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CHEUK NANG (HOLDINGS) LIMITED

卓能（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 131)

2026 FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2026

CHAIRMAN'S STATEMENT

On behalf of the Board, I present the results of Cheuk Nang (Holdings) Limited (the "Company"), together with its subsidiaries, the ("Group") for the year ended 30 June 2026 (the "Year").

RESULTS AND DIVIDEND

The consolidated profit after income tax of our Group for the year ended 30 June 2026 is HK\$74,449,000 comparing to loss after income tax of 2025 of HK\$1,144,071,000. Details are set out in the consolidated statement of profit or loss.

The Directors resolved to recommend the payment of a final dividend of HK3.00 cents (2025: HK2.00 cents) per share payable to those shareholders whose names appeared in the register of members as at the close of business on 3 December 2026, which together with the interim dividend of HK3.00 cents (2025: HK2.25 cents) per share, makes a total distribution of HK6.00 cents (2025: HK4.25 cents) per share this year, which is 41.18% increase when compare to last year.

After approval by the shareholders at the Annual General Meeting, the final dividend will be expected to pay on around 16 December 2026.

REVIEW OF OPERATIONS AND PROSPECTS

Hong Kong Properties

Hong Kong's residential property market is now gradually recovering, with prices climbing for nine consecutive months through February 2026 and transaction volumes surging at the strongest pace in nearly five years. The rebound is being driven by improving economic conditions, the removal of all market-cooling measures, easing interest rates, and renewed buying interest from Mainland Chinese homebuyers.

The Hong Kong portfolio appreciated 9.2% over the Year despite a cooling in the ultra-luxury segment following February's stamp duty increase. We remain confident in the medium-term fundamentals of the Hong Kong residential market, particularly for well-located, quality properties in the mid-to-upper segment where our portfolio is concentrated.

The progress of our projects in Hong Kong are as follows:

1. *One Kowloon Peak, No. 8 Po Fung Terrace, Tsuen Wan*

A residential development in two phases. Phase 1 comprises a 21-storey block of 49 residential units, including six duplexes, together with 39 car parking spaces; net floor areas range from 1,075 to 2,095 square feet. Phase 2 comprises a clubhouse with recreational facilities and swimming pool, 29 car parking spaces, and five three-storey garden villas with net floor areas of approximately 1,497 to 2,329 square feet.

Preparation and refurbishment of the units is underway and it is expected that sales campaign of the development will be launched before the end of this year.

2. *Villa Cecil Phase II, 192 Victoria Road, Pok Fu Lam*

Three blocks of four-storey low-density residential accommodation providing 29 units with net floor areas of approximately 876 to 3,099 square feet. The remaining 18 units unsold units are held for rental purpose.

The property valuation of the development as at 30 June 2026 increased by 11.8%, reflecting sustained demand for sea-view apartments in Pok Fu Lam. Occupancy stood at 74% at 30 June 2026, compared with 60% a year earlier.

3. *Villa Cecil Phase III, 216 Victoria Road, Pok Fu Lam*

Two blocks of four-storey accommodation held for rental. Total marketable gross floor area approximately 97,000 square feet; net floor area approximately 68,973 square feet. Block 1 provides nine residential units and Block 2 provides 32 units, with gross floor areas of 760 to 3,800 square feet (net floor areas 586 to 2,555 square feet).

This is the Group's largest single Hong Kong asset, Occupancy stood at 96% at 30 June 2026, compared with 90% a year earlier.

4. *Cheuk Nang Lookout, 30 Severn Road, The Peak*

The development comprises of two luxury residential villas.

Following the unsuccessful tender in the previous year, the Group elected to hold the properties pending improved market conditions. Asset enhancement work including the improvement of the fire prevention equipment, water-proofing works etc. have been carried out since December last year and the works are almost finished. The Group plans to hold property for rental purpose.

5. *New Villa Cecil, No. 33 Cheung Chau Sai Tai Road, Cheung Chau*

A residential development in two phases, with total marketable gross floor area of approximately 58,000 square feet and net sales area of approximately 41,088 square feet. Phase I comprises 19 blocks two-storey villas, which have been granted an Occupation Permit, with gross floor areas of 1,450 to 2,700 square feet (net 1,106 to 2,070 square feet). Phase II comprises 4 blocks two-storey villas with gross floor areas of approximately 2,000 to 12,000 square feet (net 1,564 to 9,260 square feet), together with recreational facilities including a swimming pool and landscaped gardens.

Phase II remained in final construction at the year end. The Occupation Permit is expected to be obtained by in 2027.

Approximately 43% of the villas in Phase I are leased out, compared with over 20% last year.

China Properties

In Shenzhen, we have demonstrated the ability to sustain sales momentum even as average prices have moderated. Volume growth has compensated for softer pricing, and cash collection remains exceptionally strong at over 97%. We shall continue to prioritise sell-through and cash generation over headline pricing.

Hangzhou represents the Group's most significant near-term catalyst. With most mandatory construction completed and regulatory approvals in hand, Cheuk Nang Riverside brings 849 residential units and 22 villas to a market that has shown renewed vigour and expectation. The launch will be the defining operational event of the coming year.

Shenzhen

Cheuk Nang Garden, Longhua

The sales campaign continued throughout the Year, and Shenzhen accounted for substantially all of the Group's property sales revenue.

77 units were sold during the Year, representing 8,413 square metres and RMB356,804,000 of contract value, against 23 units and RMB125,271,000 in 2025 — an increase of 235% by unit count and 184% by value.

Up till now, a total of 893 units have been sold at Cheuk Nang Garden with aggregate contract value of RMB4,375,000,000.

Hangzhou

Cheuk Nang Riverside, Linping District

The development comprises a land area of 38,983 square metres (approximately 419,613 square feet), with total net floor area of 122,483 square metres (approximately 1,318,407 square feet). It provides 849 residential units, 22 riverside villas, 780 car parking spaces, a clubhouse, recreational facilities and a shopping promenade, with units ranging from 65 square metres (700 square feet) to 270 square metres (2,906 square feet).

Macau Properties

In the first quarter of 2026, Macau's Gross Domestic Product (GDP) increased by around 7.1% (year on year). The Macau's property market enjoyed a brief recovery at the beginning of year, supported by stamp duty concessions, the relaxed LTV ratio, and the stable rental demand. Looking ahead to the pressure of external economic instability and the existing weak market sentiment, that bring uncertainties for the Macau Property market.

