



大生地產發展有限公司
TAI SANG LAND DEVELOPMENT LIMITED
(Stock code: 89)

ANNUAL REPORT 2025

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Corporate Information

EXECUTIVE DIRECTORS

William Ma Ching Wai
(Chairman and Chief Executive)
Patrick Ma Ching Hang, BBS, JP
(Deputy Chairman)
Philip Ma Ching Yeung, BBS *(Deputy Chairman)*
Alfred Ma Ching Kuen *(Managing Director)*
Amy Ma Ching Sau *(Managing Director)*

NON-EXECUTIVE DIRECTOR

Edward Cheung Wing Yui, BBS

INDEPENDENT NON-EXECUTIVE DIRECTORS

Kevin Chau Kwok Fun
Yiu Kei Chung
Aaron Tan Leng Cheng
Ho Chi Keung

AUDIT COMMITTEE

Yiu Kei Chung *(Committee Chairman)*
Edward Cheung Wing Yui, BBS
Kevin Chau Kwok Fun
Aaron Tan Leng Cheng
Ho Chi Keung

REMUNERATION COMMITTEE

Kevin Chau Kwok Fun *(Committee Chairman)*
Amy Ma Ching Sau
Yiu Kei Chung
Ho Chi Keung

NOMINATION COMMITTEE

William Ma Ching Wai *(Committee Chairman)*
Amy Ma Ching Sau
Kevin Chau Kwok Fun
Yiu Kei Chung
Aaron Tan Leng Cheng

COMPANY SECRETARY

Katy Ma Ching Man

BANKERS

The Bank of East Asia, Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Tai Sang Bank Limited

SOLICITORS

Woo, Kwan, Lee & Lo

AUDITOR

PricewaterhouseCoopers
*Certified Public Accountant and Registered
Public Interest Entity Auditor*

REGISTERED OFFICE

15th Floor, TS Tower,
43 Heung Yip Road,
Wong Chuk Hang, Hong Kong

REGISTRAR AND TRANSFER OFFICE

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

WEBSITE ADDRESS

www.tsld.com
www.irasia.com/listco/hk/taisangland/index.htm

Biographical Details of Directors and Senior Management

BOARD OF DIRECTORS

Mr. William MA Ching Wai, Chairman and Chief Executive

Aged 72. Joined the Company and appointed as a Director of the Company in 1974. Appointed as the Chairman of the Board of Directors in 1984 and appointed as the Chief Executive in 2017. He is the Chairman of the Nomination Committee of the Company and a director of certain subsidiaries of the Company. He is currently an advisor to the board of directors of Tai Sang Bank Limited. He is a member of the Association of Chairmen of the Tung Wah Group of Hospitals, life member of Yan Oi Tong Advisory Board, a member of Hong Kong Chiu Chow Chamber of Commerce and a committee member of Hong Kong Juvenile Care Centre. He was a member of Sponsorship and Development Fund Committee of Hong Kong Metropolitan University (formerly The Open University of Hong Kong) until 19th June 2017 and the chairman of the 1978/1979 Board of Directors of Tung Wah Group of Hospitals. He was conferred the honour of Chevalier de l'Ordre du Mérite Agricole in 2008. He is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"). He is the younger brother of Mr. Alfred Ma Ching Kuen, Ms. Amy Ma Ching Sau and Ms. Katy Ma Ching Man, the elder brother of Mr. Patrick Ma Ching Hang and Mr. Philip Ma Ching Yeung, and the father of Mr. Justin Ma Kwai Fung.

Mr. Patrick MA Ching Hang, BBS, JP, BSc., Deputy Chairman

Aged 67. Joined the Company and appointed as a Director of the Company in 1981. Appointed as the Deputy Chairman of the Board of Directors in 2005. He is a director of certain subsidiaries of the Company. He is currently the chairman of the board of directors of Tai Sang Bank Limited. He is also a vice president of Hong Kong Chiu Chow Chamber of Commerce and a director of Federation of Hong Kong Chiu Chow Community Organizations Limited. He is a member of The Chinese University of Hong Kong – C.W. Chu College Committee of Overseers and a member of Honorary Court of Lingnan University. He was the chairman of the 2008/2009 Board of Directors of Tung Wah Group of Hospitals. He was conferred the honour of Chevalier de l'Ordre National du Mérite in 2010. He is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. He is the younger brother of Mr. William Ma Ching Wai, Mr. Alfred Ma Ching Kuen, Ms. Amy Ma Ching Sau and Ms. Katy Ma Ching Man, and the elder brother of Mr. Philip Ma Ching Yeung.

Mr. Philip MA Ching Yeung, BBS, BSc. (cum Laude), D.Mgt., Deputy Chairman

Aged 62. Joined the Company in 1987 and appointed as a Director of the Company in 1997. Appointed as the Deputy Chairman of the Board of Directors in 2019. He is a director of certain subsidiaries of the Company. He received a Doctoral Degree in Management from Asian College of Knowledge Management in 2010. He is currently a director of Tai Sang Bank Limited. He is a deputy honorary treasurer of The Association of Chairmen of The Tung Wah Group of Hospitals, a member of the Campaign Committee of The Community Chest of Hong Kong, a committee director of Hong Kong Chiu Chow Chamber of Commerce, a honorary treasurer of the Award Council of The Hong Kong Award for Young People, a Silver Fellow of The Duke of Edinburgh's Award, a member of The Entrepreneurs' Organization Hong Kong, a member of the HKGCC's Real Estate and Infrastructure Committee, an ordinary member of The University of Hong Kong Foundation and a member of Maritime Silk Road Society. He was the chairman of the 2022/2023 Board of Directors of Tung Wah Group of Hospitals. He is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. He is the younger brother of Mr. William Ma Ching Wai, Mr. Patrick Ma Ching Hang, Mr. Alfred Ma Ching Kuen, Ms. Amy Ma Ching Sau and Ms. Katy Ma Ching Man.

BOARD OF DIRECTORS (Continued)

Mr. Alfred MA Ching Kuen, BSc., Managing Director

Aged 73. Joined the Company and appointed as a Director of the Company in 1976. Appointed as the Managing Director of the Company in 1984. He is a director of certain subsidiaries of the Company. He is currently a director and the chief executive and general manager of Tai Sang Bank Limited. He is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. He is the elder brother of Mr. William Ma Ching Wai, Mr. Patrick Ma Ching Hang and Mr. Philip Ma Ching Yeung, and the younger brother of Ms. Amy Ma Ching Sau and Ms. Katy Ma Ching Man.

Ms. Amy MA Ching Sau, BSc., Managing Director

Aged 75. Joined the Company and appointed as a Director of the Company in 1974. Appointed as the Managing Director of the Company in 1991. She is a member of the Remuneration Committee and Nomination Committee of the Company and a director of certain subsidiaries of the Company. She is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. She is the elder sister of Mr. William Ma Ching Wai, Mr. Patrick Ma Ching Hang, Mr. Alfred Ma Ching Kuen and Mr. Philip Ma Ching Yeung, and the younger sister of Ms. Katy Ma Ching Man.

Mr. Edward CHEUNG Wing Yui, BBS, DBA, BComm., CPA (Aust.), Solicitor of the Supreme Court of England, Solicitor of the Supreme Court of Hong Kong, Advocate and Solicitor of the Supreme Court of Singapore, Non-executive Director

Aged 76. Appointed as a Director of the Company in 1983, re-designated as Non-executive Director since 21st May 2004. He is a member of the Audit Committee of the Company. He received a Bachelor of Commerce Degree in Accountancy from the University of New South Wales, Australia. He is a member of CPA Australia. He has been a practising solicitor in Hong Kong since 1979 and is a consultant of the law firm Woo Kwan Lee & Lo. He has been admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore. Mr. Cheung is currently a non-executive director and vice chairman of SmarTone Telecommunications Holdings Limited and SUNeVision Holdings Ltd. He is also a non-executive director of Transport International Holdings Limited, The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited. In addition, he is currently a court member of Hong Kong Metropolitan University (formerly The Open University of Hong Kong), a director of The Community Chest of Hong Kong, and Honorary Council Member of The Hong Kong Institute of Directors Limited. Mr. Cheung was the deputy chairman of Hong Kong Metropolitan University until 19th June 2014 and a member of its Sponsorship & Development Fund Committee until 19th June 2023, a non-executive director of Tianjin Development Holdings Limited until 21st June 2023 and Tai Sang Bank Limited until 1st December 2017, a member of the Labour and Welfare Bureau's Lump Sum Grant Steering Committee until 21st April 2015, a member of the Appeal Board established under the Accreditation of Academic and Vocational Qualifications Ordinance until 31st August 2013. He was a member of the Board of Review (Inland Revenue Ordinance) until 31st December 2010 and the deputy chairman of The Hong Kong Institute of Directors Limited until 30th June 2010. He has also been a director of Po Leung Kuk and the vice chairman of the Mainland Legal Affairs Committee of The Law Society of Hong Kong. Mr. Cheung was awarded the Bronze Bauhinia Star (BBS) in 2013. He was awarded an honorary degree of Doctor of Business Administration from Hong Kong Metropolitan University in 2016. Mr. Cheung is the brother-in-law of Mr. Aaron Tan Leng Cheng, an Independent Non-executive Director of the Company.

BOARD OF DIRECTORS (Continued)

Mr. Kevin CHAU Kwok Fun, BA, Independent Non-executive Director

Aged 65. Appointed as an Independent Non-executive Director of the Company in 1996. He is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. He graduated with a Bachelor of Arts degree in Economics from the Wesleyan University in Connecticut, USA. He is the owner and Principal of KRC Projects Limited, a private investment company, and a partner and director of Custom Gateway International Limited, a technology software company specializing in providing customization solutions to businesses with e-commerce platforms. He was an independent non-executive director of Razer Inc., a company previously listed on the Hong Kong Stock Exchange and delisted in May 2022. He was also the Executive Vice Chairman of Sincere Watch (Hong Kong) Limited (“Sincere Watch”) (Stock Code 444) responsible for the overall development of Sincere Watch Group’s business, as well as the strategic planning and positioning and management of Sincere Watch Group. Prior to joining Sincere Watch Group, he was a principal officer of an investment company in Hong Kong dealing in real estates and the food and beverage industry in the PRC. He began his career in 1982 with a US bank in New York dealing in fixed income and derivative syndication and had been posted by the bank to their London and Tokyo offices. In 1990, he set up his own real estate investment company in California, USA, investing in real estate projects in Texas and California. Mr. Chau also served as director of the Tung Wah Group of Hospitals in 2008.

Mr. YIU Kei Chung, B Soc. Sc., Independent Non-executive Director

Aged 75. Appointed as an Independent Non-executive Director of the Company in 2015. He is the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. He received a Bachelor Degree from the University of Hong Kong in Social Science (Economics & Sociology) and obtained a Diploma in Advanced Training in Industrial Management from Delft University of Technology, the Netherlands. He was an independent non-executive director of Tai Sang Bank Limited until January 2023 and a member of the Hospital Governing Committee of the North District Hospital of the Hospital Authority until February 2021. Mr. Yiu had served the Hong Kong Government for over 30 years and had held various positions in different departments. He had been the Deputy Director of Civil Aviation in the Civil Aviation Department, the Commissioner of the Hong Kong Export Credit Insurance Corporation, the Deputy Secretary (Health) of the ex-Health, Welfare and Food Bureau. Before his retirement in March 2013, he was the Executive Director (Corporate Services) of the Mandatory Provident Fund Schemes Authority.

Mr. Aaron TAN Leng Cheng, BComm., MBA, Independent Non-executive Director

Aged 70. Appointed as an Independent Non-executive Director of the Company in 2023. He is a member of the Audit Committee and Nomination Committee of the Company. He holds a Bachelor of Commerce degree from the University of Alberta in Canada and has obtained a Master of Business Administration degree from City University in the United States of America. He is a fellow member of the Institute of Canadian Bankers. Mr. Tan is currently an independent non-executive director of Hopson Development Holdings Limited, Melbourne Enterprises Limited and Tai Sang Bank Limited, and serves as a senior advisor to a global financial services firm. Mr. Tan has over 26 years of experience in the banking industry in both Canada and Hong Kong. He had held senior positions in several major and international financial institutions including Citicorp, JP Morgan Chase and HSBC. Mr. Tan has a vast experience in corporate and investment banking as well as capital markets. He was formerly the vice chairman of the Hong Kong Capital Markets Association. Mr. Tan is the brother-in-law of Mr. Edward Cheung Wing Yui, the Non-executive Director of the Company.

BOARD OF DIRECTORS (Continued)

Mr. HO Chi Keung, Independent Non-executive Director

Aged 65. Appointed as an Independent Non-executive Director of the Company in 2024. He is a member of the Audit Committee and Remuneration Committee of the Company. He had worked with PricewaterhouseCoopers for 38 years of which he was an audit partner since 1996 until retired in 2021. He has extensive accounting and auditing experience in the property development and investment sector in Hong Kong and the Mainland China. During his tenor with PricewaterhouseCoopers, Mr. Ho had been involved in a number of transactions relating to many of leading real estate companies in Hong Kong and the Mainland China, including initial public offerings, group restructurings, major transactions and bond issues.

SENIOR MANAGEMENT

Ms. Katy MA Ching Man, BA, Company Secretary

Aged 76. Joined the Company and appointed as a Director and also Company Secretary of the Company in 1972, she was a Director of the Company until 21st January 2013. She is now the Company Secretary of the Company and a director of certain subsidiaries of the Company. She is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. She is the elder sister of Mr. William Ma Ching Wai, Mr. Patrick Ma Ching Hang, Mr. Alfred Ma Ching Kuen, Ms. Amy Ma Ching Sau and Mr. Philip Ma Ching Yeung.

