks and its responsiveness to transition risks.

Guidelines, work arrangements and procedures in relation to typhoon, flooding and extreme severe weather are in place. Prior to typhoon events, the property management team will conduct comprehensive inspection of the drainage system and ensure all curtain walls and windows are securely closed. There is close communication between team heads and employees before and after storms. Moreover, business contingency plans for our operations are in place in case of any emergency situation. The group has also taken out property insurance and public liability insurance to protect its interests in response to its potential financial loss.

To mitigate the effects of heat stress and strengthen property resilience, especially under a high-emission scenario, all our developments aim to follow sustainable building guidelines. Currently, our newly developed residential property VELE has implemented designs with climate-adaptive features. Residential units and recreational facilities at VELE were provided with insulated glass units. The roof area is covered by tiling materials with high Solar Reflectance Index and over 20% of the site area is covered by plants.

Guided by our comprehensive climate change policy, the group regularly reviews and updates its property development and management strategies alongside its energy-saving initiatives to respond to evolving regulatory requirements. The group is also dedicated to adopting best practices in designing and constructing sustainable buildings to meet growing market demand for energy-efficient properties.

The group comprehensively reviewed the potential financial impacts of various significant climate-related physical risks, transition risks and opportunities. Given our stable business model, and with our response measures as mentioned above, we consider ourselves adequately prepared in response to climate-related risks. We do not expect the current or anticipated impacts of these climate risks and opportunities on our operations, value chain, financial position, cash flows, or overall financial performance to be material.

Metrics and Targets

During the year, the group continued to measure and disclose its scope 1 and scope 2 GHG emissions. For details of our reduction targets, please refer to the section headed "Performance Table". Such performance targets may be affected by uncertainty factors such as industry trends, policy updates, and technological developments. Therefore, we will regularly review and optimize the setting of climate-related targets in conjunction with actual operational dynamics and market trend changes. We will monitor target execution progress and make reasonable adjustments as necessary to ensure targets remain achievable and dynamically aligned with our business strategy.

The group has initiated data collection process for scope 3 emissions. During the year, based on our materiality assessment in terms of estimated emissions scale and data availability, the group has identified three scope 3 categories as the most material and relevant to our business operations. It includes Category 2 (Capital good), Category 3 (Fuel and energy related activities not included in scope 1 and 2) and Category 5 (Waste generated in operation).

The group will continue to monitor evolving regulatory expectations and stakeholder priorities to determine if the adoption of new measures becomes appropriate in the future.

Social Performance

Corporate Social Responsibility Policy

To define the group's approach to reconcile its commercial objectives with the long-term imperatives of sustainable growth, social prosperity and well-being, it has developed a Corporate Social Responsibility ("CSR") Policy. The policy states that the group is committed to:

- Complying with all applicable legal and regulatory requirements on CSR matters
- Minimizing the potential impact of its activities on the environment
- Monitoring and managing the use of resources, including energy and water
- Fulfilling its responsibilities to the societies and communities in which it operates
- Behaving with honesty and integrity in all its activities and rejecting bribery and corruption in all its forms
- Providing a safe and healthy working environment to all its employees and supporting their ongoing training and development
- Enhancing CSR awareness among its staff members, contractors and suppliers
- Monitoring its sustainability performance and reporting regularly

The group shall constantly review its CSR Policy to ensure its relevance and effectiveness.

Employment and Labour Practices

The group values people and considers a respectful and fair working environment to be vital to its operations. With recruitment policies and staff appraisal system in place, internal employment and incentive processes are standardized and regulated by the management of the group, and strictly executed by the Human Resources Department to attract and retain valuable talents. The group aims to build a motivated and efficient work team in order to enhance its productivity and competitiveness.

Apart from the standardized employment and incentive processes, the group offers the eligible group employees with competitive remuneration packages and fringe benefits including medical insurance plan, medical checkup, a non-contributory provident fund scheme and a mandatory provident fund scheme. Under the continuous effort in protecting employees' welfare, a major subsidiary has received the Good MPF Employer Award for 10 consecutive years by Mandatory Provident Fund Schemes Authority. Moreover, it had been accredited the Good Employer Charter 2024 by the Labour Department. During the year, one of our subsidiaries has been invited by the Labour Department to share its good human resource management and family-friendly employment practices.

In order to maintain a high degree of integrity, all employees are required to comply with a set of code of conduct, which is a central guide based on the group's core values. The code of conduct sets out the conduct requirements and guidelines on matters including bribery prevention, conflicts of interest, compliance with government laws and regulations, relationship with suppliers, contractors and customers. The group also provides briefing sessions for employees to communicate how the conduct governs the behavior of the organization.

Human resources policies are detailed in the staff handbook and communicated to them on the group's intranet. In light of aligning the current standards, the staff handbook is reviewed regularly. The policies deal with matters including recruitment, salary adjustments and promotions, working hours, rest periods, benefits and welfare. In pursuit of a harmonious workplace, an Equal Opportunities Policy and a Workforce Diversity Policy are in place to support the building of a working environment that values diversity and inclusion, free from any kind of discriminations including gender, age, disability, family status, race or sexual orientation. The group aims to develop an inclusion and friendly working environment by organizing employee events such as Christmas party and annual gathering to boost work moral and achieve healthy work life balance. One of our subsidiaries received the "Partner Employer Award" from The Hong Kong General Chamber of Small and Medium Business in recognition of their contribution in offering employment opportunities to different parties in community for 5 consecutive years.

During the year, the group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours and rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare that have a significant impact on the group.

The group strictly prohibits to recruit any illegal labour, including child labour and forced labour. The employment processes are monitored and regulated by the management of the group. Any suspicious case of employment of illegal or forced labour will be investigated and dealt with in accordance with respective policies set out by the group.

During the year, the group was not aware of any material non-compliance with laws and regulations relating to preventing child and forced labour that have a significant impact on the group.

Occupational Health and Safety

Safeguarding the health and safety of employees has always been a priority to the group's operations. The group strives to create a safe working environment through establishing workplace safety guidelines, providing safety trainings and adopting emergency measures in compliance with local legislations and regulations. The group provides protective equipment, trainings and guidelines based on employees' job natures. To ensure a healthy working environment, the group periodically engages professional service providers to carry out pest control treatment in the office to eliminate viruses and bacteria.

Furthermore, the group also pledges to promote a mental-friendly workplace environment. The group has signed the Mental Health Workplace Charter introduced by the Department of Health. Fulfilling the objectives of the Charter, the group distributes monthly message to staff to raise their awareness about mental health issues and strengthen positive minds of them. Three of our subsidiaries participated the Happiness at Work Promotional Scheme organised by The Chinese Manufacturers' Association of Hong Kong.

In recognizing our continuous efforts in creating a positive impact on the society and environment, The Hong Kong Council of Social Service has honored three of our subsidiaries with Caring Company Logo. During the year, the group continued to raise the staff members' awareness on personal and environmental hygiene. The group ensures an adequate supply of hygiene materials and measures to uphold hygiene standards and mitigate the spread of infectious diseases. To safeguard staff members' health, free flu vaccination has been provided to the staff to avoid infectious diseases.

During the year, the group was not aware of any material non-compliance with laws and regulations relating to occupational health and safety that have a significant impact on the group.

Staff Development and Training

The group invests in employees' training and development to ensure employees will have the skills and knowledge to achieve the business goals and to keep up with competitive markets. The group has policy in place to support eligible employees who take part in continuous professional development training, including seminars and workshops. The group also provides education subsidies encouraging eligible employees to develop their skills and broaden their job-related knowledge. For new employees, the group provides induction trainings to help them to get ready for their positions as soon as possible.

During the year, approximately 62% of the total number of employees were trained with 2 training hours completed in average.

Supply Chain Management

The group attaches great value to communicate with suppliers to enhance understanding and recognition of the group's value and to develop a cooperative relationship of mutual trust and assistance.

Suppliers of the group generally include architects, consultants, contractors, material suppliers and designers. The group has a holistic approach on supplier selection and assessment, considering their credits, reputations, product and service quality, while paying due consideration to their environmental and social performance before listing them on the group's eligible suppliers list. Certain suppliers are invited to complete a questionnaire relating to environmental and social risks in order to enable the group to identify and monitor any contemporary risks.

The group would like to share its belief in sustainable growth with its suppliers, underscoring the adoption of environmentally-friendly building materials and eliminating employment misconduct in their daily operations. The group would also consider selecting regionally manufactured material suppliers to reduce the environmental footprints caused by material transportation.

In addition to the general supplier selection assessment, a responsible departmental taskforce of the group communicates closely with suppliers and monitors their performance. All suppliers engaged are required to comply with relevant performance standards, and periodic reviews are rigorously conducted to ensure compliance.

Product Responsibility

The group endeavors to safeguard occupiers' health and well-being by optimizing the living and working environment of its building developments. Quality and safety are the group's core values and are embedded through careful planning in design and construction, and maintained in operation and maintenance management.

The group's property management subsidiary has a quality management system conforming ISO 9001 to ensure that its service quality is in line with international best practices. It also conducts safety and environmental inspections on a regular basis to ensure good ESG performance.

The group proactively seeks feedback from external stakeholders about its customer service. Satisfaction surveys are conducted among customers and occupiers from time to time, thereby continuously improving and tailoring the group's services to provide exemplary customer experience.

The group attaches importance to customer's data privacy and is dedicated to abiding by the requirements of the Personal Data (Privacy) Ordinance of Hong Kong. The group has Personal Data Privacy Policy and clear guideline for data protection. Training arrangements would be kept going on to raise staff awareness of the Personal Data (Privacy) Ordinance. Customers' private information collected by the group is confidential and securely managed by the group.

