CSI 資本策略地產有限公司
PROPERTIES LIMITED

ANNUAL REPORT 2026 年報

CENTRAL CROSSING

Stock Code 股份代號: 497
Warrant Code 認股權證股份代號: 2612

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors:
Chung Cho Yee, Mico *(Chairman)*
Kan Sze Man
Chow Hou Man
Ho Lok Fai
Leung King Yin, Kevin
Chung Yuen Tung, Jasmine
Yip Chai Tuck *(appointed on 11 December 2025)*

Non-Executive Director:
Lo Hing Hung *(with Ip Ho Wang as his alternate)*

Independent Non-Executive Directors:
Lo Wing Yan, William, *JP*
Shek Lai Him, Abraham, *GBS, JP*
Chak Hubert
Yip Ka Kay *(appointed on 27 November 2025)*

AUDIT COMMITTEE

Chak Hubert *(Chairman)*
Lo Wing Yan, William, *JP*
Shek Lai Him, Abraham, *GBS, JP*

REMUNERATION COMMITTEE

Lo Wing Yan, William, *JP (Chairman)*
Chung Cho Yee, Mico
Chak Hubert

NOMINATION COMMITTEE

Chung Cho Yee, Mico *(Chairman)*
Lo Wing Yan, William, *JP*
Chung Yuen Tung, Jasmine
Chak Hubert
Yip Ka Kay *(appointed on 27 November 2025)*

EXECUTIVE COMMITTEE

Chung Cho Yee, Mico *(Chairman)*
Kan Sze Man
Chow Hou Man
Ho Lok Fai
Leung King Yin, Kevin
Chung Yuen Tung, Jasmine
Yip Chai Tuck *(appointed on 11 December 2025)*

COMPANY SECRETARY

Tang Wallace

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

31/F., Bank of America Tower
12 Harcourt Road
Central, Hong Kong

SHANGHAI OFFICE

Unit 1702, Infinitus Tower
168 Hubin Road
Huangpu District
Shanghai, 200021, China

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd., Hong Kong Branch
Chong Hing Bank Limited
Dah Sing Bank, Limited
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
Hua Xia Bank Co., Limited Hong Kong Branch
Industrial and Commercial Bank of China (Asia) Limited
Nanyang Commercial Bank, Limited
Oversea-Chinese Banking Corporation Limited
Shanghai Pudong Development Bank Co., Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F., One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL REGISTRARS

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

497

WARRANT CODE

2612

COMPANY WEBSITE

www.csigroup.hk

Financial Review

REVIEW OF THE RESULTS

CSI Properties Limited (the "Company") and its subsidiaries (collectively referred as the "Group") reported a total revenue of approximately HK$1,429.6 million for the year ended 31 March 2026, which was mainly generated from sale of properties, representing an increase of 174.6% from approximately HK$520.6 million recorded last year.

The Group reported a consolidated loss attributable to owners of the Company of HK$825.3 million for the year ended 31 March 2026, as compared to consolidated loss attributable to owners of the Company of HK$1,691.5 million for the year ended 31 March 2025.

The loss was mainly due to adverse change in fair value of the Group's investment properties, write-down of the Group's properties held for sale and the impairment provisions for joint ventures and associates' properties of approximately HK$566.2 million in aggregate.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy liquid position which included bank balances and cash (including cash held by securities brokers) of approximately HK$2,044.9 million (31 March 2025: HK$1,413.5 million). The Group generally financed its operations through its internal resources and banking facilities provided by its principal bankers.

As at 31 March 2026, the Group's total external borrowings, comprise of bank borrowings and notes payable, amounted to approximately HK$7,875.4 million (31 March 2025: HK$9,232.4 million) and the Group's ratio of total debt to total assets was 36.3% (31 March 2025: 41.1%) (measured by total external borrowings as a percentage to the total assets of the Group).

All bank borrowings were mainly denominated in Hong Kong dollars, Renminbi and US dollars which were on a floating rate basis at short-term Hong Kong Interbank Offered Rate plus 1.00% to 2.10% per annum or bearing interest at the quoted Loan Prime Rate by the National Interbank Funding Center or the Shanghai Interbank Offered Rate plus a fixed margin. The maturity profile (including bank borrowings of approximately HK$54.7 million that contain a repayment on demand clause in the loan agreements are grouped under repayable within one year) usually spreads over a period of around two to five years with approximately HK$2,327.1 million repayable within one year, HK$3,245.5 million repayable between one to five years and HK$334.1 million repayable more than five years.

The majority of the Group's assets and liabilities were denominated in Hong Kong dollars, Renminbi and US dollars. As such, the fluctuation of foreign currencies did not have a significant impact on the performance, result and operation of the Group. However, the Group will closely monitor the foreign exchange risk exposure.

FINANCIAL HIGHLIGHTS

(In HK$ million, except otherwise indicated)

	Year ended 31 March	
	2026	2025
Revenue		
Per consolidated statement of profit or loss	1,430	521
Share of revenue of associates and joint ventures	2,404	1,349
	3,834	1,870
Loss attributable to owners of the Company	(825)	(1,692)
Equity attributable to owners of the Company	12,816	11,981
Loss per share – basic *(HK cents)*	(6.56)	(36.73)

ASSETS VALUE

The Group's properties held for sale are stated at the lower of cost and net realisable value on individual property basis in accordance with the current accounting standards.

The principal assets of the Group's joint ventures are properties held for sale and stated at the lower of cost and net realisable value in accordance with the current accounting standards.

In order to fully reflect the underlying economic value of the properties held for sale of the Group and its joint ventures, 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 was to state its properties held for sale at their open market valuations as at 31 March 2026.

	2026 (Unaudited) HK$'000
Net assets attributable to owners of the Company (audited)	12,815,813
Add: Attributable revaluation surplus relating to the Group's properties held for sale [(1)]	508,255
Attributable revaluation surplus relating to properties held for sale by joint ventures [(1)]	792,722
Net assets attributable to owners of the Company as if the properties held for sale and interests in joint ventures were stated at open market value [(2)(4)]	14,116,790
Net assets per ordinary share as if the properties held for sale and interests in joint ventures were stated at open market value [(3)(4)]	HK$1.09

(1) Based on open market valuations as at 31 March 2026 carried out by independent and qualified property valuers not connected to the Group (the value of which has been slightly adjusted due to the RMB to HK$ exchange rate) or actual transaction prices or estimated based on average transaction price.

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

(3) Net assets per ordinary share calculated based on 12,893.7 million shares in issue as at 31 March 2026.

(4) The amount is a non-Hong Kong Financial Reporting Standards financial measure.

EMPLOYEE

As at 31 March 2026, the total number of employees of the Group was 93 (2025: 93). The Group's employees are remunerated in line with the prevailing market terms and individual performance, with the remuneration package and policies reviewed on a regular basis. In addition to salaries, discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee.

FINANCIAL GUARANTEE CONTRACTS

	2026 HK$'000	2025 HK$'000
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	6,135,785	7,294,388
Associates	768,900	1,317,240
	6,904,685	8,611,628
and utilised by:		
Joint ventures	6,024,330	6,397,388
Associates	601,200	957,240
	6,625,530	7,354,628

The directors of the Company assess the expected credit loss allowance in relation to the financial guarantee contracts. As at 31 March 2026, included in other payables and accruals represents financial guarantee contracts amounted to HK$2,906,000 (2025: HK$12,618,000).

PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	2026 HK$'000	2025 HK$'000
Property, plant and equipment	130,486	146,089
Investment properties	3,151,934	3,079,657
Properties held for sale	3,798,846	5,101,088
Financial assets at fair value through profit or loss	6,101	5,723
	7,087,367	8,332,557

For certain properties, the Group has assigned to the banks all its right, title and benefit as lessor of relevant properties for certain banking facilities granted to the Group.

Chairman's Statement

Dear Shareholders,

During the fiscal year under review, Hong Kong's residential property market continued to show clear signs of recovery. Since the first half of 2025, driven by strong pipeline of A+H and technology and AI company listings, Hong Kong has finally reclaimed its position as the world's top IPO venue for the first time since 2019. This is well supported by strong Chinese mainland investor fund flows and renewed international investor interest in the city's financial markets. The lowering of rates so far in US and Hong Kong have supported good recovery in domestic homebuyer confidence and solid transaction volume. Furthermore, the visible impact of the Government's new talent-attraction initiatives – including the Top Talent Pass Scheme (TTPS) and the Quality Migrant Admission Scheme (QMAS) – helped anchor good demand and increased attractiveness of the Hong Kong residential market. Last but not least, the strong performance of the Hong Kong stock market over the past year also encouraged investors to reallocate gains into property market, further contributing to the strong residential rebound.

For the period under review, the Group reported solid revenue of HK$1,430 million. The Group achieved strong attributable sales and contracted sales of over HK$6 billion, principally from key residential projects including "Deep Water Pavilia", "One Park Place", "Topside Residences", "Cadenza", and remaining luxury residential units at "Dukes Place", House B, No. 10 Peak Road, "High Peak", and "No. 15 Shouson", as well as from other commercial asset disposals. We are confident in the residential market's recovery in Hong Kong and will continue to pursue strong sales in the coming years.

We are optimistic and encouraged by the Group's future residential development pipeline. Several previously commercial designated sites are set for conversion to residential use, including the redevelopment projects for Nos. 152–164 Wellington Street in Central, "Lai Sun Yuen Long Centre" near MTR Long Ping Station, and Nos. 17–17A Shelter Street in Causeway Bay. We also just applied to the government authorities to potentially transform the "Harbourside HQ" office site at No. 8 Lam Chak Street in Kowloon Bay into a residential complex, giving us an additional option on the site to strive for the best commercial return and liquidity in the longer-term future. In addition, forthcoming ultra-luxury offerings at No. 92 Repulse Bay Road and No. 24 Middle Gap Road, together with the redevelopment at No. 44 Stanley Village Road, will further strengthen our residential pipeline and support future revenue and profitability.

On the financing fronts, the Group successfully completed the HK$1,492 million equity fundraising exercise via rights issue in April 2025 and US$250 million bond issue collectively since May 2025. These landmark transactions helped to refinance the US dollar bond due July 2025 and meaningfully extended the Group's debt maturity profile, and facilitated the ongoing refinancings from commercial banks.

The overall Hong Kong economy has shown resilience and gradual recovery, and leasing interest in Central's commercial office sector has particularly improved, reflecting the strong equity market performance. The anticipated opening in second half 2026 of the "Central Crossing" project – comprising an approximately 300,000-square-foot Grade A office tower and Hong Kong's first Andaz hotel – will become a new commercial and cultural hub in Central and is well set to generate meaningful leasing revenue for the Group in the future.

Chairman's Statement

Having weathered recent market challenges following COVID, the Group has emerged in a stronger position with a renewed focus on delivering steady residential sales and realizing the value of our development pipeline. Through successful fundraisings and disciplined financial and cost management, we are confident in the Group's prospects for improved financial health and sustained profitability in the years ahead.

On behalf of the Board, I would like to thank our shareholders, business partners and employees for their continued support and commitment.

Yours faithfully,

CHUNG CHO YEE, MICO
CHAIRMAN

29 June 2026

Management Discussion and Analysis

BUSINESS REVIEW

For the fiscal year ended 31 March 2026, the Group recorded revenue of approximately HK$1,429.6 million (2025: HK$520.6 million). The Group reported consolidated loss of approximately HK$843.3 million for the fiscal year ended 31 March 2026 (2025: HK$1,710.9 million). The loss attributable to owners of the Company was primarily attributable to the adverse change in fair value of the Group's investment properties, write-down of the Group's properties held for sale and the impairment provisions for joint ventures and associates' properties of approximately HK$566.2 million in aggregate. These changes in the fair value of investment properties, write-down of the Group's properties held for sale and impairment provisions for joint ventures and associates' properties are non-cash items which will not have an impact on the operating cash flow of the Group. The overall financial, business operation and trading performances of the Group remain healthy.

Consolidated loss attributable to owners of the Company for the fiscal year ended 31 March 2026 was approximately HK$825.3 million (2025: HK$1,691.5 million). Loss per share attributable to shareholders for the fiscal year was HK6.56 cents (2025: HK36.73 cents). Total revenue attributable to the Group from sales of properties for the year, including those contributed by joint ventures and associates, was HK$3,534.5 million (2025: HK$1,573.3 million).

During the fiscal year, the Group achieved satisfactory operational, sales performance and completed a series of capital markets transactions that enhanced liquidity and strengthened the balance sheet. Attributable contracted sales commitments (including joint ventures and associates) exceeded HK$6 billion as at 31 March 2026, positioning the Group well to achieve its previously announced target of HK$9 billion in contracted sales by March 2029. This was mainly driven by robust presales and sales at "Deep Water Pavilia" in Wong Chuk Hang, "One Park Place" in Yau Tong, "Topside Residences" in Jordan, and luxury residential sales at "Infinity" and "Dukes Place", complemented by other residential and commercial transactions.

From a financial management perspective, the Group announced and completed several key transactions to strengthen its capital structure and liquidity. In April 2025, the Group completed a strategic capital raising of approximately HK$1,992 million, comprising a HK$1,492 million rights issue and a HK$500 million 4-year senior unsecured note issuance. Supported by the personal capital and commitment of our Chairman, this transaction also introduced Gaw Capital Partners as a new institutional equity partner.

Subsequently, in May 2025, the Group issued US$150 million 3-year guaranteed notes. The issue was well received by institutional investors and, in response to strong secondary market demand, the Group reopened the notes in September 2025 and May 2026, raising an additional US$100 million collectively via underwritten retaps at improved pricing.

Hong Kong Commercial Properties Portfolio

In Central, we observed a recovery in activity across our commercial properties. The Group completed and recognised the sales of two floors at "DL Tower", 92 Wellington Street. The Group also sold the ground-floor retail shops and car parking spaces at "Capital Centre" in Wan Chai, as well as two floors at "LL Tower" in Central.

Construction of "Central Crossing", our Urban Renewal Authority joint venture project with Wing Tai Properties Limited at 118 Wellington Street, is progressing as planned. Completion of the 28-storey office tower is expected in the second half of 2026, followed by the 125 keys hotel tower in the second half of 2027, which will accommodate Hong Kong's first Andaz hotel. Marketing and pre-leasing activities for the office tower have commenced and initial reception by prospective tenants, particularly from the financial and technology sectors, have been encouraging. This mixed-use development aims to leverage its retail podium and the cultural heritage of the SOHO district to establish a new landmark in Central.

In Kowloon, the redevelopment of 350 and 352 Nathan Road in Jordan was completed in December 2025. The Group has sold and delivered around 250 residential units (out of a total of 259) under the brand "Topside Residences". Pre-leasing of the commercial podium has commenced and discussions with prospective tenants attracted by the vibrant location are ongoing.

The "Hong Kong Health Check Tower" at 241 and 243 Nathan Road in Jordan continues to perform steadily with a stable tenant base.

In Kowloon East, the Group continued to optimise tenancy at "Harbourside HQ", the Group's joint venture office building in Kowloon Bay. The Hospital Authority has further expanded its footprint and now occupies over 116,000 square feet of office space. In view of the strong recovery in the residential market, the Group has submitted an application to the relevant government authorities for the potential conversion of the site from commercial to residential use. This process is at an early stage and is intended to create additional strategic optionality to maximise long-term commercial returns and liquidity for the Group.

The Group remains vigilant yet cautiously optimistic regarding a gradual and sustainable recovery in the Hong Kong commercial property segment.

Hong Kong Residential Properties Portfolio

Amid the strong and broad-based recovery in the residential market sentiment since 2025, the Group achieved attributable contracted sales commitments (including joint ventures and associates) of over HK$6 billion across luxury and mass-market residential projects in Hong Kong during the fiscal year.

The Group's joint venture mass-residential project at Wong Chuk Hang MTR Station, "Deep Water Pavilia", launched presales in June 2025, successfully capturing strong demand in the Hong Kong residential sector. Over 95% of its 825 units have been presold, with aggregate gross presales exceeding HK$13 billion. Based on gross contracted sales, "Deep Water Pavilia" was the top-selling first-hand residential project in Hong Kong in 2025, a milestone the Group is proud to have attained.

Presales at "One Park Place", the MTR Yau Tong Ventilation Building joint venture project with Sino Land Company Limited, commenced in November 2025. More than 60% of units have been presold, supported by its competitive pricing and convenient location. The Group expects the remaining units to achieve higher pricing going forward, supported by the continued strength in residential market sentiment.

The Group also registered strong performance in the luxury segment. The sale of the penthouse at "Dukes Place", our joint venture project in Jardine's Lookout, marked the completion of all unit sales at "Dukes Place", with prices achieved at premium levels.

Similarly, the sale of the last detached house (No. 10 Peak Road) at 8–12 Peak Road completed the disposal of all units for this successful redevelopment project.

At "Cadenza", 333 Fan Kam Road, the Group entered into contract for sale for four additional villas up to date, of which one villa was successfully delivered during the year. "Cadenza" comprises six luxury villas, each exceeding 6,000 square feet of gross floor area ("GFA"), with private pools and gardens in close proximity to the Hong Kong Golf Club.

For "High Peak", our joint venture luxury residential project at 23 Po Shan Road, additional sales agreements for six units have been secured to-date in 2026, further underscoring the solid momentum in the high-end residential segment.

Looking ahead, the Group continues to make good progress on multiple new residential developments which will support the future revenue and earnings pipeline.

At 152–164 Wellington Street in Central, the Group has decided to proceed with a high-end residential development in lieu of the previously contemplated commercial scheme, with presales targeted as early as 2028. Demolition of the existing structures targeted to commence in July 2026.

The Group's joint venture project in Yuen Long, "Lai Sun Yuen Long Centre", is planned to be redeveloped into a mass-residential complex with an estimated GFA of approximately 480,000 square feet. Site preparation works are nearing completion and full-scale redevelopment is expected to commence in late 2026.

At 17–17A Shelter Street in Causeway Bay, the Group is converting the existing property into a 42-unit residential building with an estimated GFA of approximately 19,000 square feet. Foundation works are progressing well and presales could commence as early as late 2026.

In addition, occupation permit of our luxury detached house project at 92 Repulse Bay Road (approximately 9,100 square feet GFA) was obtained in May 2026 and the Group has commenced interior fit-out for this prime residence with panoramic Repulse Bay views. At 24 Middle Gap Road (approximately 8,100 square feet GFA; targeted completion in Q4 2027), construction progress remains on schedule with foundation works nearing completion.

Overall, the Group is confident that its solid residential development pipeline will continue to drive sales, profitability and operating cash flow over the medium term.

Chinese Mainland Operations

At "Knightsbridge", the Group's luxury residential joint venture project in Beijing located at 90 and 92 Jinbao Street, 4 refurbished units and 74 car parking spaces were sold during the fiscal year, bringing cumulative sales to over 100 out of 114 units.

In Shanghai, the Group's premium retail properties, "In Point" and "Richgate Plaza", are positioned as trendsetting lifestyle destinations offering high-quality shopping, dining and entertainment experiences following recent asset enhancement initiatives. Both properties have recorded rising occupancies and more optimised tenant mix.

Occupancy at "In Point" now exceeds 90%, with key tenants including the popular fashion brand Urban Revivo. Occupancy at "Richgate Plaza" also stands at over 90%, with a growing focus on lifestyle and athleisure brands, highlighted by the opening of the world's largest Hoka flagship store in May 2025.

Securities Investment

As at 31 March 2026, the Group held financial assets at fair value through profit or loss of approximately HK$170.2 million (31 March 2025: HK$250.9 million). The investment portfolio comprises 57.8% listed debt securities, 2.7% listed equity securities and 39.5% unlisted equity. They are denominated in different currencies with 97.3% in United States dollars and 2.7% in Hong Kong dollars.

During the year under review, the Group recorded a mark-to-market valuation net loss of HK$91.5 million, comprising HK$7.4 million of net fair value loss from listed debt securities, HK$2.9 million of net fair value loss from equity securities (mostly listed in Hong Kong) and HK$81.2 million arising from net fair value loss from unlisted equity and debt securities.

Interest income and dividend income from securities investment decreased to approximately HK$3.5 million (31 March 2025: HK$29.4 million).

As at 31 March 2026, approximately HK$6.1 million (31 March 2025: HK$5.7 million) of these listed securities investments were pledged to banks as collateral for banking facilities granted to the Group.

FINANCIAL POLICIES AND MARKET OUTLOOK

During the fiscal year, the Group implemented a series of strategic capital-raising and refinancing initiatives that significantly strengthened its balance sheet and enhanced liquidity.

In April 2025, the Group completed a capital-raising exercise of approximately HK$1,992 million, comprising a HK$1,492 million rights issue and the issuance of a HK$500 million 4-year senior unsecured note. The transaction was underpinned by the personal commitment of our Chairman and facilitated the introduction of Gaw Capital Partners as a new institutional equity partner.

In May 2025, the Group issued US$150 million 3-year guaranteed notes, which attracted strong demand from leading institutional investors. Robust secondary market performance enabled the Group to reopen the issuance in September 2025 and May 2026, raising an additional US$100 million in aggregate via retaps at significantly improved pricing.

These transactions enabled the Group to refinance the US dollar bond maturing in July 2025 and meaningfully extend its overall debt maturity profile.

Looking forward, the Group is confident that its high-quality residential development pipeline will underpin sustainable revenue and solid cash flow generation in the coming years. We are particularly focused on the luxury detached houses at 92 Repulse Bay Road and 24 Middle Gap Road, the high-end apartment developments at 152–164 Wellington Street in Central and 17–17A Shelter Street in Causeway Bay, as well as the large-scale mass-residential redevelopment of "Lai Sun Yuen Long Centre" in Yuen Long, which is expected to provide over 1,000 residential units.

Management remains constructive about the outlook for the Hong Kong property market. Residential sentiment continues to be supported by ample liquidity and resilient demand from both Chinese mainland and local investors and end-users. In the commercial office sector, we see encouraging signs of recovery, driven by strong leasing demand from major financial institutions (such as Jane Street's commitment at Henderson Land's "Central Yards" and the recent achievement of over 95% occupancy at "The Henderson") and notable investment activities by Chinese corporates (including JD.com's acquisition of 50% of "CCB Tower" in Central, Hong Kong Exchanges and Clearing Limited's purchase of the top 9 office floors at "One Exchange Square" and the acquisition of the top 13 office floors at "One Causeway Bay" by Alibaba and related entities).

The Group believes it is well positioned to capitalise on these positive market dynamics, supported by its strengthened balance sheet and liquidity, diverse development pipeline and disciplined financial management.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance and believes that good corporate governance practices are essential to the transparent operation of the Company and to its ability to protect the rights of its shareholders and enhance their value. Throughout the fiscal year, the Company complied with the Companies Act in Bermuda, the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and all other relevant laws and regulations.

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules during the year, except for the deviation from code provision C.2.1 of the Code regarding the separation of the roles of chairman and chief executive. Details of such deviation are further described below in the relevant section.

CORPORATE PURPOSE, VALUES AND STRATEGIES

The Company is a leading developer in Hong Kong and Greater China specialising in luxurious residential properties and quality commercial properties. When developing properties, the Company places emphasis on prime locations, artisanal craftsmanship and attention to highest calibre. We take pride in cultivating productive and honest relationships with our staff, partners and other key stakeholders.

Transparency, integrity, and innovative thinking are our key values which drive our purpose to create and develop premium quality properties which is only possible through our strategic efforts in nurturing staff diversity and talents and our relationship with all stakeholders. Such values have been embedded in our company policies and work practices.

BOARD OF DIRECTORS

The board of directors of the Company (the "Board") is responsible for the leadership and control of the Company and oversees the Company's businesses, strategic decisions and performance. All directors pay sufficient time and attention to the affairs of the Company. Every member of the Board is fully aware of his/her responsibilities as a director of the Company under the applicable laws and regulations. Non-executive directors provide their skills and expertise and serve different board committees of the Company. The day-to-day execution of the Board's policies and strategies is delegated to the Executive Committee which comprised of the executive directors and was formed with specific written terms of reference.

The Company provides appropriate cover on directors and officers liabilities insurance and the latest policy was renewed in May 2026.

Bye-laws 99(A) and 102(B) of the bye-laws of the Company (the "Bye-laws") are amended by a special resolution passed on 25 August 2005 to the effect that all directors are subject to rotation at least once every three years. Additional and new directors filling up casual vacancy are subject to election in the next following general meeting.

Board Composition

As at the date of this report, the Board is comprised of seven executive directors of the Company ("EDs") (namely, Mr. Chung Cho Yee, Mico, Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Ho Lok Fai, Mr. Leung King Yin, Kevin, Ms. Chung Yuen Tung, Jasmine and Mr. Yip Chai Tuck), one non-executive director of the Company ("NED") (namely, Mr. Lo Hing Hung (with Mr. Ip Ho Wang as his alternate)) and four independent non-executive directors of the Company ("INEDs") (namely, Dr. Lo Wing Yan, William, *JP*, Mr. Shek Lai Him, Abraham, *GBS, JP*, Mr. Chak Hubert and Mr. Yip Ka Kay).

BOARD OF DIRECTORS (Continued)

Board Composition (Continued)

Mr. Yip Ka Kay was appointed as an INED on 27 November 2025 and Mr. Yip Chai Tuck was appointed as an ED on 11 December 2025. They had separately obtained legal advice regarding their respective appointments on 11 November 2025 and 4 December 2025 and confirmed that they understood their obligations as directors of the Company.

Biographical information of all current directors is set out on pages 81 to 89 of this annual report. List of directors and their role and function are available on the websites of the Company and the Stock Exchange.

The composition of the Board and their respective attendance records of each director at the various meetings of the Company during the year are as follows:

	Number of meetings attended/held				
	Board	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Directors					
Chung Cho Yee, Mico	6/8	N/A	3/3	4/5	0/1
Kan Sze Man	8/8	N/A	N/A	N/A	1/1
Chow Hou Man	8/8	N/A	N/A	N/A	1/1
Ho Lok Fai	8/8	N/A	N/A	N/A	1/1
Leung King Yin, Kevin	7/8	N/A	N/A	N/A	1/1
Chung Yuen Tung, Jasmine *(note 1)*	7/8	N/A	N/A	2/5	0/1
Yip Chai Tuck *(note 2)*	1/8	N/A	N/A	N/A	0/0
Non-Executive Director					
Lo Hing Hung *(with Ip Ho Wang as his alternate) (note 3)*	6/8	N/A	N/A	N/A	1/1
Independent Non-Executive Directors					
Lo Wing Yan, William, *JP*	4/8	2/3	3/3	5/5	1/1
Shek Lai Him, Abraham, *GBS, JP*	4/8	3/3	N/A	N/A	1/1
Chak Hubert *(note 4)*	6/8	3/3	2/3	2/5	1/1
Yip Ka Kay *(note 5)*	1/8	N/A	N/A	0/0	0/0

Notes:

1. Ms. Chung Yuen Tung, Jasmine was appointed as a member of the Nomination Committee of the Board on 28 August 2025.
2. Mr. Yip Chai Tuck was appointed as an ED on 11 December 2025.
3. Mr. Lo Hing Hung (with Mr. Ip Ho Wang as his alternate) was appointed as a NED on 17 June 2025.
4. Mr. Chak Hubert was appointed as an INED on 17 June 2025 and the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee of the Board on 28 August 2025.
5. Mr. Yip Ka Kay was appointed as an INED and a member of the Nomination Committee of the Board on 27 November 2025.

BOARD OF DIRECTORS (Continued)

Compliance with Rules 3.10(1) and (2), and 3.10A of the Listing Rules

Pursuant to the requirements set out in Rules 3.10(1) and (2), and 3.10A of the Listing Rules, relating to the appointment of at least four INEDs (representing not less than one-third of the Board) with at least one INED possessing appropriate professional qualifications or accounting or related financial management expertise.

Independence of Independent Non-Executive Directors

All INEDs have confirmed their independence and the Company considers each of them to be independent. The Nomination Committee has conducted an annual review of the independence of all INEDs. According to the independence criteria as set out in Rule 3.13 of the Listing Rules, the Nomination Committee concluded that all the INEDs satisfied the Listing Rules requirement of independence.

According to code provision B.2.3 of the Code, any further appointment of an INED in excess of nine years should be subject to a separate resolution to be approved by the shareholders of the Company. One INED has served the Board for more than nine years. In accordance with Bye-law 99(A) of the Bye-laws, all directors are subject to retirement by rotation at least once every three years. The Company also sent the papers to shareholders of the Company accompanying that resolution included the reasons why the Board believed the retired INEDs who have served for more than nine years are still independent and should be re-elected.

Relationship between Board Members

Mr. Chung Cho Yee, Mico and Mr. Kan Sze Man are brothers-in-law. Ms. Chung Yuen Tung, Jasmine is the daughter of Mr. Chung Cho Yee, Mico and she is also the niece of Mr. Kan Sze Man. Save as disclosed above, there are no family or other material relationship among members of the Board.