Mr. Justin MA Kwai Fung, BSc., Head of Hospitality and Business Development

Aged 34. Joined the Company in 2016 and is currently the Head of Hospitality and Business Development of the Company. He is also a director of certain subsidiaries of the Company. He received a Bachelor of Science Degree in Hospitality Administration/Management from University of San Francisco in the United States of America. He is the Founder and Chief Executive Officer of Yulan Group Limited, a subsidiary of the Company that manages the hotel business of the Company's group and currently manages two hotels in Hong Kong: the flagship, the Arca in Wong Chuk Hang opened in 2021 and a boutique hotel, the Figo in Sheung Wan rebranded and opened in 2020. He is a son of Mr. William Ma Ching Wai.

Ms. June TANG Mei Yee, BA (Hons), MALL, CPA, FCCA, ACG, HKACG, Chief Financial Officer

Aged 59. Joined the Company in 1993 and is currently the Chief Financial Officer of the Company. She received a Bachelor of Arts Degree in Accountancy from City Polytechnic of Hong Kong and a Master of Arts Degree in Language and Law from City University of Hong Kong. She is a member of The Hong Kong Institute of Certified Public Accountants and The Hong Kong Chartered Governance Institute, and a fellow member of the Association of Chartered Certified Accountants. She is responsible for finance, accounting, tax and corporate governance affairs of the Company's group. She has over 35 years of working experience in tax, finance and corporate governance. Prior to joining the Company, she also worked with PricewaterhouseCoopers' tax division.

RESULT

I would like to report the results of the Company and its subsidiaries (the "Group") for the year ended 31st December 2025 that the total revenue of the Group for the year decreased by HK\$10.3 million or 2.1% to HK\$471.3 million (2024: HK\$481.6 million). The Group's core property leasing business remained stable, with the total rental income down by 4.0% as compared to last year mainly due to the drop of rental income from the operation in the United States ("US"). Whereas, the revenue from the hotel and catering business increased by 4.2% as compared to last year.

The Group recorded a consolidated loss for the year ended 31st December 2025 of HK\$259.6 million (2024: HK\$340.2 million). Loss per share for the year was HK\$0.90 (2024: HK\$1.16). The consolidated loss for the year included the fair value losses on investment properties (net of US deferred income tax) of HK\$241.1 million (2024: HK\$301.2 million).

Excluding the fair value losses on investment properties, the Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") for the year ended 31st December 2025 was HK\$150.5 million (2024: HK\$166.9 million) and the Group's underlying loss for the year ended 31st December 2025 was HK\$18.4 million (2024: HK\$39.0 million). The underlying loss decreased by HK\$20.6 million mainly due to the decrease in interest expenses of HK\$39.0 million as a result of drop in interest rate during the year, however, adjusted further by the loss from US operation.

As at 31st December 2025, the valuation of the investment properties of the Group was HK\$9,078.9 million (2024: HK\$9,295.0 million), drop by HK\$216.1 million or 2.3% for the year. Total equity amounted to HK\$8,256.3 million (2024: HK\$8,541.2 million).

FINAL DIVIDEND

The board of directors (the "Board") has resolved to recommend a final dividend of HK5 cents (2024: HK5 cents) per ordinary share.

PROSPECTS

The global landscape has entered an era of uncertainty, with geopolitical risks overshadowing trade tensions. Recent Middle East tensions have disrupted energy and supply chains, pushed oil price higher. This adds to the inflationary pressures to the global markets and directly impacts interest rate trajectories: the Federal Reserve Rate cut expectations have been delayed, while the European Central Bank faces high uncertainty.

These dynamics may have impacts on Hong Kong's property market as capital flows are shifting. Geopolitical risks and the RMB's strength have reinforced Hong Kong's role as a safe haven. Middle Eastern capital and talent may flow in, supporting both property sales and rental markets.

Despite global market volatility, stable interest rates and reduced supply and increased demand provide a solid foundation for Hong Kong's property market.

Chairman's Statement

We are confident that our operations will remain stable and we will continue to be cautious and will make appropriate adjustments if the circumstance merit. Barring any unforeseen circumstances, the Group will continue to pursue a prudent policy.

In closing, I would like to express my appreciation to all of our staff for their long-term efforts and to the directors for their outstanding contributions. Meanwhile, I would also like to express my sincere gratitude towards our shareholders, customers and business partners for their longstanding support and recognition.

William Ma Ching Wai
Chairman

Hong Kong, 27th March 2026

Management Discussion and Analysis

BUSINESS REVIEW

In Hong Kong, the total rental income for the year was HK\$287.5 million, slightly decreased by HK\$5.3 million or 1.8% as compared to last year. Despite the slight pick-up of rental income from residential properties during the year 2025, there were drops from the industrial and commercial properties in terms of occupancy and rent rate. The adsorption of industrial units, shops and commercial units may remain slow in the coming year.

The room tariff income and catering income from our hotels for the year was HK\$106.1 million, increased by HK\$4.2 million or 4.2% as compared to last year. The average occupancy rate of the Arca Hotel and the Figo Hotel for the year was 87.0% (2024: 81.2%) and 93.4% (2024: 94.0%) respectively. The average daily room rate (ADR) of the Arca Hotel and the Figo Hotel for the year was HK\$1,109 (2024: HK\$1,110) and HK\$1,271 (2024: HK\$1,284) respectively. The EBITDA of the Arca Hotel and the Figo Hotel for the year was HK\$10.6 million (2024: HK\$11.8 million) and HK\$4.6 million (2024: HK\$6.3 million) respectively. Attributed to the success of Hong Kong's Mega-events, there were notable increased in numbers and the variety of tourists coming to Hong Kong, which supported the rise in occupancy rate of the Arca Hotel during the year.

In US, the total rental income from Montgomery Plaza was HK\$48.6 million for the year, decreased by HK\$8.7 million or 15.1%, as compared to last year. As at 31st December 2025, the office space occupancy rate of Montgomery Plaza is 50% (2024: 55%). Rental and occupancy rates at the financial district in San Francisco did not turn around yet and hold steady throughout the year. However, as long as the AI boom continues, the office market remains stabilised, with the need for some talent agglomeration helping to offset the permanent drag associated with remote work.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December 2025, the Group's total bank borrowings increased by HK\$17.7 million to HK\$2,647.4 million (2024: HK\$2,629.7 million), including outstanding long term bank loans of HK\$2,524.4 million (2024: HK\$2,479.7 million). As at 31st December 2025, the total equity decreased by HK\$284.9 million to HK\$8,256.3 million (2024: HK\$8,541.2 million). The gearing ratio (total debt to equity ratio) as at 31st December 2025 was 32.1% (2024: 30.8%).

Subsequent to reporting date, the Group has obtained two loans facilities in aggregate amount of HK\$1,970.4 million for the purpose of refinancing the current portion of long term bank loans of HK\$1,737.8 million and corporate future funding needs. These new loans facilities will be matured in 2029 and 2031 respectively.

The cash flow position and funding needs are closely reviewed and monitored to ensure that the Group has a good degree of financial flexibility and liquidity while optimising net financial costs. There are sufficient committed banking facilities available for the Group's current funding needs and future business requirements. The Group's financial position remains healthy.

Capital expenditure

Capital expenditure for the year amounted to HK\$32.8 million (2024: HK\$15.8 million) and capital commitments as at 31st December 2025 amounted to HK\$49.7 million (2024: HK\$13.6 million). Both capital expenditure and capital commitments were mainly related to the addition of property, plant and equipment, property improvement and construction work. The Group anticipates that such commitments will be funded by future operating income, bank borrowings and other sources of finance as appropriate.

CAPITAL STRUCTURE OF THE GROUP

The capital structure of the Group had not changed materially from the last annual report.

Treasury policies and objectives

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Group also considers various funding sources depending on the Group's needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The deposits of the Group at various licensed banks have been and will continue to be conducted in accordance with the Group's treasury policy. The Group reviews and evaluates the treasury policy from time to time to ensure its adequacy and effectiveness.

Foreign currency exchange risk

The Group's borrowings and cash and cash equivalents are primarily denominated in Hong Kong and US dollars and the repayment of principal and interest will be made in the respective lending currency. The Group therefore has no significant exposure to foreign exchange fluctuation.

As at 31st December 2025, the Group did not have any foreign currency hedging activity.

Secured bank borrowings and pledge of assets

Secured bank borrowings of the Group amounting to HK\$2,647.4 million (2024: HK\$2,629.7 million) were secured by certain investment properties and land and buildings with an aggregate carrying amount of HK\$7,683.6 million (2024: HK\$7,841.5 million) and the rental income therefrom. Interests on the Group's bank borrowings were based on the floating interest rates, i.e. spread plus Hong Kong Inter-bank Offered Rate or US Secured Overnight Financing Rate.

The Group entered into a fixed interest rate swap contract for a notional principal value of HK\$200 million at a fixed rate of 3.06% in April 2025, effectively stabilising funding costs and preventing it from becoming an excessive drag on operating results.

The maturity of the Group's long term bank loans as at 31st December 2025 is summarised as follows:

	2025	2024
	HK\$'000	HK\$'000
within one year	1,854,666	360,540
in the second year	31,380	1,834,951
in the third to fifth year	638,389	284,253
	<u>2,524,435</u>	<u>2,479,744</u>

Contingent liabilities

As at 31st December 2025, the Group has no significant contingent liabilities or guarantees (2024: Nil).

SEGMENT INFORMATION

Details of segment information of the Group are set out in note 5(d) to the consolidated financial statements.

EMPLOYEES AND EMOLUMENT POLICY

As at 31st December 2025, the Group employed a total of 267 (2024: 261) full-time employees which included the directors of the Company. In addition to salary payment, other benefits included discretionary bonus, insurance, medical schemes and mandatory provident fund schemes.

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The promotion and remuneration of the Group's employees are subject to annual review.

The emoluments of the directors of the Company are recommended by the remuneration committee to the Board's decision, having regard to the Group's operating results, individual responsibilities and performance, and comparable market statistics.

The Company has not adopted any share option scheme as an incentive to directors and eligible employees.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31st December 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group continues its efforts to upgrade and modernise our property portfolio. The Group will pay attention to the economic development and review our business plans for material investments and capital assets regularly.

Report of the Directors

The board of directors (the “Board”) of Tai Sang Land Development Limited (the “Company”) submit their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31st December 2025.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are investment holding and property investment. The activities of the principal subsidiaries are shown in note 32 to the consolidated financial statements.

An analysis of the Group’s performance for the year by operating segments is set out in note 5(d) to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2025 are set out in the consolidated statement of profit or loss on page 88 of this annual report.

The Board has declared an interim dividend of HK3 cents (2024: HK4 cents) per ordinary share, totalling HK\$8,630,000 (2024: HK\$11,507,000), which was paid on 29th September 2025.

The Board recommends the payment of a final dividend of HK5 cents (2024: HK5 cents) per ordinary share, totalling HK\$14,383,000 (2024: HK\$14,383,000).

The total dividends for the year ended 31st December 2025 amounted to HK8 cents (2024: HK9 cents) per ordinary share.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 12 to the consolidated financial statements. There was no movement during the year.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$3,880,000 (2024: HK\$3,032,000).

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of the movements during the year in the property, plant and equipment and investment properties of the Group are set out in notes 6 and 7 respectively to the consolidated financial statements.

PRINCIPAL PROPERTIES

Details of the Group’s significant properties are set out on pages 142 and 143 of this annual report.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the year.

BORROWINGS

Particulars of the bank loans are shown in notes 14 and 18 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

Distributable reserves of the Company at 31st December 2025, calculated under part 6 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “Companies Ordinance”), amounted to HK\$597,605,000 (2024: HK\$595,165,000).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 144 of this annual report.

DIRECTORS

(a) Directors of the Company

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

Executive directors:

William Ma Ching Wai	<i>(Chairman and Chief Executive)</i>
Patrick Ma Ching Hang, BBS, JP	<i>(Deputy Chairman)</i>
Philip Ma Ching Yeung, BBS	<i>(Deputy Chairman)</i>
Alfred Ma Ching Kuen	<i>(Managing Director)</i>
Amy Ma Ching Sau	<i>(Managing Director)</i>

Non-executive director:

Edward Cheung Wing Yui, BBS

Independent non-executive directors:

Kevin Chau Kwok Fun
Yiu Kei Chung
Aaron Tan Leng Cheng
Ho Chi Keung

In accordance with Article 103(A) of the Company’s Articles of Association, Mr. William Ma Ching Wai, Mr. Philip Ma Ching Yeung, Mr. Alfred Ma Ching Kuen and Mr. Aaron Tan Leng Cheng will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

(b) Directors of the Company’s subsidiaries

During the year and up to the date of this report, Mr. William Ma Ching Wai, Mr. Patrick Ma Ching Hang, Mr. Philip Ma Ching Yeung, Mr. Alfred Ma Ching Kuen and Ms. Amy Ma Ching Sau are also directors of certain subsidiaries of the Company. Other directors of the Company’s subsidiaries during the year and up to the date of this report include: Ms. Katy Ma Ching Man, Ms. Joy Ma Ching Mun, Ms. Ida Ma Ching Kwai, Mr. Justin Ma Kwai Fung, Mr. Samuel Young Chi Kong (resigned on 16th July 2025) and Mr. Tong Tse Hon (appointed on 16th July 2025).

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of directors and senior management are set out on pages 3 to 6 of this annual report.