In recognition of our commitment to the protection of personal data privacy, two of our subsidiaries have been honored for Gold Award, while another subsidiary has been honored for Silver Award for Privacy-Friendly Awards 2025 – Safeguarding Data Security issued by the Office of the Privacy Commissioner for Personal Data.

Guidelines on respecting intellectual property rights are provided in the staff handbook. Any asset of the group, including but not limited to materials and information for official purposes, shall not be taken or copied for personal purposes without authorization. Appropriate corrective action will be taken by the group if any infringement of its assets and intellectual property rights is discovered.

During the year, the group was not aware of any incidents of material non-compliance with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to the products and services provided and methods of redress, that have a significant impact on the group.

Anti-corruption

The group takes a zero-tolerance approach to bribery and corruption and is committed to conducting business with integrity and complying in full with the laws and regulations of those countries in which it operates. In addition to the code of conduct, the group has also adopted an anti-corruption policy to ensure that it fully implemented its approach. The policy aims to raise overall awareness and provides guidance on how to recognize and deal with bribery and corruption issues. It sets out requirements relating to reporting, monitoring and controlling relevant issues. All employees, officers and directors within the group are required to comply with the policy.

Seminars on integrity and the prevention of corruption conducted by the Independent Commission Against Corruption ("ICAC") are regularly arranged to ensure that all employees, particularly new joiners, are familiar with the relevant laws and regulatory requirements.

Training materials on anti-corruption topics are distributed to directors for periodically refreshing the commitment message.

Ongoing review of the effectiveness of the risk management and internal control systems is conducted on a regular basis in preventing the occurrence of bribery, extortion, fraud and money laundering activities.

To further prevent and combat against corruptive misconduct, the group has established a whistleblowing policy which enables employees to report any suspicious case via the channels stated in the policy. The policy outlines the responsibilities of employees and report handling process, from initiation to investigation and follow-up action. Similarly, an external whistleblowing policy is in place for external parties who deal with the group to report any concerns about possible improprieties in any matter related to the group.

During the year, the group was not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the group to report any concerns about possible improprieties in any matter related to the group.

Community Investment

The group recognizes the inextricable connection between its continuous success and community prosperity, acting as a responsible and constructive corporate citizen and devoting itself to developing a sustainable local community.

To genuinely carry out its social responsibility, the group applied community responsibility-related content in the adopted CSR Policy and implemented it accordingly.

During the year, the group contributed to the communities by making charitable donations, as well as encouraging its employees to participate a volunteer programme organized by the Lok Sin Tong Benevolent Society Kowloon to promoting smoke-free culture. In addition, the group took part in meaningful environmental events such as WWF's "Earth Hour" to communicate its environmental values with employees and raise their awareness in environmental protection.

Looking Forward

As an established property developer in the local property industry, the group endeavors to excel continuously at property development and management. The group holds fast to the core values through the provisions of properties and management services with modern architectural style, premium quality and meticulous care. A sustainable approach has been fully incorporated into the corporate culture and governance structure. The group is engaged to continuously explore ways to enhance its sustainability performance and competitiveness, so as to cope with foreseeable ESG challenges in the future.

Performance Table

Environmental Performance

Key Performance Indicator	Unit	Performance of the group	
		2026	2025
Air Emissions			
Nitrogen Oxides (NO _x)	kg	7.13	7.99
Sulphur Oxides (SO _x)	kg	0.20	0.2
Particulate Matter (PM)	kg	0.52	0.59
GHG Emissions			
Direct GHG Emissions (scope 1)	tonnes CO ₂ e-	67.48	70.34
Indirect GHG Emissions (scope 2)	tonnes CO ₂ e-	6,119.61	6,866.64
Total GHG Emissions (scope 1 and 2)	tonnes CO ₂ e-	6,187.09	6,936.98
GHG Emission Intensity (scope 1 and 2)	tonnes CO ₂ e-/ '000 m ²	37.62	44.07
Other Indirect GHG Emissions (scope 3)			
Category 2: Capital Goods	tonnes CO ₂ e-	3,885.66	N/A
Category 3: Fuel and Energy-related Activities	tonnes CO ₂ e-	2,229.34	N/A
Category 5: Waste Generated in operations	tonnes CO ₂ e-	2,227.34	N/A
Non-Hazardous Waste			
Total Non-Hazardous Waste	tonnes	4,279.79	3,904.71
Non-Hazardous Waste Intensity	tonnes/ '000 m ²	26.02	24.81
Energy Usage			
Direct Energy Consumption (Petrol)	MWh	131.05	141.43
Direct Energy Consumption (Diesel)	MWh	128.44	128.44
Indirect Energy Consumption (Electricity)	MWh	13,391.72	14,174.71
Total Energy Consumption	MWh	13,651.21	14,444.58
Energy Consumption Intensity	MWh/ '000 m ²	83.00	91.77
Water Consumption			
Total Water Consumption	m ³	36,483.00	45,439.00
Water Consumption Intensity	m ³ / '000 m ²	222.90	290.15

Remarks:

1. The performance data is collected from the group's current development project, properties managed by its property management subsidiary, and its head office. The intensities are calculated per thousand square meters of floor area. Head office is excluded in the total water consumption and the water consumption intensity as consumption is confined to public lavatories under building management of the office premises.
2. Air emissions are produced by vehicles of the group. Direct GHG emissions (scope 1) mainly come from energy direct emissions by combustion of fuels in vehicles. Indirect GHG emissions (scope 2) mainly come from energy indirect emissions, i.e. electricity consumption.

3. GHG emissions have been calculated with reference to The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard published by the World Business Council for Sustainable Development and the World Resources Institute. We have determined the GHG accounting boundaries using the operational control method. The emission factors of air emissions and Scope 1 GHG emissions and energy conversion factors have been obtained from the Reporting Guidance on Environmental KPIs issued by Hong Kong Exchanges and Clearing Limited. The latest available Global Warming Potentials are sourced from IPCC and the latest emission factors of Scope 2 GHG emissions are sourced from the two power companies in Hong Kong.
4. Scope 3 GHG emissions have been calculated with reference to The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the technical guidance published by the World Business Council for Sustainable Development and the World Resources Institute. Category 2 emissions were calculated using a spend-based method, while Category 3 and 5 emissions were calculated using an average-data method. Emission factors provided by the UK Government, the US EPA, and the IEA were applied.
5. The group made efforts to improve the environmental performance and disclosed the effectiveness since 2018. The following targets for the group are established against 2022 as the base year, and expected to achieve within 5 years:
 - To reduce the energy consumption by 3% (achieved in this year : -6%)
 - To reduce the GHG emissions (scope 1 and 2) by 3% (achieved in this year : -19%)
 - To reduce non-hazardous waste by 3% (achieved in this year : -40%)
 - To reduce the water consumption by 3% (achieved in this year : -23%)
6. All other aspects of the key performance indicator not discussed above, including those related to hazardous waste and packaging materials used for finished products, are considered not relevant to the group's business operations and are therefore not disclosed.
7. The group did not incur any capital expenditure, financing or investment specifically toward climate-related risks and opportunities as it does not expect the amount or percentage of its assets and business activities to be vulnerable to climate-related risks or aligned with climate-related opportunities.
8. The group did not apply internal carbon price in decision making nor does it factor climate-related consideration into its remuneration policy.

Environmental, Social and Governance Report

Social Performance

Key Performance Indicator		Performance of the group				
		2026		2025		
Employment		No.	Turnover Rate	No.	Turnover Rate	
Gender	Male	113	50%	103	39%	
	Female	44	17%	39	43%	
Employment Type	Full-time	154	41%	142	40%	
	Part-time	3	–	0	–	
Age Group	Below 30	13	118%	4	100%	
	30 - 50	45	28%	34	66%	
	Over 50	99	39%	104	29%	
Geographical Region		Hong Kong	157	41%	142	40%
Development and Training		Average Training Hours Completed	Percentage of Employees Trained	Average Training Hours Completed	Percentage of Employees Trained	
Gender	Male	3	73%	3	72%	
	Female	3	27%	3	28%	
Employee Category	Senior Management	4	4%	9	3%	
	General Staff	3	96%	2	97%	

Health and Safety

No work-related fatalities occurred in each of the past three years up to 31st March 2026. Total lost days due to work injury for the year ended 31st March 2026 was 54 days.

Supply Chain Management

As at 31st March 2026, the group has a total of 327 Hong Kong suppliers and 2 overseas suppliers for the Hong Kong operations.

Product Responsibility

Owing to the business nature of the group, the products sold or shipped subject to recalls for safety and health reasons are not applicable to the group.

No significant complaint cases related to products and service were received by the group for the year ended 31st March 2026.

Anti-Corruption

There are no concluded legal cases regarding corrupt practices brought against the group or its employees for the year ended 31st March 2026.

Community Investment

A total of HK\$23,630 and 105 hours were contributed in community investment relating to environmental concerns, health and culture for the year ended 31st March 2026.

Financial Results

I am pleased to report the results of the group for the year ended 31st March 2026 (the "Year"). The audited group loss attributable to equity holders of the company for the Year amounted to HK\$22.0 million as compared to the profit of HK\$62.8 million for last year.

The turnaround from profit to loss for the Year was mainly attributable to a decrease in interest income and the losses on financial assets at fair value through profit or loss, partly offset by the improved results of an associate of the company, Consolidated Hotels Limited.

Despite the aforesaid, the group's consolidated financial statements as at 31st March 2026 indicate that the group has a net cash position with low gearing level. The board considers that the overall financial position of the group remains sound and solid.