Directors' Induction and Continuous Professional Development

Each newly appointed director is provided with guidelines on directors' duties and responsibilities upon his/her appointment as a director so as to ensure that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Pursuant to code provision C.1.4 of the Code, all directors are committed on directors' training. As part of an ongoing process of director's training, all directors are provided with written materials on the latest developments from time to time to develop and refresh their knowledge and skills. During the year, all directors had received regular updates on the Company's business and written materials regarding changes to the Listing Rules and other relevant rules and regulations. The directors are also encouraged to attend training relevant to their duties and responsibilities that they consider appropriate. The Company has received confirmations from all directors of their respective training records for the year ended 31 March 2026.

BOARD OF DIRECTORS (Continued)

Directors' Induction and Continuous Professional Development (Continued)

A summary of training received by the directors during the year ended 31 March 2026 is as follows:

	Type of continuous professional development	
	Reading materials on regulatory updates and the business of the Group	Reading materials/ attending trainings/ webinars on legal and regulatory compliance, directors' duties and financial reporting
Executive Directors		
Chung Cho Yee, Mico	√	√
Kan Sze Man	√	√
Chow Hou Man	√	√
Ho Lok Fai	√	√
Leung King Yin, Kevin	√	√
Chung Yuen Tung, Jasmine	√	√
Yip Chai Tuck *(appointed on 11 December 2025)*	√	√
Non-Executive Director		
Lo Hing Hung *(with Ip Ho Wang as his alternate) (appointed on 17 June 2025)*	√	√
Independent Non-Executive Directors		
Lo Wing Yan, William, *JP*	√	√
Shek Lai Him, Abraham, *GBS, JP*	√	√
Chak Hubert *(appointed on 17 June 2025)*	√	√
Yip Ka Kay *(appointed on 27 November 2025)*	√	√

CHAIRMAN AND CHIEF EXECUTIVE

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

However, the Company does not have the position of chief executive officer. The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each department are overseen and monitored by designated responsible Executive Committee. The Board found that the current management had worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, there are one NED and four INEDs on the Board have contributed valuable views and proposals for the Board's deliberation and decisions.

NON-EXECUTIVE DIRECTORS

No specific term is imposed on the non-executive directors who are required to retire in accordance with the Bye-laws but are subject to retirement by rotation at least once every three years under the Bye-laws and pursuant to code provision B.2.2 of the Code.

DIVERSITY

The Board has adopted a Board Diversity Policy since 2013 which is available on the website of the Company. The policy was reviewed and updated during the year to enhance implementation of the policy and maintaining a diversified Board. The Board believes that a diversified Board brings constructive challenge and fresh perspectives to discussions. The Board considers diversity in its broadest sense which is not limited to gender during Board composition reviews and developing selection criteria for appointing a new director.

The details of Board Diversity Policy are set out below:

(a) Purpose – the policy aims to set out the approach to achieve diversity on the Board.

(b) Vision – the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

(c) Policy – when determining the composition of the Board, the Company will consider board diversity in terms of, among other things, age, experience, cultural, gender and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

(d) Measurable Objectives – selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to age, experience, cultural, gender and educational background, expertise, skills and know-how.

(e) Monitoring and Reporting – the Nomination Committee will disclose the composition of the Board annually in the Corporate Governance Report and monitor the implementation of this policy.

(f) Review of this policy – the Nomination Committee has been delegated by the Board to review this policy to ensure its effectiveness. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

To identify a pipeline of potential successors to the Board, the Company will:

(a) conduct assessment to understand the current breakdown of gender diversity from the bottom up;

(b) through the Remuneration Committee identify internal candidates with different abilities and skillset that qualify for internal promotion and form a sub-committee comprising of such individuals for further assessment to directorship; and

(c) search via internal resources and may engage professional search firm as and when required.

DIVERSITY (Continued)

The Board reviewed and monitored the implementation of the Board Diversity Policy on an annual basis and is satisfied with its effectiveness to achieve the diversity of the Board for the year ended 31 March 2026. On 20 April 2023, one female director was appointed on the Board (representing 8.33% of the current Board), in line with the target set by the Board. In the future, the Company will seek professional director candidates through diversified channels to further enhance the diversity level of the Board. The Board targets to maintain at least the current level of female representation and is of the view that all aspects of diversity and the ability to contribute towards the Board's responsibilities should be considered as a whole in the selection of suitable potential candidates for appointment to the Board.

Skills and Experience

Workforce Diversity

The Company is committed to building a diversified workplace with equal opportunities. It actively recruits female employees. Our workforce representation as at 31 March 2026 was 47% male and 53% female, which demonstrates the Company's devotion to gender diversity across the workforce level. For more details on the gender ratio in the Group's workforce, please refer to the "Environmental, Social and Governance Report" of this annual report. The Group also regularly reviews its compensation and benefit packages to ensure such packages are in line with the market as well as creates a bonding culture to strengthen the sense of belongings of staff members.

BOARD EFFECTIVENESS

The Board recognises that conducting regular evaluations of its performance is essential to good corporate governance and Board effectiveness. The Company did not conduct a Board performance review during the year ended 31 March 2026 and will conduct a Board performance review during the year ending 31 March 2027.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee, for overseeing particular aspects of the Company's affairs. The four committees are established with defined written terms of reference and approved by the Board, which set out the committees' respective duties.

The terms of reference of the board committees have been reviewed from time to time to cope with the latest amendments of the Listing Rules and the needs of the Company.

The members of each board committees had fully accessed to board minutes, records, materials as well as the management and staff of the Company. The Company provides full support to the board committees and arranges for professional advisors to give incidental advice whenever necessary.

BOARD COMMITTEES (Continued)

Audit Committee

The main role and function of the Audit Committee are to consider the application of financial reporting, risk management and internal control principles and to maintain an appropriate relationship with the external auditors of the Company.

Currently, the Audit Committee comprises three INEDs, namely, Dr. Lo Wing Yan, William, *JP*, Mr. Shek Lai Him, Abraham, *GBS, JP* and Mr. Chak Hubert. The chairman of the Audit Committee is Mr. Chak Hubert, who has expertise in financial management. The Audit Committee's authority and duties are set out in written terms of reference is available on the websites of the Company and the Stock Exchange.

During the year, the Audit Committee held three meetings. Following the Board practice, minutes of these meetings were circulated to all members for comment, approval and record as soon as practicable after each meeting. There was no disagreement between the Board and the Audit Committee regarding the selection and appointment of external auditors. The Audit Committee has reviewed the final results of the Company for the year ended 31 March 2025 and the interim results of the Company for the six months ended 30 September 2025; approved the remuneration and terms of engagement of the external auditors; reviewed the internal audit plan; reviewed the work progress reports in respect of internal control and risk management and the works performed by the external consultants; and discussed with the management and the Company's auditors the accounting policies and practices adopted, internal control and financial reporting matters of the year.

Remuneration Committee

The Remuneration Committee was established on 21 July 2005 with written terms of reference, which deal clearly with its authority and duties for a formal and transparent procedure to fix the remuneration package for all directors. The main role and function of the Remuneration Committee are to formulate reward packages for senior management and individual executive directors.

The Remuneration Committee will consult the Chairman of the Board on the adequacy of the corporate remuneration policy and individual reward package with particular reference to fairness, sufficiency of incentive element and effective application of company resources. The Remuneration Committee's authority and duties are set out in written terms of reference is available on the websites of the Company and the Stock Exchange.

Currently, the Remuneration Committee comprises two INEDs, namely, Dr. Lo Wing Yan, William, *JP* and Mr. Chak Hubert and one ED, namely, Mr. Chung Cho Yee, Mico. Dr. Lo Wing Yan, William, *JP* is the chairman of the Remuneration Committee.

During the year, the Remuneration Committee held three meetings, in which it reviewed, discussed and approved the remuneration policies, system, package and the discretionary bonus of the directors and senior management of the Company.

Details of emolument paid to the directors for the year 2026 are set out in the notes to the consolidated financial statement on page 137.

BOARD COMMITTEES (Continued)

Nomination Committee

The Nomination Committee was established on 13 March 2012 with specific written terms of reference. The main role and function of the Nomination Committee are to review the structure, size and composition of the Board and the Board Diversity Policy; to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors; to identify, screen and recommend to the Board appropriate candidates to serve as directors of the Company; to assess of the independence of each INED. The Nomination Committee's authority and duties are set out in written terms of reference is available on the websites of the Company and the Stock Exchange.

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

In order to facilitate its functions for the nomination procedures and the process and criteria to select and recommend candidates for directorship of the Company, the Board adopted the Board Diversity Policy with measurable objectives.

The Board also adopted the Nomination Policy which sets out the approach and procedures for the Board to nominate and select directors. The Nomination Committee shall consider a number of factors in making nominations, including but not limited to followings:

(a) skills and experience: The candidate should possess the skills, knowledge and experience which are relevant to the operations of the Company and its subsidiaries;

(b) commitment: The candidate should be able to devote sufficient time to attend board meetings and discharge of the duties of a director;

(c) independence: The candidate to be nominated as an independent non-executive director must satisfy the independence requirements under the Listing Rules; and

(d) reputation for integrity: The candidate should be a person of integrity, honesty, good repute and high professional standing.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Bye-laws and other applicable rules and regulations.

During the year, the Nomination Committee held five meetings, in which it reviewed the structure, size, composition and diversity of the Board and made recommendations to the Board on the re-appointment of directors at the annual general meeting and recommended the nominated director of each of committee. If a retiring INED (i) has served on the Board for more than nine years or (ii) has held directorship in seven or more other listed companies, the Board shall explain in the circular the reasons why (i) he is still believed as independent and should be re-elected or (ii) he is able to devote sufficient time to the Board, respectively.

BOARD COMMITTEES (Continued)

Executive Committee

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

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

BOARD INDEPENDENCE

To ensure that independent views and inputs are available to the Board, the Company has established the following mechanisms, and the implementation and effectiveness of such mechanisms are reviewed annually.

1. The Board must ensure the appointment of at least three INEDs and at least one-third of its members being INEDs (or such higher threshold as may be required by the Listing Rules) from time to time.

2. Each Board committee must comprise a majority of INEDs.

3. The independence of INEDs is assessed upon appointment, annually, re-appointment, and at any other time where the circumstances warrant reconsideration.

4. The INEDs are required to inform the Company as soon as practicable if there is any change in their personal particulars that may materially affect their independence.

5. INEDs receive fixed fees for their role as members of the Board and Board committees and are not entitled to equity-based remuneration (e.g. share options or grants) with performance-related elements.

6. Further re-appointment of an INED (including the long-serving INED) is subject to a separate resolution to be approved by the shareholders.

7. INEDs should not be involved in the daily management of the Company nor in any relationship or circumstance which would affect the exercise of their independent judgement.

8. All directors are entitled to seek independent professional advice on issues relevant to their function and duties at the Company's expense.

9. Directors are required to declare their and their connected entities' direct or indirect interests, if any, in proposals or transactions to be considered by the Board at board meetings and withdraw from the meetings as appropriate.

10. The Chairman meets with the INEDs at least annually without the presence of other executive directors.

CORPORATE GOVERNANCE FUNCTION

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

(a) to develop and review the Group's policies and practices on corporate governance and make recommendations;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors of the Group; and

(e) to review the Group's compliance with the code of corporate governance and disclosure requirements in the Corporate Governance Report.

During the year, the Board reviewed the Group's compliance with the Code disclosure requirements in the Corporate Governance Report and approved the 2026 Corporate Governance Report of the Company.

COMPANY SECRETARY

The Company Secretary is a full-time employee of the Company, who reports to the Chairman and assists the Board in ensuring effective information flow among Board members and that the Board policy and procedures including those on corporate governance matters are followed. The Company Secretary had complied with Rule 3.29 of the Listing Rules during the year under review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules relating to dealings in securities. Memorandum was sent to directors twice a year to draw their attention to the Model Code. The Company made specific enquiries to each director and had received their written confirmation of full compliance with the Model Code for the year ended 31 March 2026.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The annual and interim results of the Group are published in a timely manner, within three months and two months respectively of the year end and the half year.

The responsibility of directors in relation to the consolidated financial statements is set out below. It should be read in conjunction with, but distinguished from, the Independent Auditor's Report on page 96 of this annual report which acknowledges the reporting responsibility of the Group's auditor.

Annual Report and Accounts

The directors acknowledge their responsibility for the preparation of the annual report and consolidated financial statements of the Group, ensuring that the consolidated financial statements give a true and fair presentation in accordance with generally accepted accounting standards in Hong Kong, the requirements of the Listing Rules and applicable laws as well as the integrity of the financial information so reported. Such responsibility is extended to cover not only the annual and interim reports but also announcements and other financial disclosures of the Company required under the Listing Rules.

ACCOUNTABILITY AND AUDIT (Continued)

Going Concern

The directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining sound and effective risk management and internal control systems to safeguard the interests of shareholders and the Group's assets. The Board recognises that it is ultimately responsible for the Group's risk management and internal control systems; it oversees the management in the design, implementation and monitoring of the risk management and internal control systems and reviews their effectiveness at least annually through the Audit Committee.

Effective risk management is an integral part of the overall achievement of the Group's strategic objectives. To achieve this, the Board ensures that there is a robust and ongoing risk management process in identifying, evaluating and managing significant risks faced by the Group to promote the long-term success of the Group.

Each division of the Company is responsible for identifying, evaluating and managing risks within its divisions taking into account the objectives of such division on a semi-annually basis with mitigation plans to manage those risks. Based on the risk assessment results, the management reviews the principal business risks identified, assesses the effectiveness of control measures to help mitigate, reduce or transfer such risks, monitors the risk management and internal control systems and reports to the Audit Committee for any significant issues identified. The Audit Committee supports the Board in monitoring risk exposure, design and operating effectiveness of the underlying risk management and internal control systems. It oversees regular reviews of the business process and operations reported by the external internal control consultant and regular reports by the external auditors of any control issues identified in the course of their work. The Board considers the works and findings of the Audit Committee in forming its own view on the effectiveness of the risk management and internal control systems.

The risk management process coupled with our internal controls, ensures that the risks associated with different divisions of the Group are effectively controlled and in line with the Group's risk appetite. To this end, we have a distinct organisation structure with defined lines of authority and control responsibilities. A comprehensive management accounting system is in place to provide financial and operational performance indicators for management's review and relevant financial information for reporting and disclosure purposes. Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. Besides, the management continues to allocate resources for the risk management and internal control systems to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives.

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

The Board, through the Audit Committee, has delegated the internal audit function to an independent external internal control consultant, Moore Advisory Services Limited, who has conducted a review on the adequacy and effectiveness of the Group's project management and sales, accounts receivable and collection cycles for the year 2025-2026, and included recommendations for improvement and strengthening of the internal controls system. The Board considers that the Group's risk management and internal control systems are effective and adequate. The external internal control consultant also developed a risk-based approach for the internal audit and established a five years' internal audit plan, which is subject to review annually, covers major activities and processes of the Group's operations, businesses and service units. The results of these audit activities are submitted to the Audit Committee and senior management of the Group. Audit issues are tracked, followed up for proper implementation, and their progress are reported to the Audit Committee and senior management of the Group periodically.

Inside Information

With regards to the internal controls and procedures for the handling and dissemination of inside information, the Group complies with under the Part XIVA and relevant parts of the Securities and Futures Ordinance and Listing Rules. To be certain that all the staff members in the Group are aware of the inside information handling, the Group's Inside Information Disclosure Policy sets out guidance and procedures to ensure that the inside information of the Group is disseminated to the public completely, accurately and timely. Besides, the Board is responsible to approve the dissemination of the information. The Group also has reasonable measures regarding keeping the sensitive information confidential and ensuring the confidentiality terms are in place in the significant agreements.

Furthermore, to encourage and provide a channel to employees to report, without fear of reprisals, any potential improprieties or other matters, the Whistle Blowing Policy was established and appointed a compliance officer to receive, investigate and handle the relevant issues, thereafter report to the Audit Committee.

The Company is committed to maintaining confidence in the integrity of the Group. All directors and employees should show the highest business integrity in their dealings with others and should conduct the Group's business in accordance with the laws and principles of good business practice. The Company has adopted an Anti-Corruption Policy to prohibit all forms of bribery and corruption.

AUDITOR'S REMUNERATION

During the year ended 31 March 2026, the fee incurred for audit and non-audit services provided by the auditor to the Group is set out as follows:

Nature of Services	HK$ million
Audit services	3.10
Other services	0.96
	4.06

CONSTITUTIONAL DOCUMENTS

During the year, there were changes in the Company's Memorandum of Association and Bye-laws. The latest consolidated version of the Memorandum of Association and Bye-laws is available on the websites of the Company and the Stock Exchange.

DIVIDEND POLICY

The Board adopted the Dividend Policy since 2019 which sets out the guidelines for the Board to determine (i) whether dividends are to be declared and paid, and (ii) the level of dividend to be paid to the shareholders of the Company.

The Dividend Policy allows the shareholders of the Company to participate in the Company's profits whilst to retain adequate reserves for future growth. Normally, the Company pays dividends once a year, which is final dividend. The Board may declare special dividends in addition to such dividends as it considers appropriate.

The Company does not have any pre-determined dividend payout ratio. The declaration, payment and amount of dividends are subject to the Board's discretion having regard to determined factors such as operations, earnings, financial conditions, capital expenditure, future development, business conditions and strategies, interest of shareholders, etc.

Subject to the Bye-laws and all the applicable laws, dividends may be paid in cash or be satisfied wholly or partly in the form of allotment of shares of the Company. The Board may also consider the issuance of bonus shares on a basis permitted by the applicable laws and regulations.

SHAREHOLDERS' RIGHTS

1. Procedures by which shareholders can convene a special general meeting

Pursuant to the Bye-laws and the Companies Act 1981 of Bermuda (the "Act"), the Board shall, on the requisition in writing of the shareholders holding at the date of deposit of the requisition not less than one-tenth (10%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three (3) months from the said date.

SHAREHOLDERS' RIGHTS (Continued)

2. Procedures for shareholders to Put Forward Proposals at a General Meeting

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

The requisition signed by all the requisitionists may consist of several documents in like form, each signed by one or more of the requisitionists; and it must be deposited at the Company's Registered Office with a sum reasonably sufficient to meet the Company's relevant expenses, not less than six (6) weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one (1) week before the meeting in the case of any other requisition. Provided that if an annual general meeting is called for a date six (6) weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

3. Procedures for shareholders to propose a person for election as a Director

Pursuant to the Bye-laws, if a shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with appointment or election of director(s), wishes to propose a person (other than a retiring director and the shareholder himself/herself) for election as a director at that general meeting, such shareholder can deposit a notice in writing of the intention to propose that person for election as a director and a notice in writing by that person of his/her willingness to be elected at the Company's Registered Office or the Hong Kong Principal Place of business at least seven (7) days before the date of the general meeting.

The period for lodging such notice will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and no later than seven (7) days prior to the date of such meeting. In order for the Company to inform all members of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by Rule 13.51(2) of the Listing Rules.

4. Procedures by which enquiries may be put to the Board

Shareholders may, at any time, direct enquiries to the Board. Such enquiries can be addressed to the Company Secretary in writing by mail to the Company's principal place of business in Hong Kong at 31/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board adopted a Shareholders' Communication Policy reflecting mostly the current practices of the Company for communications with its shareholders. Such policy aims at providing the shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. This policy will be reviewed regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The annual general meeting provides a forum for shareholders to exchange views with the Board. The Chairman of the Board as well as the Chairmen of the Audit, the Remuneration and the Nomination Committees or, in their absence, other members of the respective committees, and where applicable, the independent board committee, are available to answer questions at the shareholders' meetings.

An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the commencement of the annual general meeting, to ensure that shareholders attending such meeting are familiar with such procedures.

The Company's website at www.csigroup.hk offers timely access to investors regarding the Company's financial, corporate and other information.

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.

Environmental, Social and Governance Report

REPORTING STANDARDS

In accordance with the Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange" or "HKEX"), as well as the HKEX Implementation Guidance for Climate Disclosures under the HKEX ESG Reporting Framework, CSI Properties Limited ("CSI" or the "Company") and its subsidiaries (collectively, the "Group", "we", "our" or "us") are pleased to present the Environmental, Social and Governance ("ESG") Report ("ESG Report") for the period from 1 April 2025 to 31 March 2026 ("Reporting Period"). The information stated in this ESG Report covers the same period, which aligns with the financial year as the 2026 annual report of the Group. The aim of the ESG Report is to provide our stakeholders with a comprehensive understanding of our ESG policies, achievements and performance of the Group and to demonstrate our long-standing commitment to fulfil our corporate social responsibility.

SCOPE OF REPORTING

The scope of this ESG Report covers the Group's core business in property development, leasing and investment activities during the current financial year in Hong Kong, Macau, Shanghai and Beijing. For more information on the "Governance" section, please refer to the Company's Corporate Governance Report included in this Annual Report for further details.

REPORTING PRINCIPLES

The ESG Report is prepared according to the "Comply or Explain" principle and is governed by four key principles:

1. Materiality: ESG topics that may influence the perspectives of the stakeholders are disclosed.

2. Quantitative: ESG data are presented numerically, so our ESG performance can be compared against our peers, industry standards and our previous year's performance.

3. Balance: All information disclosed in the ESG Report shall be unbiased. There will not be any misleading presentation format, selections and omission that may inappropriately influence the decision of a stakeholder.

4. Consistency: In order to ensure comparability, all key performance indicators calculation and assumption are consistent with the previous year. Any changes in our methodologies are disclosed clearly to inform the stakeholders.

MESSAGE FROM THE BOARD

A robust governance structure is critical to effectively integrate sustainable practices into our business operations. The Board is responsible for overseeing and managing the general direction of ESG approach, including the approval of this ESG Report and identification of material ESG issues and ESG risks, including climate-related risks and opportunities. The Board evaluates, prioritises, and manages the material ESG-related issues with reference to the materiality analysis and takes the risk prioritisation results into account for making decisions in major transactions and formulating related policies. The Board reviews the result annually, receives updates regarding our sustainability and ESG goals and evaluates any actions needed for the material issues.

We continue to build capacity to enhance climate and sustainability-related competencies for the Board. This includes annual meetings, discussions, and sharing sessions, as well as collaboration with external industry associations that focus on applicable sustainability-related topics to ensure our team stays informed about emerging trends and best practices.

ESG related matters and daily affairs are managed and monitored by relevant department heads. They will report to the Board on a regular basis to ensure that the Group strictly abides by the laws and regulations related to ESG in the corresponding business locations. Climate-related targets and KPIs are incorporated into employee performance evaluation which embedding ESG considerations into business decision-making and capital allocation.

Meanwhile, we regularly evaluate the Group's ESG performance and report to stakeholders through the annual ESG Report, thereby demonstrating our efforts to build up a sustainable and better future.

Our Environment

In the 2025 United Nations Climate Change Conference (COP30), leaders around the globe stressed the importance of addressing climate change. Both Hong Kong and the People's Republic of China (the "PRC") have taken action and set a goal to reach carbon neutrality by 2050 and 2060 respectively. We are proud to be an active contributor of these national initiatives with our environmental services and products.

Incorporating the latest green designs into our buildings to pursue higher rankings of Building Environment Assessment Method ("BEAM") Plus Certification has also been one of our main strategic goals. Building on our 2021 milestone, where a large proportion of traditional lighting in common areas was successfully retrofitted with energy-efficient LEDs, we have maintained a strict mandate to ensure that LED lights are continually used in the future to minimise unnecessary emissions.

Within our working environment, we have furthered the environmental initiatives by leveraging on technology, such as utilising zoom or conference discussion instead of travelling, and promoting the theme of paperless office. We believe transforming into a green business operation is an essential process to support our clients' journey for the transition to a carbon neutral economy. With this long-term target in mind, we will further explore alternate strategies that will catalyse this transition and to support our nation's net-zero goal.

Our People

We recognise that the staff are crucial to the Group's success. As we move forward into the post-pandemic era, we reaffirm our commitment to providing a supportive and inclusive work environment that fosters personal and professional development and recognises and rewards outstanding performance. We will continue to prioritise the health, safety, and well-being of our staff.

Embedded within our culture of diversity, we are a team that fosters respect, inclusion and equality. We recognise the unique abilities and talents of individuals in our workforce. With a diversified and inclusive environment, this facilitates innovative ideas to support the needs of our diverse clientele and the community. For the year ended 31 March 2026, we have maintained diversity, with 53% consisting of female staff.

Our Next Steps

Going forward in 2026, we are fully committed to integrating sustainability into the core of our business. We have already taken significant steps in this direction, and we will continue to proactively establish the necessary foundations to expedite our transition towards sustainability. Our dedication to achieving sustainable practices remains unwavering, as we strive to forge a more promising future in collaboration with our stakeholders.

On behalf of everyone at CSI, we would like to thank you for your interest in our 2026 ESG Report.

OUR APPROACH TO STAKEHOLDERS ENGAGEMENT

The Group's ESG approach is to integrate the principle of sustainability into our business operations with a view to creating long-term value for customers, employees, business partners, shareholders, investors and the wider community. By obtaining feedback from internal and external stakeholders, this would enable us to obtain a balance view of ESG issues to facilitate the continuous improvement in our sustainability performance. As such, we regularly engage with our stakeholders to understand their expectations and priorities on our ESG issues, as well as to enhance our mutual understanding of interests and aspirations.

During the Reporting Period, the Group has taken various measures to enhance information transparency and readiness, involving (1) the use of Company's website to provide information update including financial reports, circulars, corporate presentations, announcements and newsletters; (2) regular communication with shareholders, employees, suppliers, contractors, business partners and customers through telephones and emails; and (3) the use of an online Q&A drop box that allows collections of queries and exchanges of ideas from our stakeholders.

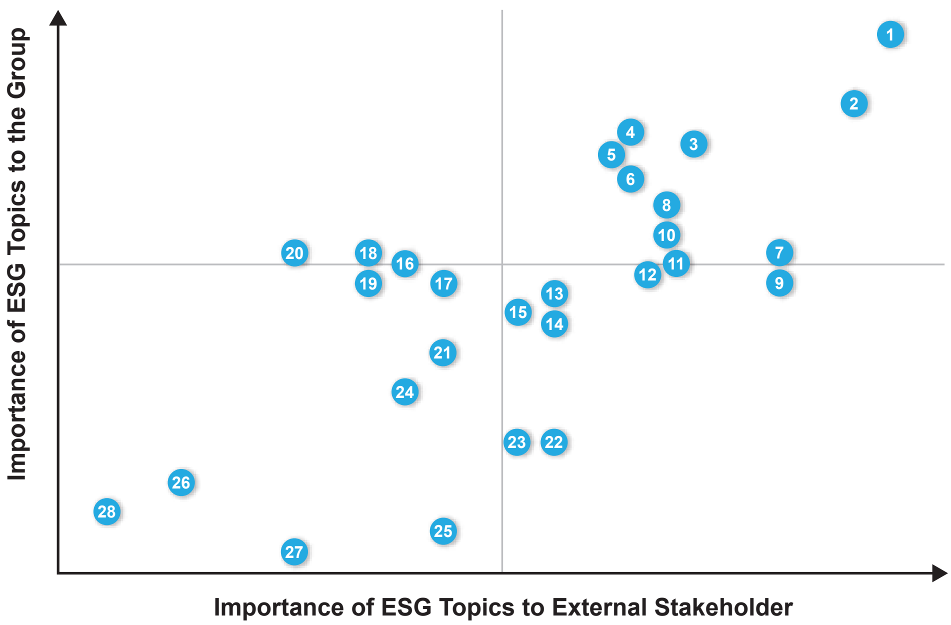
We will continue to explore other innovative platform to communicate our messages to and receive direct feedback from our stakeholders. Feedback and concerns from the stakeholders are collected through the following channels, which are effective in identifying opportunities for improvement:

Major Stakeholders		Methods of Communication	Major Concerns and Interests
Internal Stakeholders	Shareholders and Investors	• Annual and Interim Reports • Corporate Seminars and Information Circulars • E-mails, Newsletters and Announcements • Shareholders' Meetings and Annual General Meetings • Corporate Website	• Sound Risk Management • Effective Corporate Governance • Sustainable Development • Information Disclosure and Transparency • Ethical Business Operations, Responsible Investment, Profitability and Financial Stability
	Employees	• Corporate Events, Activities and Seminars • Performance Appraisals and Annual Evaluation • Trainings and Employee Engagement Events • Meetings and Briefings	• Health and Safety of Work Environment • Benefits and Compensation Package • Employee's Rights • Training Opportunities and Career Development • Privacy and Protection of Employee's Data
External Stakeholders	Tenants and Customers	• Customer Feedback and Complaints • Customer Service Hotlines • Correspondences and Meetings • Corporate Website	• Improvement of Service Quality • Increase in Customer Satisfaction • Assurance of Product Quality • Privacy Protection and Data Usage • Honesty, Ethics and Integrity
	Suppliers and Contractors	• Regular Supplier Review and Evaluation • Tendering and Procurement Meetings • Site Visits, Conferences, Phone Calls and E-mail	• Mutual Benefits and Achievements • Supply Chain Responsibilities • Long-term Cooperation and Sustainable Relationship • Fair Competition, Integrity and Ethics
	Business Partners	• Resource Sharing Activities and Events • Mutual Development Projects	• Sustainable and Long-term Relationship • Corporate Synergies • Knowledge, Information and Resources Sharing
	Public Community	• Community Activities and Interactions • Charitable and Volunteering Events • Social Media Platforms	• Corporate Social Responsibilities • Active Participation in Charitable Activities and Community Investment
	Government and Supervisory Institutions	• External Reports and Other Information Disclosures • Policy Consultations and Meetings • Conferences, Seminars and Meetings	• Compliance with Regulatory Rules • Sound Risk Management and Effective Corporate Governance • Business Integrity and Ethics • Environmental Protection Measures

MATERIALITY ASSESSMENT

Based on the ESG aspects set out in the Reporting Guide, the Group has received feedback from key stakeholders through a wide range of communication channels. We also conducted a materiality assessment to identify major ESG issues and the results are illustrated in the graph below:

Materiality Assessment Matrix



Item	ESG Topic	Item	ESG Topic
1	Customer satisfaction	15	Selection and monitoring of suppliers
2	Customer information and privacy	16	Cultivation of local employment
3	Product health and safety	17	Hazardous waste production
4	Occupational health and safety	18	Energy use (e.g. electricity, gas, fuel)
5	Employee development and training	19	Anti-corruption training provided to directors and staff
6	Employee remuneration, benefits and rights (e.g. working hours, rest periods and working conditions)	20	Environmental risks (e.g. pollution) and social risks (e.g. monopoly) of the suppliers
7	Observing and protecting intellectual property rights	21	Air emissions
8	Preventing child and forced labour	22	Greenhouse gas emissions
9	Environmentally preferable products and services	23	Community support (e.g. donation and volunteering)
10	Diversity and equal opportunity of employees	24	Mitigation measures to protect environment and natural resources
11	Product and service labelling	25	Use of materials (e.g. paper, packaging and raw materials)
12	Number of concluded legal cases regarding corrupt practices (e.g. bribery, extortion, fraud and money laundering)	26	Water use
13	Marketing communications (e.g. advertisement)	27	Climate change
14	Anti-corruption policies and whistle-blowing procedure	28	Non-hazardous waste production

The above matrix presents the importance of an ESG topic from internal and external stakeholder's perspective. ESG topics that are located in the top right corner (second quadrant) are the most important areas to focus on. According to the insights gathered from the materiality assessment, the social aspects are relatively more important than the environmental area. Since the Group is principally engaged in the business of property development and property investment, the impact of most business operation on the environment is relatively small, except for redevelopment projects that may pose some environmental risks compared to other businesses. The Group has actively paid attention to reduce the use of natural resources in operations and implement environmental control measures wherever practicable to minimise the impact on the environment. The environmental section will be further elaborated in the section below.