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

Details of directors' and senior management's emoluments are set out in note 31(a) to the consolidated financial statements and page 26 of this annual report respectively.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

At 31st December 2025, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of Part XV of SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Number of ordinary shares held at 31st December 2025

	Capacity		Total	Percentage
	Personal interest	Corporate interests (notes (a) and (b))		
Directors:				
William Ma Ching Wai (Chairman and Chief Executive)	4,608,354	160,136,485	164,744,839	57.2688%
Patrick Ma Ching Hang	46,256	8,732,013	8,778,269	3.0515%
Philip Ma Ching Yeung	–	–	–	–
Alfred Ma Ching Kuen	9,987	–	9,987	0.0035%
Amy Ma Ching Sau	347,942	–	347,942	0.1210%
Edward Cheung Wing Yui	–	–	–	–
Kevin Chau Kwok Fun	–	–	–	–
Yiu Kei Chung	–	–	–	–
Aaron Tan Leng Cheng	–	–	–	–
Ho Chi Keung	–	–	–	–

All interests stated above represent long positions.

Notes:

- (a) Kam Chan & Company, Limited ("Kam Chan & Co", in which Mr. William Ma Ching Wai held 62.01% interests) and its associates and Holston Investment Limited (in which Mr. William Ma Ching Wai held 76.56% interests) directly or indirectly owned 138,998,248 and 21,138,237 ordinary shares in the Company respectively.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION (Continued)

Number of ordinary shares held at 31st December 2025 (Continued)

Notes: (Continued)

- (b) Tai Sang International Limited (in which Mr. Patrick Ma Ching Hang held 100% interests) directly owned 8,732,013 ordinary shares in the Company.
- (c) Mr. Alfred Ma Ching Kuen beneficially held 9,886 shares (or 0.1765%) in the total number of issued shares of a subsidiary of the Company, Tai Sang Cold Storage & Godown Company Limited.
- (d) Mr. Patrick Ma Ching Hang and Ms. Katy Ma Ching Man jointly and beneficially held 47 shares (or 0.94%); Mr. William Ma Ching Wai and Mr. Patrick Ma Ching Hang jointly and beneficially held 1 share (or 0.02%); and Mr. Alfred Ma Ching Kuen beneficially held 23 shares (or 0.46%) in the total number of issued shares of a subsidiary of the Company, Kam Hang Company Limited.
- (e) In addition, certain directors of the Company held non-beneficial interests in subsidiaries of the Company in trust to the absolute benefit of the Company, the details of which are available for inspection at the Company's registered office.
- (f) Other than as stated above, as at 31st December 2025, no directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation.
- (g) At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors and chief executive of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares, underlying shares or debentures of the Company or any of its specified undertakings or its other associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

At 31st December 2025, the interest and short position of substantial shareholders in the shares or underlying shares of the Company, as recorded in the register maintained by the Company under Section 336 of Part XV of the SFO were as follows:

Number of ordinary shares held at 31st December 2025

	Capacity		Total	Percentage
	Beneficial owner	Corporate interests (note (a))		
Substantial shareholders:				
Kam Chan & Co	113,848,758	25,149,490	138,998,248	48.3187%
Holston Investment Limited	21,138,237	–	21,138,237	7.3481%
Gold Fortune Investment Company Limited	15,488,636	–	15,488,636	5.3842%

All interests stated above represent long positions.

Notes:

- (a) Gold Fortune Investment Company Limited, Suremark Limited (beneficially interested in 6,738,664 shares in the Company) and Montgomery Securities Nominee Limited (beneficially interested in 2,922,190 shares in the Company) are wholly owned subsidiaries of Kam Chan & Co. The aggregate shareholdings of these three companies are deemed to be the corporate interests of Kam Chan & Co in the ordinary shares in the Company.
- (b) Save as disclosed above, as at 31st December 2025, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register maintained by the Company under Section 336 of Part XV of the SFO.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of 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.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and revenues for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	8.6%
– five largest suppliers in aggregate	25.7%
Revenues	
– the largest customer	15.5%
– five largest customers in aggregate	32.9%

None of the directors, their close associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the suppliers or customers noted above.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at date of this annual report, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules, throughout the year ended 31st December 2025.

DIRECTORS' INTEREST IN COMPETING BUSINESS

At 31st December 2025, all executive directors of the Company are directors and shareholders of Kam Chan & Co, which is also engaged in property investment, and may be in competition with the business carried on by the Group.

The directors are of the view that the Group is capable of carrying on its businesses independently of, and at arm's length from the property investment business. When making decisions on the property investment business, the relevant directors, in the performance of their duties as directors of the Company, have acted and will continue to act in the best interests of the Group.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of Corporate Governance Code contained in Appendix C1 to the Listing Rules during the year ended 31st December 2025, except for the code provision C.2.1, as explained in the section headed “Chairman and Chief Executive” in the Corporate Governance Report on page 23 of this annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

BUSINESS REVIEW

Discussion and analysis of the Group’s business as required by Schedule 5 of the Companies Ordinance, including a fair review of the Group’s business, an indication of likely future development, an analysis of it using financial key performance indicators and particulars of important events affecting the Group that have occurred since the end of the year ended 31st December 2025 (if any), are included in the “Chairman’s Statement” and “Management Discussion and Analysis” as set out in this annual report on pages 7 and 8 and pages 9 to 11 respectively. The discussion and analysis in the above sections form part of this Report of the Directors.

Environmental policies and performance

Discussions on the Group’s environmental policies and performance are set out in the “Environmental, Social and Governance Report” on pages 41 to 80 of this annual report.

Compliance with laws and regulations

The Group has complied in material aspects in the relevant applicable laws and regulations that have significant impact on the businesses and operations of the Group during the year.

Key risk factors

A description of the principal risks and uncertainties facing by the Group and the mitigation measures taken are set out in the section headed “Risk Management and Internal Control” in the Corporate Governance Report on pages 32 to 39 of this annual report, and the impacts of the financial risks on the Group’s performance are also discussed in note 3.1 to this consolidated financial statements.

The performance and the results of operation of the Group as set out in this annual report are historical in nature and past performance is not a guarantee of future performance. This annual report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual result may also differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the Directors, employees or agents of the Group assume (a) any obligations to correct or update the forward-looking statements or opinions contained in this annual report; and (b) any obligations or liabilities in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

BUSINESS REVIEW (Continued)

Relationships with key stakeholders

The Group's success also depends on the support from key stakeholders which comprise employees, tenants, customers, suppliers, contractors and service vendors.

Employees

The Group believes that employees are the valuable assets of an enterprise and regards human resources as its corporate wealth. We provide on-the-job training and development opportunities to enhance our employees' career progression. Through different training, staff's professional knowledge in corporate operations, occupational and management skills are enhanced. The Group is committed to ensuring the high standards in occupational health and safety and providing a safe working environment for our employees.

Tenants and customers

The Group has the mission to provide excellent client service to the tenants and hotel guests, provide supportive measures to tenants when meeting business challenges, whilst maintaining long term profitability and business growth, and offer contemporary living experience full of warmth and comfort to hotel guests.

Suppliers, contractors and service vendors

Sound relationships with key suppliers, contractors and service vendors of the Group are important in supply chain management, properties maintenance and development, meeting business challenges and regulatory requirements, which can derive cost effectiveness and foster long term business benefits. The key service vendors comprise professional service contractors, system and equipment vendors, external consultants which provide professional services and other business partners which provide value added services to the Group.

DIVIDEND POLICY

The Company aims to maintain stable and sustainable returns to the shareholders of the Company and to retain adequate reserves for the Company's future growth. When proposing the amount of dividend, the Board will take into consideration a range of factors, including the operating results, cash flows and capital requirements of the Group, statutory and regulatory restrictions on the payment of dividends by the Company, the general economic condition and other factors of and affecting the Group.

There is no fixed dividend payout ratio and no assurance that dividends will be paid in any particular amount for any given period. An interim dividend will be declared by the Board. A final dividend will be recommended by the Board and approved by the shareholders at the annual general meeting of the Company and the amount of final dividend approved shall not exceed the amount recommended by the Board. The Company may also provide special dividends from time to time. Dividends may be distributed by way of cash or scrip or by other means that the Board considers appropriate.

Any dividend unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company in accordance with the Company's Articles of Association.

PERMITTED INDEMNITY PROVISIONS

The Company's Articles of Association provides that every director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, and no director shall be liable for any loss, damage or misfortune which may happen or be incurred by the Company in the execution of the duties of his office or in relation thereto.

The Company has taken out and maintained directors' liability insurance which provides appropriate cover for the directors of the Group.

The relevant provisions in the Articles of Association of the Company and the directors' liability insurance were in force during the year and as of the date of this report.

AUDITOR

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

On behalf of the Board

William Ma Ching Wai
Chairman

Hong Kong, 27th March 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Tai Sang Land Development Limited (the “Company”, together with its subsidiaries collectively referred as to the “Group”) is committed to maintaining a high standard of corporate governance practices and procedures to safeguard the interests of the shareholders and enhance the performance of the Group. The Company endeavours to ensure that its businesses are conducted in accordance with rules and regulations, and applicable codes and standards.

The Company complied with all the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the accounting year ended 31st December 2025, except for the code provision C.2.1, as explained in the section headed “Chairman and Chief Executive” below.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “Model Code”) as the Company’s codes of conduct regarding directors’ securities transactions.

On specific enquiries made, all directors confirmed that they had complied with the Model Code during the year ended 31st December 2025.

BOARD OF DIRECTORS

Composition of the Board

The board of directors of the Company (the “Board”) currently comprises five executive directors, one non-executive director (“NED”) and four independent non-executive directors (“INEDs”). The composition of the Board is set out as follows:

Executive directors	William Ma Ching Wai (<i>Chairman</i>) Patrick Ma Ching Hang (<i>Deputy Chairman</i>) Philip Ma Ching Yeung (<i>Deputy Chairman</i>) Alfred Ma Ching Kuen (<i>Managing Director</i>) Amy Ma Ching Sau (<i>Managing Director</i>)
NED	Edward Cheung Wing Yui
INEDs	Kevin Chau Kwok Fun Yiu Kei Chung Aaron Tan Leng Cheng Ho Chi Keung

Throughout the year and up to the date of this report, the Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules that there are at least three INEDs representing at least one-third of the Board and at least one of the INEDs has the appropriate professional qualifications or accounting or related financial management expertise.

Each of the INEDs has provided an annual written confirmation of their independence that they meet the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules. Their independence has been assessed by the Nomination Committee. The Company considers all the INEDs are independent.

Biographical details of the directors and their relationships, where applicable, are set out on pages 3 to 6 of this annual report.

BOARD OF DIRECTORS (Continued)

Role of the Board

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, recommendations on directors' appointment or re-appointment, material contracts and transactions as well as other significant policies and financial matters. The Board has delegated the day-to-day businesses of the Company to the management who works under the leadership and supervision of the executive directors.

The non-executive directors (a majority of whom are INEDs) provided the Company with a wide range of expertise and a balance of skills and brought independent judgment on issues of strategic direction, development, performance and risk management through their contribution at board meetings and committee meetings.

Mechanisms Ensuring Independent Views and Input Available to the Board

The Company has established following mechanisms to ensure independent views and input are available to the Board:

Composition of the Board and Board Committees

- The Board endeavours to 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).
- INEDs will be appointed to the Board committees as prescribed by the Listing Rules as far as practicable to ensure independent views are available.

Independence Assessment

- The Nomination Committee shall adhere to the nomination policy of the Company and the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of INEDs.
- Each INED is required to inform the Company as soon as practicable if there is any change in his own personal particulars that may materially affect his independence.
- All INEDs are required to confirm in writing, on an annual basis, their compliance with independence assessment criteria as set out in the Listing Rules. The Nomination Committee shall assess annually the independence of all INEDs to ensure that they can continually exercise independent judgement.

Compensation

- No equity-based remuneration (e.g. share options or grants) with performance-related elements will be granted to NED and INEDs.

BOARD OF DIRECTORS (Continued)

Mechanisms Ensuring Independent Views and Input Available to the Board (Continued)

Board Decision Making

- Directors (including NED and INEDs) are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the Company Secretary and, where necessary, independent advice from external professional advisers at the Company's expense.
- Directors (including NED and INEDs) shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such director or any of his close associates has a material interest.
- The Chairman of the Board shall at least annually hold meeting with the INEDs without the presence of other directors to discuss major issues and any concerns.

The Board had reviewed the implementation and effectiveness of above mechanisms for the year and considered that the mechanisms had been properly implemented during the year and is effective.

Corporate Governance Functions

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

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

During the year, the Board reviewed the Company's policies and practices on corporate governance and the disclosure in the Corporate Governance Report.

Board Meetings

Board meetings are held at least 4 times a year at approximately quarterly intervals and involve the active participation, either in person or through other electronic means of communication, of a majority of directors. At least 14 days' notice of the regular board meetings is given to all directors, and all directors are given an opportunity to include matters for discussion in the agenda. An agenda and accompanying board papers are sent in full to all directors at least 4 days before the intended date of a regular board meeting. They also have access to the advice and service of the Company Secretary, who assists the Chairman in preparing the agenda for meetings, is responsible for providing directors with board papers and related materials and ensures that board procedures, and all applicable laws, rules and regulations are followed.

The articles of association of the Company (the "Articles of Association") stipulate that save for the exceptions as provided therein, a director shall abstain from voting and not be counted in the quorum at meetings for approving any contract or arrangement in which such director or any of his/her close associates have a material interest.