An interim dividend of HK12 cents per share was paid on 7th January 2026. The board has recommended the payment of a final dividend of HK6 cents per share to the shareholders on the register of members of the company on 9th September 2026. Subject to the approval of shareholders at the forthcoming Annual General Meeting, the final dividend will be payable on 23rd September 2026 and the total dividend for the Year will be HK18 cents per share, as compared to HK24 cents per share last year.

Property Development

Certificate of compliance was issued for our Ap Lei Chau project "VELE" in February 2026. Launching of marketing campaign has just commenced. Located along the waterfront at the Southern District, this luxurious residential building enjoys panoramic views of the nearby marinas, which encapsulates a vibrant future with the implementation of the "Invigorating Island South Initiative" by the Government. "VELE" is an ingenious collection of deluxe homes with 38 units, comprising entirely four-bedroom apartments with feature units in simplex and duplex design to meet the keen demand for larger residential units nowadays. Exclusive clubhouse facilities and ample car parking spaces are available in this project, making it a rare find in the city that offers both convenience and exclusivity to its residents.

Preparation works for sales launch of our Repulse Bay project "PULSA" are well underway. Marketing promotion activities have been proceeding smoothly. Located at the picturesque Southside and surrounded with lush greenery, this super luxury development boasts scenic views of the Repulse Bay. The upscale residence consists of eight spacious and elegant houses, with well-equipped clubhouse facilities. Its distinctive curtain-wall façade and innovative design offer unprecedented iconic signature in the neighborhood.

French Valley Airport Center, an industrial and commercial project in California, is being developed in phases. Located adjacent to French Valley Airport with essential amenities nearby, this modern architecture offers a range of all-new single-storey buildings, bringing convenience and high-quality construction in a well-designed business center. Sales of Phase 3 of the project made steady progress in view of the current market conditions. Construction works for Phase 4 were completed during the Year.

Hotel

Sheraton-Hong Kong Hotel, an acclaimed 5-star city-center hotel in which the group has 35% interest, continued to maintain its prestigious status in Hong Kong. Newly modernized guestrooms, coupled with contemporary design enhancements across the hotel, have elevated the guest experience while reinforcing its market competitiveness within the hospitality industry.

The hotel continued to demonstrate relative resilience during the Year by delivering solid performance amid the evolving global travel landscape. Occupancy rates remained strong, reflecting the underlying momentum of visitor arrivals. The number of international visitors continued to rise in Hong Kong, with notable increases in most source markets.

Further recovery of the local hotel sector hinges on the strength of Mainland China's economy, ongoing trade tensions and global economic uncertainties. Despite these challenges, H2 2026 is expected to feature a robust lineup of events supported by government initiatives, from world-class mega entertainment and sporting events to vibrant seasonal celebrations, providing impetus to the hospitality business. Furthermore, the 2026-27 Budget has earmarked resources with the aims to enhancing Hong Kong's tourist's appeal, attracting high-end overnight visitors and inspiring repeat visits.

Business Strategy

The group has been pursuing to build and manage quality properties mainly in Hong Kong and adheres to its business strategy on lean management by focusing on luxury residential properties in recent years, delivering attractive returns to our shareholders.

Besides, the group's interest in the hotel is a long term investment in prime location. It provides a reliable, stable and recurring source of income for the group.

In determining its business strategy, the group takes into consideration market opportunities, the group's financial resources and its core competence, while exercising prudent and disciplined financial management at all times.

Taking pride in its long history in the business and strong financial capability, the group endeavors to achieve long term sustainable growth of its business by seeking potential opportunities in preserving and enhancing the shareholders' value.

Prospects

Hong Kong's economic outlook remains broadly resilient driven by sustained growth in inbound tourism, robust cross-boundary financial activities and steady demand for business services. Relatively solid business and consumer sentiment is expected to support domestic demand. Yet, the potential near-term headwinds in the external environment including geopolitical tensions could heighten global financial market volatility, posing challenges to economic growth.

The U.S. Federal funds rate remained steady throughout Q1 2026, with growing concerns about the Federal Reserve's next move in view of persistent inflation and geopolitical volatility. On the other hand, if global investors seek safe havens for their investments and wealth management, Hong Kong will be well-positioned to attract capital inflows.

The local ultra-luxury residential segment has cooled moderately following the February 2026 stamp duty increase on residential properties valued above HK\$100 million, from 4.25% to 6.5%. In the longer-term, scarcity of luxury housing supply, combined with the continuing high-end demand from local tycoons and mainland nouveau riche are expected to support price resilience. While macroeconomic uncertainty continued to weigh on sentiment, other fundamentals including steady leasing demand and policy stability support a positive outlook for Hong Kong's residential property market through the remainder of 2026.

Looking ahead, the global economic environment is likely to stay complex shaped by trade disputes, lingering inflation pressures, geopolitical tensions and shifts in monetary policy, all of which will continue to influence economic activity and market sentiment. The group will stay vigilant by monitoring closely the potential impact of the challenges and its exposure to the risks in connection therewith and will be more cautious in the allocation of resources. By adhering to its prudent and risk management approach and its lean operation capability, the group will swiftly adjust its business strategies in response to the complicated external environment. Having a net cash position, the group is able to remain resilient, adaptative and competitive in the face of uncertain economic environment ahead.

Finally, I would like to thank all staff for their loyal support and hard work.

David Pun Chan

Chairman

Hong Kong, 25th June 2026

Consolidated Income Statement

(For the year ended 31st March 2026)

	Note	2026 HK\$Million	2025 HK\$Million
Revenue	5	27.9	36.0
Cost of sales		(43.8)	(30.0)
Gross (loss)/profit		(15.9)	6.0
Other income	6	16.3	43.8
Other (losses)/gains	7	(26.7)	21.3
Administrative expenses		(59.7)	(59.9)
Operating (loss)/profit	8	(86.0)	11.2
Finance costs	12	(3.7)	(0.6)
Share of results of associates, net of tax		68.2	52.7
(Loss)/profit before income tax		(21.5)	63.3
Income tax expense	13	(0.5)	(0.5)
(Loss)/profit attributable to equity holders of the company		(22.0)	62.8
(Loss)/earnings per share (basic and diluted), HK dollars	14	(\$0.036)	\$0.102
Dividends, HK\$Million	15	111.2	148.2

Consolidated Statement of Comprehensive Income

(For the year ended 31st March 2026)

	Note	2026 HK\$Million	2025 HK\$Million
(Loss)/profit for the year		(22.0)	62.8
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Share of other comprehensive income/(loss) of an associate	28	0.1	(0.8)
Item that has been reclassified or may be reclassified subsequently to profit or loss:			
Exchange differences	28	2.9	(2.1)
		3.0	(2.9)
Total comprehensive (loss)/income for the year and attributable to equity holders of the company		(19.0)	59.9

Consolidated Balance Sheet

(As at 31st March 2026)

	Note	2026 HK\$Million	2025 HK\$Million
Non-current assets			
Property, plant and equipment	16	2.1	2.1
Right-of-use assets	17	30.3	12.9
Associates	18	268.8	255.1
Deferred income tax assets	26	41.0	41.0
		342.2	311.1
Current assets			
Properties for sale	19	5,573.2	3,128.4
Properties under development	20	212.1	2,218.4
Debtors and other receivables	21	51.6	39.9
Financial assets at fair value through profit or loss	22	21.7	48.6
Current income tax assets		0.1	0.1
Bank balances and cash	23	518.9	934.6
		6,377.6	6,370.0
Current liabilities			
Creditors and other payables	24	445.9	243.3
Lease liabilities	17	8.5	5.1
Borrowings	25	61.2	75.5
Current income tax liabilities		0.2	–
		515.8	323.9
Net current assets		5,861.8	6,046.1
Total assets less current liabilities		6,204.0	6,357.2
Non-current liabilities			
Lease liabilities	17	13.6	–
Other liabilities		0.7	0.7
Deferred income tax liabilities	26	3.5	3.5
		17.8	4.2
Net assets		6,186.2	6,353.0

Consolidated Balance Sheet

(As at 31st March 2026)

	Note	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Equity			
Share capital	27	61.7	61.7
Reserves	28	6,087.4	6,217.2
Proposed final dividend	28	37.1	74.1
Total equity		6,186.2	6,353.0

Approved by the Board of Directors on 25th June 2026.

David Pun Chan
Director

Wing Sau Li
Director

Consolidated Statement of Changes in Equity

(For the year ended 31st March 2026)

	Note	2026 HK\$Million	2025 HK\$Million
Total equity at the beginning of the year		6,353.0	6,440.9
(Loss)/profit for the year	28	(22.0)	62.8
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Share of other comprehensive income/(loss) of an associate	28	0.1	(0.8)
Item that has been reclassified or may be reclassified subsequently to profit or loss:			
Exchange differences	28	2.9	(2.1)
Total comprehensive (loss)/income for the year		(19.0)	59.9
Transactions with equity holders:			
Dividends	28	(148.2)	(148.2)
Forfeiture of unclaimed dividends	28	0.4	0.4
Total transactions with equity holders for the year		(147.8)	(147.8)
Total equity at the end of the year		6,186.2	6,353.0

Consolidated Statement of Cash Flows

(For the year ended 31st March 2026)

	Note	2026 HK\$Million	2025 HK\$Million
Cash flows from operating activities			
Cash used in operations	32(a)	(298.4)	(284.6)
Interest paid		(6.1)	(4.9)
Hong Kong profits tax paid		(0.3)	(1.0)
Net cash used in operating activities		(304.8)	(290.5)
Cash flows from investing activities			
Purchases of property, plant and equipment		(0.7)	(1.8)
Interest received		17.4	43.2
Amount repaid from an associate		–	24.6
Dividends received from associates		54.6	27.2
Investment income/distributions from financial assets at fair value through profit or loss		0.9	0.8
Net cash from investing activities		72.2	94.0
Cash flows from financing activities			
Drawdowns of borrowings	32(b)	–	52.4
Repayments of borrowings	32(b)	(14.8)	–
Principal elements of lease payments	32(b)	(9.8)	(11.1)
Dividends paid		(148.2)	(148.2)
Net cash used in financing activities		(172.8)	(106.9)
Net decrease in cash and cash equivalents		(405.4)	(303.4)
Cash and cash equivalents at the beginning of the year		817.8	1,121.2
Cash and cash equivalents at the end of the year	23	412.4	817.8

1. General Information

Tai Cheung Holdings Limited is a limited liability company incorporated in Bermuda. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda.