In this Reporting Period, "customer satisfaction", "customer information and privacy" and "product health and safety" are the key issues to focus on.

STAKEHOLDERS' FEEDBACK

The Group welcomes all feedback made by the stakeholders for future improvements. Your opinion is highly valued, for any comments about this ESG Report or suggestions in enhancing our sustainability performance, please feel free to contact the Group via the channels below:

Website:	www.csigroup.hk
Address:	31/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong
Telephone:	+852 2878 2800
Fax:	+852 2878 7525

A. ENVIRONMENTAL ASPECTS

A1 Emissions

Regardless of the Group's minimal impact on the environment, our aim is to implement environmentally friendly initiatives, sustainable construction strategies and materials procurement strategy to improve construction environment sustainability in Hong Kong, and to reduce energy and resources used in our property development projects.

The Group has implemented the objectives and measures for environmental protection which includes the design, materials procurement, and development procedures for minimising greenhouse gas ("GHG") emissions, hazardous and non-hazardous waste generation.

During the Reporting Period, the Group has actively pursued and attained the Hong Kong Green Organisation Certification (HKGOC). This certification stands as a testament to our continuous efforts in translating our sustainability strategies into measurable operational practices, particularly in achieving quantifiable reductions in energy consumption and waste generation across our projects. By aligning our development procedures with the HKGOC's stringent criteria, the Group not only validates its robust environmental management system but also makes a meaningful contribution to Hong Kong's broader vision of carbon neutrality, demonstrating our proactive leadership in fostering a sustainable and low-carbon built environment.

GREEN BUILDING CERTIFICATION

Our sustainable development initiative has been demonstrated by the Group through the incorporation of green building elements into our property development programs, such as the adoption of the guideline of the BEAM Plus, to provide our tenants and residents with a clean, stable, comfortable, functional and productive living environment.

Some of our projects have been accredited the BEAM Plus Certification by the Hong Kong Green Building Council in recognition of our efforts to reduce the environmental effects of design and development work and to improve environmental quality. In the future, the Group strives to achieve higher ranking of the green building certification, such as platinum and gold, through adopting eco-friendlier materials and renewable energy to minimise the carbon footprint. During the Reporting Period, one project of the Group obtained the certification to ensure the application of eco-friendlier materials and renewable energy. The project in Nathan Road obtained gold ranking in Stage 2. Besides, "Central Crossing" – the project at 118 Wellington Street developed as a joint venture with Wing Tai Properties Limited – has achieved BEAM Plus New Buildings v2.0 (Provisional Platinum), LEED v4 for Building Design and Construction (Pre-certified Platinum for Office and Pre-certified Gold for Hotel) and WELL certification. They are also vital to further enhance the well-being and health of the building occupants.

GREEN DESIGN

According to the Hong Kong's Climate Action Plan 2050 that was released in June 2021, buildings account for 90% of Hong Kong's total electricity consumption which is a relatively large proportion of the carbon emission in Hong Kong. We are proud to play a role in integrating green designs into our buildings by supporting green procurement and environmentally friendly construction approaches. The Group has adopted green designs across our residential projects in order to reduce the impact to the environment. We have implemented open-sky garden to reduce the impact of urban heat by the means of evaporative cooling and reducing the amount of sunlight entering the parking lots and buildings. It is believed that it can enhance our residents' living standards and bring environmental benefits for the neighbouring communities.

During the Reporting Period, the Group strictly complied with the relevant laws in Hong Kong relating to emission, including but not limited to the Air Pollution Control Ordinance, Noise Control Ordinance, Waste Disposal Ordinance, Water Pollution Control Ordinance. The Group was not aware of any material environmental non-compliance that would have a significant impact on the environment or on our Group. We summarise our efforts in managing energy use, noise control, air quality and waste at the below sections.

Energy Savings

The Group intends to consume and save resources more effectively, and as the key means of reducing GHG emissions. Our project development team always anticipate in potential energy-saving opportunities, particularly in our property development projects to incorporate environmentally friendly design.

In accordance with the Building Energy Code, the need for indoor illumination and the appropriate lighting power density for living areas have been carefully considered by our project team. The separate lighting control switches allow users to switch only when they occupy the lighting zones. Automatic lighting control was also mounted in other areas to automatically control the illumination, in order to prevent excessive use of electricity. By integrating SMART (self-monitoring, analysis, and reporting technology) technology, it plays a vital role in energy saving management and the energy efficiency of buildings.

In addition, residents are provided with charging bays fitted with electric vehicle charging facilities. This convenient charging facility not only benefits the existing electric vehicle users, but also encourages our residents to convert their existing gasoline or diesel vehicles to electric vehicles, thus reducing GHG emissions in return.

As a testament to these comprehensive energy-saving strategies and our successful integration of SMART technologies, during the Reporting Period, the Group was honoured with the Energywi$e Certificate at the 'Excellent Level' under the HKGOC scheme. Attaining this highest tier of recognition reflects the Group's rigorous internal efforts in outperforming conventional energy efficiency targets and consistently meeting ambitious reduction targets across our portfolio. This achievement not only validates our strategic transition toward intelligent, low-carbon property development but also underscores our concrete contribution to Hong Kong's long-term climate resilience. By setting an industry example in energy stewardship, we continue to support the city's collective goal of achieving carbon neutrality through every project we deliver.

Noise Control

The Noise Control Ordinance ("NCO"), under the management of the Government, is followed by the Group. To ensure compliance with the applicable regulations and standards for noise control in Hong Kong, the Group and our contractors have taken proactive participation where applicable in the planning and implementation of noise abatement measures to control noise levels of certain projects during the year, including but not limited to the following:

1. To ensure the environmental noise from our construction activities at daytime and nighttime have been controlled at or below the noise control standards as specified under the NCO, i.e. at 70 decibels or below;

2. To reduce noise emission through better planning on building design in residential development and apply more noise protection features where applicable, including specially designed windows and acoustic barrier, to ensure that the residents can enjoy noise-free living conditions;

3. To more carefully arrange our construction schedule to minimise nuisance to nearby residents during the restricted hours as specified under the NCO; and

4. To exercise due care before the commencement of any construction and building works to identify the noise sensitive receiver, being premises that are used for purposes sensitive to noise and requires protection, such as domestic premises, hotels, hospitals and clinics etc.

During the Reporting Period, the Group did not commit any offence under the NCO and was not liable to any penalties or fines in relation to the noise control standards and regulations currently in effect.

Air Quality

One of our key concerns on environment protection is the impact on air quality during the daily operation of our projects. In order to reduce the impact of air pollution with our stakeholders, the Group and our contractors are effectively striving to persistently improve air quality and reduce GHG emissions. As such, measures have been taken to ensure all emissions from daily operations will meet the applicable environmental standards and requirements, including but not limited to the installation of carbon monoxide concentration control device for the mechanical ventilation system in an underground car park. If high carbon monoxide concentration is detected, the flow rate of exhaust air fan will be increased to ensure sufficient fresh air intake and to reduce carbon monoxide concentration to an acceptable level.

Additionally, the Group aims to create a more sustainable business through transparent measurements and reporting of our emissions metrics. Our air pollution measures include regular monitoring and reporting of greenhouse gases, and air pollutants emitted by motor vehicles for commercial purposes.

In view of the Group's business portfolio, the GHG emission produced by the Group is mainly on account of the direct GHG emissions from combustion of gasoline from private cars of the Group (Scope 1), indirect emissions (Scope 2) resulted from the use of electricity for the operation of the Group.

During the Reporting Period, the emissions of GHGs from our operations were as follows:

Aspects[1]	Unit[2]	2024/25	2025/26	Percentage Comparison
Scope 1 Direct GHG Emissions	tCO_2e	28.48	18.71	–34%
Scope 2 Indirect GHG Emissions	tCO_2e	53.46	50.69	–5%
Scope 3 Other Indirect GHG Emissions	tCO_2e	15.46	23.97	+55%
Total	**tCO_2e**	**97.40**	**93.37**	**–4%**
Intensity of total GHG Emissions	**tCO_2e/no. of employees**	**1.05**	**1.00**	**–5%**

Remarks:

1. Above calculation is based on the emissions factors adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

2. tCO_2e refers to tonnes of Carbon Dioxide equivalent.

During the Reporting Period, our business operation produced a total of 93.37 tonnes of carbon emissions (mainly carbon dioxide, methane and nitrous oxide) across the Group.

To align with Hong Kong's Climate Action Plan 2050, the Group targeted to reduce scope 1 and 2 emission by 5% by 2030 with FY2024/25 as the baseline year. The Group actively adopts electricity conservation and energy-saving measures to reduce GHG emissions. Although electrical appliances were adopted for anti-epidemic use, such as sanitising equipment and air purifier, Scope 2 emissions from electricity consumption remained relatively low. We are pleased to report that both Scope 1 and Scope 2 emissions have decreased compared to the previous reporting period. However, there is an increase in Scope 3 GHG emissions which is mainly attributed to business travel. We will continue our efforts to mitigate and manage our GHG emissions moving forward.

During the Reporting Period, we have been awarded the DHL GoGreen Plus Certificate for reducing carbon emissions through the use of sustainable aviation fuel, which is a green energy alternative derived from waste materials such as used oil and food scraps, for document and parcel delivery. Compared to traditional aviation fuel, SAF can reduce greenhouse gas emissions by approximately 80%, making it the most effective solution for rapidly decreasing carbon emissions in air transportation over the coming decades.

Apart from that, we have been awarded the IAQwi$e Certificate under the HKGOC and the Indoor Air Quality Certificate for Offices and Public Places issued by the Environmental Protection Department for our commitment to maintaining superior indoor air quality. These certifications recognise our proactive measures in monitoring and improving the indoor environment of our office premises and common areas. By adhering to these rigorous standards, the Group effectively minimises the discharge of air pollutants into the surrounding atmosphere. This systematic management serves as an effective contribution to reduce the regional air pollution burden, which is essential for enhancing public health and bringing environmental benefits to the neighbouring communities and society as a whole.

During the Reporting Period, the air emissions from the private cars of the Group were as follows:

Emission[1]	Unit[2]	2024/25	2025/26	Percentage Comparison
Nitrogen oxides ("NO_x")	kg	4.38	3.29	–25%
Particulate Matter ("PM")[3]	kg	0.32	0.24	–25%
Sulphur oxides ("SO_x")	kg	0.16	0.10	–38%
Total emissions from vehicles	**kg**	**4.86**	**3.63**	**–25%**

Remarks:

1. Above calculation is based on the emissions factors adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

2. kg refers to kilograms.

3. Respiratory suspended particles ("RSP", also known as Particulate Matter ("PM")).

Besides, air pollutants of NOx and PM decreased by 25%, SOx decreased by 38% compared with the last Reporting Period.

GREEN PROCUREMENT

Our commitment to the environment can be observed in our procurement practices.

A balanced judgment is made not only by taking into account the quality of construction materials, but also the environmental and social factors, including the recyclability, reusability, emission as well as energy consumption in supplier selection. Our preference will be based on the principle of green procurement, with priority given to environmentally friendly products and services whenever practicable. In the procurement process, contractors with ISO 14001 Environmental Management System Certification or other relevant accreditation will be prioritised, to ensure that the practices of suppliers are in line with the ISO 14001 standards, which require environmentally friendly considerations on services.

Before the purchase of any construction materials, our project team only utilises the necessary items and controls the number of materials to prevent excessive use. This is intended to mitigate the effect on the environment and to protect natural resources.

The Group supports the use of products that are conducive to sustainable development. To demonstrate our company's commitment to sustainable development and support the sustainable use of resources, we used paper certified by the Forest Stewardship Council ("FSC") for the publishing of our annual report. FSC is an international non-profit, multi-stakeholder organisation established in 1993, aiming to promote responsible management of the world's forests.

In order to support the local community, our supplier chain management strategy is to purchase goods and services locally as much as possible which supports the economic growth in our operating region. This also minimises the environmental footprint arising from transportation. The Group purchased goods and building services like cleaning, hygiene, sanitation, electrical and mechanical, security, IT services and consumables, for our operations in Hong Kong, all of which were spent on local suppliers. During the Reporting Period, our contractors and suppliers are all located in Hong Kong.

During the Reporting Period, we have complied with all applicable environmental laws, regulations and requirements for product and service procurement. For more information on our supply chain management strategy, please refer to the Supply Chain Management section.

GREEN OPERATION

In addition, taking into consideration of the potential impact of our projects on the environment, the Group has adopted a number of energy conservation measures to ensure the most efficient use of electricity in the office area, to reduce the emission of GHG and demonstrate our determination to protect our environment:

1. To encourage the use of electronic documents to minimise paper printing;

2. To encourage reuse of single-side used papers for drafting, printing and receiving faxes;

3. To encourage employees to switch off the lights, air-conditioning and computer monitors after office hours or when not in use;

4. To encourage the use of both sides of the paper when printing and photocopying;

5. To place recycling boxes for the collection of used ink and toner cartridges in the office area; and

6. To encourage reuse of envelopes/packaging for internal post with new labels.

In addition, the Group distributes office memo, through emails to promote the adoption of green initiatives to all staff regularly, such as paper and energy saving tips for office. Our office electrical appliances have also been inspected periodically to ensure efficient usage of energy.

A2 Use of Resources

One of the main targets of the Company is to reduce the electricity consumption using LED light bulbs instead of quartz lamps. The Group will further explore alternative measures to further reduce the use of resources.

During the Reporting Period, the natural resources consumed at our head office were as follows:

Aspects[1]	Unit	2024/25	2025/26	Percentage Comparison
Non-renewable fuel consumed: Petrol	MWh	103.76	68.16	–34%
Electricity consumption	MWh	89.10	85.92	–4%
Total energy consumption	**MWh**	**192.86**	**154.08**	**–20%**
Intensity of total energy consumption	MWh/no. of employees	2.07	1.66	–20%
Water consumption	**m^3**	**80.00**	**105**	**+31%**
Intensity of water consumption	m^3/no. of employees	0.86	1.13	+31%

Remark:

1. Above calculation is based on the emissions factors adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

During the year, non-renewable fuel consumed was 68.16 Megawatt hour ("MWh") and the total electricity consumed was 85.92 MWh, with total energy consumption intensity of 1.66 MWh per employee. This figure represents a decrease of 20% in the intensity of total energy consumption per employee in comparison to last Reporting Period. To align with Hong Kong's Climate Action Plan 2050, the Group targeted to reduce the total energy consumption by 5% by 2030 with FY2025/26 as the baseline year.

On the other hand, the total water consumption was 105 cubic metres ("m^3"), representing an increase of 31% during the Reporting Period. The Group will continue to assess and record our water consumption data annually and compare it with last year's data to assist the Group in further developing our reduction targets in the future.

In alignment with our commitment to responsible water management and providing a safe, hygienic environment for our building occupants, the Group actively participates in the Water Supplies Department ("WSD") Quality Water Supply Scheme. We are proud to hold valid certificates issued by this scheme for complying with the gold standards for both Fresh Water (Management System) and Flushing Water. These certifications underscore our dedication to sustainable building operations and represent our ongoing contribution to maintaining high hygiene standards while conserving vital water resources within our properties. Securing and maintaining these certifications requires proactive efforts from our property management and maintenance teams. By strictly adhering to the WSD's guidelines and continuously monitoring our water systems, we ensure that our facilities not only meet but exceed the required standards for water safety and efficiency.

Reducing Waste and Promoting Recycling

In 2021, the Hong Kong Government published the Waste Blueprint 2035 which highlights a new mission: Waste Reduction, Resource Circulation, Zero Landfill. The Group also shares a similar vision, which is to develop and introduce an environmentally sustainable waste management program focused on the use of building materials. Through our approach, this also ensures the compliance with the applicable regulatory and contractual standards.

As to reduce the consumption of natural resources, our project development team and contractors are encouraged to take into consideration the reduction of construction waste during the design, planning and implementation phases of our property development projects, we have also developed a number of applicable waste control measures during the year, including but not limited to the following:

1. To incorporate sustainable designs into our projects, prioritising waste avoidance over disposal, and pre-identifying and using reusable and recyclable construction materials during the planning phase and construction works;

2. To introduce pre-cast elements in construction which are effective in terms of optimal material requirement and can reduce waste generation on-site; and

3. To carry out more rational planning of our operations and management of the construction sites to reduce the consumption of natural resources.

The Group understands that waste management is also a collective effort of our residents, tenants, customers or any other users of the premises. Hence, the Group has launched and encouraged our stakeholders to participate in our recycling campaigns. These waste control approaches will apply to all of our upcoming projects and are encouraged to be complied with by our contractors. We partnered with Greeners Action for many years in promoting the recycling culture through the "Lai See Reuse & Recycle Program" and "Mooncake Box Recycling Collection", placing the recycling bins and encouraging the participation of employees and tenants.

Programs	Target	Achievement
Lai See Reuse & Recycle Program 2026 (Greeners Action)	Recycling unused or used Lai See packets to reduce waste and help relieve the burden of landfill disposal	69 kg (2024/25: 121 kg) red packets
Mooncake Box Recycling Collection 2025 (Greeners Action)	Recycling the metal by sorting out and help relief the burden of landfill disposal	145 kg (2024/25: 125 kg) mooncake boxes

During the Reporting Period, the generated non-hazardous waste was as follows:

Aspects[1]	Unit[2]	2024/25	2025/26	Percentage Comparison
Non-hazardous: Paper	kg	1,955.10	749.4	–62%
Intensity of non-hazardous waste	kg/no. of employees	21.02	8.06	–62%

Remarks:

1. Above calculation is based on the emissions factors adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

2. kg refers to kilograms.

Due to the business nature, paper is the main source of non-hazardous waste generated in our head office. The paper usage has remained at a reasonable usage level during the Reporting Period. We are working towards in transforming our office into a paper-less working environment.

Our employees are encouraged to adopt an effective use of paper, including recycling single-sided printing paper for reuse and using digital technology to replace paper. The total paper usage has decreased by approximately 62% as compared with the last Reporting Period. The decrease in paper usage is mainly due to the increased awareness of environmental protection among employees, along with the resource conservation policies implemented within the company.

During the Reporting Period, we have also been awarded the Hong Kong Green Organisation Wastewi$e Certificate for our continuous efforts in reducing waste and promoting resource circulation across our operations. By implementing effective waste management strategies and actively participating in local recycling programs, we are able to significantly minimise our daily environmental footprint, making a major contribution to alleviating the burden on local landfills.

The Group exhibited responsible management of electronic devices during the Reporting Period. Recognising the importance of waste minimisation and maximising the use of resources, the Group would donate equipment where possible to give it a second life. During the Reporting Period, the Group had donated desktops, IT accessories, LCD monitors etc. to Caritas Computer Workshop.

For other hazardous waste that cannot be reused or recycled, we ensure they are properly handled by licensed waste collectors. During the Reporting Period, no hazardous electronic waste was generated or handled. The Group will closely monitor the disposal of hazardous waste and ensure all handling processes remain in full compliance with applicable laws and regulations.

A3 The Environment and Natural Resources

Due to the nature of our business, the impact on the environment is minimal. The main environmental impact of the business is the indirect impact of carbon dioxide generated by power and paper usage in the daily activities of the business.

To the best of our knowledge, there was no case of non–compliance in relation to the environmental laws and regulations during the Reporting Period.

Actions have been taken by the Group to reduce the impact on the environment by adopting energy-saving measures mentioned in A1 Emissions and A2 Use of Resources.

A4 Climate Change

The 30th United Nations Climate Change Conference of the Parties (COP 30) was held in Belém, Brazil, marking further progress in the implementation of Article 6 of the Paris Agreement, a pivotal framework for international climate collaboration that enables voluntary cooperation among nations to achieve their Nationally Determined Contributions (NDCs) through market-based and non-market mechanisms, highlighting the immense potential of global cooperation in tackling the climate crisis. The Group has formulated a set of procedures to build up climate resiliency, which is as follows:

a) To perform a climate risk assessment;

b) To develop measures for addressing the risk;

c) To prioritise and allocate resources to support the implementation of the measures; and

d) To monitor and conduct a post implementation evaluation.

Climate Risk Assessment

Our approach to building climate resiliency is to first identify the impacts of climate change and the new regulations introduced into our business environment. There are two major types of climate risk, which are physical risk and transition risk:

- Physical risk is the direct risk arising from weather related events and changes in weather patterns.

- Transition risk is the risk arising from the transition to a carbon neutral economy.

Currently, the Group is not aware of any assets or business activities that are vulnerable to climate-related physical and transition risks.

The Group reviews and identifies the climate-related risk annually while conducting the risk assessment. We have considered the potential climate-related risks in respect of the recommendations of the Task Force on Climate related Financial Disclosure ("TCFD") and the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) to assess climate-related physical risks and transition risks. Our business strategy prioritises the key climate-related risks to establish key performance indicators (KPIs) and targets for relevant departments to implement risk management measures. The Group possesses the capacity to adapt its strategy and business model to climate change risks across short, medium, and long-term horizons through proactive measures such as ongoing scenario analysis and investment in resilient operations. This ensures our continued ability to implement effective mitigation approaches as needed.

Identifying and managing the associated opportunities and risks is vital to the Group's business operation. The Group reviewed all top enterprise risks including climate related risks and opportunities, and prioritised the risks and opportunities based on the impact to the Group and the likelihood of occurrence. Magnitude of impact is measured on various aspects, including environmental, supply chain and finance, with severity levels ranging from insignificant to substantial. The likelihood of occurrence is assessed on a scale from rare to certain.

Details of the analytic choices in the scenarios are listed below[1]:

Pathways	Aggressive Action, RCP 2.6 Limited Action, RCP 8.5
Time Horizons	Short-term: current reporting period Medium-term: 1-3 years Long-term: 4-10 years

Physical risk	**Extreme Heat**				**Heavy Rainfall**				**Tropical Cyclone**			
Scenario	RCP 2.6		RCP 8.5		RCP 2.6		RCP 8.5		RCP 2.6		RCP 8.5	
Location/Timeframe*	S/M	L	S/M	L	S/M	L	S/M	L	S/M	L	S/M	L
Shanghai – Chinese mainland												
Beijing – Chinese mainland												
Hong Kong												
Macau												

* S: Short-term, M: Medium-term, L: Long-term

Low risk Medium risk High risk

[1] For physical risk assessment, this analysis leverages Coupled Model Inter-comparison Project Phase 6 data to ensure the predictive accuracy. The analysis utilises past GHG emission data, projected to cover the long-term time frame with internal reduction targets to assess the potential impact of transition risks and is not intended as market forecasts.

Physical Risk Type	Risks	Potential Financial Impacts	Time Horizons	Our mitigation strategies, business model enhancements and opportunities
Acute Risk	• Extreme weather conditions, such as flooding and typhoons	• Increased costs arising from cooling needs and property maintenance • The impact of the weather-related event is low due to the office-based business operation	Short-term to long-term	• Work-from-home arrangements during Typhoon Signal No. 8 and Black Rainstorm Warning to minimise business disruption • Contingency plans and safety inspections for weather-exposed outdoor operations • Investment buildings designed with certified materials to withstand severe weather events
Chronic Risk	• Long-term Increase in Annual Mean Temperature • Changes in Precipitation Patterns & Sustained Humidity • Increasing Intensity of Latent Weather Patterns	• Higher energy consumption for cooling systems • Higher insurance premiums and potential reduction in asset liquidity for properties that lag in resilience	Medium-term to long-term	• Properties not located in low-lying areas and not susceptible to sea level rise • Extreme temperatures, humidity and wind are not expected to damage properties; physical chronic risk considered low

Transition Risk Type	Risks	Potential Financial Impacts	Time Horizons	Our mitigation strategies, business model enhancements and opportunities
Legal and Policy Risk	• Stricter Building Energy Efficiency Standards	• Higher expenses for retrofitting existing properties and implementing high-standard energy-saving systems in new developments to meet tightening statutory codes (e.g., Building Energy Code in Hong Kong)	Medium-term to long-term	• The PRC's 2060 and Hong Kong's 2050 net-zero targets may introduce new low-carbon policies for the property development industry. Stricter environmental requirements under Hong Kong's Climate Action Plan 2050 may also increase operating costs • The Group has incorporated energy-saving initiatives into its operations and projects to support decarbonisation goals. It will continue to monitor policy developments across its operating regions to mitigate climate risks and capture new opportunities

Transition Risk Type	Risks	Potential Financial Impacts	Time Horizons	Our mitigation strategies, business model enhancements and opportunities
Technology Risk	• Transition to Low-carbon Building Technologies • Technology Obsolescence and Incompatibility	• Higher initial investment required to adopt the latest SMART technologies, automation, and high-efficiency renewable energy systems for new and existing projects • Older properties with outdated building management systems may become less competitive, leading to potential rental income loss or expensive system replacement costs	Short-term to medium-term	• Leverage the latest technology, SMART technologies and automation across projects to enhance operational efficiency, reduce environmental impact and improve the quality of life for residents, tenants and customers. No major technological issues were identified during the Reporting Period • Allocate internal resources to invest in sustainable business solutions

Transition Risk Type	Risks	Potential Financial Impacts	Time Horizons	Our mitigation strategies, business model enhancements and opportunities
Market Risk	• Evolving Tenant and Buyer Preferences • Surge in Demand for Green Transport Infrastructure • Shift in Market Valuation Standards	• Failure to meet growing demand for sustainable buildings, particularly from international clients, may reduce occupancy or sales in the long term • Capital investment is required for EV charging stations and related power grid upgrades to align with government incentives and rising EV adoption • Properties lacking environmental features may face "brown discounts" as climate resilience becomes increasingly valued by the market	Short-term to long-term	• Green designs complement building designs and help reduce carbon footprints, but are not the main driver of sales • Provide EV charging stations in our properties to support Hong Kong's Green Transport strategy and facilitate clients' transition to a carbon-neutral economy • No significant shift in clients' preference for green designs and environmentally friendly features; market risk is considered relatively low

Transition Risk Type	Risks	Potential Financial Impacts	Time Horizons	Our mitigation strategies, business model enhancements and opportunities
Reputational Risk	• Changing Stakeholder Expectations on Sustainability • Scrutiny of ESG Performance by Investors and Lenders	• While green features are not currently viewed as mandatory, changing public or investor expectations may result in a "laggard" image • Increasing emphasis on ESG ratings may affect access to green financing and ESG-focused investment funds	Short-term to long-term	• Customers and business partners do not generally regard green designs and environmental features as mandatory requirements. Reputational risk is therefore considered relatively low

During the Reporting Period, there were no significant climate risk identified by our climate risk assessment, nor has the Group been severely affected by climate change.