BOARD OF DIRECTORS (CONTINUED)**Directors' Training**

Each newly appointed director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company Secretary also provides directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time.

All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged in-house training for directors in the form of seminars and reading materials. A summary of training received by directors during the year according to the records provided by the directors is as follows:

Directors	Corporate Governance/ Updates in Laws, Rules and Regulations		Accounting/Financial/ Management or Other Professional Skills	
	Reading Materials	Attended Seminars/ Briefings	Reading Materials	Attended Seminars/ Briefings
Executive directors				
William Ma Ching Wai	√	√	√	√
Patrick Ma Ching Hang	√	√	√	√
Philip Ma Ching Yeung	√	√	√	√
Alfred Ma Ching Kuen	√	√	√	√
Amy Ma Ching Sau	√	√	√	√
NED				
Edward Cheung Wing Yui	√	√	√	√
INEDs				
Kevin Chau Kwok Fun	√	√	√	√
Yiu Kei Chung	√	√	√	√
Aaron Tan Leng Cheng	√	√	√	√
Ho Chi Keung	√	√	√	√

CHAIRMAN AND CHIEF EXECUTIVE

The code provision C.2.1 of the CG Code stipulates that the positions of chairman and chief executive should be held by separate individuals as to maintain an effective segregation of duties.

Mr. William Ma Ching Wai, the Chairman of the Board was appointed as the chief executive of the Company (the "Chief Executive") on 15th June 2017, since then Mr. Ma holds both positions as the Chairman and Chief Executive. This is a deviation from the code provision with respect to the roles of chairman and chief executive to be performed by different individuals.

The Board believes that vesting the roles of both Chairman and Chief Executive on the same individual will enable the Company to have a stable and consistent leadership and also facilitate the planning and execution of the Company's strategy and is hence in the interest of the Company and its shareholders. The Board is of the view that the balance of power and authority is adequately ensured as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management, and there are one NED and four INEDs on the Board offering their experience, expertise, independent advice and views from different perspectives.

NON-EXECUTIVE DIRECTORS

All non-executive directors do not have a specific term of appointment, but are subject to retirement from office by rotation and re-election at the annual general meeting at least once every three years in accordance with the Articles of Association as same as other directors.

Serving more than 9 years could be relevant to the determination of a non-executive director's independence. If an independent non-executive director serves more than 9 years, his further appointment will be subject to a separate resolution to be approved by shareholders.

BOARD COMMITTEES

The Board has established various committees, including Audit Committee, Remuneration Committee and Nomination Committee, each of which has its specific written terms of reference. Minutes of all meetings and resolutions of the committees are kept by the Company Secretary and copies are circulated to all Board members. The committees are required to report back to the Board on their decision and recommendations where appropriate. All the Board committees are empowered by the Board under their own terms of reference which have been posted on the websites of the Company and the Stock Exchange.

Audit Committee

Members:

INEDs	Yiu Kei Chung (<i>Chairman</i>) Kevin Chau Kwok Fun Aaron Tan Leng Cheng Ho Chi Keung
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NED	Edward Cheung Wing Yui
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The Audit Committee was established in March 1999. The terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

The main responsibilities of the Audit Committee are to review and monitor the integrity of the Company's financial statements, annual report and interim report. Other responsibilities include making recommendations to the board on the appointment, reappointment and removal of the external auditor, approval of the external auditor's remuneration and terms of engagements, to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, to develop and implement policy on engaging an external auditor to supply non-audit services, and to act as the key representative body for overseeing the Company's relations with the external auditor. The Audit Committee is also charged with overseeing the Company's financial reporting system, the effectiveness of risk management and internal control systems, and reviewing arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters.

BOARD COMMITTEES (Continued)**Audit Committee (Continued)**

During the year, the Audit Committee held 2 meetings. The work performed by the Audit Committee during the financial year ended 31st December 2025 are summarised below:

- (i) reviewed annual report for the year ended 31st December 2024, and interim report for the six months ended 30th June 2025;
- (ii) proposed the appointment of PricewaterhouseCoopers (“PwC”) as independent auditor of the Company and approved the auditor’s remuneration and terms of engagements;
- (iii) reviewed and discussed with the independent auditor in respect of the consolidated financial statements for the year ended 31st December 2024 and the interim financial information for the six months ended 30th June 2025; and
- (iv) reviewed and assessed the adequacy and effectiveness of the Group’s financial controls, risk management and internal control systems, and the effectiveness of the Group’s internal audit function.

Remuneration Committee

Members:

INEDs	Kevin Chau Kwok Fun (<i>Chairman</i>) Yiu Kei Chung Ho Chi Keung (appointed on 19th May 2025)
Executive director	Amy Ma Ching Sau

The Remuneration Committee was established in April 2005. The terms of reference of the Remuneration Committee setting out its authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive directors and senior management.

The Remuneration Committee is mainly responsible for ensuring formal and transparent procedures for developing remuneration policies and overseeing the remuneration packages of the executive directors and senior management. It takes into consideration of factors such as salaries paid by comparable companies, time commitment and responsibilities of directors and senior management.

During the year, the Remuneration Committee held 2 meetings. The Remuneration Committee reviewed the remuneration policy for executive directors and senior management of the Company, assessed performance of executive directors, and made recommendations on the Group’s bonus structure, retirement benefit scheme and other compensation related issues.

The particulars regarding directors’ and chief executive’s remuneration are set out in note 31(a) to the consolidated financial statements in this annual report.

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

The remuneration of the members of the senior management by band for the year is set out below:

Emolument band (in HK\$)	Number of individuals
HK\$3,500,001 – HK\$4,000,000	2
HK\$1,500,001 – HK\$2,000,000	1

Nomination Committee

Members:

Executive director William Ma Ching Wai (*Chairman*)
Amy Ma Ching Sau (appointed on 19th May 2025)

INEDs Kevin Chau Kwok Fun
Yiu Kei Chung
Aaron Tan Leng Cheng (appointed on 19th May 2025)

The Nomination Committee of the Company was established in March 2012. The terms of reference of the Nomination Committee setting out its authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

The Nomination Committee is mainly responsible to review the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. It shall identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, assess the independence of INEDs in accordance with Rule 3.13 of the Listing Rules, and make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors.

The Nomination Committee is also responsible to review the nomination policy and board diversity policy of the Company to ensure the effectiveness of such policies and will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

During the year, the Nomination Committee held 1 meeting. The Nomination Committee reviewed the structure and composition of the Board, reviewed the board diversity policy of the Company, recommended the re-election of the retiring directors, assessed the independence of all the INEDs and proposed the appointments of members of Board committees.

Nomination Policy

The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and makes recommendations on any proposed change to the Board to complement the Company's corporate strategy. When it is necessary to fill a causal vacancy or appoint an additional director, the Nomination Committee shall invite nominations of candidates from Board members (if any) for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members and may recommend to hire an executive search firm, if necessary, to identify suitable and qualified candidate for serving on the Board.

BOARD COMMITTEES (Continued)**Nomination Policy (Continued)**

The Nomination Committee shall evaluate any potential candidate based on the criteria as set out below to determine whether such candidate is qualified for directorship and recommend to the Board the appropriate person among the candidates nominated for directorship for its consideration:

- (a) the Nomination Committee shall consider the current structure, size and composition of the Board and the needs of the Board and the respective committees of the Board when recommending any potential new director(s) to the Board; and
- (b) the Nomination Committee shall refer to the following factors in assessing the suitability of a proposed director:
 - (i) character and integrity;
 - (ii) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
 - (iii) willingness to devote sufficient time to discharge duties as a Board member and/or member(s) of committee(s) of the Board;
 - (iv) contribution to the diversity of the Board;
 - (v) requirement for the Board to have INEDs in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence requirements set out in the Listing Rules; and
 - (vi) such other perspectives appropriate to the Company's business.

Board Diversity Policy

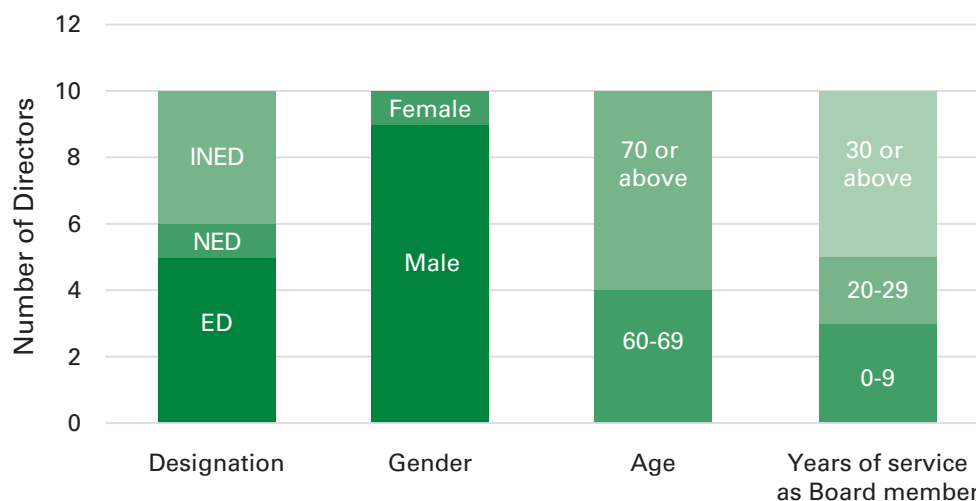
The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

BOARD COMMITTEES (Continued)

Board Diversity Policy (Continued)

The diversity profile of the Board as at the date of this report is as follows:



The members of the Board come from a variety of different backgrounds and have a diverse range of professional experience, skills and knowledge in various sectors including property investment and development, finance and banking, investment, accounting and auditing, legal, government, commerce and entrepreneurship. They also hold or have held important public service positions in Hong Kong, covering health and welfare, charity, education and regulations.

The Board composition reflects various age, gender, cultural and educational background, professional experience, skill and knowledge. The Nomination Committee considers the current Board composition has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. It also includes a balanced composition of executive and non-executive directors with a strong independent element on the Board, which can effectively exercise independent judgment. The Nomination Committee will continue to review the Board composition from time to time, taking into consideration the specific needs for the Group's business.

As at the date of this report, the Board consists of one female and nine male Directors. The Company targets to avoid a single gender Board. The Company believes gender diversity in the Board would bring more inspiration to the Board and enhance the business development of the Group, thus gender diversity is one of the important factors for the Company to select suitable candidate as a Director.

The Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. As at 31st December 2025, 47% of the workforce of the Group (including senior management) were female. The Company considers that the gender diversity in workforce is satisfactory.

The Nomination Committee had reviewed the implementation and effectiveness of the board diversity policy of the Company for the year and considered it had been properly implemented during the year and is effective.

ATTENDANCE AT BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETING

Name of directors	Number of Meetings Attended/Eligible to attend for the year ended 31st December 2025				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Executive directors					
William Ma Ching Wai	4/4			1/1	1/1
Patrick Ma Ching Hang	4/4				1/1
Philip Ma Ching Yeung	4/4				1/1
Alfred Ma Ching Kuen	4/4				1/1
Amy Ma Ching Sau ⁽¹⁾	4/4		2/2		1/1
Non-executive director					
Edward Cheung Wing Yui	4/4	2/2			1/1
INEDs					
Kevin Chau Kwok Fun	4/4	2/2	2/2	1/1	1/1
Yiu Kei Chung	4/4	2/2	2/2	1/1	1/1
Aaron Tan Leng Cheng ⁽¹⁾	4/4	2/2			1/1
Ho Chi Keung ⁽²⁾	4/4	2/2	1/1		1/1

Notes:

(1) Appointed as a member of the Nomination Committee on 19th May 2025.

(2) Appointed as a member of the Remuneration Committee on 19th May 2025.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The directors endeavor to ensure a balanced, clear and comprehensible assessment of the Group's performance, position and prospects in annual and interim reports and other disclosures required under the Listing Rules and other statutory requirements. All members of the Board are provided with monthly updates, which give the directors a balanced and understandable assessment of the performance, position and prospects of the Group. Management provides all relevant information to the Board, giving the members sufficient explanation and information they need to discharge their responsibilities.

The Board is responsible for the preparation of the consolidated financial statements that give a true and fair view of the Company's and the Group's financial position on a going-concern basis, with supporting assumptions or qualifications as necessary. The consolidated financial statements are prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and the Companies Ordinance. Appropriate accounting policies have also been used and applied consistently.

The reporting responsibilities of directors and external auditor are set out in the Independent Auditor's Report on pages 81 to 85 of this annual report.

Auditors' Remuneration

The fees in respect of audit and audit related services provided to the Company and its subsidiaries by PwC and other auditors were HK\$2,341,000 and HK\$645,000 respectively for the year. Fees for non-audit services, which mainly consist of taxation services and interim results review, provided by PwC and other auditors were HK\$867,000 and HK\$504,000 respectively.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chairman of the Board and is responsible for advising the Board on governance matters and to facilitate induction and professional development of directors. The biography of the Company Secretary is set out on page 6 of this annual report.

The Company Secretary has provided her training records to the Company indicating that she has undertaken more than 15 hours of relevant professional development during the year ended 31st December 2025, by means of attending seminars and reading relevant guidance materials.

SHAREHOLDERS' RIGHTS

Convening Extraordinary General Meeting ("EGM")

In accordance with Sections 566 to 568 of the Companies Ordinance, shareholder(s) of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company, may require the directors of the Company to convene an EGM. The written requisition must state the general nature of the business to be dealt with at the EGM and must be signed by the shareholder(s) concerned and deposited at the registered office of the Company for the attention of the Company Secretary in hard copy form or sent to the Company in electronic form. The requisition may consist of several documents in like form, each signed by one or more of the shareholders concerned.