The company is listed on the main board of The Stock Exchange of Hong Kong Limited.

The principal activity of the company is investment holding. The subsidiaries of the company are principally engaged in property development, investment holding and property management.

2. Material Accounting Policies

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

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, and areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

(b) Adoption of amended standards in 2025/26

During the year, the company and subsidiaries (collectively, the "group") adopted the following amended standards which are effective in 2025/26:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability
-------------------------------------	-------------------------

The adoption of the amended standards does not have any significant effect on its results of operations and financial position of the group.

2. Material Accounting Policies (continued)

(c) New and amended standards and interpretation that are not yet effective

The following new and amended standards and interpretation have been published that are not mandatory for 31st March 2026 reporting periods and have not been early adopted by the group:

HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments ⁽¹⁾
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity ⁽¹⁾
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ⁽¹⁾
HKFRS 18	Presentation and Disclosure in Financial Statements ⁽²⁾
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures ⁽²⁾
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency ⁽²⁾
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁽²⁾
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾

⁽¹⁾ Effective for accounting periods beginning on or after 1st January 2026

⁽²⁾ Effective for accounting periods beginning on or after 1st January 2027

⁽³⁾ Effective date is to be determined

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

Management is currently assessing the detailed implications of applying the new standard on the consolidated financial statements. The group expects to apply the new standard from 1st April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31st March 2027 will be restated in accordance with HKFRS 18.

Except for the above-mentioned changes in the presentation and disclosure in HKFRS 18, the group is assessing the full impact of the remaining new and amended standards and interpretation. It is not expected to have material impact on the group.

2. Material Accounting Policies (continued)

(d) Consolidation

(i) *Subsidiaries*

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

(a) Business combinations

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transaction, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

(b) Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement, as appropriate. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement.

2. Material Accounting Policies (continued)

(d) Consolidation (continued)

(ii) *Separate financial statements*

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

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

(iii) *Associates*

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the date of acquisition. The group's investments in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the consolidated income statement where appropriate.

The group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group reviews for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of results of associates, net of tax' in the consolidated income statement.

2. Material Accounting Policies (continued)

(d) Consolidation (continued)

(iii) Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. The financial information of associates has been changed where necessary to ensure consistency with the accounting policies adopted by the group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

(e) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisitions of the items. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Buildings on leasehold land	Shorter of remaining lease term or useful lives
Vehicles, fixtures and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(g)).

2. Material Accounting Policies (continued)

(f) Properties under Development and for Sale

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

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

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

(g) Impairment of Investments in Subsidiaries, Associates and Non-financial Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the consolidated income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Financial Assets

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

2. Material Accounting Policies (continued)

(h) Financial Assets (continued)

(i) Classification (continued)

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

(ii) Recognition and derecognition

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

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

2. Material Accounting Policies (continued)

(h) Financial Assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

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

Equity instruments

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

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

2. Material Accounting Policies (continued)

(h) Financial Assets (continued)

(iv) *Impairment*

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The group measures the loss allowance using a lifetime expected loss for trade debtors. To measure the expected credit losses, trade debtors have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical observed default rates adjusted for forward-looking estimates. Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. Impairment losses on trade and other debtors are recognised within operating profit. Trade and other debtors are written off (either partially or in full) when there is no reasonable expectation of recovery.

(i) Trade Debtors and Other Receivables

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

Trade debtors and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade debtors and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 2(h)(iv) for a description of the group's impairment policies.

(j) Trade and Other Creditors

Trade and other creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Material Accounting Policies (continued)

(k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(l) Current and Deferred Income Tax

The tax expenses for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. Material Accounting Policies (continued)

(l) Current and Deferred Income Tax (continued)

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference can be controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Revenue Recognition

Revenue comprises the fair value for the sale of goods and services in the ordinary course of the group's activities, net of discounts and after eliminating sales within the group. Revenue is recognised as follows:

(i) Sales of properties

Revenue is recognised at a point in time when the customer obtains control and legal title of the completed property, depending on the terms of the contract and the laws that apply to the contract.

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

Certain costs incurred for obtaining a pre-sale property contract are capitalised as contract acquisition cost and subsequently amortised when the related revenue is recognised.

2. Material Accounting Policies (continued)

(m) Revenue Recognition (continued)

(ii) Rental income

Rental income from letting the group's properties is recognised on a straight-line basis over the lease term.

(iii) Property management fee

Property management fee is recognised over time when the services are rendered.

(n) Leases

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

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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

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

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

2. Material Accounting Policies (continued)

(n) Leases (continued)

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

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

2. Material Accounting Policies (continued)

(n) Leases (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the group is a lessor is recognised in income statement on a straight-line basis over the lease term (note 2(m)(ii)). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

(o) Employee Benefits

(i) Short-term employee benefits

Employee entitlements to salaries, annual bonus and annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for these short-term employee benefits as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2. Material Accounting Policies (continued)

(o) Employee Benefits (continued)

(ii) Pension obligations (continued)

For the non-contributory defined contribution provident fund scheme, regular monthly contributions payable by the group at the rate specified in the trust deed are expensed as incurred. Contributions to the scheme by the group are calculated as a percentage of employees' basic salaries. Where there are employees 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 assets of the scheme are held separately from those of the group in funds under the control of a professional trustee and are managed by an independent fund manager.

For the mandatory provident fund scheme in Hong Kong, the group's contributions are set at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance and are expensed as incurred.

(p) Dividend Income

Dividends are recognised when the group's right to receive payment is established.

(q) Interest Income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in consolidated income statement as part of other income.

(r) Foreign Currency Translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

2. Material Accounting Policies (continued)

(r) Foreign Currency Translation (continued)

(ii) Transactions and balances (continued)

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

(iii) Group companies

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(iv) Disposal of foreign operation and partial disposal

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

2. Material Accounting Policies (continued)

(r) Foreign Currency Translation (continued)

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

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

(s) 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. Other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(t) Contingent Liabilities

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

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

(u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the directors of the company. The executive directors, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the steering committee that makes strategic decisions.

(v) Dividend Distribution

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

(w) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3. Financial Risk Management

(a) Financial risk factors

The group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk, cash flow interest-rate risk and price risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

(i) Foreign exchange risk

The group operates in Hong Kong and the United States but is exposed to limited foreign exchange risk as most assets and liabilities are denominated in HK dollars and US dollars, which were the functional currencies of companies operated in Hong Kong and United States, respectively.

The group has not entered into any forward contracts to manage the exposure to foreign exchange risk. When considered appropriate, the group will take the necessary actions to ensure that such exposure is properly hedged primarily through borrowings denominated in the relevant foreign currencies.

(ii) Credit risk

The carrying amounts of debtors and other receivables, bank balances and cash represent the group's maximum exposure to credit risk. Credit risk is managed on a group basis.

The group has policies in place to ensure that sales and leases of properties are made only to customers and counterparties with appropriate credit histories if applicable. The group also assesses the credit quality of the customers and counterparties, taking into account its financial position, forward looking information, past experience and other factors. The group has policies to require placement of rental deposits from tenants prior to commencement of leases.

The group places its deposits with reputable banks to mitigate the risk arising from banks.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The group aims to maintain flexibility in funding by keeping committed credit lines available.

The following table analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. Financial Risk Management (continued)

(a) Financial risk factors (continued)

(iii) Liquidity risk (continued)

	Less than 1 year HK\$Million	1–2 years HK\$Million	2–5 years HK\$Million	Total HK\$Million
At 31st March 2026				
Creditors and other payables	441.7	–	–	441.7
Borrowings	61.5	–	–	61.5
Lease liabilities	9.6	9.8	4.7	24.1
Total	512.8	9.8	4.7	527.3
At 31st March 2025				
Creditors and other payables	239.6	–	–	239.6
Borrowings	79.9	–	–	79.9
Lease liabilities	5.2	–	–	5.2
Total	324.7	–	–	324.7

(iv) Cash flow interest-rate risk

The group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the group to cash flow interest-rate risk. The group has not entered into any interest-rate swap contracts as the exposure to interest-rate risk is not considered significant.

The loss before income tax of the group would increase/decrease by approximately HK\$0.7 million (2025: profit before income tax of the group would decrease/increase by approximately HK\$0.6 million) if the interest rate were to increase/decrease by 1% (2025: 1%).

(v) Price risk

The group is exposed to equity securities price risk for financial assets at fair value through profit or loss held by the group. The group is not exposed to commodity price risk.

The loss before income tax of the group would decrease/increase by approximately HK\$2.2 million (2025: profit before income tax of the group would increase/decrease by approximately HK\$4.9 million) if the fair value of the financial assets at fair value through profit or loss were to increase/decrease by 10% (2025: 10%).