B. SOCIAL ASPECTS

B1 Employment

The Group strongly believes that the most valuable asset for our sustainable development is our employees. The Group strictly complies with the Hong Kong Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and other legal employment requirements, avoiding any child employment, discrimination, harassment or offences against the laws of Hong Kong. We strive to fulfil our responsibilities to employees, respect their legitimate rights and interests, promote their professional development, improve our working environment and pay attention to the physical and mental health of employees in order to realise the common development of the Group and our employees. During the year, the Group was not aware of any litigation cases regarding labour and employment practices brought against the Group or our employees.

During the Reporting Period, regular counselling and appraisal sessions were arranged for our employees, allowing management to communicate our expectations, evaluate and maintain the competitiveness of remuneration packages, and gain feedback on employees' professional development needs or grievances.

A wide range of incentives are offered to our employees, including competitive wages and proper insurance coverage. Bonuses may also have been distributed to employees by the Group, based on their positive contribution to the Group's success throughout the years. These incentives and benefits are benchmarked against industry peers, ensuring that the Group continues to be a destination for quality talent.

Additionally, the Group aims to offer additional benefits to our employees including, but not limited to, medical and dental allowances, reimbursement to staff for occupational injuries, paid paternity and maternity leave, newborn child gift, as well as training and education subsidies.

The Group makes MPF contributions for our employees on a regular basis and is in compliance with MPF legislation to ensure the interests of our employees are protected. Under the MPF system, mandatory contributions made by employers and employees are set at 5% of the salary with reference to the statutory minimum (HK$7,100) and maximum (HK$30,000) salary level. In addition, the Group also contributes 5% to the voluntary provident fund, according to the terms of the MPF Scheme. Moreover, the Group offers more than one MPF providers for staff to select since 2019. A "Good MPF employer" designation has been awarded to the Group since 2016 and this award aims to cultivate an employer's responsibility under the law and also encourage the employer's efforts to further enhance the retirement protection of employees.

During the Reporting Period, the Group has complied with local labour laws regarding working hours, overtime, vacation, minimum wage requirements, compensation and dismissal. In addition, we have not received any complaints or notices from the government authorities for contravention of the above employment practices.

During the Reporting Period, the Group has 93 full-time staff. All staff are aged 18 or above. Geographically, 86% of our staff are located in Hong Kong, 13% are in Chinese mainland, and 1% are in Macau, which is similar to last year according to the table below.

The following table illustrates the Group's staff composition as at 31 March 2026:

Total Employment Distribution	Categories	As at 31 March 2025	As at 31 March 2026	Change in percentage points[1]
Gender	Male	53%	47%	–6pp
	Female	47%	53%	+6pp
Age group	21 – 30	8%	5%	–3pp
	31 – 40	33%	33%	–
	41 – 50	33%	35%	+2pp
	Over 51	26%	27%	+1pp
Geographical region	Chinese mainland	13%	13%	–
	Hong Kong	86%	86%	–
	Macau	1%	1%	–

Remark:

1. pp represents percentage points.

Employee composition and changes in staff turnover are monitored by the Group. Equal opportunities are heeded as prerequisites for the effective utilisation of available competence and for a balanced working environment.

During the Reporting Period, our employee turnover rate was 12%.

Employee Turnover Rate	Categories	2024/25	2025/26[1]	Change in percentage points[2]
Overall employee turnover rate		**23%**	**12%**	**–11pp**
Gender	Male	18%	17%	–1pp
	Female	29%	6%	–23pp
Age group	21 – 30	15%	17%	+2pp
	31 – 40	32%	10%	–22pp
	41 – 50	13%	10%	–3pp
	Over 51	26%	16%	–10pp
Geographical region	Chinese mainland	0%	8%	+8pp
	Hong Kong	27%	13%	–14pp
	Macau	0%	0%	–

Remarks:

1. The calculation of turnover rate is performed by dividing the number of employee turnovers during the year by the average number of employees during the previous and current Reporting Periods for the corresponding category.

2. pp represents percentage points.

B2 Health and Safety

Occupational health and safety are key focus of the Group, and we strive to maintain a safe and healthy working environment in strict compliance with the relevant laws and regulations, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong).

Our policies on occupational health and safety are communicated in the "Employee Handbook" and follow the code of practice on safety management, which is prepared by the Occupational Safety and Health Branch of the Labour Department.

For the purpose of raising staff awareness of occupational health and safety, our Group and employees have joined and participated in several events during the Reporting Period, including but not limited to:

- On-site Seasonal Influenza Vaccination; and
- Bank of America Tower Annual Fire Drill.

The Group will continue to send out the occupational health and safety-related memo to our employees by email and may limit or alter the work of employees deemed to be in need of special support, followed by a medical checkup or other physical examination.

The Group places a strong emphasis on prioritising the health and well-being of all employees, to create a safer and healthier working environment for our employees. In order to safeguard their health, the Group has taken proactive measures by applying the antimicrobial protector in office areas. The Group applied the Prime Shield Antimicrobial Protector once during the Reporting Period, each application maintain protection against the buildup of harmful microbes for a period of twelve months. These measures have been implemented to create a safer and healthier working environment for our employees.

During the Reporting Period and the past three years, neither reports of non-compliance regarding employee health and safety, nor any work-related fatalities or injuries were recorded.

B3 Development and Training

The development of employee professional skills is one of the Group's priorities.

As part of our "Employee Handbook", the "Training and Development" procedures provide a framework for training and development. This ensures all employees have the necessary competencies to achieve operational excellence and to enrich the employees' knowledge in carrying out their job duties. Equality of opportunity will be provided to all employees to develop their knowledge, skills and abilities through a blend of learning methods including training and education programs, group-sponsored training and work-related courses, on-the-job learning, as well as mentoring and coaching.

During the Reporting Period, the Group has continued to provide a range of educational sponsorship and examination leave for employees participating in professional programs that are related to their works. In particular, we have actively encouraged our professional staff to participate in continuous professional development to maintain and improve their work skills and knowledge.

The Group has been further developing the employee retention strategy to develop a talent pipeline that will meet the needs of our expanding business, such as strengthening recruitment controls so applicants can fully understand the working environment of the Group. We also focus on the work-life balance of employees and their development prospects within the Group to build a competitive career platform.

During the Reporting Period, 19% of the total workforce participated in training, comprising 11% male employees and 89% female employees. On average, male employees received approximately 0.1 training hours, while female employees received 1.73 training hours. For frontline and other employees, the average training hours were 0.42.

The training programs offered during the Reporting Period encompassed a variety of topics, including webinars on MPF-related issues with an emphasis on the upcoming eMPF platform, training for newly appointed directors, and professional development trainings, including legal profession, Chartered Governance, and CPA-tailored Continuing Professional Development (CPD) programs. These training opportunities were designed to enhance employee skills, promote professional development, and provide relevant knowledge and resources to support their roles within the Group.

B4 Labour Standards

The Group, as an equal opportunity employer, recruits employees from the open market. Our policies related to non-discrimination and diversity practices are communicated in the "Employee Handbook". In addition to stipulating employment arrangements, the employee handbook also emphasises our principle of equal opportunities in employment, promotion, transfer, dismissal and termination to ensure that all potential and existing employees are treated fairly regardless of race, sexual orientation, religion, gender, family status, physical disability or other biases.

The Group prohibits the employment of child labour or any other form of forced and illegal labour, which is in line with the local employment laws including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and other related labour laws or regulations.

The Group strictly adheres to applicable labour laws and regulations in the regions where we operate to ensure a recruitment procedure that is free from child labour or forced labour. Our commitment to preventing these practices is unwavering. If any instances of child labour or forced labour are identified, immediate termination procedures will be implemented for the individuals involved. This zero-tolerance approach underscores our dedication to upholding ethical and responsible employment practices throughout our operations.

B5 Supply Chain Management

For supply chain management, it does not only measure the quality of our services and deliverables, but also how effective environmental and social risks are managed by the Group.

We manage and monitor the supply chain's environmental and social risks through the development of a clear and equitable "Tender Invitation Policy". This stipulates our procurement ethics, anti-fraud standards and the criteria for both our long-term or recently engaged supply chain partners. During our procurement process, the environmental requirements are taken into account. We also encourage our suppliers and contractors to improve their sustainability practices, reduce the environmental effects resulting from projects and exercise quality supply chain management governance.

Suppliers or contractors are reminded that they will only be selected with good credit history, good reputation and high-quality products and services, and other practices stated in the Supply Chain Management Policy. During the procurement and tendering processes, monitoring and management controls are also in place to detect and prevent bribery frauds or other forms of malpractice.

As to maintain a fair selection of the suppliers and contractors, supplier performance evaluations will be needed on a regular basis. Its purpose is to ensure the quality of services and products provided by the suppliers and contractors to meet the needs of the Group. To influence suppliers in a positive and sustainable direction, practice on monitoring and evaluation is designed to form an essential part of strategic sourcing of vendors and supply chain management, to help to maintain competitiveness.

When identifying and reviewing suppliers and contractors, the Group also reviews their track record of environmental enforcement and contribution to social responsibility. Providers and contractors that are environmentally and socially responsible will be given preferences in the tendering process.

During the Reporting Period, the Group managed and partnered with a total of 25 contractors, all of which are from Hong Kong. 17 out of 25 contractors are certified with ISO 14001 Environmental Management System Certification which ensures the Group's environmental management system meets the standard of internal industry-specific environmental requirements.

B6 Product Responsibility

Protection of Intellectual Property Rights

We respect the intellectual property rights of any third parties. Our employees are required to comply with the applicable legal requirements as stated in the new Ethical Guidelines. In the course of our business activities, employees are also required to protect the confidentiality of all privileged information provided to us. All intellectual property rights including copyrights in any design drawings, specifications, reports, calculation, documents, materials, computer files, know-how and information related to the project are owned by the providers. The Group will not use the contents without prior written approval from the providers.

For the Reporting Period, the Group complied with the relevant laws and regulations related to intellectual properties rights including but not limited to Patents Ordinance (Cap. 514 of the Laws of Hong Kong), and was not aware of any infringement of our or any other intellectual property rights which had or could have a material adverse effect on our business, there were no legal proceedings against the Group with respect to our use of works. We will continue to target zero infringement in coming years.

Consumer Data Protection and Privacy

Consumers have become increasingly concerned about data privacy and cybersecurity issues. When applying digital solutions to our operations and services, we have done our best to ensure security and protection of our customers' personal information.

With an evolving cyber security threat landscape, cybersecurity measures are carried out to equip the staffs with the latest knowledge and skills. The Group also keeps all employees updated on fraudulent emails and the use of phone and USB flash units through issuing cybersecurity alerts and tips on our intranet. To lower the risk of data exfiltration, only endorsed and registered removable drives are allowed to be used.

During the Reporting Period, electronic devices were donated. To safeguard the security of both consumer data and the Group's data, a degaussing process was employed for data elimination. This process adhered to the US Department of Defense 5220.22-M Standard, which ensures the effective erasure of data in a manner that meets stringent security requirements. By employing this standardised degaussing process, the Group maintains a commitment to protecting sensitive information and upholding the highest standards of data security.

Product Recall and Complaints

Due to the nature of the Group's business activities in property development and investment property and project management, the data collected during the Reporting Period relating to product recall, labelling and advertising is assessed as either immaterial or irrelevant. The Group received no complaints related to product safety and service during the Reporting Period which were minor complaints that were resolved within a reasonable timeframe.

B7 Anti-Corruption and Anti-Money Laundering

The Group understands the potential risks of unethical behaviour to our business. We have zero-tolerance for misconduct, any form of bribery, extortion, fraud and money laundering.

All employees employed by the Group must fully comply with the provisions, as included in our "Employee Handbook", which emphasises the values and principles, we uphold in anti-fraud and anti-corruption and guides work practices and employee behaviour. The Employee Handbook covers definitions and requirements concerned with various topics, including but not limited to those related to:

1. Avoidance of Conflict of Interest and Standards of Integrity;

2. Non-Disclosure of Confidential Information;

3. Restrictions on the Offer, Solicitation or Acceptance of Advantages; and

4. Clause of Non-Competition.

Employees who are found to have breached our policies and Employee Handbook will be investigated and may be subject to warning, suspension, termination of contract, dismissal and disciplinary discharge.

In addition, "Whistle Blowing Policy" has been established to support the values and principles upheld by the Group. This provides employees with guidance and channels for the reporting of fraud, corruption, bribery, criminal offences, conflict of interest and other non-compliances with the laws, regulations and internal controls or other forms of misconducts without fear of adverse consequences.

During the Reporting Period, the Group took proactive measures to promote and uphold the highest standards of integrity among employees. As part of this initiative, an online anti-bribery training session was organised and facilitated by the Independent Commission Against Corruption of the Hong Kong Special Administrative Region (ICAC). A total of 12 employees (including 1 director) actively participated in this training, accumulating a total of 18 training hours focused on anti-corruption practices. This training aimed to enhance employees' understanding of preventing bribery and foster a culture of integrity within the organisation.

The policy provides a set of transparent and confidential procedures for dealing with the concerns raised by each employee and is fully supported by senior management, endorsed by the Audit Committee and approved by the Board of Directors.

Suspected non-compliance may be reported to the Department Head or directly to the Compliance Officer, who is also required to notify any concerns to the Audit Committee on a timely basis. According to this policy, the identity of employees who reported in good faith will be kept confidential and protected by the Group without any form of retaliation, harassment or victimisation.

The Group strictly abides by relevant laws and regulations including the Prevention of Bribery Ordinance (Cap 201) and the Companies Ordinance (Cap 622). During the Reporting Period, there were no violations of laws and regulations related to bribery, extortion, fraud and money laundering.

B8 Community Investment

The Group is passionate about supporting the community, and going above and beyond our business operation to give back to those that are in need. The Group's community events revolve around three pillars, namely, family interactions, environment and outdoor activities. These three elements provide guidance on the type of community activities that we host or support. The Group also encourages our employees to contribute to the community through volunteering in various events.

Investment Practices

The Group practices a set of principles when acting as a placing agent or an underwriter of fund-raising activities whereby the Group seeks to cooperate with companies who share the same passions as us, which is to create a transformational change that will secure a sustainable future for the community. The Group contributes to society in a variety of ways, including donations.

During the Reporting Period, we have supported a number of organisations including the Hong Kong Golf Club Charitable Foundation Limited, Greeners Action, the Community Chest of Hong Kong and Shenzhen Charity Federation, with a total donation amounting to HK$342,000.

Furthermore, the Group believes that true community support means standing together when unforeseen hardships arise. Following the sudden and tragic fire at Wang Fuk Court, the Group donated HK$200,000 to the "Support Fund for Wang Fuk Court in Tai Po" while CSI's staff collectively contributed HK$55,320 to provide immediate assistance to affected parties. This initiative is a direct reflection of our core values, demonstrating our ongoing pledge to stay engaged with society and offer impactful assistance in the face of unexpected adversity.

Our dedication to the community also extends to active environmental conservation. On 8 November 2025, the Group joined hands with Greeners Action to organise the 'Yi O Eco Tour x Shorelines Cleanup' at Yi O Kau Tsuen on Lantau Island. This hands-on volunteer activity aimed to raise awareness of environmental protection and reduce the ecological burden on our oceans. We successfully engaged 18 volunteers for this initiative, contributing a total of 54 volunteer hours. During the event, our team successfully cleared 42.6 kg of marine debris, making a direct and positive impact on the local environment.

Besides participating in events, the Group also donated 2 desktop computers, 3 LCD monitors, 1 box of IT accessories such as cables and 4 pieces of hard disk to the Caritas Computer Workshop. The reusable devices, after examination and refurbishment, will be donated or sold at a very low price to the needy. The donation gives a second life to electronic devices, which not only help to lower the effect of pollution but also help to raise public awareness and promote a sense of togetherness among citizens.

FUTURE APPROACH TO SUSTAINABLE DEVELOPMENT

Going forward, we will explore new opportunities to further integrate sustainability into our business operations, whereby we can create a sustainable future for our stakeholders and the community as a whole, including but not limited to the below:

1) Continue to incorporate green designs into our property development projects;

2) Operate in a manner that safeguards the health and safety of all of the people with whom we work;

3) Provide a working environment in which all employees are treated fairly, equally and with respect, and are able to realise their full potential; and

4) Organise more recreational eco-friendly activities and charitable events for them to join.

HKEX ESG Reporting Guide Content Index

Aspects, General disclosures and KPI	Description	2026 ESG Report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A1 Emissions
KPI A1.1	The types of emissions and respective emissions data.	Air Quality
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Reducing Waste and Promoting Recycling
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Reducing Waste and Promoting Recycling
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Air Quality
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Reducing Waste and Promoting Recycling

Aspects, General disclosures and KPI	Description	2026 ESG Report
A. Environmental		
Aspect A2: Use of Resources		
General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	A2 Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	A2 Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	A2 Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A2 Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A2 Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of packaging materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	A3 The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3 The Environment and Natural Resources

Aspects, General disclosures and KPI	Description	2026 ESG Report
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1 Employment
KPI B1.1	Total workforce by gender, employment type (for example, full– or part-time), age group and geographical region.	B1 Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1 Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B2 Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2 Health and Safety
KPI B2.2	Lost days due to work injury.	B2 Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2 Health and Safety

Aspects, General disclosures and KPI	Description	2026 ESG Report
B. Social		
Employment and Labour Practices		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities.	B3 Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3 Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3 Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B4 Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4 Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4 Labour Standards

Aspects, General disclosures and KPI	Description	2026 ESG Report
B. Social		
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B5 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	B5 Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	B5 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5 Supply Chain Management

Aspects, General disclosures and KPI	Description	2026 ESG Report
B. Social		
Operating Practices		
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6 Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6 Product Responsibility
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	B6 Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6 Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	B6 Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6 Product Responsibility

Aspects, General disclosures and KPI	Description	2026 ESG Report
B. Social		
Operating Practices		
Aspect B7: Anti-Corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7 Anti-Corruption and Anti-Money Laundering
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	B7 Anti-Corruption and Anti-Money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7 Anti-Corruption and Anti-Money Laundering
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7 Anti-Corruption and Anti-Money Laundering
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8 Investment Practices
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8 Investment Practices
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8 Investment Practices

Implementation Guidance for Climate Disclosures Under HKEX ESG Reporting Framework

Climate-related Disclosures	2026 ESG Report
Governance	
19 An issuer shall disclose information about:	
a. the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
i. how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Message from the Board
ii. how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Message from the Board
iii. how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Message from the Board
iv. how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Message from the Board
b. An issuer shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
i. whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Message from the Board
ii. whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Message from the Board

Climate-related Disclosures			2026 ESG Report
Strategy			
20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:		
	a.	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	A4 Climate Change
	b.	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	A4 Climate Change
	c.	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	A4 Climate Change
	d.	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	A4 Climate Change
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:		
	a.	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	A4 Climate Change
	b.	a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	A4 Climate Change

Climate-related Disclosures	2026 ESG Report
Strategy	
22 An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
a. information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
i. current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	A4 Climate Change
ii. current and anticipated adaptation and mitigation efforts (whether direct or indirect);	A4 Climate Change
iii. any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	A4 Climate Change
iv. how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Air Quality
b. information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	A4 Climate Change
23 An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Air Quality

Climate-related Disclosures			2026 ESG Report
Strategy			
24	An issuer shall disclose qualitative and quantitative information about:		
	a.	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	A4 Climate Change
	b.	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	The identified climate risks and opportunities are under the Group's manageable control, which will not cause material adjustments to the carrying amounts of assets and liabilities within the next annual reporting period.
25	The issuer shall provide qualitative and quantitative disclosures about:		
	a.	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
		i. its investment and disposal plans; and ii. its planned sources of funding to implement its strategy; and	Currently, the Group is not aware of any need for major investment or disposal plans specifically related to climate change considerations.
	b.	how the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	A4 Climate Change

Climate-related Disclosures	2026 ESG Report
Strategy	
26 An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
a. the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
i. the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	A4 Climate Change
ii. the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	A4 Climate Change
iii. the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	A4 Climate Change
b. how and when the climate-related scenario analysis was carried out, including:	
i. information about the inputs used, including:	
1. which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	A4 Climate Change
2. whether the analysis included a diverse range of climate-related scenarios;	A4 Climate Change
3. whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	A4 Climate Change
4. whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	A4 Climate Change
5. why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	A4 Climate Change
6. time horizons the issuer used in the analysis; and	A4 Climate Change

Climate-related Disclosures	2026 ESG Report
Strategy	
7. what scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis);	A4 Climate Change
ii. the key assumptions the issuer made in the analysis; and	A4 Climate Change
iii. the reporting period in which the climate-related scenario analysis was carried out.	A4 Climate Change
Risk Management	
27 An issuer shall disclose information about:	
a. the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
i. the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	A4 Climate Change
ii. whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	A4 Climate Change
iii. how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	A4 Climate Change
iv. whether and how the issuer prioritises climate-related risks relative to other types of risks;	A4 Climate Change
v. how the issuer monitors climate-related risks; and	A4 Climate Change
vi. whether and how the issuer has changed the processes it uses compared with the previous reporting period;	A4 Climate Change
b. the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	A4 Climate Change
c. the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	A4 Climate Change

Climate-related Disclosures				2026 ESG Report
Metrics and Targets				
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:			
	a.	Scope 1 greenhouse gas emissions;		Air Quality
	b.	Scope 2 greenhouse gas emissions; and		Air Quality
	c.	Scope 3 greenhouse gas emissions		Air Quality
29	An issuer shall:			
	a.	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;		Air Quality
	b.	disclose the approach it uses to measure its greenhouse gas emissions including:		
		i.	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Air Quality
		ii.	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Air Quality
		iii.	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Air Quality
	c.	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and		Air Quality
	d.	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).		Air Quality

Climate-related Disclosures		2026 ESG Report
Metrics and Targets		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	A4 Climate Change
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	A4 Climate Change
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Currently, the Group is not aware of any amount and percentage of assets or business activities aligned with climate-related opportunities. The Group will consider monitoring these climate-related factors and intends to take action or disclose relevant financial metrics in future reports when necessary.
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Currently, the Group is not aware of any amount of capital expenditure, financing or investment aligned with climate-related opportunities. The Group will consider monitoring these climate-related factors and intends to take action or disclose relevant financial metrics in future reports when necessary.

Climate-related Disclosures			2026 ESG Report
Metrics and Targets			
34	An issuer shall disclose:		
	a.	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Carbon pricing is currently not a part of our decision-making. We will explore the use of internal carbon pricing in the future.
	b.	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
	or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).		Message from Board
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.		SASB Reporting Index
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:		
	a.	the metric used to set the target;	Air Quality
	b.	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Air Quality
	c.	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Air Quality
	d.	the period over which the target applies;	Air Quality

Climate-related Disclosures			2026 ESG Report
Metrics and Targets			
	e.	the base period from which progress is measured;	Air Quality
	f.	milestones or interim targets (if any);	Air Quality
	g.	if the target is quantitative, whether the target is an absolute target or an intensity target; and	Air Quality
	h.	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Air Quality
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		
	a.	whether the target and the methodology for setting the target has been validated by a third party;	As we move forward, we will explore the feasibility of having our targets validated by a third party.
	b.	the issuer's processes for reviewing the target;	Message from the Board
	c.	the metrics used to monitor progress towards reaching the target; and	Air Quality
	d.	any revisions to the target and an explanation for those revisions.	Air Quality
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.		Air Quality
40	For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:		
	a.	which greenhouse gases are covered by the target;	Air Quality
	b.	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Air Quality

Climate-related Disclosures	2026 ESG Report
Metrics and Targets	
c. whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; d. whether the target was derived using a sectoral decarbonisation approach; and	We consider our target is a gross GHG target as we currently have not planned to purchase carbon credits to offset our emissions to achieve the target.
e. the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
i. the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; ii. which third-party scheme(s) will verify or certify the carbon credits; iii. the type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and iv. any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	We currently have not purchased carbon credits to offset our emissions. The Group is committed to optimising the business operations for energy efficiency and climate resilience. We will keep evaluating the necessity of purchasing carbon credits in the future.

SASB Reporting Index

CSI included SASB disclosures where similar information is provided in our Sustainability Report and other public documents. Below is a partial list of the SASB disclosures for the Real Estate Industry and our responses.

Topic	Metric	Code	2026 ESG Report or Our Responses
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property sector	IF-RE-130a.1	100%
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity and (3) percentage renewable, by property sector	IF-RE-130a.2	(1), (2) A2 Use of Resources (3) Breakdown for renewable energy by sub-sector is currently unavailable due to data limitation; the Group is working to implement more granular monitoring.
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Energy Savings
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.1	(1) 100% (2) 0%
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.2	(1) A2 Use of Resources (2) The Group's properties source water from local water supply departments and are not located in water stress areas; therefore, we do not experience any difficulties in sourcing water.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	A2 Use of Resources

Directors' Report

The directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries, associates and joint ventures are set out in notes 42, 20 and 19, respectively to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development, an analysis of the Group's performance using financial key performance indicators is provided in the Financial Highlights and principal risks and uncertainties that the Group may be facing and particulars of important events affecting the Group that have occurred since the end of the financial year are provided in the "Chairman's Statement" on pages 7 to 8, "Management Discussion and Analysis" on pages 9 to 13 and "Corporate Governance Report" on pages 14 to 28 of this annual report.

Discussions on the environmental policies and performance, and the account of the key relationships of the Group with its stakeholders are contained in the "Environmental, Social and Governance Report" on pages 29 to 77 of this annual report.

Compliance with Laws and Regulations

The Group is committed to maintaining a high level of corporate compliance with the legal and regulatory requirements in respect of businesses and operations. The Group's overseas operations are mainly carried out by the Company's subsidiaries in Macau and the People's Republic of China (the "PRC") while the Company itself was incorporated in Bermuda and the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Group accordingly shall comply with relevant laws and regulations in, inter alia, the PRC, Macau, Hong Kong and Bermuda.

As far as the board of directors of the Company (the "Board") is aware, during the year and up to the date of this report, the Group has complied with the relevant laws and regulations that have significant impact on its businesses and operations.

Relationships with Key Stakeholders

The Group's success also depends on the support from its key stakeholders which comprise, inter alia, employees, business partners and customers. Employees are regarded as important and valuable assets of the Group. Therefore, the Group provides competitive remuneration packages to attract, motivate and retain employees for their continued contribution to the Group and also encourages them by way of sponsorship to attend training courses which help employees' career development. Besides, the Group has developed and maintained solid and steady relationships with its business partners, and provides high quality products and services to its customers so as to enhance its competitiveness, sustainability and future development.

RESULTS AND APPROPRIATIONS

Details of the Group's results for the year are set out in the consolidated statement of profit or loss on page 101.

The directors do not recommend the payment of a final dividend for the years ended 31 March 2026 and 31 March 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the purpose of determining shareholders who are entitled to attend and vote at the annual general meeting, the register of members of the Company will be closed from Monday, 24 August 2026 to Thursday, 27 August 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for determining the entitlements of the shareholders to attend and vote at the annual general meeting is Thursday, 27 August 2026.

In order to qualify for attending and voting at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 21 August 2026.

In order to qualify for attending and voting at the annual general meeting as shareholders, the holders of the Warrants must lodge the subscription form accompanied by the relevant Warrant certificate and the relevant exercise moneys for registration with Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 19 August 2026.

PROPERTY, PLANT AND EQUIPMENT

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

BORROWINGS

Details of bank borrowings of the Group are set out in note 27 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity herein.

DISTRIBUTABLE RESERVES OF THE COMPANY

In the opinion of the directors, the Company's reserves available for distribution to shareholders as at 31 March 2026, calculated under the Companies Act 1981 of Bermuda (as amended), including contributed surplus and accumulated profits amounted to approximately HK$8,820,736,000 (2025: HK$9,174,615,000).

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 82.9% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 53.2% of the Group's total sales.

During the year, the aggregate purchases attributable to the Group's five largest suppliers comprised approximately 74.1% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 43.5% of the Group's total purchases.

Save as disclosed in note 37 to the consolidated financial statements, at no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers and suppliers.

(From left to right) Mr. Ho Lok Fai , Ms. Chung Yuen Tung, Jasmine, Mr. Kan Sze Man, Mr. Chung Cho Yee, Mico, Mr. Chow Hou Man, Mr. Yip Chai Tuck, and Mr. Leung King Yin, Kevin

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Chung Cho Yee, Mico *(Chairman)*
Mr. Kan Sze Man
Mr. Chow Hou Man
Mr. Ho Lok Fai
Mr. Leung King Yin, Kevin
Ms. Chung Yuen Tung, Jasmine
Mr. Yip Chai Tuck

Non-Executive Director:

Mr. Lo Hing Hung
(with Mr. Ip Ho Wang as his alternate)

Independent Non-Executive Directors:

Dr. Lo Wing Yan, William, *JP*
Mr. Shek Lai Him, Abraham, *GBS, JP*
Mr. Chak Hubert
Mr. Yip Ka Kay

Pursuant to Bye-law 99(A) of the bye-laws of the Company (the "Bye-laws"), Mr. Ho Lok Fai and Mr. Leung King Yin, Kevin, will retire from office at the forthcoming annual general meeting.

In addition, Mr. Yip Chai Tuck was appointed as an executive director and Mr. Yip Ka Kay was appointed as an independent non-executive director, being their appointments after the annual general meeting of the Company held on 28 August 2025, are required to retire at the forthcoming annual general meeting pursuant to Bye-law 102(B) of the Bye-laws.