Golden Cotai No. 1

Estrada de Seac Pai Van, Coloane

The site is located at prime location of Macau with a lease granted to October 2031 for residential purpose. 71.70% interest of the site is held by the Group, and the remaining 28.30% interest is held by an independent minority shareholder.

During the year, there was provision for properties under development for sale of HK\$117,940,000, which reduced carrying value of the site. Such non-cash adjustment was resulted from weakening of the Macau residential properties market, and reduction in developable floor area and car parking spaces according to project alternation.

New development plans, the “ante-projecto”, were first submitted to the Direcção dos Serviços de Solos e Construção Urbana in August 2025, and a revised submission incorporating a project of alteration was made in September 2026.

The Group also commissioned an independent feasibility study of the site during the Year, studying its development against Macau's urban planning framework, the Government's industrial and talent development policies, and the needs of the Seac Pai Van community. In order to maximize the development returns and to secure optimal development benefits in long term, the Group will not preclude any other development opportunities and other better feasible development option.

Malaysia Properties

Malaysia's economy grew achieved 5.4% and 6% in the first and second quarter respectively in 2026, underpinned by the activity strongly rebounded in mining and quarrying, mainly driven by a sharp expansion in natural gas production.

Phase I "Parkview"

Lot 1359, Section 57, Lorong Perak, Kuala Lumpur

A completed 41-storey residential building providing 417 residential units and 163 car parking spaces. Most units have been sold by our Parkview joint venture partner. The remaining 27 unsold units are operated as serviced apartments.

Occupancy of the serviced apartments stood at 81.5% at 30 June 2026, compared with 81.5% a year earlier. The upgrading program remains in progress.

Phase II "Cecil Central Residence"

Lots 11385 and 11386, Section 57, Lorong Perak, Kuala Lumpur

According to the amended Development Order from Dewan Bandaraya Kuala Lumpur (DBKL) (D.O) on 10 Oct 2019 for building 879 condominium units based on a density of 1,138 persons per acre. A partially constructed podium and car park structure is erected on Lot 11386 whilst Lot 11385 is surfaced and operated as a car park. Including the drainage reserve, the total land size is approximately 2 acres.

In order to maximize the development returns and to secure optimal development benefits in long term, the Group will not preclude any other development opportunities and other feasible development option or development model.

OUTLOOK

The Board is mindful that operating in China and Macau entails navigating policy environments that remain fluid. We do not underestimate the challenges, but neither do we overstate them. Our strategy is unchanged: maintain a robust balance sheet, harvest value from mature developments, and advance our pipeline methodically. The balance sheet strength, liquidity and project readiness described in this statement suggest the Group is well placed to execute these plans with clarity of purpose and disciplined precision.

APPRECIATION

I wish to express the Board's appreciation to our colleagues across Hong Kong, Shenzhen, Hangzhou, Macau and Kuala Lumpur. Their dedication and professionalism underpin everything reported in this statement.

I also thank my fellow Directors for their counsel and our shareholders for their continued support.

By Order of the Board
CHAO SZE TSUNG CECIL
Executive Chairman

Hong Kong, 30 September 2026

RESULTS

The Group's audited consolidated results for the year ended 30 June 2026 is listed as follows:

Consolidated Statement of Profit or Loss

For the year ended 30 June 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	5	442,093	168,516
Direct costs		<u>(333,721)</u>	<u>(125,870)</u>
Gross profit		108,372	42,646
Other income	7	19,059	21,697
Changes in fair value of investment properties		104,057	(914,881)
Changes in fair value of financial assets at fair value through profit or loss ("FVTPL")		(139)	12,838
Provision for properties under development for sale		(117,940)	(166,068)
Administrative expenses		(48,143)	(123,578)
Finance costs	8	<u>(42,316)</u>	<u>(53,855)</u>
Profit/(Loss) before income tax	9	22,950	(1,181,201)
Income tax credit	10	<u>51,499</u>	<u>37,130</u>
Profit/(Loss) for the year		<u>74,449</u>	<u>(1,144,071)</u>
Profit/(Loss) for the year attributable to:			
Owners of the Company		103,876	(989,199)
Non-controlling interests		<u>(29,427)</u>	<u>(154,872)</u>
		<u>74,449</u>	<u>(1,144,071)</u>
Earnings/(Loss) per share for profit attributable to the owners of the Company during the year			
Basic	12	<u>HK\$0.16</u>	<u>HK\$(1.52)</u>
Diluted	12	<u>HK\$0.16</u>	<u>HK\$(1.52)</u>

Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	2026 HK\$'000	2025 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	14	3,822,215	3,682,520
Property, plant and equipment		199,402	187,465
Other non-current asset		950	950
Other financial assets		22,625	23,238
Deferred tax assets		15,001	15,001
		<u>4,060,193</u>	<u>3,909,174</u>
Current assets			
Properties under development for sale		1,139,000	2,076,838
Completed properties for sale		2,156,362	1,513,738
Financial assets at FVTPL		2,816	2,955
Trade and other receivables	13	20,766	21,436
Pledged time deposits		4,126	4,036
Bank balances and cash		550,801	834,506
		<u>3,873,871</u>	<u>4,453,509</u>
Current liabilities			
Other payables	15	146,135	144,672
Contract liabilities		4,216	38,803
Amounts due to non-controlling shareholders	16	239,990	239,990
Amounts due to related companies	16	3,053	4,911
Interest-bearing borrowings		281,600	543,520
Advance from a director		279,433	250,134
Lease liabilities		1,826	2,229
Long service payment obligations		471	570
Tax payable		178,447	192,260
		<u>1,135,171</u>	<u>1,417,089</u>
Net current assets		<u>2,738,700</u>	<u>3,036,420</u>

	2026 HK\$'000	2025 HK\$'000
Total assets less current liabilities	6,798,893	6,945,594
Non-current liabilities		
Interest-bearing borrowings	380,000	480,000
Lease liabilities	178	1,533
Deferred tax liabilities	490,896	639,183
Long service payment obligations	204	113
	871,278	1,120,829
Net assets	5,927,615	5,824,765
EQUITY		
Share capital	2,468,985	2,468,985
Reserves	3,434,701	3,302,424
Equity attributable to the owners of the Company	5,903,686	5,771,409
Non-controlling interests	23,929	53,356
Total equity	5,927,615	5,824,765

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. GENERAL INFORMATION

Cheuk Nang (Holdings) Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Suite 4901, 49/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and, its principal place of business is Hong Kong and the People’s Republic of China (the “PRC”). The Company’s shares are listed on The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (the “Group”) are controlled by Yan Yin Company Limited (“Yan Yin”), a limited liability company incorporated and domiciled in Hong Kong. At the reporting date, the directors consider the ultimate parent company of the Group is also Yan Yin. The ultimate controlling party is Dr. Chao Sze Tsung Cecil, who is also the Chief Executive and Executive Director of the Company.