3. Financial Risk Management (continued)

(b) Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the capital structure.

The directors of the company review the capital structure periodically and consider the cost of capital and the risks associated with capital. The directors of the company also balance its overall capital structure through the payment of dividends, new share issues as well as drawdown and repayment of borrowings.

The group's total capital is calculated as the sum of total equity and borrowings, as shown in the consolidated balance sheet. The company's strategy remained unchanged from the year ended 31st March 2025 and there was no significant change in the total capital during the year.

The group monitors capital by seeking to maintain a prudent gearing ratio based on prevailing market environment and economic condition. This ratio is calculated as bank borrowings to total equity.

The gearing ratios at 31st March 2026 and 2025 were as follows:

	2026	2025
	HK\$Million	HK\$Million
Total borrowings	61.2	75.5
Total equity	6,186.2	6,353.0
Gearing ratio	1.0%	1.2%

3. Financial Risk Management (continued)

(c) Fair value estimation

(i) Financial instruments

The disclosure of the fair value measurements of the financial instruments is based on the following fair value measurement hierarchy:

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

The following table presents the group's financial assets that are measured at fair value.

	Level 1	Level 3	Total
At 31st March 2026	HK\$Million	HK\$Million	HK\$Million
Financial assets at fair value through profit or loss			
– Listed equity securities	18.2	–	18.2
– Unlisted fund investment	–	3.5	3.5
Total	18.2	3.5	21.7

	Level 1	Level 3	Total
At 31st March 2025	HK\$Million	HK\$Million	HK\$Million
Financial assets at fair value through profit or loss			
– Listed equity securities	44.9	–	44.9
– Unlisted fund investment	–	3.7	3.7
Total	44.9	3.7	48.6

If one or more of the significant inputs is not based on observable market data, the assets are included in level 3.

Details on the fair value measurement for financial assets at fair value through profit or loss are set out in note 22 to the consolidated financial statements.

3. Financial Risk Management (continued)

(c) Fair value estimation (continued)

(ii) Debtors and other receivables and creditors and other payables

The fair values of these financial assets or liabilities measured at amortised cost for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The carrying values of debtors and other receivables, creditors and other payables approximate their fair values due to the short-term maturities of these assets and liabilities.

4. Critical Accounting Estimates and Assumptions

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

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

(a) Estimate of net realisable value of properties for sale and properties under development

Net realisable value of properties for sale and properties under development is the estimated selling price in the ordinary course of business, less estimated costs to completion and selling expenses. These estimates are based on the current market condition and the recent transactions of selling properties of similar nature. They could change significantly as a result of changes in market condition. Management will reassess the estimations at each balance sheet date.

(b) Estimate of fair value of financial assets at fair value through profit or loss

The fair values of financial assets at fair value through profit or loss that are not traded in an active market are determined by using valuation techniques. The group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

Notes to the Consolidated Financial Statements

5. Revenue and Segment Information

The principal activity of the company is investment holding. The group is principally engaged in property development, investment holding and property management.

Revenue recognised during the year comprises:

	2026 HK\$Million	2025 HK\$Million
Gross proceeds from sales of properties	11.6	15.3
Gross rental income from properties	7.1	11.1
Property management fees	9.2	9.6
	27.9	36.0

Segment information is presented on the same basis as that used by the directors to assess the performance of each reporting segment.

(a) Revenue and (loss)/profit attributable to equity holders of the company For the year ended 31st March 2026

	Property development and leasing <i>HK\$Million</i>	Property management <i>HK\$Million</i>	Hotel operation <i>HK\$Million</i>	Investment holding <i>HK\$Million</i>	Total <i>HK\$Million</i>
Revenue					
– recognised at a point in time	11.6	–	–	–	11.6
– recognised over time	–	9.2	–	–	9.2
Revenue from other sources					
– rental income	7.1	–	–	–	7.1
	18.7	9.2	–	–	27.9
Segment results and operating (loss)/profit	(67.9)	1.7	–	(19.8)	(86.0)
Finance costs	(3.7)	–	–	–	(3.7)
Share of results of associates, net of tax	–	–	68.2	–	68.2
Loss before income tax					(21.5)
Income tax expense	(0.4)	(0.1)	–	–	(0.5)
Loss attributable to equity holders of the company					(22.0)

Notes to the Consolidated Financial Statements

5. Revenue and Segment Information (continued)

(a) Revenue and (loss)/profit attributable to equity holders of the company (continued)

For the year ended 31st March 2025

	Property development and leasing <i>HK\$Million</i>	Property management <i>HK\$Million</i>	Hotel operation <i>HK\$Million</i>	Investment holding <i>HK\$Million</i>	Total <i>HK\$Million</i>
Revenue					
– recognised at a point in time	15.3	–	–	–	15.3
– recognised over time	–	9.6	–	–	9.6
Revenue from other sources					
– rental income	11.1	–	–	–	11.1
	26.4	9.6	–	–	36.0
Segment results and operating profit	(44.0)	2.4	–	52.8	11.2
Finance costs	(0.6)	–	–	–	(0.6)
Share of results of associates, net of tax	–	–	52.7	–	52.7
Profit before income tax					63.3
Income tax expense	(0.3)	(0.2)	–	–	(0.5)
Profit attributable to equity holders of the company					62.8

The analysis of revenue by geographical area is as follows:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Hong Kong	12.3	17.0
United States	15.6	19.0
	27.9	36.0

Revenue of approximately HK\$11.6 million (2025: HK\$19.8 million) is derived from one (2025: two) major customer(s) individually contributing 10% or more of the total revenue.

Notes to the Consolidated Financial Statements

5. Revenue and Segment Information (continued)

(b) Total assets and liabilities As at 31st March 2026

	Property development and leasing <i>HK\$Million</i>	Property management <i>HK\$Million</i>	Hotel operation <i>HK\$Million</i>	Investment holding <i>HK\$Million</i>	Total <i>HK\$Million</i>
Segment assets	5,913.0	107.0	-	431.0	6,451.0
Associates	-	-	268.8	-	268.8
Total assets					6,719.8
Segment liabilities	418.5	106.9	-	8.2	533.6
Net assets					6,186.2

As at 31st March 2025

	Property development and leasing <i>HK\$Million</i>	Property management <i>HK\$Million</i>	Hotel operation <i>HK\$Million</i>	Investment holding <i>HK\$Million</i>	Total <i>HK\$Million</i>
Segment assets	5,486.2	117.1	-	822.7	6,426.0
Associates	-	-	255.1	-	255.1
Total assets					6,681.1
Segment liabilities	202.9	117.3	-	7.9	328.1
Net assets					6,353.0

Segment assets are assets other than investments in associates.

Non-current assets, other than deferred income tax assets are mainly located in Hong Kong.

Notes to the Consolidated Financial Statements

6. Other Income

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Interest income	15.5	41.0
Investment income from financial assets at fair value through profit or loss	0.7	–
Others	0.1	2.8
	16.3	43.8

7. Other (Losses)/Gains

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Fair value change on financial assets at fair value through profit or loss (<i>note 22</i>)	(26.7)	21.3

8. Operating (Loss)/Profit

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Operating (loss)/profit is stated after charging the following:		
Auditor's remuneration		
– Audit services (group auditor)	1.8	1.8
– Non-audit services (group auditor)	0.1	0.1
– Audit services (other auditor)	0.2	0.1
Cost of property sales	7.4	9.4
Depreciation – property, plant and equipment	0.7	0.7
Depreciation – right-of-use assets	9.4	10.0
Selling and marketing expenses	21.1	7.8

9. Staff Costs

The amount of staff costs (excluding directors' benefits and interests as disclosed in note 10) represents:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Staff costs charged to the consolidated income statement (including contribution to defined contribution plans of HK\$0.7 million (2025: HK\$0.7 million))	21.1	21.4
Recharge of staff costs to building management funds (<i>note</i>)	30.4	27.2

Note: Recharge of staff costs represents reimbursement for property management services rendered.

Notes to the Consolidated Financial Statements

10. Directors' Benefits and Interests

The remunerations of the directors for the year ended 31st March 2026 are set out below:

Name of director	Fees HK\$Million	Salaries and other emoluments HK\$Million	Discretionary bonuses HK\$Million	Provident fund contributions HK\$Million	Total HK\$Million
David Pun Chan	0.54	3.88	0.32	0.39	5.13
William Wai Lim Lam	0.27	1.95	0.16	0.19	2.57
Wing Sau Li	0.27	2.40	0.20	0.24	3.11
Ivy Sau Ching Chan	0.27	-	-	-	0.27
Joseph Wing Siu Cheung	0.27	-	-	-	0.27
Karl Chi Leung Kwok	0.27	-	-	-	0.27
Man Sing Kwong	0.27	-	-	-	0.27
Patrick Chi Kwong Wong	0.27	-	-	-	0.27
	2.43	8.23	0.68	0.82	12.16

The remunerations of the directors for the year ended 31st March 2025 are set out below:

Name of director	Fees HK\$Million	Salaries and other emoluments HK\$Million	Discretionary bonuses HK\$Million	Provident fund contributions HK\$Million	Total HK\$Million
David Pun Chan	0.50	3.80	0.32	0.38	5.00
William Wai Lim Lam	0.25	1.91	0.16	0.19	2.51
Wing Sau Li	0.25	2.34	0.19	0.23	3.01
Ivy Sau Ching Chan	0.25	-	-	-	0.25
Joseph Wing Siu Cheung	0.25	-	-	-	0.25
Karl Chi Leung Kwok	0.25	-	-	-	0.25
Man Sing Kwong	0.25	-	-	-	0.25
Patrick Chi Kwong Wong	0.25	-	-	-	0.25
	2.25	8.05	0.67	0.80	11.77

(i) *Directors' retirement benefits and termination benefits*

None of the directors received any retirement benefits or termination benefits during the financial year (2025: Nil).