If the directors of the Company do not within 21 days after the date on which the written requisition is received by the Company proceed duly to convene an EGM for a day not more than 28 days after the date on which the notice convening the EGM is given, the shareholder(s) concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, provided that the EGM so convened shall not be held after the expiration of 3 months from the date of the original requisition.

The EGM convened by shareholders shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the directors of the Company.

Any reasonable expenses incurred by the shareholder(s) requesting the meeting by reason of the failure of the directors to duly convene a meeting will be reimbursed to shareholder(s) by the Company.

Putting Forward Proposals at Shareholders' Meetings

Shareholders are requested to follow Sections 615 and 616 of the Companies Ordinance for including a resolution at an annual general meeting of the Company ("AGM"). The requirements and procedures are set out below:

- (i) Any number of shareholders representing at least 2.5% of the total voting rights of all shareholders having a right to vote on the resolution at an AGM to which the requisition relates, or at least 50 shareholders having a right to vote on the resolution at an AGM to which the requisition relates, may submit a requisition in writing to put forward a resolution which may properly be moved at an AGM.

SHAREHOLDERS' RIGHTS (Continued)

Putting Forward Proposals at Shareholders' Meetings (Continued)

- (ii) The Company shall not be bound by the Companies Ordinance to give notice of the proposed resolution or to circulate a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution to shareholders of the Company entitled to receive notice of an AGM unless a copy of the requisition specifying the resolution of which notice is to be given and signed by the shareholders concerned; or 2 or more copies which between them contain the signatures of all the shareholders concerned is deposited at the registered office of the Company for the attention of the Company Secretary in hard copy form or is sent to the Company in electronic form not less than (i) 6 weeks before an AGM to which the requisition relates; or (ii) if later, the time at which notice is given of that AGM.

If a shareholder of the Company intends to propose a person other than a director of the Company for election as a director of the Company at any general meeting, the shareholder concerned shall lodge with the registered office of the Company for the attention of the Company Secretary (i) a written notice of his/her intention to propose that person for election as a director; and (ii) a notice in writing by that person of his/her willingness to be elected together with the necessary information within the period commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than 7 days prior to the date of such general meeting.

Enquiries to the Board

Enquiries may be put to the Board through the Corporate Governance Department or the Company Secretary by mail to the registered office of the Company or by email to shareholderenquiry@tsld.com.

INVESTORS RELATION

Constitutional Documents

The latest version of the Articles of Association is available on both the websites of the Company and the Stock Exchange. During the year, there is no change in the Articles of Association.

Communication with Shareholders

The shareholders' communication policy, published on the website of the Company, setting out the provisions and channels of the Company in relation to shareholders' communications, with the objectives of ensuring that the shareholders and the investment community are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with the shareholders as follows:

- (a) Corporate communications such as annual reports, interim reports and circulars in both English and Chinese versions are available to shareholders. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).
- (b) Information on the Company's website is updated on a regular basis. A dedicated "Investor Relations" section is available on the Company's website. Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter.

INVESTORS RELATION (Continued)

Communication with Shareholders (Continued)

- (c) General meetings are held to provide opportunities for the shareholders to make comments and exchange views with the Directors and senior management. Board members, in particular, the Chairman of the Board, the chairmen of the Board committees (in their absence, another member of the committee or failing this, his duly appointed delegate), appropriate management executives and external auditor will attend annual general meetings to answer shareholders' questions.
- (d) The Company's Registrar and Transfer Office serves the shareholders in respect of share registration, dividend payment and related matters.
- (e) The Corporate Governance Department and the Company Secretary of the Company handle shareholders' queries, comments and suggestions to directors or management of the Company.

The Board had reviewed the implementation and effectiveness of the shareholders' communication policy. Having considered the steps taken at the general meeting, the handling of queries received (if any) and the multiple channels of communication in place, it was considered that the shareholders' communication policy has been properly implemented during the year and is effective.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible to oversee the Group's risk management and internal control systems on an ongoing basis and ensure that a review of the effectiveness of both systems has been conducted at least annually. The review covers all material controls including financial, operational and compliance controls. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management and Internal Control Framework

The Group's risk management and internal control systems are established based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework (2013) (ICIF-2013) as follows:

(a) Control Environment

- demonstrates a commitment to integrity and ethical values
- the Board demonstrates independence from management and exercises oversight of the development and performance of internal control
- management establishes, with Board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives
- demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives
- holds individual accountable for their internal control responsibilities in the pursuit of objectives

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)**Risk Management and Internal Control Framework (Continued)***(b) Risk Assessment*

- specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives
- identifies risks to the achievement of its objectives across the entity and analyses risks as a basis for determining how the risks should be managed
- considers the potential for fraud in assessing risks to the achievement of objectives
- identifies and assesses changes that could significantly impact the system of internal control

(c) Control Activities

- selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels
- selects and develops general control activities over technology to support the achievement of objectives
- deploys control activities through policies that establish what is expected and procedures that put policies into action

(d) Information and Communication

- obtains or generates and uses relevant, quality information to support the functioning of internal control
- internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control
- communicates with external parties regarding matters affecting the functioning of internal control

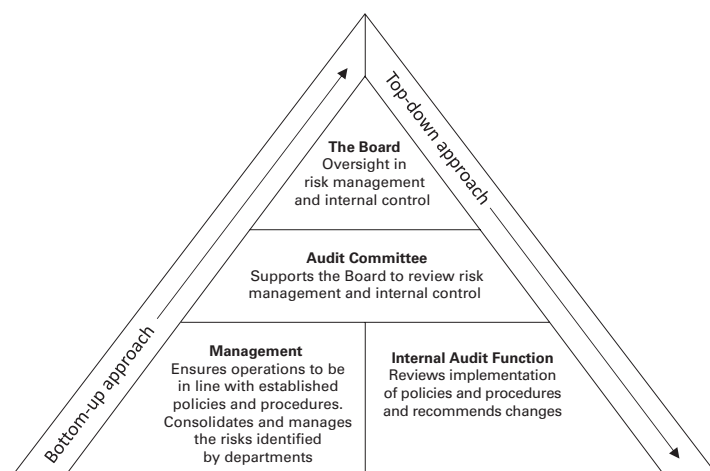
(e) Monitoring Activities

- selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning
- evaluate and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the Board, as appropriate

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Management and Internal Control Framework (Continued)

The Group's risk management and internal control framework comprises of the Board, Audit Committee, the management and internal audit function. Its main features and processes are as follows:



1. The Board is responsible for overseeing the risk management and internal control systems to ensure that the communications of the core values, strategic planning and operational guidelines throughout the Group are effective.
2. The Audit Committee supports the Board in reviewing the risk management and internal control systems to ensure that effective controls are in place.
3. Management consolidates and manages the risks of operations identified by departments. Policies and procedures are determined to mitigate the risks. It also ensures that the operation managers comply with the established policies and procedures.
4. The internal audit function assesses the effectiveness of the risk management and internal control systems once a year. It evaluates the risks identified by departments and consolidated by the management based on the likelihood of occurrence and impact of such risks. It also conducts regular reviews on the implementation of the policies and procedures and recommends changes in response to different business and control environments. It reports the above results and makes recommendations to the Audit Committee regularly. Such regular reviews are carried out via communication with relevant management and staff members, walkthrough tests and reviewing relevant documentation.

Internal Audit Function

During the year of 2025, the internal audit function performed reviews and assessed the adequacy and effectiveness of the Group's risk management and internal control systems. The reviews covered financial, compliance and operational functions with emphasis on property development and project management, and human resources and payroll management. The risks to the Group were also evaluated and the major risks and their changes are presented in the Risk Profile.


RISK MANAGEMENT AND INTERNAL CONTROL (Continued)**Risk Profile**

The following illustrates the nature of major risks to the Group, the risk level and changes during the year, and the mitigating measures taken by the Group:


Risk factor	Risk level/ changes during 2025	Description of risk	Key control and mitigating measures
Market risks arising from continuous fluctuations in the economic and political environment	High/ ↑	<ul style="list-style-type: none"> • Given the continued fluctuations in the economic and geopolitical environments, change in monetary policies of the Federal Reserve and worldwide fights against inflation, etc., uncertainties and risks remained in the global market economy. • Any unfavorable changes in the global environments may adversely impact the property leasing market, and subsequently the Group's growth and profitability. • The US tariffs have disrupted global trade and increased logistics costs and economic uncertainty. This situation negatively impacts Hong Kong's trade and export markets, which in turn affects the logistics sector and tenants' businesses. As a result, tenants may face downsizing, increased cost pressure, and heightened uncertainties in their operations. Addressing these challenges is crucial to maintaining our business stability and resilience in the face of ongoing market fluctuations. 	<ul style="list-style-type: none"> • Conducting periodic operational reviews to keep track of issues relating to the Group's various businesses, to minimise the impacts. • Adopting diverse and flexible leasing as well as actively curating the tenant mix to ensure a more resilient tenant portfolio. • Conducting more frequent reviews of pricing strategies and adopting more flexibility in pricing, as appropriate. • Applying short-term support to relieve business pressure on tenants and reinforce the partnership relationship. • Maintaining close and frequent contact with property agents to stay more up to date with market changes and on market supply and demand, and formulating a suitable strategy to embrace fast-changing market conditions. • Taking proactive steps in commencing renewal with tenants as early as possible. In addition, maintaining open lines of communication with tenants helps us to understand their changing needs and any potential challenges they may face due to increased pressures.

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Profile (Continued)


Risk factor	Risk level/ changes during 2025	Description of risk	Key control and mitigating measures
Interest rate risk and liquidity risk faced by the Group	High/ 	<ul style="list-style-type: none"> • All the bank borrowings of the Group are subject to floating interest rates, i.e. based on either the Hong Kong Inter-bank Offered Rate or US Secured Overnight Financing Rate. • The Group may be exposed to interest rate risk. Any fluctuations in floating interest rates may affect the Group's financial performance. • The Group may be exposed to liquidity risk. Any discrepancy in loan renewals or refinancing may affect the liquidity of the Group. 	<ul style="list-style-type: none"> • Monitoring the external environment, local economic outlook, financial market conditions and financial needs of the Group. • Adopting prudent liquidity risk management and maintaining sufficient cash on hand with available funding through an adequate amount of committed credit facilities. • Early planning for sourcing adequate financing. When foreseeing any financing needs, loan arrangements would be discussed with relevant banks early, to secure sufficient financing. • Diversifying terms of loan facilities from different sources of fundings, tenors and maturity structure to reduce exposure to loan refinancing and liquidity risk. • Fixing interest rates through interest rate swap arrangements to reduce the interest rate risk carry from fluctuations in floating interest risk. • Obtaining standby facilities to maintain strong financial stability. • Maintaining good relationships with the banking community.

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)**Risk Profile (Continued)**


Risk factor	Risk level/ changes during 2025	Description of risk	Key control and mitigating measures
Sustainability risks and opportunities at the strategic level	Moderate/ 	<ul style="list-style-type: none"> • Regulatory regimes pertaining to sustainability or environmental, social and governance (“ESG”) matters around the world are tightening and public expectations regarding these issues are increasing. The Stock Exchange has enhanced climate-related disclosures under its ESG framework, which resulted in more stringent related disclosure requirements as part of the Listing Rules. • Moreover, sustainability considerations relate to the potential impact of long-term environmental trends on the Group’s properties and development plans (e.g. monitoring of climate risks and greenhouse gas/ carbon emissions), social implications including impacts on the community, and resulting reputational advantages from offering a sustainability program that meets the expectations of its stakeholders. • Not taking sustainability risks and opportunities into consideration at the strategic level may expose the Group to transition risks, such as compliance, reputational and market risks, especially when there is greater awareness of and demand for development in sustainability in daily business operations. The Group may also be prone to physical risks, such as potential impacts of e.g., typhoon, extreme heat, flooding, etc., which can also bring financial implications. 	<ul style="list-style-type: none"> • The Group has recognised the trend of ESG and its importance to the long-term sustainability of the business. The Group has established an ESG working group to formulate upcoming actions to comply with the ESG regulations, as well as monitor the climate-related risks and opportunities. • The Group has considered adopting ESG strategies in its properties and introduced measures such as energy and water conservation, recycling and waste reduction to play a part in reducing environmental concerns from its business operations. • The Group has continually assessed whether the business has enough resources to comply with the ESG reporting requirements and has evaluated whether it is necessary for the business to do so.




RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Profile (Continued)

Risk factor	Risk level/ changes during 2025	Description of risk	Key control and mitigating measures
Occupancy rate risk of hotel operation	Moderate/ 	<ul style="list-style-type: none"> • About one-fourth of the Group’s revenue comes from hotel operations, where high fixed costs are required for daily operation, repair and maintenance. If the hotels are not able to achieve desirable occupancy rates, it may lead to high financial pressure and weakens the Group’s financial performance. • There has been increasing trend of foreign visitors and/or Hong Kong locals who prefer outbound destinations that are more affordable, which drives the lower occupancy rate of local Hong Kong hotels. Moreover, change in Mainland visitors’ spending patterns (i.e. looking for less extravagant spending and more cultural cultivation) means that these visitors are staying overnight in Hong Kong for a shorter period of time. Unsatisfactory occupancy rates in the Group’s hotels will have an adverse impact on its financial performance. 	<ul style="list-style-type: none"> • Formulating diversified business strategies targeting for the different domestic and Mainland China market segments to boost occupancy rates. • Formulating a diversified business mix and targeted products for the banqueting business to generate revenue and higher utilisation of venue space. • Increasing the corporate mix in room and food and beverage services by establishing and maintaining good relationships with corporate customers, in order to attract corporate travelers, increase occupancy rates and improve the profitability of the hotel operations. • Monitoring market conditions and sentiment closely and supporting ongoing recovery efforts in the hotel sector and participating in key trade activities by Hong Kong Tourism Board. • Cost saving measures and right sizing of workforce to support business continuity.