The Group is principally engaged in property development and investment and provision of property management and related services.

The consolidated financial statements for the year ended 30 June 2026 were approved and authorised for issue by the board of directors on 30 September 2026.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term include individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements also comply with the requirements of the Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The material accounting policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRS Accounting Standards and the impacts on the Group’s consolidated financial statements, if any, are disclosed in Note 3.

The consolidated financial statements have been prepared on the historical cost basis, except for:

- investment properties;
- financial assets at fair value through profit or loss (“FVTPL”);
- financial assets at fair value through other comprehensive income (“FVTOCI”); and
- land and buildings classified under property, plant and equipment.

which are stated at their fair values.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

Amended HKFRSs Accounting Standards that are effective for annual periods beginning on 1 July 2025

In the current year, the Group has applied for the following amended HKFRS Accounting Standards issued by the HKICPA, which are effective for the Group's consolidated financial statements for the annual period beginning on 1 July 2025:

Amendments to HKAS 21

Lack of Exchangeability

The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other new standard or amendments to HKFRS Accounting Standards that have been issued but are not yet effective.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 ESTIMATION UNCERTAINTY

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

Fair value of properties

The best evidence of fair value is current prices in an active market for similar property in similar location and condition and subject to lease and other contracts. In making its judgement, the Group considers information from a variety of sources including:

- (i) the floor areas of the properties with respect to the consideration from the independent and identified buyer;
- (ii) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;

- (iv) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and using discount rate that reflect current market assessments of the uncertainty in the amount and timing of the cash flows;
- (v) the Group's latest business plan and development plan; and
- (vi) costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan and business plan.

The Group's properties have been valued individually, on market value basis, which conforms to The Hong Kong Institute of Survey Valuation Standards or RICS Valuation – Global Standards. In estimating the fair value of the properties, the management of the Group has considered the most efficient use of the properties. The carrying amount of the investment properties and land and buildings as at 30 June 2026 are approximately HK\$3,822,215,000 and HK\$193,180,000 respectively (2025: HK\$3,682,520,000 and HK\$180,660,000 respectively).

Allowance for properties under development and completed properties for sale

In determining whether allowances should be made for the Group's properties under development for sale, the Group takes into consideration the current market environment and the estimated net realisable value (i.e. the estimated selling price less estimated costs of selling expenses less estimated costs to completion of the properties). An allowance is made if the estimated net realisable value is less than the carrying amount. If the actual net realisable value on properties under development for sale is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. The carrying amount of the properties under development for sale as at 30 June 2026 is approximately HK\$1,139,000,000 (2025: HK\$2,076,838,000). Provision for properties under development for sale amounted to HK\$117,940,000 (2025: HK\$166,068,000) have been written down to net realisable value during the year ended 30 June 2026.

Management exercises its judgement in making allowance for completed properties for sale with reference to independent valuations, the existing market environment and the estimated net realisable value of the properties, i.e. the estimated selling price less estimated costs of selling expenses. A specific allowance for completed properties for sale is made if the estimate net realisable value of the property is lower than its carrying amount. If the actual market values of the completed properties for sale are less than expected, as a result of change in market condition, material provision for impairment losses may result. The carrying amount of the completed properties as at 30 June 2026 is approximately HK\$2,156,362,000 (2025: HK\$1,513,738,000). No completed properties for sale have been written down to net realisable value during the year ended 30 June 2026 (2025: Nil).

5. REVENUE

The Group's principal activities are disclosed in Note 1. Revenue from the Group's principal activities recognised during the year is as follows:

	2026 HK\$'000	2025 <i>HK\$'000</i>
Property sales	399,642	135,484
Property rentals	42,451	32,992
Estate management	<u>—</u>	<u>40</u>
	<u>442,093</u>	<u>168,516</u>

6. SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision makers, have identified the Group's reportable segments. These reportable segments are monitored and strategic decisions are made on the basis of adjusted segment operating results:

2026

	Property sales <i>HK\$'000</i>	Property rentals <i>HK\$'000</i>	Estate management <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue					
From external customers	399,642	42,451	–	–	442,093
Inter-segment revenue	–	840	19,056	–	19,896
Reportable segment revenue	399,642	43,291	19,056	–	461,989
Reportable segment (loss)/profit	(35,177)	121,596	(14,311)	(1,981)	70,127
Other information:					
Depreciation of property, plant and equipment	55	4,341	135	–	4,531
Depreciation of right-of-use assets	–	–	2,314	–	2,314
Income tax (credit)/expense	(53,197)	1,698	–	–	(51,499)
Increase in fair value of investment properties	–	104,057	–	–	104,057
Decrease in fair value of financial assets at FVTPL	–	–	–	139	139
Provision for properties under development for sale	117,940	–	–	–	117,940
Reportable segment assets	3,305,304	3,858,552	4,941	2,816	7,171,613
Reportable segment liabilities	368,511	19,684	4,819	2,382	395,396
Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year	534	2,850	674	–	4,058