(ii) *Consideration provided to third parties for making available directors' services*

The group did not pay consideration to any third parties for making available directors' services during the financial year (2025: Nil).

10. Directors' Benefits and Interests (continued)

(iii) *Information about loans, quasi-loans and other dealings in favour of directors, their controlled bodies corporate and connected entities*

There are no loans, quasi-loans and other dealings in favour of directors, their controlled bodies corporate and connected entities (2025: None).

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

During the year and at the year end, no director of the company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the company's business to which the company was or is a party (2025: None).

11. Emoluments of Five Highest Paid Individuals and Senior Management

(a) Five highest paid individuals

Of the five individuals with the highest emoluments, three (2025: three) of them are directors whose emoluments are disclosed in note 10. The emoluments of the remaining two (2025: two) non-director, highest paid employees are disclosed as follows:

	2026 HK\$Million	2025 HK\$Million
Salaries and other emoluments	3.7	3.6
Discretionary bonuses	0.1	0.1
Provident fund contributions	0.1	0.1
	3.9	3.8

The above emoluments are analysed as follows:

	Number of employees	
	2026	2025
HK\$1,500,001 - HK\$2,000,000	1	2
HK\$2,000,001 - HK\$2,500,000	1	—

Notes to the Consolidated Financial Statements

11. Emoluments of Five Highest Paid Individuals and Senior Management (continued)

(b) Senior management

(biographical details of members of senior management are set out on page 4)

The emoluments of the senior management employees fell within the following bands:

	Number of employees	
	2026	2025
HK\$1,000,000 or below	–	1
HK\$1,000,001 - HK\$1,500,000	4	3
HK\$1,500,001 - HK\$2,000,000	1	2
HK\$2,000,001 - HK\$2,500,000	1	–

Note: The above emoluments include salaries and other emoluments, discretionary bonuses and provident fund contributions.

12. Finance Costs

	2026 HK\$Million	2025 HK\$Million
Finance costs comprise the following:		
Interest on bank borrowings	5.2	4.3
Less: Amount capitalised in properties under development (<i>note</i>)	(2.4)	(4.3)
	2.8	–
Interest on lease liabilities (<i>note 17</i>)	0.9	0.6
	3.7	0.6

Note: A capitalisation rate of 7.0% (2025: 7.2%) was used, representing the cost of the borrowings used to finance the properties under development.

13. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates prevailing in the countries in which the group operates.

	2026 HK\$Million	2025 HK\$Million
Current income tax		
Hong Kong profits tax	0.5	0.5

Notes to the Consolidated Financial Statements

13. Income Tax Expense (continued)

The taxation on the group's (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
(Loss)/profit before income tax	(21.5)	63.3
Less: Share of results of associates, net of tax	(68.2)	(52.7)
	(89.7)	10.6
Theoretical tax at a tax rate of 16.5% (2025: 16.5%)	(14.8)	1.7
Effect of different tax rate in other country	(0.4)	(0.2)
Income not subject to tax	(2.7)	(10.3)
Expenses not deductible for tax purposes	6.3	1.8
Utilisation of previously unrecognised tax losses	–	(0.8)
Tax losses not recognised	12.1	8.5
Temporary difference not recognised	–	(0.2)
Income tax expense	0.5	0.5

14. (Loss)/Earnings Per Share

The calculation of (loss)/earnings per share is based on the loss attributable to equity holders of the company of HK\$22.0 million (2025: profit attributable to equity holders of the company of HK\$62.8 million) and ordinary shares in issue of 617,531,425 (2025: 617,531,425). There were no potential dilutive ordinary shares outstanding during the year (2025: Nil).

15. Dividends

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Interim, paid, of HK12 cents (2025: HK12 cents) per ordinary share	74.1	74.1
Final, proposed, of HK6 cents (2025: HK12 cents) per ordinary share (<i>note</i>)	37.1	74.1
	111.2	148.2

Note: At a meeting held on 25th June 2026, the directors proposed a final dividend of HK6 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31st March 2027.

Notes to the Consolidated Financial Statements

16. Property, Plant and Equipment

	Building <i>HK\$Million</i>	Vehicles, fixtures and equipment <i>HK\$Million</i>	Total <i>HK\$Million</i>
Cost			
Balance as at 1st April 2025	2.6	38.2	40.8
Additions	–	0.7	0.7
Disposals	–	(1.9)	(1.9)
Balance at 31st March 2026	2.6	37.0	39.6
Accumulated depreciation			
Balance at 1st April 2025	2.6	36.1	38.7
Charge for the year	–	0.7	0.7
Disposals	–	(1.9)	(1.9)
Balance at 31st March 2026	2.6	34.9	37.5
Net book value			
Balance at 31st March 2026	–	2.1	2.1

	Building <i>HK\$Million</i>	Vehicles, fixtures and equipment <i>HK\$Million</i>	Total <i>HK\$Million</i>
Cost			
Balance as at 1st April 2024	2.6	37.0	39.6
Additions	–	1.8	1.8
Disposals	–	(0.6)	(0.6)
Balance at 31st March 2025	2.6	38.2	40.8
Accumulated depreciation			
Balance at 1st April 2024	2.6	36.0	38.6
Charge for the year	–	0.7	0.7
Disposals	–	(0.6)	(0.6)
Balance at 31st March 2025	2.6	36.1	38.7
Net book value			
Balance at 31st March 2025	–	2.1	2.1

Notes to the Consolidated Financial Statements

17. Leases

(i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Right-of-use assets		
Leased property	21.8	4.4
Leasehold land in Hong Kong	8.5	8.5
	30.3	12.9

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Lease liabilities		
Current	8.5	5.1
Non-current	13.6	–
	22.1	5.1

Additions to the right-of-use assets during the year were approximately HK\$26.8 million (2025: Nil).

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Depreciation charge of right-of-use assets (<i>note 8</i>)	9.4	10.0
Finance costs (<i>note 12</i>)	0.9	0.6

The total cash outflow for leases during the year was approximately HK\$10.7 million (2025: HK\$11.7 million).

Notes to the Consolidated Financial Statements

17. Leases (continued)

(iii) The group's leasing activities and how these are accounted for

The group leases an office in Hong Kong. The terms of the lease run a fixed period of 3 years.

The group also leases an office in the United States. The terms of the lease run a fixed period of 42 months.

The lease term of the leasehold land in Hong Kong is 999 years.

None of the leases includes contingent rent.

18. Associates

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Share of net assets, unlisted investments	268.8	255.1

Notes to the Consolidated Financial Statements

18. Associates (continued)

Set out below is the summarised financial information of an associate, Consolidated Hotels Limited, which is material to the group. The information below reflects the amounts presented in the financial statements of the associate (and not the group's share of those amounts). The associate is accounted for using the equity method.

	2026 <i>HK\$Million</i>	<i>2025</i> <i>HK\$Million</i>
Revenue	757.1	630.0
Expenses	(524.6)	(452.9)
Profit before income tax	232.5	177.1
Income tax expense	(37.5)	(26.7)
Profit for the year	195.0	150.4
Other comprehensive income/(loss)	0.3	(2.4)
Total comprehensive income	195.3	148.0
Dividends received from the associate	54.6	27.2
Assets		
Non-current assets	609.7	658.0
Current assets	374.3	244.1
	984.0	902.1
Liabilities		
Non-current liabilities	56.8	50.5
Current liabilities	159.1	122.9
	215.9	173.4
Net assets	768.1	728.7
Interest in the associate (35%)	268.8	255.1

For the associate which is not individually material to the group, the group's share of profit and total comprehensive income from continuing operation and share of net assets are immaterial (2025: Same).

There are no contingent liabilities relating to the group's interest in the associates.

Notes to the Consolidated Financial Statements

18. Associates (continued)

Other particulars of the associates are shown in note 35 to the consolidated financial statements.

19. Properties for Sale

As at 31st March 2026, properties for sale located in the United States amounting to HK\$228.3 million (2025: HK\$73.5 million) were pledged as security for bank loan facilities granted to the group (note 29).

20. Properties under Development

As at 31st March 2026, properties under development located in the United States amounting to HK\$212.1 million (2025: HK\$361.3 million) were pledged as security for bank loan facilities granted to the group (note 29).

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Properties under development:		
Expected to be completed after more than one year	212.1	203.7
Expected to be completed within one year	–	2,014.7
	212.1	2,218.4

Notes to the Consolidated Financial Statements

21. Debtors and Other Receivables

	2026 HK\$Million	2025 HK\$Million
Other receivables, deposits and prepayments	51.6	39.9

Other receivables, deposits and prepayments are mainly denominated in Hong Kong dollars.

Credit terms given to customers vary and generally range from 3 to 6 months.

22. Financial Assets at Fair Value Through Profit or Loss

	2026 HK\$Million	2025 HK\$Million
At the beginning of the year	48.6	28.1
Distributions	(0.2)	(0.8)
Change in fair value recognised in consolidated income statement (<i>note 7</i>)	(26.7)	21.3
At the end of the year	21.7	48.6

As at 31st March 2026, the group has financial assets at fair value through profit or loss amounted to HK\$18.2 million (2025: HK\$44.9 million) and HK\$3.5 million (2025: HK\$3.7 million) which are US listed equity securities and unlisted fund investments, respectively. The financial assets at fair value through profit or loss are denominated in US dollars.