Mr. Ho Lok Fai, Mr. Leung King Yin, Kevin, Mr. Yip Chai Tuck and Mr. Yip Ka Kay, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The directors proposed for re-election at the forthcoming annual general meeting do not have any service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The terms of office of each non-executive director is the period up to the retirement by rotation in accordance with the Bye-laws.

Mr. Chung Cho Yee, Mico

Mr. Kan Sze Man

DIRECTORS' PROFILE

Chairman and Executive Director

Mr. Chung Cho Yee, Mico, aged 65, Chairman and Executive Director of the Company, joined the Company in 2004. He is a director of certain subsidiaries of the Company. He is also the chairman of the Executive Committee and the Nomination Committee, and a member of the Remuneration Committee of the Board. Mr. Chung graduated from University College London in the United Kingdom, with a law degree in 1983 and qualified as a solicitor in Hong Kong in 1986. Mr. Chung is currently a non-executive director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, the shares of which are listed on the Stock Exchange. Mr. Chung is the father of Ms. Chung Yuen Tung, Jasmine, an executive director of the Company. He is also the brother-in-law of Mr. Kan Sze Man, an executive director and Deputy Chief Executive Officer of the Company.

Executive Directors

Mr. Kan Sze Man, aged 54, joined the Company as Group General Counsel in 2001 and served as the Chief Operating Officer from 2016 until 28 February 2025. He was promoted to the role of Deputy Chief Executive Officer on 1 March 2025. He is a director of certain subsidiaries and associates of the Company, and a member of the Executive Committee of the Board. Mr. Kan is a qualified solicitor by profession. He graduated from Wadham College, University of Oxford in the United Kingdom in 1993 and qualified as a solicitor in Hong Kong in 1997. He has worked in the commercial department of a Hong Kong law firm and a U.K. city firm, until joining Hikari Tsushin International Limited (now known as China Oil and Gas Group Limited) as its senior vice president and legal counsel in early 2000. Mr. Kan is the brother-in-law of Mr. Chung Cho Yee, Mico, the Chairman and the controlling shareholder of the Company. He is also the uncle of Ms. Chung Yuen Tung, Jasmine, an executive director of the Company.

Mr. Chow Hou Man

Mr. Ho Lok Fai

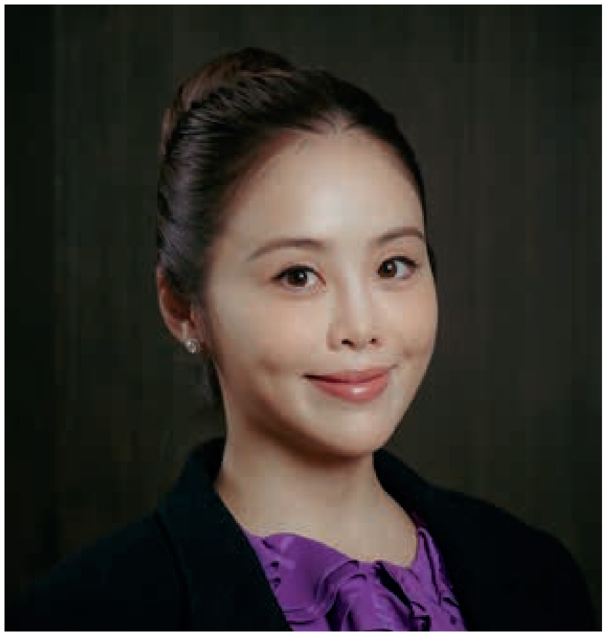
DIRECTORS' PROFILE (Continued)

Executive Directors (Continued)

Mr. Chow Hou Man, aged 55, joined the Company in 2001 and was Group Chief Financial Officer up to 7 February 2025. He was redesignated as Executive Director – Operations and Finance on 1 March 2025. He is a director of certain subsidiaries and associates of the Company, and a member of the Executive Committee of the Board. Mr. Chow graduated from The Hong Kong Baptist University and holds a Master of Business Administration degree from The Hong Kong Polytechnic University. He has over 20 years of financial experience in various companies listed in Hong Kong and overseas and in an international firm of certified public accountants. He is a member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Mr. Ho Lok Fai, aged 65, joined the Company in 2005. He is a deputy managing director/director of certain subsidiaries of the Company, and a member of the Executive Committee of the Board. Mr. Ho has been involved in the commercial property investment and agency business since 1991, having over 30 years of solid and proven experience specialising in the investment in Grade A and B offices in Hong Kong. He is responsible for investment in commercial properties, leasing matters, and the property management business for offices and industrial properties of the Group. He possesses exceptional acumen and insight in the property market business, with comprehensive understanding of extensive clientele in commercial property investments; extensive and reliable connection with the reputable estate agents in the commercial property market for which he can readily procure to dispose commercial and development projects of the Group into the market in the most profitable and efficient manner. For many years, he has achieved very satisfactory results and performance for those projects or investments that he has been involved in.

Mr. Leung King Yin, Kevin



Ms. Chung Yuen Tung, Jasmine

DIRECTORS' PROFILE (Continued)

Executive Directors (Continued)

Mr. Leung King Yin, Kevin, aged 64, joined the Company in 2021 and was appointed as managing director of development in May 2021 by the Company. He is a director of a subsidiary of the Company, and a member of the Executive Committee of the Board. He is the head of the project management and development department of the Group, leading a team of project managers and surveyors in managing a variety of residential and commercial projects in Hong Kong. Prior to joining the Group, he was the general manager/ project director of a number of sizable listed companies. He has over 30 years of experience in the property development field with a variety of portfolio including residential, commercial and hotel developments in Hong Kong, Chinese mainland and Canada. He holds a Bachelor degree of Architecture from the University of Melbourne. He is a registered architect and an authorized person under the Building Ordinance (Cap. 123 of the Laws of Hong Kong), with extensive project management experience.

Ms. Chung Yuen Tung, Jasmine, aged 34, joined the Company in 2017. She is a member of the Executive Committee and the Nomination Committee of the Board. Ms. Chung holds a Bachelor of Arts degree with a major in Economics from New York University. Ms. Chung is responsible for driving corporate development strategy to optimise business units, sales and marketing functions of the Group. She also plays an active role in promoting the Group's Environmental, Social and Governance initiatives and integrating corporate branding strategy. Ms. Chung is the daughter of Mr. Chung Cho Yee, Mico, the Chairman and the controlling shareholder of the Company. She is also the niece of Mr. Kan Sze Man, an executive director and Deputy Chief Executive Officer of the Company.

Mr. Yip Chai Tuck

DIRECTORS' PROFILE (Continued)

Executive Directors (Continued)

Mr. Yip Chai Tuck, aged 52, joined the Company in 2025. He is a member of the Executive Committee of the Board. He has extensive experience in corporate management, business development and investment banking. Before joining the Group, he was the chief executive officer of Media Asia Group Holdings Limited (whose shares were delisted from the GEM of the Stock Exchange on 20 March 2023 with previous stock code: 8075) between February 2024 and April 2025 and the executive director of eSun Holdings Limited (listed on the Main Board of the Stock Exchange with stock code: 571) from February 2014 to April 2025. Mr. Yip was also an executive director of Media Asia Group Holdings Limited from July 2014 until its shares were delisted from the Stock Exchange, and the chief executive officer of Lai Sun Garment (International) Limited (listed on the Main Board of the Stock Exchange with stock code: 191) from August 2013 to February 2024.

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

Mr. Yip graduated from Macquarie University, Australia with a Bachelor of Economics (Accounting) degree. He is the Honorary Consul of Fiji in Hong Kong. He is currently a member appointed by the HKSAR Government on the Hong Kong Securities and Futures Appeals Tribunal. He had also served on the board of directors of the Hong Kong Film Awards Association.

Mr. Lo Hing Hung

Mr. Ip Ho Wang

DIRECTORS' PROFILE (Continued)

Non-Executive Director

Mr. Lo Hing Hung, aged 63, joined the Company in 2025. He is currently the Managing Director, Principal – Investments, and a member of the Investment Committee of Gaw Capital Partners. Prior to joining Gaw Capital Partners, Mr. Lo served as director of Wachovia Bank, in charge of real estate debt and equity investments in the Greater China. He worked as Head of Investments for both Jones Lang LaSalle and DTZ in Hong Kong for over 15 years. Mr. Lo graduated from the Hong Kong Polytechnic University and has been a Chartered Surveyor since 1989.

Mr. Ip Ho Wang (*Alternate to Mr. Lo Hing Hung*), aged 48, he is currently the Managing Director – Investments of Gaw Capital Partners. Mr. Ip has 25 years of real estate investment and asset management experience in Asia Pacific. Prior to joining Gaw Capital Partners, Mr. Ip served as Senior Portfolio Manager for Abu Dhabi Investment Authority (ADIA) from 2010 to 2023. Before that, Mr. Ip also worked as Vice President for Wachovia Bank and Associate Director for Jones Lang LaSalle. Mr. Ip holds a Bachelor of Science in Surveying from the University of Hong Kong and a Bachelor of Laws from the University of London. He is also a professional member of Royal Institution of Chartered Surveyors and Hong Kong Institute of Surveyors, and a CFA Charterholder.

DIRECTORS' PROFILE (Continued)

Independent Non-Executive Directors

Dr. Lo Wing Yan, William, *JP*, aged 65, joined the Company in 2014. He is the chairman of the Remuneration Committee, and a member of the Audit Committee and the Nomination Committee of the Board. Dr. Lo is a distinguished business leader, entrepreneur, educator, and molecular neuroscientist with a multifaceted career spanning various industries. Known for his strategic acumen and visionary leadership, Dr. Lo has made significant contributions to telecommunications, technology, retails, finance, media, and education. Dr. Lo is a Founding Governor of The Independent Schools Foundation Academy, one of the most well-known independent schools in HK, he is also a Founding Governor and Chairman of the Charles K Kao Foundation for Alzheimer's Diseases as well as a Chairman of Junior Achievement Hong Kong since 2013.

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

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

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

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

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

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

DIRECTORS' PROFILE (Continued)

Independent Non-Executive Directors (Continued)

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

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

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

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

Mr. Shek Lai Him, Abraham, *GBS, JP*, aged 81, joined the Company in 2018. He is a member of the Audit Committee of the Board. Mr. Shek obtained a bachelor degree of arts and a diploma in education in the University of Sydney in May 1969 and March 1970 respectively. Mr. Shek also obtained a Juris Doctor Degree in The City University of Hong Kong in June 2022. He became the honorary fellow of Lingnan University, The Hong Kong University of Science and Technology, The University of Hong Kong and The Education University of Hong Kong in November 2008, June 2014, September 2016 and March 2018, respectively. In addition to his achievements in the academic field, Mr. Shek has also earned certain honorary titles in various ambits. He was appointed as Justice of the Peace in July 1995 and awarded the Silver Bauhinia Star and Gold Bauhinia Star in the Hong Kong Special Administrative Region 2007 and 2013 Honors Lists respectively. He was a member of the advisory committee board of the Independent Commission Against Corruption from 2017 to 2022. Mr. Shek is currently an honorary member of the Court of The Hong Kong University of Science and Technology, a member of the Court of The City University of Hong Kong and a member of the Court of The Hong Kong Metropolitan University.

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

DIRECTORS' PROFILE (Continued)

Independent Non-Executive Directors (Continued)

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

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

Mr. Chak Hubert, aged 65, joined the Company in 2025. He is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Board. Mr. Chak retired as an executive director and the Chief Executive Officer of SF REIT Asset Management Limited ("SF REIT Manager"), the manager of SF Real Estate Investment Trust ("SF REIT") (listed on the Main Board of the Stock Exchange with stock code: 2191) with effect from the conclusion of the annual general meeting of SF REIT held on 12 May 2026 but will remain as a Responsible Officer of SF REIT Manager. He is currently an independent non-executive director of Tradelink Electronic Commerce Limited (listed on the Main Board of the Stock Exchange with stock code: 536).

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

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

DIRECTORS' PROFILE (Continued)

Independent Non-Executive Directors (Continued)

Mr. Yip Ka Kay, aged 61, joined the Company in 2025. He is a member of the Nomination Committee of the Board. Mr. Yip is the managing director and responsible officer of GRE Investment Advisors Limited, a Hong Kong Securities and Futures Commission licensed advisor to NM Strategic Management, LLC and licensed manager to QLA Investment GP SÀRL.

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

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

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

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

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors and officers is currently in force and was in force during the year. The Company has taken out and maintained appropriate directors' and officers' liability insurance cover in respect of potential legal actions against their risks and exposure arising from the Group's business and activities.

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

As at 31 March 2026, the interests and short positions of the directors and the chief executive of the Company in shares, underlying shares or debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange:

Long positions in shares of the Company:

Name of Directors	Nature of interests	Company/name of associated corporation	Number of Shares	Number of Bonus Warrants	Total	Approximate percentage of total shareholdings
Chung Cho Yee, Mico ("Mr. Chung") *(Note 1)*	Interest of controlled corporation	The Company	8,050,766,314	258,959,603	8,309,725,917	64.45
Kan Sze Man	Beneficial owner	The Company	11,895,250	1,189,525	13,084,775	0.10

Note 1: As at 31 March 2026, Digisino Assets Limited ("Digisino") was wholly-owned by Mr. Chung, Grand Future Ventures Limited ("Grand Future") was 59.82% owned by Digisino, and Earnest Equity Limited ("Earnest Equity") and Golden Boost Limited ("Golden Boost") were wholly-owned by Grand Future. Grand Future was deemed to be interested in 8,302,105,917 shares, Earnest Equity was deemed to be interested in 5,070,766,856 shares and Golden Boost was deemed to be interested in 3,231,339,061 shares. 7,620,000 shares were held by Norwich Assets Limited, which was wholly-owned by Mr. Chung.

Save as disclosed above, as at 31 March 2026, none of the directors and chief executive of the Company had any interest in any securities of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of listed companies as set out in the Listing Rules to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year, was the Company or its subsidiaries, a party to any arrangements 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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance, to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACT

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the directors and their respective associates was interested in any business, apart from the Group's businesses, which compete or are likely to compete, either directly or indirectly, with the Group's businesses, other than those businesses where the directors were appointed as directors to represent the interests of the Group.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this report, at no time during the year had the Company or any of its subsidiaries entered into any contract of significance with the controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors of the Company ("INEDs"), an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the INEDs are independent.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2026, according to the register kept by the Company pursuant to Section 336 of SFO, and so far as is known to any directors or the Company, the following persons, in addition to those interests disclosed above in respect of the Directors had, or was deemed or taken to have, an interest or short position in shares and underlying shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO:

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Long positions in shares of the Company:

Name of Shareholders	Nature of interests	Number of Shares	Number of Bonus Warrants	Total	Approximate percentage of total shareholdings
Digisino *(Note 1)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Grand Future *(Note 1)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Petto Bell Limited *(Note 2)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Gaw Goodwin *(Notes 2 & 3)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Gaw Capital Partners *(Notes 2 & 3)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Gaw Capital Asset Management (SG) Pte. Ltd. *(Note 2)*	Investment manager	8,043,146,314	258,959,603	8,302,105,917	64.39
GC Advisors Holdings Limited *(Notes 2 & 3)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Gateway VII Holdings Pte. Ltd. *(Note 2)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Gateway VII GP (Singapore) Pte. Ltd. *(Note 2)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Gateway Real Estate Fund VII (Singapore), LP *(Note 2)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Walter One Limited *(Note 2)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Golden Growth Holdings Limited *(Note 2)*	Interest of controlled corporation	8,043,146,314	258,959,603	8,302,105,917	64.39
Zoltan Varga	Beneficial Owner	678,283,035	2,264,500	680,547,535	5.28

Note 1: As at 31 March 2026, Digisino was wholly-owned by Mr. Chung, Grand Future was 59.82% owned by Digisino, and Earnest Equity and Golden Boost were wholly-owned by Grand Future. Grand Future was deemed to be interested in 8,302,105,917 shares, Earnest Equity was deemed to be interested in 5,070,766,856 shares and Golden Boost was deemed to be interested in 3,231,339,061 shares.

Note 2: As at 31 March 2026, each of these shareholders was deemed to be interested in the shares and underlying shares of the Company through Petto Bell Limited. Grand Future was 40.18% owned by Petto Bell Limited.

Note 3: As at 31 March 2026, each of Gaw Capital Partners and GC Advisors Holdings Limited was 60% owned by Gaw Goodwin.

CONNECTED TRANSACTION

During the year, the Group had no connected transactions.

In respect of the Company's related party transactions disclosed in note 37 to the consolidated financial statements prepared in accordance with International Financial Reporting Standards, to the extent that they constitute connected transactions of the Company for the purpose of the Listing Rules that apply to them, the Company confirms that it has complied with the relevant requirements under the Listing Rules (if applicable).

The Company was not aware of any other related party transactions which constitute a connected transaction of the Group, nor are there any connected transactions that need to be disclosed in this report under the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES

The Group had provided financial assistance to, and guarantee for, affiliated companies in the aggregate amount of HK$16,848,716,000, which represented approximately 77.6% of the Group's total assets as at 31 March 2026.

As at 31 March 2026, the advances and guarantees made by the Group to its joint ventures and associates are as follows:

	Advances HK$'000	**Guarantees** HK$'000
Action Soar Investments Limited	191,755	–
Autumn Bliss Limited	72	–
Century Bliss Limited	147,813	211,161
City Synergy Limited	111,461	84,640
Clear Dynamic Limited	548,566	283,516
Creative Modern Limited	12,973	–
Fame Allied Limited	45,992	34,698
Great Maker Limited	495,000	–
King Empire International Limited	1,468,267	638,400
Land Magic Investments Limited	82,710	–
Leading Avenue Limited	312,983	270,000
Lotus Legend Limited	6,648	–
Modern Crescent Limited	1,395,738	703,000
Silver Chic Limited	242,591	196,000
Sincere Charm Limited	276,321	156,121
Southwater Investments Limited	3,815,392	3,055,500
Success Apex Limited	571,075	166,399
Tiptop Noble Limited	425	892,500
True Fame Enterprises Limited	–	130,500
Vital Triumph Limited	218,249	82,250
	9,944,031	6,904,685

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES (Continued)

In accordance with the requirement under Rule 13.22 of the Listing Rules, the pro forma combined balance sheet of those affiliated companies and the Group's attributable interests in those affiliated companies based on their latest financial statements available are presented below:

	Combined balance sheet HK$'000	Group's attributable interests HK$'000
Non-current assets	274,943	118,582
Current assets	64,573,153	19,522,391
Current liabilities	(40,617,402)	(8,882,730)
Non-current liabilities	(29,462,826)	(11,806,717)
	(5,232,132)	(1,048,474)

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set by the Board on the basis of their merit, qualifications and competence with reference to the prevailing market terms. In addition to salaries, discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee.

The emoluments of the directors and senior management of the Company are determined by the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics.

SHARE OPTIONS SCHEME

During the year, the Company did not have any share option scheme.

EQUITY-LINKED AGREEMENTS

During the year, the Group had not entered into any equity-linked agreements.

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

There was no purchase, sale or redemption of shares of the Company by the Company or its subsidiaries during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

The Company is obliged to comply with the requirements for continuing listing on the Stock Exchange and is committed to practice high standard of corporate governance in its daily management and operations. The Company follows and applies the principles of the code provisions of the Code as set out in Appendix C1 of the Listing Rules in the year under review, except for the deviation from code provision C.2.1 of the Code. Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in pages 14 to 28 of this annual report.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to HK$342,000.

SUFFICIENCY OF PUBLIC FLOAT

During the year, the Company was in compliance with the minimum public float requirement under Listing Rules by maintaining its public float at the level of at least 25% of its total issued shares (the requirement of maintaining the Initial Prescribed Threshold in accordance to Rule 13.32B of the Listing Rule).

Based on the information disclosed in the Disclosure of Interests notices ("DI notices") filed under Part XV of the SFO and other relevant information received by the Company up to the date of this annual report and on the assumption that all such information disclosed in the DI notices or received by the Company is accurate and complete. As at 31 March 2026, the Company's public float was 37.47% of its total issued shares. The shareholders of the Company who are not members of "the public" under the Listing Rules are disclosed in the section headed "SUBSTANTIAL SHAREHOLDERS' INTEREST".

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on page 184 of this annual report.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters including a review of the consolidated financial statements for the year ended 31 March 2026.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights (including entitlements to any relief of taxation) in relation to the shares, they are advised to consult their professional advisers.

AUDITORS

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

CHUNG CHO YEE, MICO
CHAIRMAN

29 June 2026

Independent Auditor's Report

Deloitte. 德勤

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

OPINION

We have audited the consolidated financial statements of CSI Properties Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 101 to 183, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Assessing the net realisable value of properties held for sale owned by the Group and the joint ventures	
As at 31 March 2026, the Group held a number of residential and commercial properties held for sale in Hong Kong and Macau. In addition, the Group also has interests in residential and commercial properties held for sale in Chinese mainland and Hong Kong through joint ventures which are equity accounted for in the consolidated financial statements. We identified the valuation assessment of properties held for sales, owned by the Group or through joint ventures (collectively referred to as the "Properties") as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with significant estimates involved in determining the net realisable value ("NRV"). As disclosed in note 4 to the consolidated financial statements, the determination of the NRV of Properties requires significant estimation, particularly in determining open market value by the management with reference to the valuations carried out by the independent and qualified property valuers (the "Valuers") for the Properties where appropriate. As at 31 March 2026, the Group had properties held for sale amounted to HK$4,280,436,000 whilst the joint ventures had properties held for sale that are attributable to the Group amounted to HK$5,197,921,000 and properties under development for sale that are attributable to the Group amounted to HK$9,462,548,000 as disclosed in notes 23 and 19 to the consolidated financial statements, respectively. For the year ended 31 March 2026, a write-down of Group's properties held for sale amounting to approximately HK$101,771,000 has been recognised in the consolidated statement of profit or loss.	Our procedures in relation to assessing the NRV of the Properties included: • evaluating the competence, capabilities and objectivity of the Valuers, if any; • assessing the appropriateness and reasonableness of the valuation methodology and significant estimation used in the valuations; and • checking the reasonableness of source data of significant estimation including open market value underlying the valuation to publicly available information of comparable properties.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgments associated with the determination of the fair value. The Group's investment properties are located in Chinese mainland. As at 31 March 2026, the Group's investment properties amounted to HK$3,151,934,000 and represented 14.5% of the Group's total assets. For the year ended 31 March 2026, fair value loss on investment properties amounting to HK$66,821,000 has been recognised in the consolidated statement of profit or loss. All of the Group's investment properties are stated at fair value based on valuations carried out by the Valuers. The valuations are dependent on significant unobservable inputs that involve significant judgment including reversionary income and capitalisation rates. Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 17 to the consolidated financial statements.	Our procedures in relation to the valuation of the investment properties included: • evaluating the competence, capabilities and objectivity of the Valuers; • assessing the appropriateness and reasonableness of the valuation methodology and significant inputs used in the valuations; and • checking the reasonableness of source data of significant unobservable inputs including reversionary income and capitalisation rates underlying the valuation to publicly available information of comparable properties.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. LEE, Carmen Kar Man (Practising certificate number: P07879).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

29 June 2026

Consolidated Statement of Profit or Loss

For the year ended 31 March 2026

	NOTES	2026 HK$'000	2025 HK$'000
Revenue	5		
Sales of properties held for sale		1,191,060	289,790
Rental income		238,521	230,833
Total revenue		1,429,581	520,623
Cost of sales and services		(1,089,177)	(504,887)
Gross profit		340,404	15,736
Income from investments	7	3,536	29,362
Net losses from investments	7	(87,614)	(108,345)
Other income	8	177,622	285,127
Fair value loss on investment properties	17	(66,821)	(69,431)
Net impairment loss recognised on amounts due from joint ventures, under expected credit loss model		(22,270)	(7,920)
Other gains and losses	9	88,287	(64,103)
Administrative expenses		(297,416)	(210,209)
Finance costs	10	(489,819)	(577,418)
Share of results of joint ventures		(312,333)	(825,562)
Share of results of associates		(195,966)	(232,638)
Loss before taxation		(862,390)	(1,765,401)
Income tax credit	11	19,074	54,550
Loss for the year	12	(843,316)	(1,710,851)
Loss attributable to:			
Owners of the Company		(825,330)	(1,691,529)
Non-controlling interests		(17,986)	(19,322)
		(843,316)	(1,710,851)
Loss per share (HK cents)	15		
Basic		(6.56)	(36.73)
Diluted		(6.56)	N/A

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
Loss for the year	(843,316)	(1,710,851)
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	122,441	(46,635)
Share of exchange differences of joint ventures, net of related income tax	45,887	(13,592)
	168,328	(60,227)
Total comprehensive expense for the year	(674,988)	(1,771,078)
Total comprehensive expense attributable to:		
Owners of the Company	(657,002)	(1,751,756)
Non-controlling interests	(17,986)	(19,322)
	(674,988)	(1,771,078)

Consolidated Statement of Financial Position

At 31 March 2026

	NOTES	2026 HK$'000	2025 HK$'000
Non-Current Assets			
Property, plant and equipment	16	132,539	147,959
Investment properties	17	3,151,934	3,079,657
Financial assets at fair value through profit or loss ("FVTPL")	18	102,354	186,473
Derivative financial instruments	30	537	–
Club memberships		12,405	12,405
Interests in joint ventures	19	2,975,211	3,518,053
Amounts due from joint ventures	19	7,398,411	7,088,682
Interests in associates	20	495,725	535,516
Amounts due from associates	20	853,266	927,127
Loan receivables	21	–	30,741
		15,122,382	15,526,613
Current Assets			
Loan receivables	21	–	45,338
Trade and other receivables	22	204,223	200,005
Properties held for sale	23	4,280,436	5,187,679
Financial assets at FVTPL	18	67,819	64,465
Taxation recoverable		4,252	1,239
Cash held by securities brokers	24	1,673	1,584
Bank balances and cash	24	2,043,196	1,411,918
		6,601,599	6,912,228
Current Liabilities			
Other payables and accruals	25	267,460	211,236
Contract liabilities	26	7,000	348
Taxation payable		86,183	103,416
Amounts due to joint ventures	19	549,925	741,178
Amounts due to non-controlling shareholders of subsidiaries	37(a)	102,314	119,731
Bank borrowings – due within one year	27	2,327,132	1,112,596
Notes payable – due within one year	29	234,000	2,307,731
		3,574,014	4,596,236
Net Current Assets		3,027,585	2,315,992
Total assets less current liabilities		18,149,967	17,842,605

Consolidated Statement of Financial Position

At 31 March 2026

	NOTES	2026 HK$'000	2025 HK$'000
Capital and Reserves			
Share capital	28	206,299	73,678
Reserves		12,609,514	11,907,151
Equity attributable to owners of the Company		12,815,813	11,980,829
Non-controlling interests		(71,288)	(51,302)
Total Equity		12,744,525	11,929,527
Non-Current Liabilities			
Bank borrowings – due after one year	27	3,579,596	5,812,064
Notes payable – due after one year	29	1,734,638	–
Deferred tax liabilities	31	91,208	101,014
		5,405,442	5,913,078
		18,149,967	17,842,605

The consolidated financial statements on pages 101 to 183 were approved and authorised for issue by the Board of Directors on 29 June 2026 and are signed on its behalf by:

Chung Cho Yee, Mico
DIRECTOR

Chow Hou Man
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 *(note)*	Translation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2024	73,678	2,052,135	6,620	72,579	(405,298)	11,932,871	13,732,585	3,533	13,736,118
Loss for the year	–	–	–	–	–	(1,691,529)	(1,691,529)	(19,322)	(1,710,851)
Exchange differences arising on translation of foreign operations	–	–	–	–	(46,635)	–	(46,635)	–	(46,635)
Share of exchange differences of joint ventures, net of related income tax	–	–	–	–	(13,592)	–	(13,592)	–	(13,592)
Total comprehensive expense for the year	–	–	–	–	(60,227)	(1,691,529)	(1,751,756)	(19,322)	(1,771,078)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(35,513)	(35,513)
At 31 March 2025	73,678	2,052,135	6,620	72,579	(465,525)	10,241,342	11,980,829	(51,302)	11,929,527
Loss for the year	–	–	–	–	–	(825,330)	(825,330)	(17,986)	(843,316)
Exchange differences arising on translation of foreign operations	–	–	–	–	122,441	–	122,441	–	122,441
Share of exchange differences of joint ventures, net of related income tax	–	–	–	–	45,887	–	45,887	–	45,887
Total comprehensive income (expense) for the year	–	–	–	–	168,328	(825,330)	(657,002)	(17,986)	(674,988)
Right Issue	132,621	1,359,365	–	–	–	–	1,491,986	–	1,491,986
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(2,000)	(2,000)
At 31 March 2026	206,299	3,411,500	6,620	72,579	(297,197)	9,416,012	12,815,813	(71,288)	12,744,525

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
OPERATING ACTIVITIES		
Loss before taxation	(862,390)	(1,765,401)
Adjustments for:		
Finance costs	489,819	577,418
Depreciation of property, plant and equipment	16,353	17,527
Gain on disposal of property, plant and equipment	(66,439)	(420)
Loss on fair value change of investment properties	66,821	69,431
Amortisation of financial guarantee contracts	(5,342)	(7,322)
Amortisation of notes payable	30,657	6,071
Interest income	(85,304)	(227,267)
Write-down properties held for sale	101,771	130,981
(Reversal of) impairment loss recognised on financial guarantee contracts	(21,820)	3,300
Impairment loss recognised on amounts due from joint ventures	22,270	7,920
Written off loan receivables	–	61,497
Share of results of joint ventures	312,333	825,562
Share of results of associates	195,966	232,638
Decrease in fair value of financial assets at FVTPL	88,606	108,345
Increase in fair value of derivative financial instruments	(992)	–
Interest income from financial assets at FVTPL	–	(5,435)
Dividend income from financial assets at FVTPL	(3,536)	(23,927)
Operating cash flows before movements in working capital	278,773	10,918
Decrease in properties held for sale	805,472	277,875
(Increase) decrease in trade and other receivables	(4,218)	90,853
Increase in financial assets at FVTPL	(10,668)	(15,262)
Increase in other payables and accruals	44,843	482
Increase (decrease) in contract liabilities	6,652	(272)
Net cash generated from operations	1,120,854	364,594
Income tax paid	(10,978)	(5,126)
NET CASH FROM OPERATING ACTIVITIES	1,109,876	359,468

	2026 HK$'000	2025 HK$'000
INVESTING ACTIVITIES		
Investments in joint ventures	(22,153)	(94,637)
Withdrawal of interests in joint ventures	84,786	162,879
Advances to joint ventures	(1,068,288)	(709,986)
Repayments from joint ventures	410,694	235,673
Repayments from associates	22,651	–
Purchases of property, plant and equipment	(1,020)	(439)
Purchases of financial assets at FVTPL	(39,281)	–
Investments in an associate	–	(304,237)
Advance to an associate	(90,750)	(136,061)
Dividends received from joint ventures	364,471	43,526
Dividends received from an associate	–	251,995
Interest received	60,476	68,919
Interest income received from financial assets at FVTPL	–	5,435
Dividend income received from financial assets at FVTPL	3,536	23,927
Proceeds on maturity of loan receivables	76,079	50,615
Proceeds on disposal of property, plant and equipment	66,526	420
Disposal of financial assets at FVTPL	42,563	7,800
(Increase) decrease in cash held by securities brokers	(89)	1,815
NET CASH USED IN INVESTING ACTIVITIES	(89,799)	(392,356)

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
FINANCING ACTIVITIES		
Repayments of bank borrowings	(1,616,357)	(3,780,774)
Net proceeds on issue and repayment of notes payable	(369,750)	–
Dividends paid to non-controlling shareholders of subsidiaries	(2,000)	(35,513)
Advances from joint ventures	14,576	530,002
Repayment to joint ventures	(7,873)	(29,761)
Repayment to non-controlling shareholders of subsidiaries	(17,417)	(3,523)
Net proceeds from issue of shares	1,491,986	–
New bank borrowings raised	558,820	2,832,826
Interest paid	(440,784)	(588,969)
NET CASH USED IN FINANCING ACTIVITIES	(388,799)	(1,075,712)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	631,278	(1,108,600)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,411,918	2,520,518
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	2,043,196	1,411,918

1. GENERAL INFORMATION

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

The Company is an investment holding company. The activities of its principal subsidiaries, joint ventures and associates are set out in notes 42, 19 and 20 respectively.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") have applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

2.2 New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027

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

HKFRS 18 "Presentation and Disclosure in Financial Statements" ("HKFRS 18")

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements" ("HKAS 1"). This new HKFRS 18, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures". Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income.