2025

	Property sales <i>HK\$'000</i>	Property rentals <i>HK\$'000</i>	Estate management <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue					
From external customers	135,484	32,992	40	–	168,516
Inter-segment revenue	<u>–</u>	<u>840</u>	<u>16,074</u>	<u>–</u>	<u>16,914</u>
Reportable segment revenue	<u>135,484</u>	<u>33,832</u>	<u>16,114</u>	<u>–</u>	<u>185,430</u>
Reportable segment (loss)/profit	<u>(175,286)</u>	<u>(905,055)</u>	<u>1,082</u>	<u>(23,629)</u>	<u>(1,102,888)</u>
Other information:					
Depreciation of property, plant and equipment	120	4,164	148	–	4,432
Depreciation of right-of-use assets	–	–	2,566	–	2,566
Income tax credit	(35,336)	(1,794)	–	–	(37,130)
Decrease in fair value of investment properties	–	914,881	–	–	914,881
Increase in fair value of financial assets at FVTPL	–	–	–	(12,838)	(12,838)
Loss on disposal of financial assets at FVTOCI	–	–	–	39,627	39,627
Provision for properties under development for sale	<u>166,068</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>166,068</u>
Reportable segment assets	<u>3,605,374</u>	<u>3,689,260</u>	<u>5,841</u>	<u>2,955</u>	<u>7,303,430</u>
Reportable segment liabilities	<u>160,078</u>	<u>262,599</u>	<u>7,196</u>	<u>2,265</u>	<u>432,138</u>
Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year	<u>202</u>	<u>5,650</u>	<u>243</u>	<u>–</u>	<u>6,095</u>

The totals presented for the Group's reportable segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2026 HK\$'000	2025 HK\$'000
Reportable segment revenue	461,989	185,430
Elimination of inter-segment revenue	(19,896)	(16,914)
Revenue of the Group	442,093	168,516
Reportable segment profit/(loss)	70,127	(1,102,888)
Unallocated corporate income	18,830	18,548
Unallocated corporate expenses	(23,691)	(43,006)
Finance costs	(42,316)	(53,855)
Profit/(Loss) before income tax of the Group	22,950	(1,181,201)
	2026 HK\$'000	2025 HK\$'000
Reportable segment assets	7,171,613	7,303,430
Pledged time deposits	4,126	4,036
Bank balances and cash	550,801	834,506
Other corporate assets	192,523	205,710
Deferred tax assets	15,001	15,001
Total assets of the Group	7,934,064	8,362,683
Reportable segment liabilities	395,396	432,138
Tax payable	178,447	192,260
Interest-bearing borrowings	661,600	1,023,520
Other corporate liabilities	280,110	250,817
Deferred tax liabilities	490,896	639,183
Total liabilities of the Group	2,006,449	2,537,918

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2026	2025	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong (domicile)	39,902	31,156	3,198,243	3,000,200
PRC	400,887	136,345	379,229	453,302
Malaysia	1,304	1,015	445,095	417,433
	442,093	168,516	4,022,567	3,870,935

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets (other than financial instruments and deferred tax assets) is based on the physical location of the assets.

The Company is an investment holding company and the principal place of the Group's operation mainly are Hong Kong and the PRC.

No revenue from transaction with single external customer is amounted to 10% or more for the Group's revenue for the year.

7. OTHER INCOME

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income from listed equity investments	228	3,149
Interest income	10,059	18,032
Forfeit of deposits received from customers	7,938	—
Sundry income	834	516
	19,059	21,697

8. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest charges on:		
Bank loans and overdrafts	23,455	37,978
Advance from a director	15,757	14,756
Other incidental borrowing costs	2,948	939
Finance charges on lease liabilities	156	182
	<u>42,316</u>	<u>53,855</u>

9. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax is arrived at after charging/(crediting) the following:

	2026 HK\$'000	2025 HK\$'000
Staff costs (include directors' emoluments)		
Salaries, wages and other benefits	26,558	24,909
Contribution to defined contribution plans (Note (a))	813	721
	<u>27,371</u>	<u>25,630</u>
Auditors' remuneration	1,250	936
Compensation to the properties buyers (Note (b))	168	24,468
Cost of stock properties recognised as expenses	292,680	86,339
Depreciation of property, plant and equipment	4,531	4,432
Depreciation of right-of-use assets	2,314	2,566
Direct outgoings in respect of investment properties that generate rental income	16,735	16,568
Direct outgoings in respect of investment properties that did not generate rental income	189	188
Net exchange (gains)/loss	(105)	4,779
Short-term leases	156	158
Loss on disposal of financial assets at FVTOCI	–	39,627
	<u>–</u>	<u>–</u>

Note:

- (a) As at 30 June 2026, there was a sum of approximately HK\$21,000 (2025: HK\$21,000) in the forfeited account of the Group under the MPF Scheme. During the year ended 30 June 2026, the Group did not utilise (2025: did not utilise) any amount in the forfeited account to reduce the existing level of contributions.
- (b) During the year ended 30 June 2026, the Group has made compensation of HK\$168,000 (2025: HK\$24,468,000) to due to the delay of delivery of the properties in prior year.

10. INCOME TAX CREDIT

Hong Kong profits tax has not been provided in the consolidated financial statements as the respective group companies did not have assessable profits in Hong Kong for the years ended 30 June 2026 and 2025 or the assessable profits was set-off against tax loss brought forward from previous years.

Under The New Law and Implementation Regulations, the applicable tax rate of PRC subsidiaries is 25% (2025: 25%).

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value with certain allowable deductions.

Taxation on overseas profits has been calculated on the estimated assessable profits for the current year and prior year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax		
PRC EIT		
– Charge for the year	<u>37,250</u>	<u>13,255</u>
PRC LAT	–	18,671
Withholding tax	<u>1,698</u>	<u>–</u>
	<u>38,948</u>	<u>31,926</u>
Deferred tax		
Current year	<u>(90,447)</u>	<u>(69,056)</u>
Total income tax credit	<u><u>(51,499)</u></u>	<u><u>(37,130)</u></u>

11. DIVIDENDS

(a) Dividends attributable to the year

	2026 HK\$'000	2025 HK\$'000
Interim dividend of HK3 cents (2025: HK2.25 cents) per ordinary share	19,580	14,685
Proposed final dividend of HK3.0 cents (2025: HK2.0 cents) per ordinary share (Note)	<u>19,580</u>	<u>13,054</u>
	<u><u>39,160</u></u>	<u><u>27,739</u></u>

Note:

The final dividend proposed after the reporting date has not been recognised as a liability at the reporting date.