The group has determined that the attributable net assets value of the funds represents their fair values of the unlisted fund investments at the balance sheet date. The unobservable input includes attributable net asset value. These valuations fall within level 3 of the fair value measurement hierarchy. The higher the attributable net asset value is, the higher the fair value of investments will be.

The fair value of the listed equity securities falls within level 1 of the fair value measurement hierarchy.

Notes to the Consolidated Financial Statements

23. Bank Balances and Cash

The carrying amounts of bank balances and cash are denominated in the following currencies:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Hong Kong dollars	510.4	924.4
US dollars	8.5	10.2
	518.9	934.6

Pursuant to various management agreements with property management funds and the incorporated owners, the group has restricted bank balances of approximately HK\$106.5 million as at 31st March 2026 (2025: HK\$116.8 million) held in specific bank accounts designated for the purpose of the management funds as a property manager.

Cash and cash equivalents are amounted to HK\$412.4 million as at 31st March 2026 (2025: HK\$817.8 million).

24. Creditors and Other Payables

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Creditors, aged 0-3 months (from dates of invoices)	15.6	39.0
Other payables, deposits and accruals	430.3	204.3
	445.9	243.3

The creditors, other payables, deposits and accruals are mainly denominated in Hong Kong dollars.

Notes to the Consolidated Financial Statements

25. Borrowings

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Current		
Bank loans		
– secured (<i>note 29</i>)	61.2	75.5

As at 31st March 2026, the group's borrowings are repayable within 1 year (2025: repayable within 1 year).

The group's borrowings are all subject to interest-rate changes and contractual repricing within 6 months from year end date (2025: 6 months).

The carrying amounts of borrowings approximate their fair values.

The borrowings of HK\$61.2 million (2025: HK\$75.5 million) are denominated in US dollars and the effective interest rate of borrowings at the balance sheet date was 6.42% (2025: 7.07%) per annum.

Notes to the Consolidated Financial Statements

26. Deferred Income Tax

Deferred taxation is calculated in full on temporary differences under the liability method using a principal tax rate of 16.5% (2025: 16.5%).

The component of deferred income tax liabilities/(assets) recognised in the consolidated balance sheet and the movement during the year are as follows:

	2026 Fair value gain of properties HK\$Million	2025 Fair value gain of properties HK\$Million
Deferred income tax liabilities	3.5	3.5
	2026 Tax losses HK\$Million	2025 Tax losses HK\$Million
Deferred income tax assets	(41.0)	(41.0)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. Deferred income tax assets of HK\$81.1 million (2025: HK\$69.0 million) arising from unused tax losses of HK\$484.0 million (2025: HK\$410.4 million) have not been recognised in the consolidated financial statements. These unused tax losses are to be carried forward in offsetting against the future taxable income.

Included in such unused tax losses are amounts of HK\$473.4 million (2025: HK\$399.9 million) which have no expiry date. The remaining balance will expire at various dates up to and including 2043 (2025: 2043).

Notes to the Consolidated Financial Statements

27. Share Capital

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Authorised:		
1,000,000,000 (2025: 1,000,000,000) ordinary shares of HK\$0.1 each	100.0	100.0
Issued and fully paid:		
617,531,425 (2025: 617,531,425) ordinary shares of HK\$0.1 each	61.7	61.7

28. Reserves

	Other reserve <i>HK\$Million</i>	Exchange fluctuation reserve <i>HK\$Million</i>	Retained profits <i>HK\$Million</i>	Contributed surplus <i>HK\$Million</i>	Total <i>HK\$Million</i>
At 1st April 2025	1.3	(0.7)	5,942.7	348.0	6,291.3
Loss for the year	–	–	(22.0)	–	(22.0)
Share of other comprehensive income of an associate	0.1	–	–	–	0.1
Exchange differences	–	2.9	–	–	2.9
Forfeiture of unclaimed dividends	–	–	0.4	–	0.4
2025 final dividend paid	–	–	(74.1)	–	(74.1)
2026 interim dividend paid	–	–	(74.1)	–	(74.1)
At 31st March 2026	1.4	2.2	5,772.9	348.0	6,124.5
Representing:					
2026 final dividend proposed					37.1
Reserves at 31st March 2026					6,087.4
					6,124.5

Notes to the Consolidated Financial Statements

28. Reserves (continued)

	Other reserve <i>HK\$Million</i>	Exchange fluctuation reserve <i>HK\$Million</i>	Retained profits <i>HK\$Million</i>	Contributed surplus <i>HK\$Million</i>	Total <i>HK\$Million</i>
At 1st April 2024	2.1	1.4	6,027.7	348.0	6,379.2
Profit for the year	–	–	62.8	–	62.8
Share of other comprehensive loss of an associate	(0.8)	–	–	–	(0.8)
Exchange differences	–	(2.1)	–	–	(2.1)
Forfeiture of unclaimed dividends	–	–	0.4	–	0.4
2024 final dividend paid	–	–	(74.1)	–	(74.1)
2025 interim dividend paid	–	–	(74.1)	–	(74.1)
At 31st March 2025	1.3	(0.7)	5,942.7	348.0	6,291.3
Representing:					
2025 final dividend proposed					74.1
Reserves at 31st March 2025					6,217.2
					6,291.3

29. Pledge of Assets

Certain properties for sale and properties under development of the group with aggregate carrying values of HK\$440.4 million (2025: HK\$434.8 million) have been pledged to banks as security for facilities granted to the extent of HK\$78.4 million (2025: HK\$124.5 million) against which HK\$61.2 million (2025: HK\$75.5 million) has been utilised at the balance sheet date.

30. Commitments

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Capital commitments in respect of financial assets at fair value through profit or loss	1.8	1.8
Development expenses contracted but not provided for in respect of properties	–	274.8
	1.8	276.6

Notes to the Consolidated Financial Statements

31. Future Operating Lease Receivables

The group has future minimum lease receivables under non-cancellable operating leases in respect of properties as follows:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Not later than one year	7.5	3.0
Later than one year and not later than five years	12.1	0.8
	19.6	3.8

32. Note to Consolidated Statement of Cash Flows

(a) Reconciliation of (loss)/profit before income tax to cash used in operations:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
(Loss)/profit before income tax	(21.5)	63.3
Share of results of associates, net of tax	(68.2)	(52.7)
Depreciation – property, plant and equipment	0.7	0.7
Depreciation – right-of-use assets	9.4	10.0
Change in fair value of financial assets at fair value through profit or loss	26.7	(21.3)
Interest on lease liabilities	0.9	0.6
Interest on bank borrowing	2.8	–
Interest income	(15.5)	(41.0)
Investment income from financial assets at fair value through profit or loss	(0.7)	–
Operating loss before working capital changes	(65.4)	(40.4)
Decrease in properties for sale	7.4	9.4
Increase in properties under development	(223.3)	(291.0)
Decrease/(increase) in restricted bank balances	10.3	(11.0)
Increase in debtors and other receivables	(13.6)	(16.0)
(Decrease)/increase in creditors and other payables	(13.8)	64.4
Cash used in operations	(298.4)	(284.6)

Notes to the Consolidated Financial Statements

32. Note to Consolidated Statement of Cash Flows (continued)

(b) Reconciliation of financing liabilities

	Lease liabilities <i>HK\$Million</i>	Borrowings <i>HK\$Million</i>
At 1st April 2024	(16.2)	(23.2)
Interest expenses	(0.6)	–
Cash flows	11.7	(52.4)
Foreign exchange adjustments	–	0.1
At 31st March 2025 and 1st April 2025	(5.1)	(75.5)
Interest expenses	(0.9)	(2.8)
Cash flows	10.7	17.6
Inception of leases	(26.8)	–
Foreign exchange adjustments	–	(0.5)
At 31st March 2026	(22.1)	(61.2)

33. Related Party Transactions

During the year, the following transactions were carried out with related parties in the normal course of the group's business:

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Interest income received from an associate	–	0.2
Key management personnel compensation		
– Salaries and other employee benefits	12.2	11.8

Notes to the Consolidated Financial Statements

34. Balance Sheet and Reserve Movement of the Company

Balance Sheet of the Company

	2026 <i>HK\$Million</i>	2025 <i>HK\$Million</i>
Non-current assets		
Subsidiaries	2,349.2	2,349.2
Current assets		
Amount due from a subsidiary	648.9	647.0
Bank balances and cash	1.3	0.6
	650.2	647.6
Current liabilities		
Deposits and accruals	5.9	5.6
	5.9	5.6
Net current assets	644.3	642.0
Net assets	2,993.5	2,991.2
Equity		
Share capital	61.7	61.7
Reserves	Note (a) 2,931.8	2,929.5
Total equity	2,993.5	2,991.2

Notes to the Consolidated Financial Statements

34. Balance Sheet and Reserve Movement of the Company (continued)

Note (a) Reserve Movements of the Company

	Retained profits <i>HK\$Million</i>	Contributed surplus <i>HK\$Million</i>	Total <i>HK\$Million</i>
At 1st April 2025	986.2	1,943.3	2,929.5
Profit for the year	150.1	–	150.1
Forfeiture of unclaimed dividends	0.4	–	0.4
2025 final dividend paid	(74.1)	–	(74.1)
2026 interim dividend paid	(74.1)	–	(74.1)
At 31st March 2026	988.5	1,943.3	2,931.8
Representing:			
2026 final dividend proposed			37.1
Reserves at 31st March 2026			2,894.7
			2,931.8
	Retained profits <i>HK\$Million</i>	Contributed surplus <i>HK\$Million</i>	Total <i>HK\$Million</i>
At 1st April 2024	983.9	1,943.3	2,927.2
Profit for the year	150.1	–	150.1
Forfeiture of unclaimed dividends	0.4	–	0.4
2024 final dividend paid	(74.1)	–	(74.1)
2025 interim dividend paid	(74.1)	–	(74.1)
At 31st March 2025	986.2	1,943.3	2,929.5
Representing:			
2025 final dividend proposed			74.1
Reserves at 31st March 2025			2,855.4
			2,929.5

The contributed surplus arose upon the group's restructuring in prior years, and is available for distribution. The distributable reserves of the company at 31st March 2026 amounted to HK\$2,931.8 million (2025: HK\$2,929.5 million).