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)**Risk Profile (Continued)**

Risk factor	Risk level/ changes during 2025	Description of risk	Key control and mitigating measures
Financial difficulties faced by tenants due to worsening economy	Moderate/ 	<ul style="list-style-type: none"> Continued fluctuations in the economic environment might create uncertainties and financial difficulties for some of the Group's tenants, who might decide to terminate their tenancies and vacate the premises or default on rental payments. Any default by the Group's major tenants could result in a significant loss of rental income, leading to a material adverse effect on the Group's business, financial condition and results of operations. 	<ul style="list-style-type: none"> Implementing assessment of potential tenants for quality and the stability of their industry or businesses. Imposing increased deposits or requiring direct guarantees as security under tenancies. Reviewing rent payment records regularly. In the event of a failure to pay rent or a prior expression of difficulty to pay rent, negotiations will be initiated with the tenant. As tenants face a diverse range of circumstances, this must be dealt with on a case-by-case basis.

Notes:  Rating increased when compared to 2024  Rating decreased when compared to 2024  Rating remained unchanged

Review by the Audit Committee and the Board

An Audit Committee meeting was held in March 2026 to review the risk management and internal control systems, and confirmed their adequacy and effectiveness. The frequency and extent of communication of monitoring results of the review to the Board is also considered adequate.

The Board considered that controls are in place, effective and adequate. No significant control failure or weakness was identified. Besides, the resources, staff qualifications and experience, training programmes and budget of accounting, internal audit and financial reporting functions, as well as those relating to ESG performance and reporting were reviewed and assured adequate.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

For the purpose of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Group has taken various procedures and measures, including arousing the awareness to preserve confidentiality of inside information within the Group, sending blackout period and securities dealing restrictions notification to the relevant directors and employees regularly, disseminating information to specified persons on a need-to-know basis and regarding closely to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission in June 2012.

On behalf of the Board

William Ma Ching Wai
Chairman

Hong Kong, 27th March 2026

Environmental, Social and Governance Report

ABOUT THIS REPORT

Tai Sang Land Development Limited (the “Company”) together with its subsidiaries (referred to as the “Group” or “we”) principally engages in property investment, property rental, property development, estate management and agency, hotel operation and catering operation. The principal operations are located in Hong Kong.

This environmental, social and governance (referred to as the “ESG”) report (referred to as the “ESG Report”) summarises the Group’s business practices in Hong Kong in the ESG aspects and its relevant implemented policies and strategies in relation to the Group’s operational practices and environmental protection.

The ESG Report covers the period from 1 January 2025 to 31 December 2025 (the “Reporting Year” or “FY2025”), together with the comparative figures for the year of 2024 (“FY2024”).

Reporting Framework

The ESG Report has been prepared with reference to Environmental, Social and Governance Reporting Code (the “ESG Code”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In preparation of the ESG Report, due diligence has been taken to adhere to the reporting principles of “Materiality”, “Quantitative” and “Consistency”.

Materiality: The ESG Report is structured based on the materiality of respective issues and we identified the most material ESG issues pertaining to our businesses through the materiality assessment, as disclosed in pages 43 and 44 of this report. The materiality of issues was reviewed and confirmed by the board of directors of the Company (the “Board”).

Quantitative: The ESG Report prepared in accordance with the ESG Code and discloses key performance indicators (KPIs) in environmental and social aspects in a quantitative way wherever possible and gives comparative data where appropriate. The KPIs were calculated and presented with reference to the ESG Code. Whenever deemed material, the ESG Report details any standards, methodologies, assumptions and/or calculation tools used, or source of conversion factors used.

Consistency: Unless otherwise stated, the ESG Report applies the data statistics and calculation methods that are consistent with those in last year ESG report to provide a meaningful comparison with data over previous years. If there is any change that may affect comparison with previous reports, the Group will add explanatory notes to the corresponding sections.

The ESG Report has undergone the internal review process of the Group and was approved by the Board.

For information regarding corporate governance, please refer to the “Corporate Governance Report” on pages 20 to 40 of this annual report.

Reporting Scope

The ESG Report covers the Group’s ESG policies and measures, and compliance for the Group. The disclosure scope of related data include the Group’s offices and operating sites in Hong Kong, unless stated otherwise, as it contributes approximately 90% of the Group’s revenue in 2025. The Group did not include the environmental and social data of the segment in the United States in the ESG Report. There was no change to the reporting scope compared to the previous reporting year.

Reporting Assurance

We engaged BMI Environmental Consultancy Limited to provide limited assurance on the ESG Report. Please refer to the Appendix on pages 73 and 74 for the independent assurance statement.

Comments and Feedback

We make every effort to ensure consistency between the Chinese and English versions of the ESG Report. However, in the event of any inconsistency, the English version shall prevail.

The progress of the Group depends in part on valuable comments from stakeholders. For any clarifications or advice regarding the content of the ESG Report, please forward your comments and suggestions to esg@tsld.com.

APPROACH TO SUSTAINABILITY

The Group's mission is to provide excellent client service to the tenants and hotel guests, provide supportive measures to tenants when meeting business challenges, whilst maintaining long term profitability and business growth, and offer contemporary living experience full of warmth and comfort to hotel guests.

To pursue a sustainable business model, the Group recognises the importance of integrating ESG aspects into the risk management system and has taken corresponding measures in its daily operation and governance perspective.

Board Statement

The Board has the overall responsibility for the Group's ESG strategy and reporting, which include to determine and evaluate the ESG-related issues (including risks to the Group's business), oversee and ensure the suitable and effective ESG risk management and internal control systems are in place. The Board is also responsible for ensuring every strategic plan and vision, as well as operational guidelines for ESG matters are operating smoothly.

The Board has formed an ESG working group to assist and advise the Board on the development and implementation of ESG strategies, policies and practices and priorities of the Group, assist the Board in reviewing ESG performance and targets and exploring ESG-related opportunities. It has the responsibility for collecting data from different departments and business operations and analysing (including but not limited to comparing with historical data) and verifying ESG data after collected, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. Our ESG working group comprises of the chief executive and the heads of operation and hotel business to ensure the diverse backgrounds and expertise in ESG management. The Board reviews the composition of the working group on a regular basis. The Board has meeting with the ESG working group at least once per year and receives briefings on any updated ESG issues, including the progress of ESG-related goals and targets, on a regular basis in order to ensure that the Group's ESG strategies, goals and targets are achieved. By reviewing and evaluating the implementation of policies, the Board is up-to-date regarding the performance and the risk and opportunities of ESG of the Group.

The audit committee, assisted by the internal audit function, supports the Board to assess and manage risks, including ESG-related risks. The assessment of ESG-related risks, which included but not limited to environment, human resources, health and safety and compliance, and these risks have been embedded into the risk management processes which include risk identification, risk assessment, risk treatment, monitoring and review processes. The result of the ESG-related risk assessment is reported to the Board on an annual basis for review.

The Board tracks, reviews and follow up on the achievement of objective of the main ESG issues (including ESG-related goals and targets) at least once a year in order to bridge the gap between current progress and the expectations. The Board will also ensure the Group's policies are continuously implemented.

Materiality Assessment

Sustainable development encompasses a holistic spectrum of environmental and social aspects. In order to harness the related risks and opportunities, it is crucial for the Group to determine the most material aspects. The Group adopts the three-step process of identification, prioritisation and validation to ensure sustainability topics are being managed and reported in accordance with their materiality.

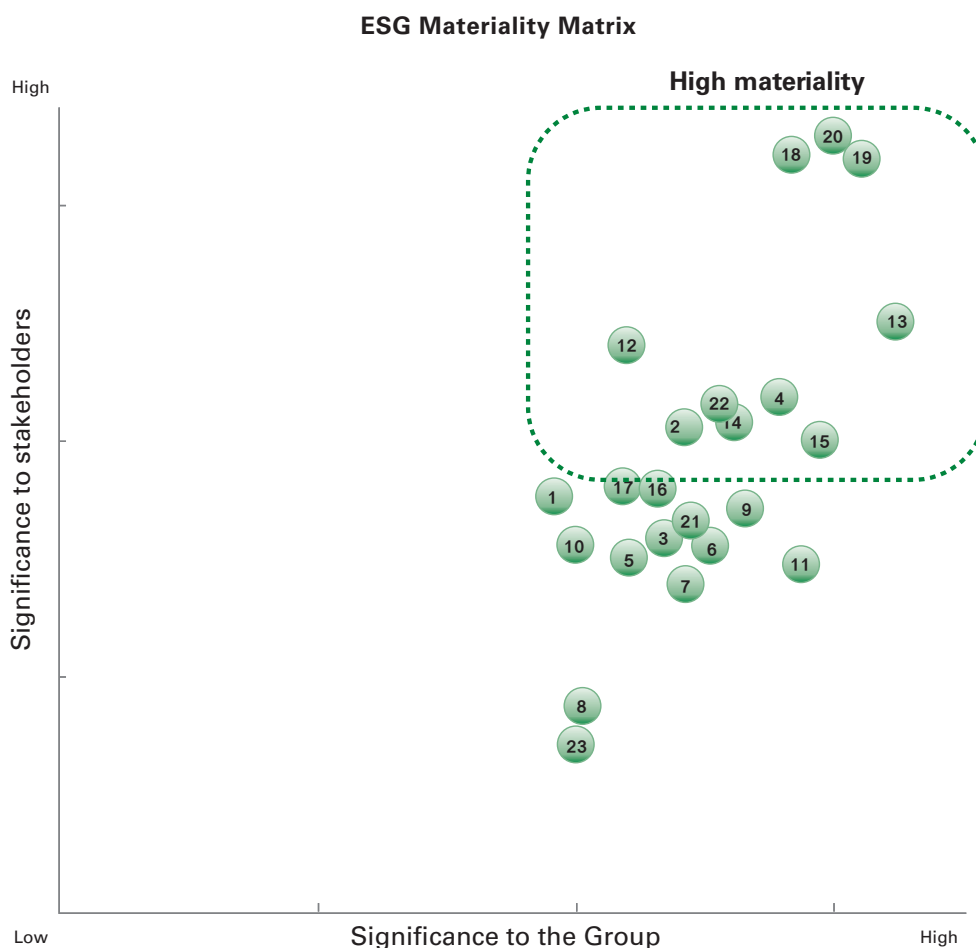
(1) Identification

The Group identified all fundamental sustainability topics in accordance with the ESG Code. In the context of the latest sustainability landscape, the Group has determined the following 23 topics that are deemed to have impact on the environment and society through our operations.

ESG Aspects		Material ESG issues for the Group
A. Environmental	<i>A1 Emissions</i>	1. Air emissions 2. Effluent discharges 3. Greenhouse gas emissions 4. Hazardous waste management 5. Non-hazardous waste management
	<i>A2 Use of Resources</i>	6. Energy consumption 7. Water consumption 8. Packaging material consumption
	<i>A3 The Environment and Natural Resources</i>	9. Environmental risk management
	<i>Climate Change</i>	10. Climate change mitigation and resilience
B. Social	<i>B1 Employment</i>	11. Employment and remuneration policies
	<i>B2 Health and Safety</i>	12. Equal opportunity and diversity
	<i>B3 Development and Training</i>	13. Occupational health and safety
	<i>B4 Labour Standards</i>	14. Employee development
	<i>B5 Supply Chain Management</i>	15. Anti-child and forced labour
	<i>B6 Service Responsibility</i>	16. Supply chain management
	<i>B7 Anti-corruption</i>	17. Sustainable procurement
	<i>B8 Community Investment</i>	18. Goods/services' quality and safety
		19. Customer satisfaction, health and safety
		20. Personal data privacy protection
		21. Protection of intellectual property rights, ethical marketing communication and product labeling
		22. Anti-corruption and anti-competitive practices
		23. Community investment

(2) *Prioritisation*

To determine the materiality of the selected ESG topics, stakeholder views were sought. Online surveys were disseminated to internal and external stakeholders, and collected responses with the composition were displayed in the chart below. Stakeholder respondents were asked to score the significance of each ESG topic in each of their perspective, resulting in an average score for each stakeholder category. Applying equal weighting to each stakeholder category, overall average scores for “Significance to Stakeholders” was plotted on the y-axis of the materiality matrix below. The “Significance to the Group” of the x-axis plots the score of the response from the ESG working group, who possesses a high-level view of all topics. The topmost-right quadrant determines the topics of high materiality.



(3) *Validation*

The Board has reviewed and validated the materiality process and the materiality assessment of the issues, and hence the ESG Report discloses the Group’s performance on all high and low materiality topics. To address matters most material to the Group’s stakeholders, topics of high materiality are discussed in more depth throughout the ESG Report.

Stakeholder Engagement

The Group believes that identifying and addressing the views of stakeholders lay a solid foundation to the long-term growth and success of the Group. The Group engages with a wide network of stakeholders, including employees, tenants and customers, suppliers and contractors, shareholders and investors, government and regulatory authorities, as well as the community.