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2026 HK\$'000	2025 HK\$'000
Final dividend in respect of the previous financial year, of HK2.0 cents (2025: HK4.0 cents) per ordinary share	<u>13,054</u>	<u>26,107</u>

	2026 HK\$'000	2025 HK\$'000
Dividends:		
Cash	<u>13,054</u>	<u>26,107</u>

12. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share is based on the following data:

Earnings/(Loss)

	2026 HK\$'000	2025 HK\$'000
Profit/(Loss) attributable to the owners of the Company for the purpose of calculating basic and diluted earnings/(loss) per share	<u>103,876</u>	<u>(989,199)</u>

Number of shares

	2026	2025
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	<u>652,676,781</u>	<u>652,676,781</u>

Dilutive earnings/(loss) per share for 2026 and 2025 are the same as basic earnings/(loss) per share as there was no potential ordinary share outstanding as at 30 June 2026 and 2025.

13. TRADE AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables		
From third parties	<u>855</u>	<u>3,666</u>
Other receivables		
Prepaid expenses	12,792	6,446
Utilities deposits	3,231	2,601
Other deposits	2,135	1,117
Others	<u>1,753</u>	<u>7,606</u>
	<u>19,911</u>	<u>17,770</u>
	<u>20,766</u>	<u>21,436</u>

The trade receivables of the Group represent rental and management fee in arrears. The Group maintains a credit policy to minimise any credit risk associated with trade receivables. As at the reporting date, the ageing analysis of the trade receivables (which is included in trade and other receivables), based on the debit note or invoice date, is as follows:

	2026 HK\$'000	2025 HK\$'000
0-30 days	148	71
31-60 days	–	–
61-90 days	–	–
Over 90 days	707	3,595
	855	3,666

Trade receivables are due upon presentation of invoices.

Other receivables included deposits paid to constructors to perform repair and maintenance works for the Group's investment properties and properties under development.

14. INVESTMENT PROPERTIES

Changes to the carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

	2026 HK\$'000	2025 HK\$'000
At fair value		
Carrying amount at 1 July	3,682,520	5,365,067
Exchange differences	34,221	60,303
Additions:		
– subsequent expenditure	1,417	4,400
Transfer to properties under development for sale (Notes (b))	–	(832,369)
Change in fair value	104,057	(914,881)
Carrying amount at 30 June	3,822,215	3,682,520

Notes:

- (a) Certain investment properties of the Group with an aggregate carrying value at the reporting date of HK\$2,493,626,000 (2025: HK\$2,368,995,000) were pledged to secure bank borrowings.

- (b) Included in loss on change in fair value of investment properties of HK\$914,881,000 for the year ended 30 June 2025 was a loss on change in fair value for investment properties for project development situated at Estrada de Seac Pai Van in Coloane, Macau (the “Macau Project”) of HK\$616,177,000. In addition, there was a provision for properties under development of HK\$166,068,000 for the year ended 30 June 2025 relating to the Macau Project.

Since the acquisition of interest by a subsidiary of the Group in 2005, the Macau Project was recorded as investment properties and/or properties under development for sale according to development plan from time to time decided by the Group, submitted to and approved by relevant Macau Governmental departments.

Prior to financial year ended 30 June 2025, the Macau Project was recognized as investment properties and properties under development for sale, and the valuations were measured according to development plan (with a total site area of 9,067 square meters), for which the relevant Macau Governmental Department, DSSCU, gave conditional approval in 2017 (the “2017 Conditional Approval”).

The 2017 Conditional Approval relates to a building plan based on 2 pieces of land lots owned by the Group, and 2 pieces of adjacent land lots occupied (the “A2 and B2 Land”) by the Group that were expected to be acquired or exchanged for another land lot (the “Land Exchange”). All submissions to Macau Governmental departments for the development of the Macau Project over the years were based on the 2017 Conditional Approval and with the Land Exchange.

In January 2024, DSSCU issued notice to Top Regent (Asia) Limited (the Company’s indirect subsidiary which holds the Macau Project) (“Top Regent”) that approved the change of the land concession purpose and the land use applied for by Top Regent but excluded the direct grant of A2 and B2 Land (“Decision”). Objections were lodged by Top Regent in March 2024. In May 2024, the relevant Macau Governmental department notified Top Regent that their decision remained unchanged. Based on Macau legal advice received, Top Regent has legal basis for seeking the implementation of the original development plan (including the Land Exchange and other development options). On this basis, Top Regent, through its Macau legal counsel, approached the relevant Macau authority for the new concession or the public tender of A2 and B2 Land in writing in February 2025. As of the date of this announcement, Top Regent has not yet received any response to its submission. After consideration of the market environment and the feasibility/timing and execution uncertainties of the Land Exchange or the acquisition of A2 and B2 Land, to avoid further unnecessary delay to the development project, the management decided to change the development plan of the Macau Project in June 2025. The revised development plan has accommodated the Decision and was submitted to the DSSCU for approval in August 2025. Based on the revised development plan, all development of the Macau Project was classified as properties under development for sale, and a loss on change in fair value of HK\$616,177,000 and provision for properties under development of HK\$166,068,000 were arisen from such reclassification and revaluation of the Macau Project based on the revised development plan.

15. OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Tenant deposits	10,192	7,165
Construction costs payable	20,482	10,085
Other taxes payable	100,134	100,142
Other payable and accruals	15,327	27,280
	146,135	144,672

The carrying amounts of other payables approximate to their fair value at the end of the reporting period.

16. AMOUNTS DUE TO RELATED COMPANIES/NON-CONTROLLING SHAREHOLDERS

The amounts due are unsecured, interest-free and repayable on demand. The carrying amounts of the amounts due approximate to their fair values at the end of the reporting period.

Two directors of the Company are also the beneficial owner of the related companies.

17. COMMITMENTS

	2026 HK\$'000	2025 HK\$'000
Commitments in respect of properties under development	61,562	92,637

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Financial Highlights

Revenue for the year ended 30 June 2026 (the “Year”) amounted to HK\$442,093,000 (2025: HK\$168,516,000), a 162.3% increase as compared with last year. It was mainly due to increase in properties sold in Shenzhen, the PRC during the Year.

For property leasing, the Year recorded an increase of 28.7% in rental income as compared with the corresponding year in 2025, amounting HK\$42,451,000 (2025: HK\$32,992,000). Gross profit for the Year amounted to HK\$108,372,000, as compare to a gross profit of HK\$42,646,000 with the corresponding year. Other income recorded a decrease of 12.2% to HK\$19,059,000 when compared with last year.