Notes to the Consolidated Financial Statements

35. Particulars of Subsidiaries and Associates

Subsidiaries	Principal activities	Issued ordinary share capital held		Number of shares issued
		by Group %	by Company %	
Tai Cheung (B.V.I.) Company Limited	Investment holding	100	100	100
Tai Cheung Properties Limited	Investment holding and property development	100	–	386,633,750
Able Green Investment Limited	Property development	100	–	1
Acmax Enterprises Limited	Property development	100	–	2
Acura Enterprises Limited	Property development	100	–	2
Cosmopolitan Estates Limited	Property holding	100	–	1,000,000
Denmore Limited	Investment holding	100	–	2
Dumex Limited	Investment holding	100	–	30,000
Edward Properties LLC	Property management	100	–	–
French Valley Airport Center LLC	Property development	100	–	–
Jaco Limited	Property development	100	–	2
Junco (Nominees) Limited	Nominee company	100	–	2
Maidstone Construction Company Limited	Construction	100	–	60,000
Sum Lung Investment Company Limited	Property development	100	–	100,000
Tai Cheung Capital Limited	Investment holding	100	–	50,000
Tai Cheung Construction Company Limited	Property development	100	–	2,500
Tai Cheung Management Company Limited	Property management	100	–	45,000
Tai Cheung Secretaries Limited	Corporate secretary	100	–	2
Taico Properties, Inc.	Property development	100	–	1,000,000
Tareau International Company Limited	Investment holding	100	–	2
Victory Field Development Limited	Property development	100	–	2
Walsmith Corporation Limited	Investment holding	100	–	2
Wang Yip Construction Company Limited	Construction	100	–	50,000
Wealth Start Development Limited	Property development	100	–	2
Winfield Investments Limited	Property development	100	–	2
Woodmont Investments Limited	Property development	100	–	2
Yescott International Limited	Investment holding	100	–	2

Notes to the Consolidated Financial Statements

35. Particulars of Subsidiaries and Associates (continued)

Associates	Principal activities	Principal place of business	Issued ordinary share capital held	
			by Group	by Company
			%	%
* Consolidated Hotels Limited	Hotel investment	Hong Kong	35	–
** Shepherd Investments Limited	Investment holding	Hong Kong	48	–

All subsidiaries and associates are incorporated in Hong Kong except Edward Properties LLC, French Valley Airport Center LLC and Taico Properties, Inc. which are incorporated in the United States; and Tai Cheung (B.V.I.) Company Limited which is incorporated in the British Virgin Islands. The principal country of operation is the same as the country of incorporation except for Tai Cheung (B.V.I.) Company Limited which operates internationally.

* Associates with 31st December year ends.

** The financial statements of these associates for the year ended 31st December 2025 and 2024 have been audited by firms other than PricewaterhouseCoopers, Hong Kong. For the current year, the share of net assets and profit after income tax of these associates attributable to the group amounted to HK\$268.8 million (2025: HK\$255.1 million) and HK\$68.2 million (2025: HK\$52.7 million) respectively.

Independent Auditor's Report

To the Shareholders of Tai Cheung Holdings Limited

(incorporated in Bermuda with limited liability)

Opinion

What we have audited

The consolidated financial statements of Tai Cheung Holdings Limited (the “company”) and its subsidiaries (the “group”), which are set out on pages 46 to 98, comprise:

- the consolidated balance sheet as at 31st March 2026;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the group as at 31st March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

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

Independence

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

Key Audit Matters

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

The key audit matter identified in our audit is related to the assessment of net realisable value of properties under development and properties for sale.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of net realisable value of properties under development and properties for sale Refer to Note 4(a) in the critical accounting estimates and assumptions and Notes 19 and 20 to the consolidated financial statements The group has properties under development of HK\$212.1 million and properties for sale of HK\$5,573.2 million. Their net realisable values are subject to market fluctuation and changes in the economic environment. Management assesses the recoverability of the properties under development and properties for sale based on estimates of the net realisable values of the underlying properties. These involve the estimation of selling prices of the properties based on current market prices of properties of comparable locations and conditions, the costs necessary to make the sales and the construction costs to complete based on the existing development plans, where applicable. Provision is made when events or changes in circumstances indicate that the cost of properties exceeds the net realisable value. As the assessment of net realisable value of the properties under development and properties for sale requires the use of significant management judgement and estimates, including selling prices, costs to sell and costs to complete, we consider it to be a key audit matter.	We understood management's control and processes of the assessment of the recoverability of property portfolios and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. For the properties under development, we have evaluated management's assessment on the recoverability of property portfolios, with particular focus on properties with relatively low gross profit margins. We have discussed with management to understand the development plans of the property projects, the latest status of development and the expected completion dates of the projects. We checked to correspondences such as building plans submitted to the government authorities and permits obtained from the government authorities (where applicable) to corroborate our understanding. For properties for sale, we discussed with management to understand the sales plan of the properties. We have assessed the reasonableness of key assumptions and estimates in management's assessment including: (i) For the estimated selling prices, compared, on a sample basis, to the contracted selling prices of the underlying properties or current market prices of properties of comparable locations and conditions, where applicable; and (ii) For the estimated costs necessary to make the sales and costs to completion, assessed the reasonableness of the costs necessary to make sales and the latest budgets of total construction costs and tested, on a sample basis, to committed contracts and other supporting documentation. We found that the judgements and key assumptions used in determining the net realisable value of properties under development and properties for sale are supportable based on the available evidence.

Other Information

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

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

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

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

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is CHU, Ho Kwan, Raphael (practising certificate number: P04994).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25th June 2026

Schedule of Major Properties

(As at 31st March 2026)

(I) Properties held for development or sale

Location	Stage of completion	Expected date of completion	Type	Group's ownership	Approximate floor area attributable to the group
Metropole Square 2 On Yiu St., Sha Tin, New Territories, Hong Kong	Completed	N/A	C	100%	6,789 s.f.
3 Plunkett's Road 3 Plunkett's Road, The Peak, Hong Kong	Completed	N/A	R	100%	19,238 s.f.
PULSA 108 Repulse Bay Road, Hong Kong	Completed	N/A	R	100%	42,000 s.f.
VELE 18 Ap Lei Chau Praya Road, Ap Lei Chau, Hong Kong	Completed	N/A	R	100%	88,280 s.f.
French Valley Airport Center California, U.S.A.	Completed	N/A	I	100%	120,240 s.f.
	Planning Stage	In phases from 1st quarter 2028 onwards	I/C	100%	410,210 s.f.

(II) Hotel property

Location	Description	Group's ownership	Approximate floor area attributable to the group
Sheraton Hong Kong Hotel and Towers 20 Nathan Road, Tsimshatsui, Hong Kong	Hotel and shopping mall	35%	208,796 s.f.

Note: I = Industrial R = Residential C = Commercial

Five Year Financial Summary

	2022 HK\$Million	2023 HK\$Million	2024 HK\$Million	2025 HK\$Million	2026 HK\$Million
Consolidated Income Statement					
Revenue	131.9	66.3	121.7	36.0	27.9
Profit/(loss) attributable to equity holders of the company	2.9	(20.0)	74.9	62.8	(22.0)
Dividends	148.2	148.2	148.2	148.2	111.2
Consolidated Balance Sheet					
Property, plant and equipment	1.5	1.2	1.0	2.1	2.1
Right-of-use assets	54.2	32.9	22.9	12.9	30.3
Associates	163.4	174.9	230.4	255.1	268.8
Amount due from an associate	14.0	108.6	–	–	–
Deferred income tax assets	41.0	41.0	41.0	41.0	41.0
Mortgage loans receivable	0.1	0.1	–	–	–
Net current assets	6,532.3	6,172.0	6,178.1	6,046.1	5,861.8
Total assets less current liabilities	6,806.5	6,530.7	6,473.4	6,357.2	6,204.0
Lease liabilities	34.9	16.2	5.1	–	13.6
Other liabilities	0.7	0.7	0.7	0.7	0.7
Borrowings	91.1	–	23.2	–	–
Deferred income tax liabilities	3.5	3.5	3.5	3.5	3.5
Net assets	6,676.3	6,510.3	6,440.9	6,353.0	6,186.2
Share capital	61.7	61.7	61.7	61.7	61.7
Reserves	6,540.5	6,374.5	6,305.1	6,217.2	6,087.4
Proposed final dividend	74.1	74.1	74.1	74.1	37.1
Total equity	6,676.3	6,510.3	6,440.9	6,353.0	6,186.2
Performance Statistics					
Earnings/(loss) per share	\$0.01	(\$0.03)	\$0.12	\$0.10	(\$0.04)
Dividends per share	\$0.24	\$0.24	\$0.24	\$0.24	\$0.18
Dividend cover	0.1	N/A	0.5	0.4	N/A
Net assets per share	\$10.81	\$10.54	\$10.43	\$10.29	\$10.02
Current ratio	39.8	26.4	33.3	19.7	12.4
Gearing	1.4%	1.4%	0.4%	1.2%	1.0%