The Group develops multiple engagement channels that provide opportunities for stakeholders to express their views on the Group’s general business conduct and sustainability management. The engagement channels are summarised in the following table. To reinforce mutual trust and respect, the Group is committed to maintaining effective communication channels with stakeholders in both formal and informal ways. This can enable the Group to better shape its business strategies in order to respond to their needs and expectations, anticipate risks and strengthen key relationships.

Stakeholders	Engagement channels	Topics of interest/concern
Shareholders and Investors	<ul style="list-style-type: none"> • General meetings • Regular corporate publications including financial reports and ESG reports • Circulars and announcements • Direct enquiries • Corporate website 	<ul style="list-style-type: none"> • Business strategies and sustainability • Financial performance • Corporate governance
Employees	<ul style="list-style-type: none"> • Performance appraisals • Training sessions and workshops • Meetings and internal platforms • Surveys 	<ul style="list-style-type: none"> • Training and development • Employee remuneration and welfare • Occupational health and safety • Equal opportunities
Tenants and Customers	<ul style="list-style-type: none"> • Business meetings • Complaint and feedback channels, surveys • Corporate website • Customer service hotline and emails • Site visits • WhatsApp and WeChat as synchronous communication 	<ul style="list-style-type: none"> • Service quality and reliability • Client data security • Business ethics • Energy-efficient alternatives
Suppliers and Contractors	<ul style="list-style-type: none"> • Business meetings • Supplier assessment • Continuous direct communication • Site visits • Tendering process • Seminars 	<ul style="list-style-type: none"> • Fair competition • Business ethics • Up-to-date market information
Government and Regulatory Authorities	<ul style="list-style-type: none"> • Statutory filings and notification • Regulatory or voluntary disclosures 	<ul style="list-style-type: none"> • Compliance with law and regulations • Business strategies and sustainability • Environmental protection policy
Community	<ul style="list-style-type: none"> • Community activities • Corporate donations • Corporate website • Social media 	<ul style="list-style-type: none"> • Fair employment opportunities • Environmental protection policy

ENVIRONMENTAL RESPONSIBILITY

The Group is committed to providing quality service to customers and tenants in a clean and sustainable manner. The Group has implemented a well-rounded ESG governance structure and a systematic process for handling ESG issues. The operational facilities in Hong Kong mainly engage in property rental and related services and hotel and catering operations. The mitigation of environmental impacts from our operational facilities and offices are managed by the management team. The management team of respective business segments ensures strict compliance with environmental regulations, as well as continuous improvement towards greener operations. The Group strives to drive improvement in continuously reducing emissions and waste generation, as well as conserving energy and water resources.

Aspect A1: Emissions

The Group implements robust systems to ensure all discharges to air, water and land are compliant with regulatory standards. During the Reporting Year, the Group has encountered no incidents of non-compliance with all applicable laws and regulations related to environmental impacts in Hong Kong. Major laws and regulations applicable are detailed in respective sections.

Air emissions

The principal sources of emission arising out of the Group's operations were gasoline and towngas consumed by/from vehicle use and hotel operation, which include the emission of sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matter (PM). The Group's fleet undergoes regular maintenance which ensures fuel efficiency, thereby reducing emissions. The Group installs catalytic converter in the vehicles to reduce the emissions. In addition to the control measures in place to maintain air emission levels meeting statutory requirements, improve roadside air quality and traffic conditions, the Group encourages employees to take public transportation during commutes to work. The Group also encourages the use of electric vehicles, it provides the electric charges at the car parking space. Major applicable laws and regulations related to the control of air emissions include, but are not limited to, "Air Pollution Control Ordinance" of Hong Kong.

During the Reporting Year, the Group released a total of 33.70kg, 0.57kg and 1.79kg of nitrogen oxides, sulphur oxides, and particulate matter, respectively. The nitrogen oxides, sulphur oxides and particulate matter decreased 8%, 11% and 12% year on year ("yoy") compared to FY2024. The Group has set a target to reduce air emissions by 10% by FY2032 as compared with the baseline in the year of 2022 ("FY2022"). Compared to FY2022, the Group has achieved the targets for nitrogen oxides and particulate matters while the targets of sulphur oxides is in progress.

Air emissions	Unit	FY2025	FY2024
Nitrogen oxides (NO_x)	kg	33.70	36.58
– Property	kg	25.45	28.68
– Hotel	kg	8.25	7.90
Sulphur oxides (SO_x)	kg	0.57	0.64
– Property	kg	0.57	0.64
– Hotel	kg	–	–
Particulate matter (PM)	kg	1.79	2.03
– Property	kg	1.79	2.03
– Hotel	kg	–	–

Greenhouse gas emissions

The Group's carbon footprint, presented in the table below, is primarily due to the use of electricity and vehicles. During the Reporting Year, the Group generated a total of 3,394.6 and 1,479.7 tonnes of carbon dioxide equivalent (tCO₂e) of greenhouse gases ("GHG") (Scope 1 and 2) for property and hotel segments respectively, resulting in a carbon intensity of 0.0280 tCO₂e per square metre for property segment and 0.0103 tCO₂e per customer for hotel segment. The Group's GHG emission results principally from Scope 2 indirect GHG emission, which is the purchase of electricity to support its operations. During the Reporting Year, the total greenhouse gas emissions (Scope 1 and 2) decreased 9% yoy compared to FY2024.

Other than the existing initiatives, we strive to reduce our GHG emissions through the lowering of our energy consumption from the major areas which include air conditioning, lift and lighting systems. The Group will continue feature upgrades of the building facilities and installations and monitor the electricity usage on a regular basis and follow-up with those consumption exceeding the normal usage standards. Upon considering the Group's targets, the Group has taking into account the goal of carbon neutrality before 2050 that was introduced by the Government of Hong Kong Special Administrative Region ("HKSAR Government"). The Group has set a target to reduce GHG emission (Scope 1 and 2) intensities by 10% by FY2032 as compared with the baseline in FY2022 for property segment and hotel segment respectively. Scope 3 GHG emissions are excluded from the target because the Group has low degree of control and influence on these emissions and still in the process of fully disclosing the categories in scope 3. Compared to FY2022, the target of GHG emission intensities is in progress.

Greenhouse gas emissions ⁽¹⁾	Unit	FY2025	FY2024
Scope 1 (Direct Emissions)	tCO ₂ e	219.8	227.5
Stationary combustion	tCO ₂ e	124.4	119.4
– Property	tCO ₂ e	14.7	14.4
– Hotel	tCO ₂ e	109.7	105.0
Mobile combustion	tCO ₂ e	95.4	108.1
– Property	tCO ₂ e	95.4	108.1
– Hotel	tCO ₂ e	–	–
Scope 2 (Indirect Emissions)	tCO ₂ e	4,654.5	5,124.2
Electricity purchased	tCO ₂ e	4,627.8	5,098.5
– Property	tCO ₂ e	3,281.3	3,507.0
– Hotel	tCO ₂ e	1,346.5	1,591.5
Towngas purchased	tCO ₂ e	26.7	25.7
– Property	tCO ₂ e	3.2	3.1
– Hotel	tCO ₂ e	23.5	22.6
Scope 3 (Other Indirect Emissions)⁽²⁾	tCO ₂ e	9,881.3	21.4
Category 1: Purchased goods and services	tCO ₂ e	2,971.4	N/A
– Property	tCO ₂ e	1,855.5	N/A
– Hotel	tCO ₂ e	1,115.9	N/A
Category 5: Waste generated in operations	tCO ₂ e	146.0	N/A
– Property	tCO ₂ e	14.0	N/A
– Hotel	tCO ₂ e	132.0	N/A
Category 6: Business travel	tCO ₂ e	31.4	21.4
– Property	tCO ₂ e	31.4	21.4
– Hotel	tCO ₂ e	–	–
Category 13: Downstream leased assets	tCO ₂ e	6,732.5	N/A
– Property	tCO ₂ e	6,732.5	N/A
– Hotel	tCO ₂ e	–	N/A

Greenhouse gas emissions ⁽¹⁾		Unit	FY2025	FY2024
Total	(Scope 1 and 2)	tCO ₂ e	4,874.3	5,351.7
	– Property	tCO ₂ e	3,394.6	3,632.6
	– Hotel	tCO ₂ e	1,479.7	1,719.1
	(Scope 1, 2 and 3)	tCO ₂ e	14,755.6	5,373.1
	– Property	tCO ₂ e	12,028.0	3,654.0
	– Hotel	tCO ₂ e	2,727.6	1,719.1
Carbon intensity ⁽³⁾	(Scope 1 and 2)	tCO ₂ e per square metre (property)	0.0280	0.0301
		tCO ₂ e per hotel guest (hotel)	0.0103	0.0127
	(Scope 1, 2 and 3)	tCO ₂ e per square metre (property)	0.0993	0.0303
		tCO ₂ e per hotel guest (hotel)	0.0189	0.0127

Note (1): We are adopting operational control approach for measuring the GHG emissions due to the availability of access to the operational data and location based method for scope 2 GHG emissions. GHG emission data is presented in terms of carbon dioxide equivalent and the methodology adopted for reporting on GHG emission is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by Hong Kong Exchanges and Clearing Limited (“HKEX”), the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and UK Government GHG Conversion Factors for Company Reporting published by UK DESNZ.

Note (2): More categories in scope 3 are collected and disclosed in FY2025 to in line with the new requirements of the ESG Code. The Group’s main business activities are property leasing and hotel operation, which do not involve transportation/distribution of manufactured products, sale of intermediate products, nor owning any franchises. Therefore, emissions in categories 9, 10 and 14 are not applicable considering the business nature and thus are not reported. Regarding categories 2, 3, 4, 7, 8, 11, 12 and 15 do not significantly contribute to the Group’s overall GHG emissions, thus are excluded.

Note (3): Intensities were calculated by dividing the amount of direct and indirect emissions by the gross floor area under property segment and by the total number of hotel guests under hotel segment.

Major applicable laws and regulations related to GHG emissions include, but are not limited to, “Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong)”. The Group is committed to reducing our carbon footprint. Scope 1 and 2 emissions are addressed through our energy reduction initiatives (see section “Energy” under Aspect A2 on pages 53 to 55). Scope 3 emissions incur throughout our value chain, and we employ the following measures to minimise such emissions.

- Cut business travels whenever possible through video conferencing;
- Select direct flights for unavoidable business trips;
- Purchase goods with sustainable materials and packaging;
- Promote paper recycling at office premises; and
- Establishment of small garden to cultivate resources for own-use.

Waste management

The typical waste generated in the Group’s office are paper and general waste. The majority of waste is disposed at the landfill by qualified contractors. The Group has also appointed EPD-approved licensed waste collector to collect failed rechargeable batteries and fluorescent light tubes. The Group has established clear procedures for disposal and management of office garbage and recyclable waste by allocating recycle bins in the offices. During the Reporting Year, the Group generated a total of 277.2 tonnes of non-hazardous waste, resulting in the non-hazardous waste intensity of 0.00022 tonnes per square metre for property segment and 0.00174 tonnes per hotel guest for hotel segment. The major applicable laws and regulations related to the control of waste include, but not limited to, the “Waste Disposal Ordinance” of Hong Kong.

The Group’s hotels strive to reduce the amount of waste that ends up in landfills through waste prevention and recycling. To avoid unnecessary paper waste, the Group’s hotels have implemented paperless check-in. The hotels have adopted the certified recycling FSC paper for hotel guest room paper collaterals. Non-hazardous waste of hotels includes food waste, paper and cardboard, plastics, metals, glass and others such as room amenities and linens. In FY2025, the Group generated a total of 3.3 tonnes of paper waste, with a majority of paper waste generated from property segment. The total amount of paper waste generated reduced 8% yoy compared to FY2024. The hotels strive to increase the recycle rate for the non-hazardous waste such as glass and plastic. The Group has established a working guideline on the food waste disposal produced from the kitchens. The Group also produces small quantities of hazardous waste, which is disposed of responsibly in accordance with the applicable regulations and procedures.

Seeking to contribute to the closed-loop economy, the Group will work closely with tenants and customers to curb waste generated in their daily operations wherever practicable, through the prevention, reuse, recycling and recovery of waste. We will continue to review the effectiveness of the existing initiatives. Upon considering the Group’s targets, the Group has taking into account the goal of carbon neutrality before 2050 that was introduced by HKSAR Government. The Group has set a target to reduce total waste intensities by 10% by FY2032 as compared with the baseline in FY2025 for property segment and hotel segment respectively. We have revised the base year from FY2022 to FY2025 as wider scope of waste was collected and disclosed in FY2025.

Non-hazardous Waste	Unit	FY2025 ⁽¹⁾	FY2024 ⁽¹⁾
– Property	tonnes	26.8	2.3
– Hotel	tonnes	250.4	1.3
Total non-hazardous waste generated	tonnes	277.2	3.6
– Property	tonnes	26.8	2.3
– Hotel	tonnes	250.4	1.3
Non-hazardous waste intensity⁽²⁾	tonnes per square metre (property)	0.00022	0.00002
	tonnes per hotel guest (hotel)	0.00174	0.00001

Note (1): Wider scope of waste was collected and disclosed in FY2025 while only paper consumption was included in FY2024. Paper consumption = paper inventory at the beginning of reporting period + paper added to inventory during reporting period – paper collected for recycling purposes – paper inventory at the end of the reporting period.

Note (2): Intensities were calculated by dividing the amount of non-hazardous waste by the gross floor area under property segment and by the total number of hotel guests under hotel segment.