The other income for the Year was mainly attributed to interest income and forfeit of deposits received from customers. Negative change in fair value of financial assets at fair value through profit or loss amounted to HK\$139,000 (2025: Positive change in fair value of HK\$12,838,000). Positive change in fair value of investment properties amounted to HK\$104,057,000 (2025: Negative change in fair value of HK\$914,881,000). Administrative expenses decreased by 61.0% to HK\$48,143,000 from HK\$123,578,000 which mainly included loss on disposal of financial assets at FVTOCI of HK\$39,627,000 and compensation to the property buyers of HK\$24,468,000.

Finance costs decreased by 21.4% to HK\$42,316,000 as compared with last year.

Profit attributable to owners of the Company for the Year was HK\$103,876,000 (2025: Loss HK\$989,199,000). Basic earnings per share was HK\$0.16 (2025: basic loss per share HK\$1.52) and diluted earnings per share was HK\$0.16 (2025: diluted loss per share HK\$1.52).

A final dividend of HK\$3.00 cents (2025: HK\$2.00 cents) was proposed together with the interim dividend of HK\$3.00 cents (2025: HK\$2.25 cents) a total of HK\$6.00 cents (2025: HK\$4.25 cents) for the year ended 30 June 2026.

Total Equity Attributable To The Owners Of The Company

As at 30 June 2026, the Group's total equity attributable to the owners of the Company amounted to approximately HK\$5,903,686,000 (2025: HK\$5,771,409,000), an increase of HK\$132,277,000 or 2.3% when compared with 30 June 2025. With the total number of ordinary shares in issue of 652,676,781 as at 30 June 2026 (2025: 652,676,781 shares), the total equity attributable to the owners of the Company per share was HK\$9.05, representing an increase of 2.3% compared to HK\$8.84 as at 30 June 2025.

Other than the existing projects and those disclosed in the note 17 to this announcement, the Group did not have any confirmed future plans for material investment or acquiring capital assets.

Investment In Financial Assets At Fair Value Through Profit Or Loss And Other Comprehensive Income

As at 30 June 2026, the fair value of investment in fund and perpetual note and debentures amounted to HK\$2,816,000 and HK\$22,625,000 respectively were classified as the financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income. During the Year, the investment in fund was decreased by loss on fair value of HK\$139,000 (2025: gain on fair value was HK\$12,838,000). For perpetual note and debenture, a total of HK\$762,000 (2025: nil) was redeemed and no expected credit loss further provided. During the year, no perpetual note and debenture was sold (2025: HK\$57,969,000 was sold). The investment in financial assets as at 30 June 2026 represented 0.3% (2025: 0.3%) of the total assets, which formed part of the Group's cash management activities.

Equity

The number of issued ordinary shares as at 30 June 2026 and 30 June 2025 were 652,676,781 and 652,676,781 respectively.

Debts And Gearing

As at 30 June 2026, the Group's bank and other borrowings amounted to HK\$941,033,000 (2025: HK\$1,273,654,000). Cash and bank balances amounted to HK\$554,927,000 (2025: HK\$838,542,000) and net borrowing of HK\$386,106,000 (2025: HK\$435,112,000).

Total debts to equity ratio was 16.0% (2025: 22.2%) and net debts to equity ratio was 6.5% (2025: 7.5%). The increase in the total debt to equity ratio was mainly due to increase in net assets value during the Year and decrease in net debts to equity was mainly due to decrease in net assets value during the Year. As at 30 June 2026, the Group's bank and other borrowings were denominated in Hong Kong dollars. Of the Group's total bank and other borrowings HK\$941,033,000 (2025: HK\$1,273,654,000), 59.6% (2025: 62.3%) and 40.4% (2025: 37.7%) were repayable within 1 year and 1 to 2 years respectively reference to the repayment on demand clause based on scheduled repayments of the loan agreement. The Group's bank and other borrowings carried interest rates by reference to Hong Kong Interbank Offer Rate ("HIBOR") and prime interest rate.

Pledge Of Assets

As at 30 June 2026, the Group's investment properties and land and buildings with carrying values of approximately HK\$2,493,626,000 (2025: HK\$2,368,955,000) and HK\$193,180,000 (2025: HK\$180,660,000) respectively were pledged to secure general banking facilities of the Group.

Finance Costs

Financial costs included interest expenses on bank and other loans, arrangement, facility and commitment fee expenses. No interest was capitalized for the Year (2025: HK\$ Nil). Interest expenses for the Year amounted to HK\$42,316,000 (2025: HK\$53,855,000) at similar level as last year. The average interest rate over the year under review was 3.8% (2025: 4.1%) which was expressed as a percentage of total interest expenses over the average total borrowing.

Property Valuation

A property valuation has been carried out by Messrs. Roma Appraisals Limited and K.T. Liu Surveyors Limited in respect of the Group's investment properties and certain property, plant and equipment as at 30 June 2026 and that valuation was used in preparing 2026 consolidated financial statements. The Group's investment properties and investment properties under development were valued at HK\$3,377,170,000 and HK\$445,045,000 respectively making the total HK\$3,822,215,000 (2025: investment properties and investment properties under development were valued at HK\$3,265,107,000 and HK\$417,413,000 respectively making the total HK\$3,682,520,000). The increase in fair value of approximately HK\$104,057,000 (2025: The decrease in fair value of approximately HK\$914,881,000 was charged to the consolidated statement of profit or loss) was credited to the consolidated statement of profit or loss for the Year. The Group land and building held for the directors' quarter carried at fair value were valued at HK\$193,180,000 (2025: HK\$180,660,000). The increase in fair value of HK\$16,133,000 (2025: decrease in fair value of HK\$1,869,000) for the Year were recorded in property revaluation reserves. Properties under development for sale of the Group were stated at lower of cost or net realizable value in the consolidated financial statements.

CAPITAL COMMITMENT

The contractual commitment of the Group was related to properties under development. Commitments were shown under note 17 of this announcement.

CONTINGENT LIABILITIES

The Group's construction period on its property development project in Hangzhou has been completed after the agreed timeline with the local government because of various unavoidable factors including pandemic control etc.. In the opinion of the directors, with reference to legal advises, the possible outflow in relation to the delay cannot be reliability measure.

The Group has no capital commitment as at 30 June 2026.