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

Basis of preparation of consolidated financial statements

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Material accounting policy information

Basis of consolidation

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

Control is achieved when the Company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

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

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

Material accounting policy information (Continued)

Basis of consolidation (Continued)

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

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

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

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

Investments in associates and joint ventures

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

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

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

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

Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

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

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

Revenue from contracts with customers

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

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

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

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

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

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

Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

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

Property, plant and equipment

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

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

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

Investment properties

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

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

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

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

Completed properties held for sale

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

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

Material accounting policy information (Continued)

Leases

Definition of a lease

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

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

The Group as a lessor

Classification and measurement of leases

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

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

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

Refundable rental deposits

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

Financial instruments

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

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

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period.

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

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets at FVTPL

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

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

Impairment of financial assets and financial guarantee contracts

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

The Group always recognises lifetime ECL for trade receivables.

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

(i) Significant increase in credit risk

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

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

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

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(i) Significant increase in credit risk (Continued)

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

(ii) Definition of default

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

(iii) Credit-impaired financial assets

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

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

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

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

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

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

(iv) Write-off policy

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

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

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(v) Measurement and recognition of ECL

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

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

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity

Classification as debt or equity

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

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

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Equity instruments

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

Financial liabilities at amortised cost

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts liabilities are initially measured at their fair values, and are subsequently measured at the higher of:

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

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

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

Material accounting policy information (Continued)

Financial instruments (Continued)

Derecognition of financial liabilities (Continued)

Derivative financial instruments (Continued)

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, which is always presumed to be recovered entirely through sale.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has recognised deferred tax on changes in fair value of investment properties, amounted to HK$117,689,000 (2025: HK$112,603,000), as the Group is subject to income taxes on the fair value changes of the investment properties on disposal.

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of properties held for sale

The properties held for sale owned by the Group or through joint ventures (collectively referred to as the "Properties") are stated at the lower of cost and net realisable value. The net realisable value of the Properties were determined by management of the Group with reference to external valuation reports prepared by the independent and qualified property valuers (the "Valuer"), if any, taking into account open market value and/or the market evidence of transaction prices for similar properties in the same locations and conditions, and costs necessary to make the sales.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Valuation of properties held for sale (Continued)

If there is a decrease in net sales value, the net realisable value will decrease and additional write-down of the Properties would be recognised should the net realisable value be lower than the carrying amount.

In addition, given the volatility of the property market and the unique nature of individual properties, the actual outcomes in terms of revenue may be higher or lower than that estimated at the end of the reporting period. Any increase or decrease in the estimates would affect profit or loss in future years.

Detail of the carrying amount of the Properties are disclosed in notes 19 and 23.

Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by the Valuers. The determination of the fair value involves certain assumptions of market conditions. In determining the fair values, the Valuers have based on a method of valuation which involves certain unobservable inputs including, among other factors, capitalisation rate and reversionary income used in the valuations as set out in note 17.

In relying on the valuation report, the directors of the Company have exercised their judgements and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

Detail of the carrying amount of the Group's investment properties is disclosed in note 17.

5. REVENUE

(i) Disaggregation of revenue

	2026 HK$'000	2025 HK$'000
Sales of properties held for sale – at a point in time	1,191,060	289,790
Rental income	238,521	230,833
	1,429,581	520,623

5. REVENUE (Continued)

(i) Disaggregation of revenue (Continued)

	Sales of properties held for sale	
	2026	2025
	HK$'000	HK$'000
Geographical market		
Hong Kong	1,184,780	260,060
Macau	6,280	29,730
	1,191,060	289,790

(ii) Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	2026	2025
	HK$'000	HK$'000
Sales of properties held for sale		
Commercial property holding	334,100	127,980
Residential property holding	850,680	132,080
Macau property holding	6,280	29,730
Revenue from contracts with customers	1,191,060	289,790
Rental income	238,521	230,833
Interest income and dividend income	3,536	29,362
Revenue disclosed in segment information	1,433,117	549,985

(iii) Performance obligations for contracts with customers

Revenue from sales of properties held for sale is recognised at a point in time when the customer obtains the control of the properties, which is the property stated in the sale and purchase agreement being delivered and its title being passed to the customer. The Group receives at least 5% of the contract value as deposits from customers when they sign the preliminary sale and purchase agreements and the balance of purchase price shall be paid upon completion of the sale and purchase of the properties.

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. REVENUE (Continued)

(iv) Leases

	2026 HK$'000	2025 HK$'000
For operating leases:		
Lease payments that are fixed	238,521	230,833

6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

There are four reportable and operating segments in current year as follows:

(a) commercial property holding segment, which engages in the investment and trading of commercial properties and also the strategic alliances with the partners of the joint ventures and associates in Hong Kong and Chinese mainland;

(b) residential property holding segment, which engages in the investment and trading of residential properties and also the strategic alliances with the partners of the joint ventures and associates in Hong Kong and Chinese mainland;

(c) Macau property holding segment, which engages in the investment and trading of properties located in Macau; and

(d) securities investment segment, which engages in the securities trading and investment.

The CODM also considered the share of revenue of associates and joint ventures for the purpose of allocating resources and assessing performance of each segment.

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the year ended 31 March 2026					
EXTERNAL REVENUE					
Rental income	234,872	2,360	1,289	–	238,521
Sales of properties held for sale	334,100	850,680	6,280	–	1,191,060
Revenue of the Group	568,972	853,040	7,569	–	1,429,581
Interest income and dividend income	–	–	–	3,536	3,536
	568,972	853,040	7,569	3,536	1,433,117
SHARE OF REVENUE OF ASSOCIATES AND JOINT VENTURES					
Rental income	60,729	145	–	–	60,874
Sales of properties held for sale	1,169,358	1,174,059	–	–	2,343,417
	1,230,087	1,174,204	–	–	2,404,291
Segment revenue	1,799,059	2,027,244	7,569	3,536	3,837,408
RESULTS					
Share of results of joint ventures *(note)*	(269,599)	(42,734)	–	–	(312,333)
Share of results of associates *(note)*	142	(196,108)	–	–	(195,966)
Segment profit (loss) excluding share of results of joint ventures and associates	121,042	90,113	2,124	(194,693)	18,586
Segment (loss) profit	(148,415)	(148,729)	2,124	(194,693)	(489,713)
Unallocated other income					73,040
Unallocated other gains and losses					66,467
Central administrative costs					(22,365)
Finance costs					(489,819)
Loss before taxation					(862,390)

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the year ended 31 March 2025					
EXTERNAL REVENUE					
Rental income	227,880	874	2,079	–	230,833
Sales of properties held for sale	127,980	132,080	29,730	–	289,790
Revenue of the Group	355,860	132,954	31,809	–	520,623
Interest income and dividend income	–	–	–	29,362	29,362
	355,860	132,954	31,809	29,362	549,985
SHARE OF REVENUE OF ASSOCIATES AND JOINT VENTURES					
Rental income	65,223	416	–	–	65,639
Sales of properties held for sale	266,188	1,017,353	–	–	1,283,541
	331,411	1,017,769	–	–	1,349,180
Segment revenue	687,271	1,150,723	31,809	29,362	1,899,165
RESULTS					
Share of results of joint ventures *(note)*	(874,653)	49,091	–	–	(825,562)
Share of results of associates *(note)*	153	(232,791)	–	–	(232,638)
Segment profit (loss) excluding share of results of joint ventures and associates	3,691	(16,950)	(34,919)	(153,344)	(201,522)
Segment loss	(870,809)	(200,650)	(34,919)	(153,344)	(1,259,722)
Unallocated other income					91,160
Unallocated other gains and losses					(2,606)
Central administrative costs					(16,815)
Finance costs					(577,418)
Loss before taxation					(1,765,401)

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

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss incurred) profit earned by each segment, without allocation of certain items of other income (primarily bank interest income, interest income from loan receivables and amortisation of financial guarantee contracts) and of other gains and losses (primarily gain on disposal of property, plant and equipment and net exchange gain), central administrative costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2026 HK$'000	2025 HK$'000
Segment assets		
Commercial property holding	15,115,628	14,863,962
Residential property holding	4,224,219	5,624,695
Macau property holding	14,113	17,280
Securities investment	180,211	267,965
Total segment assets	19,534,171	20,773,902
Property, plant and equipment	132,539	147,959
Taxation recoverable	4,252	1,239
Bank balances and cash	2,043,196	1,411,918
Other unallocated assets	9,823	103,823
Consolidated total assets	21,723,981	22,438,841
Segment liabilities		
Commercial property holding	286,071	364,801
Residential property holding	533,299	654,438
Macau property holding	54,862	57,733
Securities investment	14,770	3,623
Total segment liabilities	889,002	1,080,595
Notes payable	1,968,638	2,307,731
Bank borrowings	5,906,728	6,924,660
Taxation payable	86,183	103,416
Other unallocated liabilities	128,905	92,912
Consolidated total liabilities	8,979,456	10,509,314

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, taxation recoverable, bank balances and cash and other assets used jointly by reportable and operating segments; and

- all liabilities are allocated to operating segments other than notes payable, bank borrowings, taxation payable and other liabilities for which reportable and operating segments are jointly liable.

Other segment information

For the year ended 31 March 2026

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit (loss) or segment assets and liabilities:							
Interests in joint ventures	1,688,123	1,287,088	–	–	2,975,211	–	2,975,211
Amounts due from joint ventures	6,193,735	1,204,676	–	–	7,398,411	–	7,398,411
Amounts due to joint ventures	111,843	438,082	–	–	549,925	–	549,925
Interests in associates	4,886	490,839	–	–	495,725	–	495,725
Amounts due from associates	12	853,254	–	–	853,266	–	853,266
Fair value loss on investment properties	(66,821)	–	–	–	(66,821)	–	(66,821)
Net decrease in fair value of financial assets at FVTPL and derivative financial instruments	–	–	–	(87,614)	(87,614)	–	(87,614)
Interest income from amounts due from joint ventures and an associate	–	24,660	–	–	24,660	168	24,828
Interest income from financial assets at FVTPL	–	–	–	–	–	–	–
Depreciation of property, plant and equipment	–	–	–	–	–	(16,353)	(16,353)
Write-down of properties held for sale	(10,000)	(91,771)	–	–	(101,771)	–	(101,771)

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 March 2025

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit (loss) or segment assets and liabilities:							
Interests in joint ventures	1,846,085	1,671,968	–	–	3,518,053	–	3,518,053
Amounts due from joint ventures	5,661,388	1,427,294	–	–	7,088,682	–	7,088,682
Amounts due to joint ventures	173,898	567,280	–	–	741,178	–	741,178
Interests in associates	3,989	531,527	–	–	535,516	–	535,516
Amounts due from associates	12	927,115	–	–	927,127	–	927,127
Fair value loss on investment properties	(69,431)	–	–	–	(69,431)	–	(69,431)
Net decrease in fair value of financial assets at FVTPL or derivative financial instruments	–	–	–	(108,345)	(108,345)	–	(108,345)
Interest income from amounts due from joint ventures and an associate	73,459	84,737	–	–	158,196	152	158,348
Interest income from financial assets at FVTPL	–	–	–	5,435	5,435	–	5,435
Depreciation of property, plant and equipment	–	–	–	–	–	(17,527)	(17,527)
Write-down of properties held for sale	(105,335)	–	(25,646)	–	(130,981)	–	(130,981)

6. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations in commercial property holding, residential property holding, Macau property holding and securities investment are mainly located in Hong Kong, Chinese mainland and Macau.

The following table provides an analysis of the Group's revenue and non-current assets by geographical location.

Revenue from property rentals and sales of properties held for sale are allocated based on the geographical location of the property interests.

Non-current assets are allocated by geographical location of the assets.

	Revenue from external customers Year ended 31 March		**Non-current assets** *(note)*	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
Hong Kong	1,269,860	349,469	3,022,877	3,623,962
Chinese mainland	152,152	139,345	3,744,937	3,669,628
Macau	7,569	31,809	–	–
	1,429,581	520,623	6,767,814	7,293,590

Note: Non-current assets exclude financial instruments.

Information about major tenants and buyers of properties

Revenue from customers, who are buyers of properties held for sale, which individually accounted for more than 10% of the consolidated revenue from external customers are detailed as below.

	2026 HK$'000	2025 HK$'000
Buyer A[1]	262,800	–
Buyer B[2]	760,000	–
Buyer C[1]	–	81,180
Buyer D[2]	–	122,000
	1,022,800	203,180

1 Revenue from commercial property holding
2 Revenue from residential property holding

Revenue by type of income

The relevant information is set out in note 5.

7. INCOME AND NET LOSSES FROM INVESTMENTS

	2026 HK$'000	2025 HK$'000
Income from investments includes the following:		
Interest income from financial assets at FVTPL	–	5,435
Dividend income from financial assets at FVTPL	3,536	23,927
	3,536	29,362
Net losses from investments includes the following:		
Net change in fair value of financial assets at FVTPL	(88,606)	(108,345)
Net change in fair value of derivative financial instruments	992	–
	(87,614)	(108,345)

The following is the analysis of the investment income and net losses from respective financial instruments:

	2026 HK$'000	2025 HK$'000
Derivative financial instruments	992	–
Financial assets at FVTPL	(85,070)	(78,983)
	(84,078)	(78,983)

8. OTHER INCOME

	2026 HK$'000	2025 HK$'000
Bank interest income	54,262	63,891
Interest income from loan receivables	6,214	5,028
Interest income from amounts due from joint ventures and an associate	24,828	158,348
Amortisation of financial guarantee contracts	5,342	7,322
Assets management and marketing income from joint ventures and an associate	78,920	34,785
Consultancy fee income	834	834
Others	7,222	14,919
	177,622	285,127

Total interest income of financial assets measured at amortised cost amounts to HK$85,304,000 (2025: HK$227,267,000) for the year ended 31 March 2026.

9. OTHER GAINS AND LOSSES

	2026 HK$'000	2025 HK$'000
Reversal of (impairment loss) recognised on financial guarantee contracts, net	21,820	(3,300)
Gain on disposal of property, plant and equipment	66,439	420
Net exchange gain	28	274
Written off loan receivable	–	(61,497)
	88,287	(64,103)

10. FINANCE COSTS

	2026 HK$'000	2025 HK$'000
Interests on:		
Bank borrowings	291,114	440,876
Loan from joint ventures	5,357	11,006
Notes payable	193,348	125,536
Total borrowing costs	489,819	577,418

11. INCOME TAX CREDIT

	2026 HK$'000	2025 HK$'000
The credit comprises:		
Hong Kong Profits Tax		
– Current year	12,126	1,447
– Overprovision in prior years	(21,985)	(22,689)
	(9,859)	(21,242)
Deferred taxation *(note 31)*	(9,215)	(33,308)
	(19,074)	(54,550)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

According to the Macau Complementary Tax Law, complementary tax is calculated at a rate of 12% on the assessable profit above Macau Pataca ("MOP") 600,000 (2025: MOP600,000) for the year.

No provision for Macau complementary tax was required as the subsidiaries of the Group in Macau did not have assessable profits more than MOP600,000 for both years.

11. INCOME TAX CREDIT (Continued)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for the PRC on enterprise income tax was required as the subsidiaries of the Group in PRC have accumulated losses available for offset against future profits for both years.

Income tax credit for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2026 HK$'000	2025 HK$'000
Loss before taxation	(862,390)	(1,765,401)
Taxation at Hong Kong Profits Tax rate of 16.5%	(142,294)	(291,291)
Tax effect of expenses not deductible for tax purpose	32,375	63,057
Tax effect of income not taxable for tax purpose	(65,393)	(17,693)
Tax effect of share of results of joint ventures	51,535	136,218
Tax effect of share of results of associates	32,335	38,385
Tax effect of tax losses not recognised	108,509	43,306
Utilisation of tax losses previously not recognised	(15,432)	(3,843)
Overprovision in prior years	(21,985)	(22,689)
Effect of different tax rates of subsidiaries operating in other jurisdictions	1,276	–
Income tax credit for the year	(19,074)	(54,550)

12. LOSS FOR THE YEAR

	2026 HK$'000	2025 HK$'000
Loss for the year has been arrived at after charging (crediting):		
Directors' remuneration *(note 13)*	44,396	36,117
Other staff costs:		
Salaries and other benefits	52,225	52,271
Performance-related incentive bonus	7,909	8,765
Contributions to retirement benefits schemes	4,395	4,325
	64,529	65,361
Total staff costs	108,925	101,478
Auditor's remuneration	3,095	3,103
Cost of properties held for sale recognised as an expense	810,399	285,289
Depreciation of property, plant and equipment	16,353	17,527
Write-down properties held for sale (included in cost of sales)	101,771	130,981
Gross rental income from investment properties	(152,152)	(139,345)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	34,961	40,093
direct operating expenses incurred for investment properties that did not generate rental income during the year	15,295	13,043
	(101,896)	(86,209)

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

The emoluments paid or payable to each of twelve (2025: nine) directors were as follows:

For the year ended 31 March 2026

	Executive Directors							Non-executive Director	Independent Non-executive Directors				
	Mr. Chung Cho Yee, Mico HK$'000	Mr. Kan Sze Man HK$'000	Mr. Chow Hou Man HK$'000	Mr. Ho Lok Fai HK$'000	Mr. Leung King Yin, Kevin HK$'000	Ms. Chung Yuen Tung, Jasmine HK$'000	Mr. Yip Chai Tuck HK$'000 *(note i)*	Mr. Lo Hing Hung HK$'000 *(note ii)*	Dr. Lo Wing Yan, William HK$'000	Mr. Shek Lai Him, Abraham HK$'000	Mr. Chak Hubert HK$'000 *(note ii)*	Mr. Yip Ka Kay HK$'000 *(note iii)*	Total HK$'000
Directors' remuneration													
Fees	–	–	–	–	–	–	–	–	200	200	200	200	800
Salaries and other benefits	13,166	6,000	4,320	3,420	3,687	1,315	1,471	–	–	–	–	–	33,379
Performance-related incentive bonus *(note iv)*	5,194	1,000	720	570	615	214	735	–	–	–	–	–	9,048
Contributions to retirement benefits schemes	11	347	250	203	214	67	77	–	–	–	–	–	1,169
	18,371	7,347	5,290	4,193	4,516	1,596	2,283	–	200	200	200	200	44,396

For the year ended 31 March 2025

	Executive Directors						Independent Non-executive Directors			
	Mr. Chung Cho Yee, Mico HK$'000	Mr. Kan Sze Man HK$'000	Mr. Chow Hou Man HK$'000	Mr. Ho Lok Fai HK$'000	Mr. Leung King Yin, Kevin HK$'000	Ms. Chung Yuen Tung, Jasmine HK$'000	Mr. Cheng Yuk Wo HK$'000	Dr. Lo Wing Yan, William HK$'000	Mr. Shek Lai Him, Abraham HK$'000	Total HK$'000
Directors' remuneration										
Fees	–	–	–	–	–	–	200	200	200	600
Salaries and other benefits	12,421	5,301	4,258	2,700	3,479	1,086	–	–	–	29,245
Performance-related incentive bonus *(note iv)*	2,070	1,105	680	720	580	136	–	–	–	5,291
Contributions to retirement benefits schemes	18	298	239	176	195	55	–	–	–	981
	14,509	6,704	5,177	3,596	4,254	1,277	200	200	200	36,117

Notes:

(i) Mr. Yip Chai Tuck was appointed on 11 December 2025.

(ii) Mr. Lo Hing Hung and Mr. Chak Hubert were appointed on 17 June 2025.

(iii) Mr. Yip Ka Kay was appointed on 27 November 2025.

(iv) Performance-related incentive bonus is recommended by the Remuneration Committee and is approved by the board of directors, having regard to the Group's operating results, individual performance and comparable market statistics.

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

The Company has not appointed Chief Executive Officer, and the role and function of the Chief Executive Officer has been performed by the CODM collectively.

The above emoluments to Executive Directors were for their services in connection with the management of the affairs of the Company and of the Group. The above emoluments to Independent Non-executive Directors were for their services as directors of the Company. No directors waived any emoluments during both years.

During both years, no emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office.

Of the five individuals with the highest emoluments in the Group, five (2025: five) were directors of the Company whose emoluments are included above.

14. DIVIDENDS

No dividends were paid, declared and proposed by the Company for the year ended 31 March 2026 (31 March 2025: nil).

The directors do not recommend the payment of any dividends for the year ended 31 March 2026 and 2025.

15. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2026 HK$'000	2025 HK$'000
Loss		
Loss for the purpose of basic loss per share:		
Loss for the year attributable to owners of the Company	(825,330)	(1,691,529)

	2026	2025
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share (in thousands)	12,575,779	4,604,895

The weighted average number of ordinary shares used to calculate the basic loss per share for both years have been adjusted to reflect the Share Consolidation (as defined in Note 28) during the year ended 31 March 2025.

Diluted loss per share for both years does not assume the exercise of bonus warrants since the exercise will result in a decrease in loss per share.

No diluted loss per share is presented for 2025 as there is no potential ordinary shares outstanding during the prior year.

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Vessel HK$'000	Total HK$'000
COST						
At 1 April 2024	303,998	30,423	2,291	9,645	81,682	428,039
Additions	–	9	–	430	–	439
Disposal during the year	–	–	–	(3,136)	–	(3,136)
At 31 March 2025	303,998	30,432	2,291	6,939	81,682	425,342
Additions	–	226	–	794	–	1,020
Disposal during the year	–	–	(918)	–	(81,682)	(82,600)
At 31 March 2026	303,998	30,658	1,373	7,733	–	343,762
DEPRECIATION						
At 1 April 2024	142,881	28,278	1,863	9,645	80,325	262,992
Provided for the year	14,904	1,048	206	12	1,357	17,527
Disposal during the year	–	–	–	(3,136)	–	(3,136)
At 31 March 2025	157,785	29,326	2,069	6,521	81,682	277,383
Provided for the year	14,905	1,069	103	276	–	16,353
Disposal during the year	–	–	(831)	–	(81,682)	(82,513)
At 31 March 2026	172,690	30,395	1,341	6,797	–	211,223
CARRYING VALUES						
At 31 March 2026	131,308	263	32	936	–	132,539
At 31 March 2025	146,213	1,106	222	418	–	147,959

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Land and buildings	Over the shorter of the terms of the relevant lease of the relevant land on which buildings are erected, or 5%
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Motor vehicles	33%
Vessel	20%

Certain of the above property, plant and equipment are pledged to secure the general banking facilities granted to the Group. Details are set out in note 34.

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2026 HK$'000	2025 HK$'000
Expense relating to short-term leases	946	1,139
Total cash outflows for leases	946	1,139

17. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 April 2024	3,204,457
Fair value loss recognised in profit or loss	(69,431)
Exchange adjustments	(55,369)
At 31 March 2025	3,079,657
Fair value loss recognised in profit or loss	(66,821)
Exchange adjustments	139,098
At 31 March 2026	3,151,934

The Group leases out retail stores under operating leases with rentals payable monthly or quarterly. The leases typically run for an initial period of 1 to 10 years. The leases of retail stores contain minimum annual lease payments that are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currency of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The fair value of the Group's investment properties as at 31 March 2026 and 2025 have been arrived at on the basis of a valuation carried out on the date by Knight Frank Petty Limited, an independent and qualified property valuer not connected to the Group.

The above investment properties are pledged to secure bank facilities granted to the Group. Details are set out in note 34.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

17. INVESTMENT PROPERTIES (Continued)

	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Commercial properties located in Shanghai, Chinese mainland 2026: HK$3,151,934,000 (2025: HK$3,079,657,000)	Investment method derived from the existing tenancies, with due provision for the reversionary potential of each constituent portion of the property at appropriate capitalisation rates.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 6.00% – 6.25% (2025: 6.00% – 6.50%).	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
		Reversionary income, taking into account the differences in location, and individual factors, such as frontage and size between the comparables and the property ranging from RMB241 to RMB1,338 per sqm per month (2025: RMB280 to RMB1,557 per sqm per month).	A slight increase in the reversionary income used would result in a significant increase in fair value, and vice versa.

The fair value measurement is categorised into Level 3 fair value hierarchy.

18. FINANCIAL ASSETS AT FVTPL

The financial assets at FVTPL comprise:

	2026 HK$'000	2025 HK$'000
Listed equity securities *(note i)*	4,668	6,933
Unlisted equity securities/limited partnership *(note ii)*	67,111	103,944
Listed debt securities *(note iii)*	98,394	87,635
Unlisted debt securities	–	52,426
	170,173	250,938
Total and reported as:		
Listed		
Hong Kong	70,774	62,542
Singapore	18,164	2,132
Elsewhere	14,124	29,894
Unlisted	67,111	156,370
	170,173	250,938
Analysed for reporting purposes as:		
Non-current assets	102,354	186,473
Current assets	67,819	64,465
	170,173	250,938

Notes:

(i) The fair value was based on the quoted market closing prices of the respective securities in active markets for identical assets.

(ii) The unlisted equity securities/limited partnership as at 31 March 2026 are measured at fair value. Details are set out in note 39(c).

(iii) The listed debt securities at 31 March 2026 represented bonds with fixed interest of 0% to 11% (2025: 1% to 11%) per annum. The maturity dates of the listed debt securities range from 28 July 2026 to perpetual (2025: 11 July 2025 to perpetual). Their fair values are determined based on quoted market closing prices available from the market.