RISK MANAGEMENT

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control the various types of risk it faces. This is supplemented by active management involvement and effective internal controls in the best interests of the Group.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30 June 2026, the Group employed a total of 58 staff (as at 30 June 2025: 49 staff).

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary, year end double pay and year end discretionary bonus based on market conditions and individual performance. The Executive Directors continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance. No share option scheme was adopted for the Year.

FINANCIAL KEY PERFORMANCE INDICATOR

Profit Attributable To Owners Of The Company And Earnings Per Share

The Company uses the profit attributable to owners of the Company and earnings per share as the Group's as the financial key performance indicator. The Company's aim to increase the Group's profit attributable to owners of the Company and earnings per share. We compare the profit against the previous period as a measure of the performance. Details refer to Financial Highlight section.

INTERNAL CONTROL

The Group has appointed external professional firm to perform periodic review on the internal control of the Group. Current year review has completed and some minor weakness have been identified. The Group will carry out necessary procedures to improve these control weaknesses.

ENVIRONMENTAL POLICIES AND COMPLIANCE

Our environmental policy is to meet all the environmental legislations which relate to our operation. A review on the performance on our environmental policy has been carried out.

KEY RELATIONSHIPS

Relationships with vendors

We have established relationships with numbers of suppliers for the construction and renovation work in Hong Kong, PRC and Malaysia. Other than one supplier relating to our construction work which recently has financial problem, the work originally carried by the contractor has been reassigned to other contractor. Other than this, there is no major events affecting our relationships with our suppliers.

Relationships with customers

Our sale and leasing team maintain good relationship with our customers especially our tenants.

Relationships with employees

During the Year, we are not aware of any major event affecting our relationships with our employees.

REVIEW OF OPERATION

Hong Kong Properties

1. *One Kowloon Peak, No. 8 Po Fung Terrace, Tsuen Wan*

Preparation and refurbishment of the units is underway and it is expected that sales campaign of the development will be launched before the end of this year.

2. *Villa Cecil Phase II, 192 Victoria Road, Pok Fu Lam*

The property valuation of the development as at 30 June 2026 increased by 11.8%, reflecting sustained demand for sea-view apartments in Pok Fu Lam. Occupancy stood at 74% at 30 June 2026, compared with 60% a year earlier.

3. *Villa Cecil Phase III, 216 Victoria Road, Pok Fu Lam*

This is the Group's largest single Hong Kong asset, Occupancy stood at 96% at 30 June 2026, compared with 90% a year earlier.

4. *Cheuk Nang Lookout, 30 Severn Road, The Peak*

Following the unsuccessful tender in the previous year, the Group elected to hold the properties pending improved market conditions. Asset enhancement work including the improvement of the fire prevention equipment, water-proofing works etc. have been carried out since December last year and the works are almost finished. The property will be put to market for rental purpose.

5. *New Villa Cecil, No. 33 Cheung Chau Sai Tai Road, Cheung Chau*

Phase II remained in final construction at the year end. The Occupation Permit is expected to be obtained in 2027.

Approximately 43% of the villas in Phase I are now leased, compared with over 20% last year.

China Properties

Shenzhen

Cheuk Nang Garden, Longhua

The sales campaign continued throughout the Year, all revenue of sales of properties was derived from sales of Cheuk Nang Garden in Shenzhen during the year.

77 units were sold during the Year, representing 8,413 square metres and RMB356,804,000 of sales value, against 23 units and RMB125,271,000 in 2025 — an increase of 235% by unit count and 184% by value.

Up till now, a total of 893 units have been sold at Cheuk Nang Garden with aggregate contract value of RMB4,375,000,000.

Hangzhou

Cheuk Nang Riverside, Linping District

Construction Building acceptance was issued on 23 March 2026 and the property certificate for strata ownership is expected by December 2027 or the subsequent quarter. A sales agent has already been appointed and marketing preparations are well under way with comprehensive upgrading of the sales office, show flats, landscaping, and external facades currently in good progress. We anticipate the first release to market within the last quarter of 2026. This development represents the Group's most significant near-term opportunity.

Macau Properties

Golden Cotai No. 1

Estrada de Seac Pai Van, Coloane

New development plans, the “ante-projecto”, were first submitted to the Direcção dos Serviços de Solos e Construção Urbana in August 2025, and a revised submission incorporating a project of alteration was made in September 2026.

Malaysia Properties

Phase I “Parkview”

Occupancy of the serviced apartments stood at 81.5% at 30 June 2026, compared with 81.5% a year earlier. The upgrading program remains in progress.

Phase II “Cecil Central Residence”

In order to maximize the development returns and to secure optimal development benefits in long term, the Group is performing assessment of various development option and development model.

OUTLOOK

The Board is mindful that operating in China and Macau entails navigating policy environments that remain fluid. We do not underestimate the challenges, but neither do we overstate them. Our strategy is unchanged: maintain a robust balance sheet, harvest value from mature developments, and advance our pipeline methodically. The balance sheet strength, liquidity and project readiness described in this statement suggest the Group is well placed to execute these plans with clarity of purpose and disciplined precision.

FINAL DIVIDEND

The Directors resolved to recommend the payment of a final dividend of HK3.00 cents (2025: HK2.00 cents) per share payable to those shareholders whose names appeared in the register of members as at the close of business on 3 December 2026 which together with the interim dividend of HK3.00 cents (2025: HK2.25 cents) per share, makes a total distribution of HK6.00 cents (2025: HK4.25 cents) per share this year.

After approval by the shareholders at the Annual General Meeting, the final dividend is expected to pay on or around 16 December 2026.

CLOSURE OF REGISTER

The register of members of the Company will be closed during the following periods:—

- (i) from Thursday, 19 November 2026 to Wednesday, 25 November 2026 (both days inclusive) during which period no transfers of shares would be effected. In order to qualify to attend and vote at the 2026 Annual General Meeting, all transfer of shares together with the relevant share certificates must be lodged with the Company’s Share Registrars, Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 18 November 2026.