Certain of the listed debt securities are pledged to secure the general banking facilities granted to the Group. Details are set out in note 34.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES

	2026 HK$'000	2025 HK$'000
Costs of unlisted investments in joint ventures	4,901,359	4,963,993
Share of post-acquisition losses and other comprehensive expense, net of dividend received	(2,317,123)	(1,779,877)
Exchange difference arising on translation	(82,504)	(128,391)
Deemed capital contribution – financial guarantee contracts	40,308	29,157
Deemed capital contribution – interest-free loans *(note i)*	433,171	433,171
	2,975,211	3,518,053
Amounts due from joint ventures included in non-current assets *(note i)*	7,398,411	7,088,682
Amounts due to joint ventures included in current liabilities *(note ii)*	549,925	741,178

Notes:

(i) Included in the amounts due from joint ventures as at 31 March 2026, there are principal amounts with interests of HK$2,225,000 (2025: HK$288,251,000), which are unsecured, bear interest at Hong Kong prime rate plus 3% (2025: Hong Kong prime rate plus 1% to 3%) per annum and repayable after one year. The remaining amounts with principal of HK$9,354,576,000 (2025: HK$8,398,873,000) are unsecured, non-interest bearing and have no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

In addition, included in the amounts due from joint venture as at 31 March 2026, there are share of loss of joint ventures of HK$827,601,000 (2025: HK$629,287,000) representing share of the loss in excess of the cost of investment to the extent of the Group's legal or constructive obligations.

During the year ended 31 March 2026, a net impairment of HK$22,270,000 (2025: HK$7,920,000) is recognised on amounts due from joint ventures, which had been determined by assessing the expected credit loss allowance by management. Details are set out in note 39(b).

(ii) Included in the amounts due to joint ventures as at 31 March 2026, there is principal amount of HK$76,217,000 (2025: HK$79,474,000), which is unsecured, bear interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.5% (2025: HIBOR plus 1.15%/1.5%) per annum and repayable on demand. Also, there is principal amount of HK$35,300,000 (2025: HK$36,000,000), which is unsecured, bear interest at 15% (2025: 15%) per annum and repayable in August 2026. The remaining balances are unsecured, non-interest bearing and repayable on demand.

Valuation of the properties held for sale held by joint ventures as at 31 March 2026 and 2025 were determined by management with reference to external valuation reports prepared by the Valuer, if any, taking into account open market value and/or the market evidence of transaction prices for similar properties in the same locations and conditions, and costs necessary to make the sales.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

As at 31 March 2026, the Group had interests in the following material joint venture:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held		Principal activities
					2026	2025	2026	2025	
Tiptop Noble Limited	Incorporated	BVI	Hong Kong	Ordinary	51%	51%	51% *(note)*	51% *(note)*	Property holding

Note: Regarding this joint venture, the Group has entered into agreements with the joint venture partner in respect of the operations and control of this entity. Based on the legal form and terms of the contractual arrangements, the investments in this entity is treated as a joint venture because major decisions relating to relevant activities require consent of all parties.

The above table lists the joint venture of the Group which, in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the group. The remaining joint ventures are considered not material in terms of its individual carrying amount of interest in joint ventures and the share of results recognised by the Group for the current year. To give details of other joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length.

The joint ventures had properties held for sale that are attributable to the Group amounted to HK$5,197,921,000 (2025: HK$4,686,721,000) and properties under development for sale that are attributable to the Group amounted to HK$9,462,548,000 (2025: HK$11,152,898,000) as at 31 March 2026, all of which are situated in Chinese mainland and Hong Kong.

Summarised financial information of material joint venture

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

The joint venture is accounted for using the equity method in these consolidated financial statements.

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint venture (Continued)

Tiptop Noble Limited

	2026 HK$'000	2025 HK$'000
Current assets	4,245,450	5,258,516
Current liabilities	(1,966,091)	(2,912,756)
Non-current liabilities	(55,825)	(52,130)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,275,193	595,284

As at 31 March 2026, current assets mainly comprised of property held for sale of HK$2,964,548,000 (2025: HK$4,610,932,000) and cash and cash equivalents of HK$1,275,193,000 (2025: HK$595,284,000). Current liabilities as at 31 March 2026 mainly comprised of bank borrowing of HK$1,750,000,000 (2025: HK$1,838,000,000) and contract liabilities of HK$36,367,000 (2025: HK$986,560,000).

	2026 HK$'000	2025 HK$'000
Loss and total comprehensive expense for the year	(113,533)	(12,865)

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

	2026 HK$'000	2025 HK$'000
Net assets of the joint venture	2,223,534	2,293,630
Proportion of the Group's ownership interest in the joint venture	51%	51%
	1,134,002	1,169,751
Deemed Capital Contribution – financial guarantee contracts	6,206	5,961
Carrying amount of the Group's interest in the joint venture	1,140,208	1,175,712

19. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint venture (Continued)

Aggregate information of joint ventures that are not individually material

	2026 HK$'000	2025 HK$'000
The Group's share of loss	(254,431)	(819,001)
The Group's share of other comprehensive income (expense)	45,887	(13,592)
The Group's share of total comprehensive expense	(208,544)	(832,593)
Dividends received from joint ventures during the year *(note)*	401,409	1,424,026
Aggregate carrying amount of the Group's interest in joint ventures	1,835,003	2,342,341

Note: During the year ended 31 March 2026, the Company received dividend income of HK$36,938,000 (2025: HK$1,380,500,000) from joint ventures which were recorded in current accounts with joint ventures.

Significant restriction

There are no significant restrictions on the ability of the joint ventures to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

20. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES

	2026 HK$'000	2025 HK$'000
Costs of unlisted investments in associates	698,151	720,802
Share of post-acquisition losses and other comprehensive expense, net of dividend received	(310,668)	(292,223)
Deemed capital contribution – financial guarantee contracts	4,049	2,744
Deemed capital contribution – interest-free loans *(note)*	104,193	104,193
	495,725	535,516
Amounts due from associates included in non-current assets *(note)*	853,266	927,127

All of the associates are accounted for using the equity method in these consolidated financial statements.

Note: Included in the amounts due from associates as at 31 March 2026, principals amounts with interests of HK$1,393,267,000 (2025: HK$1,364,607,000) are unsecured, non-interest bearing (2025: HIBOR plus 1.5% per annum) and have no fixed repayment terms. All the balances are not expected to be repaid within one year and are therefore classified as non-current.

20. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES (Continued)

At 31 March 2026, the Group had interest in the following significant associate:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held		Principal activities
					2026	2025	2026	2025	
King Empire International Limited	Incorporated	BVI	Hong Kong	Ordinary	15%	15%	15%	15%	Investment holding

The above table lists the associate of the Group which, in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

Summarised financial information of material associate

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

King Empire International Limited

	2026 HK$'000	2025 HK$'000
Current assets	22,490,743	15,107,267
Current liabilities	(25,896,196)	(13,129,250)
Non-current liabilities	–	(4,200,000)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	69,868	19,269

20. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES (Continued)

Summarised financial information of material associate (Continued)

King Empire International Limited (Continued)

As at 31 March 2026, current assets mainly comprised of property held for sale of HK$15,518,107,000 (2025: HK$15,076,930,000) and cash and cash equivalents of HK$69,868,000 (2025: HK$19,269,000). Current liabilities as at 31 March 2026 mainly comprised of amount due to related parties of HK$9,788,445,000 (2025: HK$9,097,381,000) and contract liabilities of HK$8,816,945,000 (2025: HK$nil).

	2026 HK$'000	2025 HK$'000
Loss and total comprehensive expense for the year	(1,183,470)	(1,418,842)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2026 HK$'000	2025 HK$'000
Net liabilities of the associate	(3,405,453)	(2,221,983)
Proportion of the Group's ownership interest in the associate	15%	15%
	510,818	333,297
Loss allocated in excess of investment cost	(510,818)	(333,297)
Deemed Capital Contribution – financial guarantee contracts	1,337	1,337
Deemed Capital Contribution – interest-free loans	104,193	104,193
Carrying amount of the Group's interest in the associate	105,530	105,530

Aggregate information of associates that are not individually material

	2026 HK$'000	2025 HK$'000
The Group's share of loss and total comprehensive expense for the year	(18,446)	(19,812)
Aggregate carrying amount of the Group's interest in associates	390,195	429,986

Significant restriction

There are no significant restrictions on the ability of the associates to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

21. LOAN RECEIVABLES

	2025 HK$'000
Loan receivables	76,079
Analysed for reporting purposes as:	
Current assets	45,338
Non-current assets	30,741
	76,079

The Group offers loans to buyers of properties sold by the Group and the repayment terms of the loans are specified in the loan agreements. As at 31 March 2025, the loan receivables included the carrying amount of HK$76,079,000 which are mortgage loans over the properties held by the purchasers and are receivable by instalments over a period of not more than 20 years. During the year ended 31 March 2026, the loan receivables have been early settled by the buyers since the properties have been sold.

22. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprise of rental receivables which are receivable on the presentation of debit notes and rental income is billed in advance. The Group allows credit period of 0 – 60 days (2025: 0 – 60 days) to its tenants. The ageing analysis of the trade receivables, presented based on the debit note date for rental receivables which approximated the revenue recognition date, at the end of the reporting period is as follows:

	2026 HK$'000	2025 HK$'000
Trade receivables:		
0 – 30 days	2,978	5,131
31 – 90 days	4,723	5,145
	7,701	10,276
Prepayments and deposits	21,385	38,908
Other receivables *(note)*	175,137	150,821
	204,223	200,005

Before accepting new customers, the Group will assess and understand the potential customer's credit quality.

The entire trade receivables balance was neither past due nor credit-impaired and had no default record based on historical information.

Note: As at 31 March 2026 and 2025, other receivables mainly comprised of promissory note issued by a joint venture amounted to HK$31,000,000 and HK$72,000,000 respectively, which is interest bearing at HIBOR plus 1.2% per annum.

23. PROPERTIES HELD FOR SALE

	2026 HK$'000	2025 HK$'000
The Group's carrying amounts of properties held for sale, stated at lower of cost and net realisable value, comprise:		
– Completed properties	4,280,436	5,187,679

Certain of the above properties held for sale are pledged to secure the general facilities granted to the Group. Details are set out in note 34.

The net realisable value of the properties held for sale as at 31 March 2026 and 2025 were determined by the management of the Group with reference to external valuation reports prepared by the Valuers, if any, taking into account open market value and/or the market evidence of transaction prices for similar properties in the same locations and conditions, and costs necessary to make the sales.

The net realisable value of properties held for sale was determined by the Valuers on the following basis:

Completed properties – arrived at by capitalising the net rental income derived from the existing tenancies with due allowance for reversionary potential income of the respective properties, or direct comparison method on basis of market value.

Based on the assessment carried out by the directors of the Company, a write-down of HK$101,771,000 for properties located in Hong Kong is recognised in the cost of sales for the year ended 31 March 2026 (2025: a write-down of HK$130,981,000, comprising a write-down of HK$105,335,000 for properties located in Hong Kong and a write-down of HK$25,646,000 located in Macau).

24. CASH HELD BY SECURITIES BROKERS/BANK BALANCES AND CASH

Cash held by securities brokers are short-term deposits which carried variable interest rates ranging from 0.025% to 0.875% (2025: 0.025% to 0.875%) per annum.

The amounts of the Group's cash held by securities brokers denominated in a currency other than the functional currencies of the relevant group entities are set out below:

	2026 HK$'000
United States dollars ("US$")	92

Bank balances and cash comprised bank balances and cash and short-term bank deposits with an original maturity of three months or less. The bank balances carried variable interest rates ranging from 0.01% to 4.26% (2025: 1.00% to 5.48%) per annum.

24. CASH HELD BY SECURITIES BROKERS/BANK BALANCES AND CASH (Continued)

The amounts of Group's bank balances and cash denominated in currencies other than functional currencies of the relevant group entities are set out below:

	2026 HK$'000	2025 HK$'000
Renminbi ("RMB")	23,324	19,548
US$	895,529	426,558
Euro ("EUR")	2,550	2,521
Great British Pound ("GBP")	330	322
Australian Dollars ("AUD")	125	114
	921,858	449,063

25. OTHER PAYABLES AND ACCRUALS

The following is the breakdown of other payables and accruals at the end of the reporting period:

	2026 HK$'000	2025 HK$'000
Rental and related deposits received	86,295	89,674
Other tax payables	5,465	2,590
Financial guarantee contracts	2,906	12,618
Interest payables	85,856	36,821
Accrued construction costs	36,910	33,515
Accruals and other payables	50,028	36,018
	267,460	211,236

26. CONTRACT LIABILITIES

	2026 HK$'000	2025 HK$'000
Sales of properties held for sale	7,000	348

The Group receives at least 5% of the contract value as deposits from customers when they sign the sale and purchase agreements. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

27. BANK BORROWINGS

	2026 HK$'000	2025 HK$'000
The carrying amounts of the Group's borrowings are repayable based on contractual repayment dates as follows:		
Within one year	2,272,442	1,054,461
More than one year, but not exceeding two years	2,167,885	2,469,612
More than two years, but not exceeding five years	1,077,604	2,984,856
More than five years	334,107	357,596
	5,852,038	6,866,525
The carrying amounts of the Group's borrowings that contain a repayment on demand clause in the loan agreements are repayable as follows:		
Within one year	–	3,564
More than one year, but not exceeding two years	–	3,564
More than two years, but not exceeding five years	54,690	51,007
	54,690	58,135
Less: Amounts due within one year or contain a repayment on demand clause in the loan agreements shown under current liabilities	(2,327,132)	(1,112,596)
Amounts shown under non-current liabilities	3,579,596	5,812,064
Secured *(note i)*	2,844,114	3,701,265
Unsecured *(note ii)*	3,062,614	3,223,395
	5,906,728	6,924,660

Notes:

(i) The secured bank borrowings were secured by various assets held by the Group. The carrying amounts of the assets pledged are disclosed in note 34.

(ii) At 31 March 2026, bank borrowings amounting to HK$3,062,614,000 were guaranteed by the Company (2025: HK$3,223,395,000).

The bank borrowings carried floating rate interests, of which borrowings amounting to HK$5,374,422,000 as at 31 March 2026 (2025: HK$6,377,430,000) bore interest at HIBOR plus 1.00% to 2.10% (2025: HIBOR plus 1.00% to 2.05%) per annum and borrowings amounting to HK$532,306,000 (2025: HK$547,230,000) bore interest at the quoted Loan Prime Rate by the National Interbank Funding Center or the Shanghai Interbank Offered Rate plus a fixed margin. At 31 March 2026, the effective interest rates ranged from 1.63% to 5.99% (2025: 4.40% to 6.86%) per annum.

28. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK0.8 cent each (before share consolidation) and HK1.6 cents each (after share consolidation)		
Authorised:		
At 1 April 2024	22,500,000,000	180,000
Share consolidation *(note i)*	(11,250,000,000)	–
	11,250,000,000	180,000
Increase in authorised share capital on 10 March 2025	20,000,000,000	320,000
At 31 March 2025, 1 April 2025 and 31 March 2026	31,250,000,000	500,000
Issued and fully paid:		
At 1 April 2024	9,209,789,676	73,678
Share consolidation *(note i)*	(4,604,894,838)	–
At 31 March 2025	4,604,894,838	73,678
Rights issue allotted and issued *(note ii)*	8,288,810,694	132,621
Bonus warrants exercised *(note iii)*	10	–
At 31 March 2026	12,893,705,542	206,299

All the shares issued or repurchased by the Company rank *pari passu* with the then existing ordinary shares in all respects.

Notes:

(i) On 17 February 2025, the Company proposed to implement a share consolidation on the basis that every two issued and unissued shares of HK0.8 cent each would be consolidated into one consolidated share of HK1.6 cents each (collectively referred to the "Share Consolidation").

Pursuant to an ordinary resolution passed on 6 March 2025, the Share Consolidation was approved by the shareholders of the Company and has become effective on 10 March 2025. Immediately after the Share Consolidation, the total number of issued shares of the Company was adjusted from 9,209,789,676 to 4,604,894,838.

(ii) Allotment and issue of 8,288,810,694 rights shares on 15 April 2025 on the basis of 18 rights shares for every 10 shares held on 20 March 2025.

(iii) The Company issued bonus warrants to shareholders on the basis of 1 warrant for every 10 consolidated ordinary shares held. Each warrant entitles the holder to subscribe for 1 ordinary share at HK$0.22 per share, exercisable during the subscription period from 7 April 2025 to 7 April 2027. During the year, 10 shares of bonus warrants have been exercised.

29. NOTES PAYABLE

	31 March 2026 HK$'000	31 March 2025 HK$'000
Notes payable:		
Guaranteed notes *(note i)*	–	2,307,731
10.50% US$ Notes maturing in May 2028 *(note ii)*	1,503,237	–
8.22% HK$ Note maturing in April 2029 *(note iii)*	465,401	–
	1,968,638	2,307,731
Analysed for reporting purpose as:		
Current liabilities	234,000	2,307,731
Non-current liabilities	1,734,638	–
	1,968,638	2,307,731

Notes:

(i) On 21 July 2021, Estate Sky Limited ("ESL"), a subsidiary of the Group, issued guaranteed notes, of which the Company is the guarantor, in the aggregate principal amount of US$300,000,000 (equivalent to approximately HK$2,340,000,000) (the "2021 Guaranteed Notes") at an interest rate of 5.45% per annum, payable semi-annually in arrears. The 2021 Guaranteed Notes was matured on 21 July 2025 (2025: HK$2,307,731,000) and fully redeemed.

(ii) On 21 May 2025, ESL issued guaranteed notes, which the Company is the guarantor, in the principal amount of US$150,000,000 (equivalent to approximately HK$1,170,000,000) at an interest rate of 10.5% per annum, payable semi-annually in arrears (the "2028 Notes"). On 29 September 2025, ESL issued additional guaranteed notes in principal amount of US$50,000,000 (equivalent to approximately HK$390,000,000) which have the same terms and conditions as the 2028 Notes, except for the issue price, the closing date and the amounts ESL shall redeem on specified dates. The additional guaranteed notes, upon issue, have been consolidated and formed a single series with the 2028 Notes (the "2028 Consolidated Notes") with aggregate principal amount of US$200,000,000 and thereby constitute a further issue of notes pursuant to the terms and conditions of the 2028 Notes. The 2028 Consolidated Notes with carrying amount of HK$1,503,237,000 as at 31 March 2026 is unsecured and will mature on 21 May 2028.

The 2028 Consolidated Notes were listed on the Singapore Exchange Securities Trading Limited and the fair value was HK$1,543,637,000 based on the quoted price as at 31 March 2026.

(iii) The Company announced the strategic funding & partnership proposal on 2 February 2025 and issued a 4-year senior unsecured note of HK$500,000,000 at an interest rate of 8.22% per annum and is guaranteed by the Company (the "2029 Note") to Gaw Capital Partners on 30 April 2025. The 2029 Note with carrying amount of HK$465,401,000 as at 31 March 2026 will mature on 30 April 2029.

30. DERIVATIVE FINANCIAL INSTRUMENTS

	2026 HK$'000
Derivative financial assets:	
Interest rate swaps	126
Cross currency swap	411
	537

During the year ended 31 March 2026, the Group entered into the interest rate swaps to minimise its exposure to interest rate fluctuations, which bear interest at a floating rate of HIBOR. Under these swaps, the Group would receive interest at fixed rate range from 2.67% to 5.33% per annum. The interest rate swaps will be matured in March 2028.

During the year ended 31 March 2026, the Group entered into the cross currency swap to minimise its exposure to fluctuations in foreign currency exchange rates denominated in US$. Under this swap, the Group would receive interest at fixed rate of 0.80% per annum. The cross currency swap contract will be matured in May 2028.

Derivative financial instruments – Interest rate swaps

	2026
Notional amount	HK$1,000,000,000
Maturity date	27 March 2028
Strike rate (fixed rate range)	2.67% – 5.33%

Derivative financial instruments – Cross currency swap

	2026
Notional amount	HK$157,000,000
Maturity date	21 May 2028
Strike rate	0.80%

The above contracts are measured at fair value at the end of the reporting period. None of these derivative contracts were designated as hedging instruments and the fair value change is recognised in profit or loss.

Details of the fair value measurement of the derivative contracts and investments are set out in note 39.

31. DEFERRED TAXATION

The following is the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Fair value change of investment properties HK$'000	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2024	114,625	43,788	(22,858)	135,555
Deregistration of a subsidiary	–	(1,233)	–	(1,233)
(Credit) charge to consolidated statement of profit or loss for the year	(2,022)	1,499	(32,785)	(33,308)
At 31 March 2025	112,603	44,054	(55,643)	101,014
Deregistration of a subsidiary	–	(591)	–	(591)
(Credit) charge to consolidated statement of profit or loss for the year	5,086	(8,943)	(5,358)	(9,215)
At 31 March 2026	117,689	34,520	(61,001)	91,208

As at 31 March 2026, the Group had unused tax losses of approximately HK$2,770,890,000 (2025: HK$2,296,338,000) available for offset against future profits and certain of these tax losses have not yet been agreed with the tax authority. A deferred tax asset has been recognised in respect of tax loss of HK$352,028,000 (2025: HK$337,235,000). No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK$2,418,862,000 (2025: HK$1,959,103,000) due to unpredictability of future profits streams. The unrecognised tax losses in Hong Kong amounted to HK$2,392,428,000 (2025: HK$1,929,755,000) can be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operated in Chinese mainland will expire as follows:

Tax losses expiring in

	2026 HK$'000	2025 HK$'000
2026	–	14,766
2027	4,127	3,948
2028	7,719	7,385
2029	–	868
2030	2,489	2,381
2031	12,099	–
	26,434	29,348

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. As at 31 March 2026, no deferred taxation regarding such withholding tax has been provided as the PRC subsidiaries have accumulated losses and have no retained profits available for distribution (2025: HK$nil).

For the purpose of presentation in the consolidated statement of financial position, the deferred tax assets and liabilities have been offset.

32. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2026

Disposal of City Plan Limited and King's Land Limited (the "2026 Disposed Subsidiaries – City Plan and King's Land")

During the year ended 31 March 2026, the Group disposed of the entire interests in the 2026 Disposed Subsidiaries – City Plan and King's Land for a total consideration of HK$258,845,000. Since the 2026 Disposed Subsidiaries – City Plan and King's Land were principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2026 Disposed Subsidiaries – City Plan and King's Land. Accordingly, the Group had accounted for the disposal of the 2026 Disposed Subsidiaries – City Plan and King's Land as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets and liabilities attributable to the 2026 Disposed Subsidiaries – City Plan and King's Land on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	137,499
Trade and other receivables, deposits and prepayments	541
Other payables	(4,496)
Net assets disposed of	133,544
Transaction cost	6,736
Gain on disposal	118,565
	258,845
Total consideration satisfied by:	
Cash received	138,655
Assignment of loan	120,190
	258,845

Disposal of Embrace Success Limited (the "2026 Disposed Subsidiary – Embrace Success")

During the year ended 31 March 2026, the Group disposed of the entire interests in the 2026 Disposed Subsidiary – Embrace Success for a total consideration of HK$760,245,000. Since the 2026 Disposed Subsidiary – Embrace Success was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2026 Disposed Subsidiary – Embrace Success. Accordingly, the Group had accounted for the disposal of the 2026 Disposed Subsidiary – Embrace Success as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

32. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2026 (Continued)

Disposal of Embrace Success Limited (the "2026 Disposed Subsidiary – Embrace Success") (Continued)

The amounts of the assets and liabilities attributable to the 2026 Disposed Subsidiary – Embrace Success on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	474,041
Trade and other receivables, deposits and prepayments	324
Other payables	(79)
Net assets disposed of	474,286
Transaction cost	49,371
Gain on disposal	236,588
	760,245
Total consideration satisfied by:	
Cash received	221,739
Assignment of loan	538,506
	760,245

Disposal of a company located in Macau (the "2026 Disposed Subsidiary – Macau Company")

During the year ended 31 March 2026, the Group disposed of the entire interests in the 2026 Disposed Subsidiary – Macau Company for a total consideration of HK$1,980,000. Since the 2026 Disposed Subsidiary – Macau Company was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which was the single predominant asset of the 2026 Disposed Subsidiary – Macau Company. Accordingly, the Group had accounted for the disposal of the 2026 Disposed Subsidiary – Macau Company as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

32. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2026 (Continued)

Disposal of a company located in Macau (the "2026 Disposed Subsidiary – Macau Company") (Continued)

The amounts of the assets and liabilities attributable to the 2026 Disposed Subsidiary – Macau Company on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Property held for sales	712
Other payables	(15)
Net assets disposed of	697
Transaction costs	98
Gain on disposal	1,185
	1,980
Total consideration satisfied by:	
Cash received	1,980

For the year ended 31 March 2025

Disposal of Hoyden Holdings Limited (the "2025 Disposed Subsidiary – Hoyden")

During the year ended 31 March 2025, the Group disposed of the entire interests in the 2025 Disposed Subsidiary – Hoyden for a total consideration of HK$10,130,000. Since the 2025 Disposed Subsidiary – Hoyden was principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2025 Disposed Subsidiary – Hoyden. Accordingly, the Group had accounted for the disposal of the 2025 Disposed Subsidiary – Hoyden as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

32. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2025 (Continued)

Disposal of Hoyden Holdings Limited (the "2025 Disposed Subsidiary – Hoyden") (Continued)

The amounts of the assets and liabilities attributable to the 2025 Disposed Subsidiary – Hoyden on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	10,080
Trade and other receivables, deposits and prepayments	58
Other payables	(8)
Net assets disposed of	10,130
Transaction cost	542
Loss on disposal	(542)
	10,130
Total consideration satisfied by:	
Cash received	9,258
Assignment of loan	872
	10,130

Disposal of several companies located in Macau (the "2025 Disposed Subsidiaries – Macau Companies")

During the year ended 31 March 2025, the Group disposed of the entire interests in the 2025 Disposed Subsidiaries – Macau Companies for a total consideration of HK$8,560,000. Since the 2025 Disposed Subsidiaries – Macau Companies were principally engaged in properties held for sale, the Group was principally selling, and the buyer was principally acquiring, the properties held for sale which were the single predominant asset of the 2025 Disposed Subsidiaries – Macau Companies. Accordingly, the Group had accounted for the disposal of the 2025 Disposed Subsidiaries – Macau Companies as disposal of the underlying properties held for sale. The consideration allocated to the sale of properties held for sale was regarded as revenue generated from sales of properties held for sale by the Group.

32. DISPOSAL OF ASSETS AND LIABILITIES THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2025 (Continued)

Disposal of several companies located in Macau (the "2025 Disposed Subsidiaries – Macau Companies") (Continued)

The amounts of the assets and liabilities attributable to the 2025 Disposed Subsidiaries – Macau Companies on the date of disposal were as follows:

	HK$'000
Net assets and liabilities disposed of:	
Properties held for sale	5,954
Other payables	(63)
Net assets disposed of	5,891
Transaction cost	286
Gain on disposals	2,383
	8,560
Total consideration satisfied by:	
Cash received	8,560

33. FINANCIAL GUARANTEE CONTRACTS

	2026 HK$'000	2025 HK$'000
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	6,135,785	7,294,388
Associates	768,900	1,317,240
	6,904,685	8,611,628
and utilised by:		
Joint ventures	6,024,330	6,397,388
Associates	601,200	957,240
	6,625,530	7,354,628

The directors of the Company assess the ECL allowance in relation to the financial guarantee contracts as set out in note 39b. As at 31 March 2026, included in other payables and accruals (note 25) represents financial guarantee contracts amounted to HK$2,906,000 (2025: HK$12,618,000).

34. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	2026 HK$'000	2025 HK$'000
Property, plant and equipment	130,486	146,089
Investment properties	3,151,934	3,079,657
Properties held for sale	3,798,846	5,101,088
Financial assets at FVTPL	6,101	5,723
	7,087,367	8,332,557

For certain properties, the Group has assigned to the banks all its right, title and benefit as lessor of relevant properties for certain banking facilities granted to the Group.

35. OPERATING LEASE AND CAPITAL COMMITMENTS

Operating lease commitments

The Group as lessor

Certain of properties, which are classified as properties held for sale and investment properties, have committed lessees for the next one to ten years. The lease commitments will be released when the properties are sold.

Minimum lease payments receivable on leases are as follows:

	2026 HK$'000	2025 HK$'000
Within one year	177,031	225,007
In the second year	119,945	204,809
In the third year	84,279	121,593
In the fourth year	62,069	90,827
In the fifth year	36,851	73,175
After five years	93,814	127,919
	573,989	843,330

36. RETIREMENT BENEFITS SCHEMES

The Group participates in a Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules, subject to a cap of monthly relevant income of HK$30,000 effective 1 June 2014 for the MPF Scheme, which contribution is matched by the employee. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contributions payables in the future years.

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

The employees of the Group's subsidiaries in Chinese mainland are members of the state-managed retirement benefits schemes operated by the PRC government. The Group is required to contribute a certain percentage of its payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the schemes.

The retirement benefits scheme contributions relating to the MPF Scheme, stated-managed retirement benefits schemes and defined contribution retirement scheme in Macau charged to the current year's consolidated statement of profit or loss of HK$5,564,000 (2025: HK$5,306,000) represented contributions paid and payable to the schemes by the Group at rates specified in the rules of the schemes.

37. RELATED PARTY DISCLOSURES

Other than those elsewhere disclosed in the consolidated financial statements, the Group has following transactions with related parties.

(a) The amounts due to non-controlling shareholders of subsidiaries are unsecured, non-interest bearing and repayable on demand. Details of the amounts due from (to) joint ventures and associates are set out in the consolidated statement of financial position and notes 19 and 20 respectively.

(b) The remuneration of directors and other members of key management during the year is as follows:

	2026 HK$'000	2025 HK$'000
Short-term benefits	43,227	35,136
Post-employment benefits	1,169	981
	44,396	36,117

The remuneration of executive directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which includes the amounts due to joint ventures, amount due to non-controlling shareholders of subsidiaries, bank borrowings and notes payable disclosed in notes 19, 37(a), 27 and 29, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, various reserves and retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendation of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2026 HK$'000	2025 HK$'000
Financial assets		
Financial assets at FVTPL		
Financial assets mandatory measured at FVTPL	170,173	250,938
Financial assets at amortised cost	10,479,384	9,666,487
Derivative financial instruments	537	–
Financial liabilities		
At amortised cost	8,699,756	10,219,795
Financial guarantee contracts	2,906	12,618

(b) Financial risk management objectives and policies

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and equity and other price risks), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Market risks

(i) Foreign currency risk management

The Group operates in Hong Kong with most of the transactions denominated and settled in HK$, the functional currency of relevant group entities.

The Group is mainly exposed to foreign currency risk in relation to RMB, US$, EUR, GBP and AUD arising from foreign currency denominated bank balances and cash, cash held by securities brokers and notes payable as set out in notes 24 and 29 respectively.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
RMB	5,140	19,548	–	–
US$	895,529	426,558	1,503,237	2,307,731
EUR	2,550	2,521	–	–
GBP	330	322	–	–
AUD	125	114	–	–

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks (Continued)

(i) Foreign currency risk management (Continued)

Under the pegged exchange rate system, the financial impact on exchange difference between HK$ and US$ will be immaterial as most US$ denominated monetary assets are held by group entities having HK$ as their functional currency, and the other financial assets denominated EUR, GBP and AUD are not material, and therefore no sensitivity analysis has been prepared.

Foreign currency sensitivity analysis

The Company mainly exposes to material currency risk in RMB against HK$ in year ended 31 March 2026 (2025: material currency risk in RMB against HK$).

The following table details the Company's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary item and adjusts its translation at the year end for a 5% change in foreign currency rate. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currencies. The sensitivity analysis represents bank balances denominated in RMB. A positive number indicates a decrease in loss for the year where the RMB strengthens against the relevant currencies. For a 5% weakening of RMB against the relevant currencies, there would be an equal and opposite impact on the loss for the year.

	2026 HK$'000
RMB	
Decrease in loss for the year	215

The Group monitors foreign currency exposure and will consider hedging significant currency exposure should the need arises.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks (Continued)

(ii) Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to financial assets at FVTPL, notes payable and derivative financial instruments as set out in notes 18, 29 and 30 respectively. Besides, the Group is also exposed to the cash flow interest rate risk in relation to cash held by securities brokers, bank balance and bank borrowings as set out in notes 24 and 27 respectively.

Sensitivity analysis for cash flow interest rate risk

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate cash held by securities brokers, bank balances and bank borrowings, the analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. An increase or decrease of 10 basis points (2025: 10 basis points) for cash held by securities brokers and bank balances and 50 basis points (2025: 50 basis points) for loan receivables and bank borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For cash held by securities brokers and bank balances, if interest rates had been 10 basis points (2025: 10 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2026 would decrease/increase by HK$1,707,000 (2025: HK$1,180,000).

For bank borrowings, if interest rates had been 50 basis points (2025: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2026 would increase/decrease by HK$24,661,000 (2025: HK$26,308,000).

In management's opinion, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risks (Continued)

(iii) Equity and other price risks management

The Group is exposed to equity and other price risks through its financial assets at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity and other price risks are mainly concentrated on unlisted equity securities/limited partnership, listed equity securities and listed debt securities quoted in the open markets. In addition, the Group has a designated team to monitor the price risks and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity and other price risks at the end of reporting period. In management's opinion, the sensitivity analysis is unrepresentative of inherent equity and other price risks as the year end exposure does not reflect the exposure during the year.

If the prices of the listed equity securities and the prices of underlying investment portfolio of the respective unlisted equity securities/limited partnership had been 5% (2025: 5%) higher/lower, post-tax loss for the year ended 31 March 2026 would decrease/increase by HK$3,589,000 (2025: HK$5,544,000) as a result of the changes in fair value of equity securities/limited partnership and mutual funds held by the Group.

If the prices of the respective debt securities had been 5% (2025: 5%) higher/lower, post-tax loss for the year ended 31 March 2026 would decrease/increase by HK$4,920,000 (2025: HK$7,003,000) as a result of the changes in fair value of debt securities.

Credit risk and impairment assessment

As at 31 March 2026, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group is exposed to credit risk which will cause a financial loss to the Group arising from the amount of financial guarantees provided by the Group disclosed in note 33.

In order to minimise the credit risk, monitoring procedures are carried out to ensure that follow-up action is taken to recover overdue debts. In addition, before issuing financial guarantee to joint ventures and associates as part of the Group's investment decision, the management has considered the financial positions or the value of the properties held by respective investees. The Group also closely monitor the financial position, conducts regular reviews on the value of the properties and maintains regular communications with the joint ventures and associates in order to keep updated with the credit risk profile. The credit review process enables the Group to regularly assess the potential loss as a result of the credit risk it is exposed to and to take appropriate corrective actions promptly.

In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessment on trade receivables

Trade receivables arise from rental receivables from tenants for leasing the properties. In order to minimise the credit risk, credit checks are carried out before commencement of tenancies and ongoing credit evaluation ensures any doubtful receivables are provided for as required. The exposure to credit risk is limited because the trade receivables are secured by tenant deposits.

Management assessed the expected loss on trade receivables from customers individually, taking into account the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including the use of forecasts of future economic information, as appropriate.

In addition, based on historical credit loss experience, the directors of the Company are of the opinion that there has been no default occurred for trade receivables aged over 90 days and the probability of default of trade receivables is low since the Group generally receives deposits from customers for leasing of properties. Given that the deposits can cover majority of trade receivables, the loss given default is considered insignificant.

Impairment assessment on bank balances/cash held by securities brokers

Credit risk on bank balance/cash held by securities brokers is limited because the counterparties are reputable banks and securities brokers with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balance/cash held by securities by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. The 12m ECL on bank balances/cash held by securities brokers is considered to be insignificant and therefore no loss allowance was recognised.

Impairment assessment on other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 March 2026 and 2025, the Group assessed the ECL for other receivables are insignificant and therefore no loss allowance is recognised.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessment on amounts due from joint ventures

In determining the ECL for amounts due from joint ventures, the management of the Group has taken into account the operational update of the joint ventures, as well as the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including information such as gross domestic product growth rate and unemployment rate. In respect of amounts due from joint ventures with gross carrying amount of HK$862,966,000 (2025: HK$637,158,000), the Group has recognised in lifetime ECL (credit-impaired) basis during the current year in order to reflect the latest status of the recovery of the property project held by the joint venture, and accordingly, an impairment of HK$686,158,000 (2025: HK$637,158,000) is recognised in respect of this amount. For the remaining amounts due from joint venture with gross carrying amount of HK$7,228,853,000 (2025: HK$7,122,662,000), the Group considers there is no significant increase in credit risk since initial recognition taking into account the latest or valuation of the related property and therefore 12m ECL is applied and an impairment of HK$7,250,000 (2025: HK$33,980,000) is recognised.

Impairment assessment on amounts due from associates

In determining the ECL for amounts due from associates, the management of the Group has taken into account the operational update for the associates, as well as, historical default experience and forward-looking information, as appropriate. There had been no significant increase in credit risk since initial recognition. The Group has considered the consistently low historical default rate in connection with payments, and concluded that credit risk inherent in the Group's outstanding amounts due from associates is insignificant and therefore no loss allowance is recognised. The Group considers there are no significant increase in credit risk since initial recognition taking into account the latest or valuation of the related property and therefore 12m ECL is applied and no loss allowance is recognised.

Impairment assessment on financial guarantee contracts

The Group assessed the loss allowances for financial guarantee contracts of HK$6,904,685,000 (2025: HK$8,611,628,000), representing the maximum amount the Group has guaranteed under the respective contracts, on 12m ECL basis. When assessing the ECL, the directors of the Company taken into account the historical default experience and forward-looking information that is reasonably and supportably available to the Group without undue cost or effect, including information such as gross domestic product growth rate and unemployment rate. For the year ended 31 March 2026, the Group assessed the ECL for financial guarantee contracts and reversal of HK$21,820,000 (2025: impairment of HK$3,300,000) is recognised. As at 31 March 2026, except for the aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to joint ventures of HK$703,000,000 (2025: HK$731,500,000) on which ECL of HK$4,210,000 (2025: HK$26,030,000) is provided, the Group assessed the ECL for the remaining financial guarantee contracts of HK$6,201,685,000 (2025: HK$7,880,128,000) are insignificant and no loss allowance is recognised. Details of the financial guarantee contracts with carrying amount of HK$2,906,000 (2025: HK$12,618,000) as at 31 March 2026 are set out in note 25.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/ other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contracts, which are subject to ECL assessment:

					2026		2025	
	Notes	**External credit rating**	**Internal credit rating**	**12-month or lifetime ECL**	Loss provided HK$'000	Gross carrying amount HK$'000	Loss provided HK$'000	Gross carrying amount HK$'000
Financial assets at amortised cost								
Trade receivables	22	N/A	*note i*	Lifetime ECL – not credit-impaired	–	7,701	–	10,276
Other receivables*	22	N/A	Low risk	12m ECL	–	175,137	–	150,821
Loan receivables	21	N/A	Low risk	12m ECL	–	–	–	33,262
Loan receivables	21	N/A	Loss	Lifetime ECL – credit-impaired	–	–	–	42,817
Amounts due from joint ventures	19	N/A	Low risk	12m ECL	7,250	7,228,853	33,980	7,122,662
Amounts due from joint ventures	19	N/A	Loss	Lifetime ECL – credit-impaired	686,158	862,966	637,158	637,158
Amounts due from associates	20	N/A	Low risk	12m ECL	–	853,266	–	927,127
Cash held by securities brokers	24	A to AA+	Low risk	12m ECL	–	1,673	–	1,584
Bank balances	24	A to AA+	N/A	12m ECL	–	2,043,196	–	1,411,918
Other item								
Financial guarantee contracts *(note ii)*	33	N/A	Low risk	12m ECL	4,210	6,904,685	26,030	8,611,628

* The gross carrying amounts disclosed above include the relevant interest receivables which are presented in other receivables.

Notes:

(i) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on trade receivables individually by past due status of each debtor and the loss allowance is not material.

(ii) For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

As at 31 March 2026, the loss allowance for financial guarantee contracts issued by the Group of HK$4,210,000 (2025: HK$26,030,000) and loss allowance for amounts due from joint ventures of HK$7,250,000 (2025: HK$33,980,000) are measured at an amount equal to 12m ECL and reversal of HK$21,820,000 (2025: impairment of HK$3,300,000) and HK$26,730,000 (2025: impairment of HK$3,120,000) are recognised respectively during the year. The loss allowance for amounts due from joint ventures of HK$686,158,000 (2025: HK$637,158,000) are measured at an amount equal to lifetime ECL and are credit-impaired and an impairment of HK$49,000,000 (2025: HK$4,800,000) are recognised during the year.

Investments in listed debt securities

The Group determines whether the investments in listed debt securities have suffered from significant increase in credit risk since initial recognition by checking if there is any indication of deterioration of the repayment ability of the issuer at the end of the reporting period. The Group closely monitors the changes in the credit ratings of the issuer, and follows its market news for taking immediate actions if there is any indication of deterioration of the repayment ability of the issuer.

The Group monitor the external credit rating to provide early identification of possible changes in the creditworthiness of counterparties regularly to update the credit risk of issuers of debt securities. This enables the Group to assess the potential loss as a result of the risk to which it is exposed. The Group will closely follow the external credit rating of counterparties and the price movement of the listed debt securities, and will formulate appropriate exit strategy accordingly subject to market conditions prevailing from time to time.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures the compliance with loan covenants.

Liquidity tables

The following table details of the Group's remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise the rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables (Continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group consider that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

	Weighted average interest rate %	On demand HK$'000	1 – 3 months HK$'000	3 months to 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount at 31 March 2026 HK$'000
31 March 2026									
Non-derivative financial liabilities									
Other payables	–	172,151	–	–	–	–	–	172,151	172,151
Amounts due to joint ventures	–	549,925	–	–	–	–	–	549,925	549,925
Amounts due to non-controlling shareholders of subsidiaries	–	102,314	–	–	–	–	–	102,314	102,314
2029 Note	11.41	20,550	–	20,550	41,100	564,150	–	646,350	465,401
2028 Consolidated Notes	13.23	–	81,900	315,900	360,945	1,149,330	–	1,908,075	1,503,237
Bank borrowings	4.35	54,690	660,291	1,871,492	2,323,609	1,139,017	406,781	6,455,880	5,906,728
		899,630	742,191	2,207,942	2,725,654	2,852,497	406,781	9,834,695	8,699,756
Financial guarantee contracts		6,904,685	–	–	–	–	–	6,904,685	2,906
Derivatives – net settlement									
Interest rate swaps		(75)	(150)	(674)	(889)	–	–	(1,788)	(126)
Cross currency swap		(105)	(213)	(939)	(1,256)	(2,816)	–	(5,329)	(411)

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables (Continued)

	Weighted average interest rate %	On demand HK$'000	1 – 3 months HK$'000	3 months to 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount at 31 March 2025 HK$'000
31 March 2025									
Non-derivative financial liabilities									
Other payables	–	126,495	–	–	–	–	–	126,495	126,495
Amounts due to joint ventures	–	741,178	–	–	–	–	–	741,178	741,178
Amounts due to non-controlling shareholders of subsidiaries	–	119,731	–	–	–	–	–	119,731	119,731
2021 Guaranteed Notes	5.45	10,481	31,443	2,440,653	–	–	–	2,482,577	2,307,731
Bank borrowings	5.64	58,135	391,062	1,056,915	2,797,151	3,173,220	458,358	7,934,841	6,924,660
		1,056,020	422,505	3,497,568	2,797,151	3,173,220	458,358	11,404,822	10,219,795
Financial guarantee contracts		8,611,628	–	–	–	–	–	8,611,628	12,618

Bank borrowings with a repayment on demand clause are included in the "on demand" time band in the above maturity analysis. As at 31 March 2026, the aggregate carrying amounts of these bank borrowings amounted to HK$54,690,000 (2025: HK$58,135,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repayable, together with interest, in accordance with the scheduled repayment dates set out in the loan agreements as follows:

	1 – 3 months HK$'000	3 months to 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amounts HK$'000
31 March 2026	931	2,792	3,723	52,171	59,617	54,690
31 March 2025	891	2,673	3,779	60,574	67,917	58,135

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantees. The financial guarantee contracts represent the guarantee given by the Group for banking facilities granted to joint ventures and associates. Based on expectations at the end of the reporting period, the Group does not consider that it is probable that a claim will be made against the Group under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amount included above for variable-rate bank borrowings is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value measurements recognised in the consolidated statement of financial position

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

39. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2026 HK$'000	31 March 2025 HK$'000				
Financial assets at FVTPL	Listed equity securities in: – Hong Kong: 4,659 – Elsewhere: 9	Listed equity securities in: – Hong Kong: 6,928 – Elsewhere: 5	Level 1	Quoted market closing prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: 32,165 – Singapore: 18,164 – Elsewhere: 14,115	Listed debt securities in: – Hong Kong: 21,934 – Singapore: 2,132 – Elsewhere: 29,889	Level 1	Quoted market closing prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: 33,950	Listed debt securities in: – Hong Kong: 33,680	Level 2	Quoted market closing prices in active market and adjustment of management fee	N/A	N/A
	Unlisted debt security: nil	Unlisted debt security: 7,800	Level 1	Quoted market closing prices in an OTC market	N/A	N/A
	Unlisted debt security: nil	Unlisted debt security: 44,626	Level 3	Discount cash flow method was used to capture the present value of the expected future economic benefits to be derived, based on an appropriate discount rate	N/A	N/A
	Unlisted equity securities/ limited partnership: – Financial asset A/B: 51,050	Unlisted equity securities/ limited partnership: – Financial asset A/B: 87,318	Level 3	Adjusted net asset value, determined based on net asset value ("NAV") adjusted for NAV discount	N/A	N/A
	– Financial asset C: 16,061	– Financial asset C: 16,626	Level 2	Market approach, determined with reference to the fair value of the underlying investment i.e. quoted prices in active market and adjustment of operating expenses	N/A	N/A

39. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2026 HK$'000	31 March 2025 HK$'000				
Derivative financial instruments	Interest rate swaps: 126	Interest rate swaps: nil	Level 2	Discounted cash flows. Future cash flows are estimated based on interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of the Group or the counterparties, as appropriate	N/A	N/A
	Cross currency swap: 411	Cross currency swap: nil	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable yield curves at the end of the reporting period) and contracted forward exchange rates, discounted at a rate that reflects the credit risk of the Group or the counterparties, as appropriate	N/A	N/A

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL HK$'000
At 1 April 2024	229,946
Fair value losses in profit or loss	(103,716)
Purchases	5,714
At 31 March 2025	131,944
Fair value losses in profit or loss	(81,175)
Purchases	281
At 31 March 2026	51,050

There were no transfers between Level 1 and Level 2 measurements in the current year.

The directors consider that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payables HK$'000 *(note 25)*	Dividend payables HK$'000 *(note 14)*	Amounts due to joint ventures HK$'000 *(note 19)*	Bank borrowings HK$'000 *(note 27)*	Notes payable HK$'000 *(note 29)*	Amounts due to non-controlling shareholders of subsidiaries HK$'000 *(note 37(a))*	Total HK$'000
At 1 April 2024	48,372	–	1,699,816	7,882,848	2,301,660	123,254	12,055,950
Financing cash flows	(588,969)	(35,513)	500,241	(947,948)	–	(3,523)	(1,075,712)
Exchange adjustment	–	–	–	(10,240)	–	–	(10,240)
Dividend declared	–	35,513	(1,380,500)	–	–	–	(1,344,987)
Interest expenses	577,418	–	–	–	–	–	577,418
Reversal of impairment loss on financial guarantee contracts	–	–	(78,379)	–	–	–	(78,379)
Amortisation of guaranteed notes	–	–	–	–	6,071	–	6,071
At 31 March 2025	36,821	–	741,178	6,924,660	2,307,731	119,731	10,130,121
Financing cash flows	(440,784)	(2,000)	6,703	(1,057,537)	(369,750)	(17,417)	(1,880,785)
Exchange adjustment	–	–	–	39,605	–	–	39,605
Dividend declared	–	2,000	(36,773)	–	–	–	(34,773)
Interest expenses	489,819	–	–	–	–	–	489,819
Amortisation of guaranteed notes	–	–	–	–	30,657	–	30,657
Transfer	–	–	(161,183)	–	–	–	(161,183)
At 31 March 2026	85,856	–	549,925	5,906,728	1,968,638	102,314	8,613,461

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2026 HK$'000	2025 HK$'000
Non-Current Assets		
Investments in subsidiaries	459,676	466,921
Amounts due from subsidiaries	11,668,316	10,506,299
Interests in joint ventures and associates	43,053	31,902
Club memberships	5,200	5,200
Deferred tax assets	566	566
	12,176,811	11,010,888
Current Assets		
Other receivables and deposits	1,117	8,733
Bank balances and cash	283,701	303,618
	284,818	312,351
Current Liability		
Other payables and accruals	16,474	16,191
Net Current Assets	268,344	296,160
Total asset less current liabilities	12,445,155	11,307,048
Capital and Reserves		
Share capital	206,299	73,678
Reserves *(note)*	12,238,856	11,233,370
Total Equity	12,445,155	11,307,048

Note:

Reserves

	Share premium HK$'000	**Capital redemption reserve** HK$'000	**Contributed surplus** HK$'000 *(note)*	**Retained profits** HK$'000	**Total** HK$'000
At 1 April 2024	2,052,135	6,620	134,931	11,396,615	13,590,301
Loss and other comprehensive expense for the year	–	–	–	(2,356,931)	(2,356,931)
At 31 March 2025	2,052,135	6,620	134,931	9,039,684	11,233,370
Right Issues	1,359,365	–	–	–	1,359,365
Loss and other comprehensive expense for the year	–	–	–	(353,879)	(353,879)
At 31 March 2026	3,411,500	6,620	134,931	8,685,805	12,238,856

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

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries at 31 March 2026 and 2025 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company Directly		Indirectly		Principal activities
			2026 %	2025 %	2026 %	2025 %	
2 Shelley Street Management Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
46 Lyndhurst Management Limited	Hong Kong	HK$1	–	–	100	100	Provision of property management services
Able Market Limited	Hong Kong	HK$1	–	–	100	100	Property holding and leasing of property
Able Wealth Enterprise Limited	Hong Kong	HK$10	–	–	100	100	Property holding and leasing of property
Affinity Ocean Limited	BVI	US$1	100	100	–	–	Note issuer
Capital Strategic Property (Shanghai) Limited *(note)* 資地置業(上海)有限公司	PRC	Registered and paid-up capital RMB300,000,000	–	–	100	100	Property holding and leasing of property
Castle Pacific Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
CH Property Services Limited	Hong Kong	HK$1	–	–	100	100	Provision of management services
Clear Luck Group Limited	BVI	US$1	–	–	100	100	Property holding
Couture Homes Limited	BVI	US$1	100	100	–	–	Investment holding
CSI China Limited	Hong Kong	HK$2	–	–	100	100	Investment holding
CSI Financial Holdings Limited	Hong Kong	HK$100	100	100	–	–	Sales of securities and investment holding
CSI Property Services Limited	Hong Kong	HK$2	100	100	–	–	Provision of management services
Estate Sky Limited	BVI	US$1	100	100	–	–	Note issuer
Ever Label Limited	BVI	US$1	–	–	100	100	Property holding

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company Directly		Indirectly		Principal activities
			2026 %	2025 %	2026 %	2025 %	
Go Clear Investments Limited	Hong Kong	HK$6	–	–	100	100	Property holding and leasing of property
Go High Investments Limited	Hong Kong	HK$167,114,001	–	–	100	100	Investment holding
Group East Limited	Hong Kong	HK$1	100	100	–	–	Treasury management
Inbest Limited	Hong Kong	HK$2	–	–	100	100	Sales of securities and investment holding
Linking Plus Investments Limited	BVI	US$1	–	–	100	100	Property holding and leasing of property
Mark Well Investment Limited	Hong Kong	HK$100	100	100	–	–	Sales of securities and investment holding
Modern Value Limited	BVI	US$1	–	–	100	100	Property holding and leasing of property
Shanghai Huajian Business Management Company Limited *(note)* 上海華建商業管理有限公司	PRC	Registered and paid-up capital RMB363,981,250	–	–	100	100	Property holding and leasing of property
Spring Wonder Limited	Hong Kong	HK$100	–	–	92	92	Property holding
Well Clever International Limited	BVI	US$1	–	–	100	100	Sales of securities and investment holding

Note:

These companies are wholly foreign owned enterprises established in the PRC. The English name of companies established in the PRC are directly translated from their Chinese names and are furnished for identification purpose only.

None of the subsidiaries had issued any debt securities or any other securities (other than ordinary/ registered share capital) during the year and at the end of the year except for ESL which had issued notes payable as detailed in note 29.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities of business	Principal place of business	Number of subsidiaries	
		2026	2025
Corporate services	Hong Kong	4	4
Investment holding	Hong Kong/Macau/PRC	185	186
Inactive	Hong Kong	7	18
Securities investment	Hong Kong	3	3
		199	211

43. EVENTS AFTER REPORTING PERIOD

On 15 May 2026, a subsidiary of the Group (the "Seller") entered into a sale and purchase agreement with purchasers, a group of independent third parties to the Group, in pursuant to which the Seller has conditionally agreed to sell and the purchasers have conditionally agreed to purchase 49.90% of the issued share capital of a target company, which is a joint venture of the Group of which the Group has 56.06% equity interest, for an aggregate consideration of AU$29,940,000 (equivalent to approximately HK$170,658,000). Upon completion, the equity interest of the Group in the target company will be reduced to 6.16%.

On 21 May 2026, ESL offered the issuance of additional guaranteed notes, which the Company is the guarantor, in principal amount of US$50,000,000 (equivalent to approximately HK$390,000,000) ("2028 Additional Guaranteed Notes"), with precedent conditions. The 2028 Additional Guaranteed Notes bear interest at a rate of 10.50% per annum, payable semi-annually in arrears and will be matured in May 2028. The 2028 Additional Guaranteed Notes, upon issue, have been consolidated and formed a single series with the 2028 Consolidated Notes with aggregate principal amount of US$250,000,000 and thereby constitute a further issue of notes pursuant to the terms and conditions of the 2028 Consolidated Notes.

Subsequent to 31 March 2026, the precedent conditions is satisfied and the offer of 2028 Additional Guaranteed Notes is completed on 29 May 2026.

Financial Summary

Summary of the consolidated results and of the assets and liabilities of the Group for each of the five years ended 31 March 2026 is set out below:

(A) RESULTS

	Year ended 31 March				
	2022 HK$'000	2023 HK$'000	2024 HK$'000	2025 HK$'000	2026 HK$'000
Revenue	420,462	804,270	1,579,132	520,623	1,429,581
Profit (loss) before taxation	1,335,154	383,427	(497,414)	(1,765,401)	(862,390)
Income tax (expense) credit					
– Current tax and deferred tax	(97,096)	(18,327)	41,462	54,550	19,074
Profit (loss) for the year	1,238,058	365,100	(455,952)	(1,710,851)	(843,316)
Attributable to:					
Owners of the Company	1,156,180	335,654	(425,605)	(1,691,529)	(825,330)
Holders of perpetual capital securities	73,422	34,300	–	–	–
Non-controlling interests	8,456	(4,854)	(30,347)	(19,322)	(17,986)
	1,238,058	365,100	(455,952)	(1,710,851)	(843,316)

(B) ASSETS AND LIABILITIES

	As at 31 March				
	2022 HK$'000	2023 HK$'000	2024 HK$'000	2025 HK$'000	2026 HK$'000
Total assets	28,993,194	27,766,505	26,238,348	22,438,841	21,723,981
Total liabilities	13,186,376	13,366,733	12,502,230	10,509,314	8,979,456
	15,806,818	14,399,772	13,736,118	11,929,527	12,744,525
Equity attributable to:					
Owners of the Company	14,507,557	14,364,292	13,732,585	11,980,829	12,815,813
Holders of perpetual capital securities	1,257,327	–	–	–	–
Non-controlling interests	41,934	35,480	3,533	(51,302)	(71,288)
	15,806,818	14,399,772	13,736,118	11,929,527	12,744,525

Schedule of Major Properties held by the Group

As at 31 March 2026

MAJOR PROPERTIES

Particulars of major properties held by the Group as at 31 March 2026 are as follows:

Location	Usage	Group's interest	Approximate site area (sq.ft.)	Approximate gross floor area (sq.ft.)	Land lease expiry
PROPERTIES HELD FOR SALE					
(i) Hong Kong					
Retail portions on 3/F., LL Tower, No. 2 Shelley Street, Central, Hong Kong	Commercial	100%	N/A	1,504	2843
Shop 24, G/F., Duke Wellington House, No. 24 Wellington Street, Central, Hong Kong	Commercial	100%	N/A	432	2843
Cadenza (exclude 333B and 333C), No. 333 Fan Kam Road, Sheung Shui, North, New Territories	Residential	92%	N/A	25,542	2065

MAJOR PROPERTIES (Continued)

Location	Usage	Group's interest	Approximate site area (sq.ft.)	Approximate gross floor area (sq.ft.)	Land lease expiry
PROPERTIES HELD FOR SALE (Continued)					
(i) Hong Kong (Continued)					
FOCO, 48 Cochrane Street, Central, Hong Kong	Commercial	100%	2,118	31,762	2843
Nos. 152-164 Wellington Street and Nos. 1-2 Wa On Lane, Central, Hong Kong	Residential	100%	6,618	68,552	2842
Hong Kong Health Check Tower, Nos. 241 and 243 Nathan Road, Jordan, Kowloon	Commercial	100%	4,908	61,800	2070
(ii) Macau					
2 floors of Broadway Centre and various carparking spaces	Commercial	60%	N/A	3,407	Freehold
INVESTMENT PROPERTIES					
The PRC					
In Point Shopping Mall, Levels 1-2, Level 7 (Corridor), No. 169 Wujiang Road and basement level 1 at No. 1, Lane 333, Shimen 1st Road, Jing'an District, Shanghai, PRC	Commercial	100%	149,017	122,444	2041
Richgate Plaza, Level 1, Level 2 and Basement level 1, Nos. 1-6, Lane 222 Madang Road, Huangpu District, Shanghai, PRC	Commercial	100%	157,703	121,959	2042

CENTRAL RESIDENCE BY THE PARK


HIGH PEAK