- (ii) From Tuesday, 1 December 2026 to Thursday, 3 December 2026 (both days inclusive) during which period no transfers of shares would be effected. In order to qualify for the final dividend, all transfer of shares together with the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 30 November 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (THE "MODEL CODE")

The Company has adopted codes of conduct regarding securities transactions by Directors (the "Securities Code") and relevant employees on terms no less exacting than the required standard set out in the Model Code contained in Appendix C3 of the Listing Rules throughout the year ended 30 June 2026. The Company had also made specific enquiries of all Directors and the Company was not aware of any non-compliance with the required standard of dealings set out in the Model Code.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the provisions of the Corporate Governance Code ("CG Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 30 June 2026 except the deviation from code provision C.2.1 which requires the role and responsibilities of Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual as we are still looking for suitable person to act as Chief Executive Officer.

AUDIT COMMITTEE

The Audit Committee of the Company has conducted meeting with the management and external auditor to review the accounting policies adopted by the Group, the Group's consolidated financial statements for the year ended 30 June 2026, the general scope of audit work conducted by the external auditor and assessment of the Group's internal controls.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

BDO Limited was engaged to audit the consolidated financial statements of the Group. The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 30 June 2026:

“In our opinion, except for the possible effects of the matter described in the “Basis for Qualified Opinion” section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 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 (the “HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

As set out in Notes 14 to the consolidated financial statements, the investment properties are measured using the fair value model with a fair value loss of HK\$616,177,000 and a provision for properties under development for sale of HK\$166,068,000 recognised in profit or loss for the year ended 30 June 2025 that were related to the Group’s Macau properties (as defined as the “Macau Project” in note 14).

As set out in note 14 to the consolidated financial statements, the Group received a notice from the relevant government authority regarding the decision of approval of the change of land use in relation to the Macau Project (the “Decision”) in the financial year ended 30 June 2024 and the Group had revised the development plan on the Macau Project in June 2025. The Group recorded a fair value loss of investment properties of HK\$616,177,000 and a provision for properties under development for sale of HK\$166,068,000 in profit or loss for the year ended 30 June 2025 that represented the impact on revision of the development plan.

We have obtained and reviewed the documents pertaining to the Macau Project, and legal opinions issued by Macau legal advisors when assessing the nature of the Group’s interests in the land lots occupied by the Group as disclosed in note 14. However, given the facts and circumstances as set out in note 14 to the consolidated financial statements and the nature of audit evidence that we obtained, we were unable to determine whether the impact arising from the Decision on development plan and the revision of the development plan should have been accounted for and presented as the derecognition of investment properties and properties under development for sale in the financial year ended 30 June 2025 or 30 June 2024. Consequently, we are unable to determine whether any adjustment to these amounts and disclosures as related to the year ended 30 June 2025 was necessary.

The subject matters of the scope limitation referred to above do not have impact on the figures presented in the consolidated statement of financial position of the Group as at 30 June 2026 and its comparability figures as at 30 June 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year ended 30 June 2026. Our opinion on the current year’s consolidated financial statements is modified only because of the possible effects of these matters on the comparability of the relevant financial information presented as comparative figures.”

THE BOARD’S AND THE AUDIT COMMITTEE’S VIEWS ON THE BASIS FOR QUALIFIED OPINION ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Board and the Audit Committee have considered the basis for qualified opinion that the auditor of the Company has included in the “Independent Auditor’s Report” in relation to the Group’s audited consolidated financial statements for the year ended 30 June 2026 (“2026 FS”). The qualification relates to the auditors’ inability to determine whether the impact arising from a government decision of approval of change of land use (“Decision”) in relation to the Group’s Macau Project (as defined in note 14 of the 2026 FS) and revision of development plan that was accounted for in the Group’s audited financial statements for the year ended 30 June 2025 (“FY2025”) should have been accounted for and presented as the derecognition of investment properties and properties under development for sale in that year or in the year ended 30 June 2024, which could have an effect on the comparability of the relevant financial information presented as comparative figures.

Prior to FY2025, the Group’s development plan for the Macau Project had included A2 and B2 Land (as defined in note 14 of the 2026 FS) occupied since 2017 by Top Regent (Asia) Limited (“Top Regent”), a 71.70% owned subsidiary of the Company, which Top Regent expected to either be able to acquire or be exchanged for another plot of land. The Decision issued in January 2024 approved the land concession purpose and the land use applied for by Top Regent but excluded the direct grant of A2 and B2 Land. Following objections lodged by Top Regent, the relevant government department notified Top Regent in May 2024 that their decision remained unchanged. Top Regent was advised that it has a legal basis for seeking the implementation of the original development plan (including the land exchange) and through its Macau legal counsel approached the relevant authority for the new concession or the public tender of A2 and B2 land in February 2025. To avoid further unnecessary delay to the development project, the Board resolved to change the development plan of the Macau Project in June 2025 after considering the market environment and the feasibility/timing and execution uncertainties associated with the land exchange or the acquisition of A2 and B2 Land. As a result of the new development plan, the Group recognized a loss on change in fair value of investment properties and a provision for properties under development in relation to the Macau Project in FY2025.

The Board and the Audit Committee of the Company noted that (i) the previous auditors of the Company had not raised any issue with the accounting treatment of the Macau Project in FY2025 or prior years and the Company has provided all information available to it to the current auditors; (ii) based on Macau legal counsel's advice, Top Regent continued to have avenues to apply for A2 and B2 Land prior to the end of FY2025, and in reliance on such advice continued to liaise (through its Macau legal counsel) with the relevant Macau government authorities in relation to the land exchange or the acquisition of A2 and B2 Land until the Board's resolution to change the development plan of the Macau Project in June 2025; (iii) the auditor explicitly stated that the scope limitation in its qualified opinion do not have impact on the financial information of the Group for FY2026; and (iv) based on discussions with the auditor, the audit qualification will not apply to the audited consolidated financial statements of the Company for the year ending 30 June 2027. In view of the above, the Board and the Audit Committee considered it appropriate to continue to adopt for FY2025 comparative figures those from the unqualified audited financial statements of the Group for FY2025.

By order of the Board
HO SAU FUN CONNIE
Company Secretary

Hong Kong, 30 September 2026

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Dr. Chao Gigi (Vice Chairman), Mr. Chao Howard and Ms. Ho Sau Fun, Connie; the Non-Executive Directors are Mr. Lee Ding Yue Joseph and Mr. Lam Ka Wai Graham; the Independent Non-Executive Directors are Mr. Sun Dai Hoe Harold, Mr. Lee Tsung Hei David Chris, The Honourable. Chan Wing Yan (also known as Joephy Chan) and Mr. Yung Philip.