We employ the following measures and initiatives to reduce the generation of non-hazardous waste, and raise recycling rates:

- Collect used paper and toner cartridges for recycling;
- Share documents through intranet and promote the use of electronic communications for disseminating notices, reporting on the latest activities, receiving suggestion, etc.;
- Adopt an electronic system for filing and documentation;
- Place tri-coloured bins to encourage sorting and recycling. Recyclable waste will be collected by third-party waste collectors for further handling;
- Participate in the “Commendation Scheme on Source Separation of Commercial and Industrial Waste” launched by Environmental Protection Department to facilitate the tenants to participate in waste separation and recycling in workplace;
- Recruit those Environmental Protection Department approved garbage disposal companies to clear-up and collect the wastes produced by tenants;
- Digital signages are installed at some sites of the property to reduce paper waste; and
- Implement Water Dispenser Machine as an eco-friendly alternative to plastic bottles.

Aspect A2: Use of resources

The Group is committed to continually monitoring and improving resource efficiency as an integral part of business strategy and operating methods, as well as complying with relevant government policies and environmental legislations. During the Reporting Year, the Group has encountered no incidents of non-compliance with all applicable laws and regulations related to the use of energy and water resources. Major laws and regulations applicable are detailed in respective sections.

Energy

The Group's energy profile consists of the consumption of auto-fuel, electricity and town gas for general business and hotel and catering operations. Electricity accounted for approximately 90% of total energy consumption, while auto-fuel and town gas accounted for approximately 4% and 6% respectively. The major applicable laws and regulations related to the control of energy include, but not limited to, the "Buildings Energy Efficiency Ordinance" of Hong Kong.

During the Reporting Year, the Group consumed a total of 997.3 mWh and 9,071.9 mWh of direct and indirect energy respectively, resulting in a total energy intensity of 0.0599 mWh per square metre for property segment and 0.0195 mWh per hotel guest for hotel segment. The total energy consumption decreased 2% yoy compared to FY2024.

Other than the existing initiatives, we strive to reduce our GHG emissions through lowering of our energy consumption from the major areas which include air conditioning, lift and lighting systems. The Group will continue feature upgrades of the building facilities and installations and monitor the electricity usage on a monthly basis and follow-up with those consumption exceeding the normal usage standards. The Group will continue to review the effectiveness of the existing initiatives. Upon considering the Group's targets, the Group has taking into account the goal of carbon neutrality before 2050 that was introduced by HKSAR Government. The Group has set a target to reduce the energy consumption intensities by 10% by FY2032 as compared with the baseline in FY2022 for property segment and hotel segment respectively. Compared to FY2022, the target of energy consumption intensities is in progress.

Energy consumption ⁽¹⁾	Unit	FY2025	FY2024
Direct	mWh	997.3	1,017.8
Gasoline	mWh	347.4	393.9
– Property	mWh	347.4	393.9
– Hotel	mWh	–	–
Towngas	mWh	649.9	623.9
– Property	mWh	76.9	75.3
– Hotel	mWh	573.0	548.6
Indirect	mWh	9,071.9	9,295.6
Electricity purchased	mWh	9,071.9	9,295.6
– Property	mWh	6,827.7	6,884.3
– Hotel	mWh	2,244.2	2,411.3
Total (Direct and Indirect)	mWh	10,069.2	10,313.4
Energy intensity⁽²⁾	mWh per square metre (property)	0.0599	0.0610
	mWh per hotel guest (hotel)	0.0195	0.0219

Note (1): The methodology adopted for energy conversion of the energy resources of the Group was based on “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX and the IPCC Default Net Calorific Values Database.

Note (2): Intensities were calculated by dividing the amount of energy consumption by the gross floor area under property segment and by the total number of hotel guests under hotel segment.

The Group is committed to minimising energy consumption. During the Reporting Year, the Group’s premises of operations have implemented the following initiatives:

- Replace heavy-polluting vehicles with more environmentally-friendly models;
- Maintain using energy-saving light bulbs and LED lights or T5 fluorescent tubes;
- Enable power saving modes for all electronic equipment and computers;
- Continually upgrade electronic equipment, servers, and monitors to energy efficient models;
- Continually maintain, repair and purchase ICT appliances and facilities for better performance;
- Switched off ICT equipment when leaving workplace and after office hours;
- Install green flat roofs which lower the indoor temperature;
- Install motion sensor for light energy conservation;
- Install timer to limit the energy consumption;
- Replace water heaters to enhance towngas consumption efficiency;

- Clean the air filter of the air-conditioners regularly to improve the cool air flow efficiency;
- Use variable speed drives to vary the flow of pump and fan systems according to the actual air-conditioning demand;
- Adopt inverter type air conditioning systems that can save considerable amount of energy;
- Conduct inspection and maintenance of air-conditioning and refrigeration appliances on a regular basis to prevent and minimise refrigerant leakage;
- Adopt water-cooled central air conditioning systems that can save considerable amount of energy;
- Engage a Registered Energy Assessor to certify the major retrofitting works that comply with the Building Energy Code;
- Take necessary actions in compliance with the “Building Energy Efficiency Ordinance” enacted by HKSAR Government in planning, design and construction of property development;
- Select prescribed products with Grade 1 or 2 energy label as stipulated under the Mandatory Energy Efficiency Labelling Scheme implemented by Electrical and Mechanical Services Department as far as practicable;
- Apply multifunctional copiers;
- Install solar powered light in the terrace of the restaurant outlet; and
- Set temperature at higher degree Celsius and constantly monitor temperature.

During the Reporting Year, one of the Group’s operating sites joined the event “WWF Hong Kong’s Earth Hour 2025” and obtained “Good Level” of Energywise Certification issued by Hong Kong Green Organisation Certification.

Water resources

The Group’s offices and facilities of property management and hotel and catering operations withdraw water from municipal water supplies. During the Reporting Year, it did not encounter any problems in sourcing water fit for purpose. Major applicable laws and regulations related to water use include, but are not limited to, “Waterworks Ordinance” in Hong Kong.

During the Reporting Year, the Group consumed a total of 15,572.7 and 25,052.0 cubic metre of water under the property and hotel segments respectively, resulting in a water consumption intensity of 0.1285 cubic metre per square metre for property segment and 0.1738 cubic metre per hotel guest for hotel segment. The total water consumption increased 0.3% yoy compared to FY2024.

The Group is committed to minimising water consumption. The Group will continue to promote concepts of water conservation to our tenants and customers. We will continue to review the effectiveness of the existing initiatives. Upon considering the Group's targets, the Group has taking into consideration the goal of carbon neutrality before 2050 that was introduced by HKSAR Government. The Group has set a target to reduce the water consumption intensities by 10% by FY2032 as compared with the baseline in FY2022 for property segment and hotel segment respectively. Compared to FY2022, the target of of water consumption intensities is in progress.

Water consumption	Unit	FY2025	FY2024
Total water consumption	m ³	40,624.7	40,511.2
– Property	m ³	15,572.7	16,757.2
– Hotel	m ³	25,052.0	23,754.0
Water consumption intensity⁽¹⁾	m ³ per square metre (property)	0.1285	0.1390
	m ³ per hotel guest (hotel)	0.1738	0.1755

Note (1): Intensities were calculated by dividing the amount of water consumption by the gross floor area under property segment and by the total number of hotel guests under hotel segment.

We will continue to strive to reduce the water consumption. During the Reporting Year, we have employed the following saving measures:

- Promote the awareness of water conservation among housekeeping, kitchen staff;
- Inspect the hotel's water facilities to ensure no leakage on a regular basis;
- Make use of dual-flush toilet systems to save water and reuse bleed-off water from fresh water cooling tower system for flushing purpose;
- Install automatic sensor water taps to save water;
- Give priority to effective water-saving products in purchasing decisions;
- Check the hoses and pipes for leaks, cracks, and other damage regularly and repair it in a timely manner; and
- Select the plumbing fixtures and water-consuming devices with Water Efficiency Grade 1 or 2 as stipulated under the Water Efficiency Labelling Scheme implemented by Water Supplies Department as far as practicable.

During the Reporting Year, one of the Group's operating sites joins and obtains the "Gold" grades under the Quality Water Supply Scheme for Buildings – Fresh Water (Management System) and Quality Water Supply Scheme for Buildings – Flushing Water.

Packaging material

Due to the nature of the Group's business, the Group does not manufacture physical products for sale, while packaging materials for property and hotel operations are negligible. Therefore, as the Group deemed packaging consumption was not a material topic, it did not disclose any data for the Reporting Year. However, the Group makes efforts to reduce or avoid the use of excessive packaging and/or decorative material, such as the packaging material used is sustainably sourced, recyclable and biodegradable. To comply with HKSAR Government regulation on the ban of single-use plastics, the hotels operated by the Group transitioned all the materials to non-plastic alternatives with environmentally friendly materials, such as crafted from paper, plant fiber, and bamboo, for both hotel guest room amenities and food and beverage takeaway items since 2024.

Aspect A3: The environment and natural resources

The Group is committed to providing a complete picture of our environmental impacts. As a business providing property related services and hotel operation services, we are engaged in the organisation and management of corporate events. We constantly seek to integrate sustainability principles into the event management, such as aiming to reduce waste generated during events. During the Reporting Year, the Group hosted the "Be Green Workshop: Plastic Reduction" for the colleagues to raise their environmental awareness. The Group strives to build an eco-conscious culture that ingrains positive lifestyles and habits among employees. It encourages employees to opt for public transportation when commuting to and from offices. The Group also provides eco-friendly office supplies and reusable cups and kitchenware.

Climate change and related disclosures

Climate change adaptation and mitigation is no longer only a subject of international agenda, but highly relevant to all members of society. Companies are becoming increasingly aware of the potential impacts of the climate change risks, as well as the opportunities to transit to a low-carbon economy. Albeit in the early stages, the Group has commenced integrating the climate change risks and opportunities into our business strategies.

Governance

The Board has the overall responsibility for overseeing climate-related risks and opportunities. It has established an ESG working group to facilitate the management of climate related risks and opportunities. The Board, with the support from the audit committee and the ESG working group, reviews and addresses the climate-related risks and opportunities.

To further enhance the Group's capability to respond to climate-related risks and opportunities, the Group arranges the climate-related trainings on a regular basis for the Board, the management and the operating team in the form of internal trainings and/or reading materials on climate-related matters, so as to ensure they have sufficient knowledge, skills and competencies to understand how the climate change may affect the Group and oversee the Group's climate-related strategies. Any external seminars and exhibitions will also be attended by the management team and the operating team to further enhance the knowledge, skills and competencies to respond to climate-related matters. In the future, the Group will continue to arrange trainings on a regular basis to ensure that any latest relevant laws and regulations together with the latest trends of the climate change will be informed to the Board, management and the operating team.

The Board holds meeting with the ESG working group and the audit committee annually to discuss ESG matters and ESG-related risks and opportunities, with approximately one quarter of the board meeting discussing the climate-related risks and opportunities during the Reporting Year. The ESG working group convenes meeting semi-annually to ensure it keeps up to date with the Group's latest climate change issues, while the operating units convene meeting at least semi-annually with the presence of at least one member of the ESG working group, to discuss any latest climate-related issues, for example any latest rules and regulations, that affect the Group.

The Group values the importance of sustainability and strives to reconcile its commercial objectives with sustainable development, social prosperity and well-being. Taking into account our responsibilities to our environment, people, tenants and customers and community, our ESG policy provides principles and guidance on integrating sustainability considerations into our strategy and operations. The Group strives to balance between cost and effectiveness for the climate-related risks and opportunities. We also embed ESG opportunities and awareness in the Group's daily operation processes.

After the targets are set, the ESG working group reviews the progress towards targets on a regular basis and discusses the actions for further improvement on a semi-annual basis, and reports to the Board annually. ESG working group also reviews the performance of ESG key performance indicators and hold meeting with operating units to discuss the short term goals and targets together with the action plans of achieving the targets. Currently, the Group did not include any related performance metrics in the remuneration policies.

ESG working group is delegated by the Board to monitor and oversee the management of ESG issues, including climate-related risks and opportunities. While the audit committee is delegated by the Board to oversee and review the effectiveness of the Group's risk management and internal control systems.

To ensure the effectiveness of the risk management and internal control systems, the internal audit function is responsible for evaluating and improving the effectiveness of risk management, control processes and governance practices. Internal audit function also performs risk assessment to evaluate the key risks associated with the Group on an annual basis, covering areas relating to sustainability, including but not limited to climate-related risks. It conducts an internal audit annually to review the implementation of internal control and provide recommendations. It also conducts an annual review of the adequacy of resources for the Group's ESG performance and reporting. It reports to the audit committee annually.

Strategy

The Group has identified the following climate-related physical and transition risks that are currently under the Board's radar. The Group will further enhance the eco-efficiency of the operations and strengthen the resilience of the operations to climate-related risks. The operations strive to improve their environmental performance.

Risk	Potential impacts on business model and value chain	Steps taken and mitigation measures	Financial impact ⁽¹⁾	Time horizon ⁽²⁾
Physical Risk				
Acute risk: Increased frequency and severity of extreme weather such as typhoons, storms, floods, heatwaves and heavy rains	<ul style="list-style-type: none"> - Extreme weather causing transportation suspension will affect employee reporting duties and may in turn disrupt the Group's operations - Power grid and communication infrastructure damages may cause operation suspension - Pose a damage to the Group's properties - Lower the Group's revenue owing to the extreme heat and extreme weather which may cause an impact to the tourists' willingness to visit - Increase the insurance premiums regarding the potential property damages - Cause the disruption of upstream supply chain and impact the Group's operations 	<ul style="list-style-type: none"> - Flexible working arrangements and precautionary measures during bad or extreme weather conditions - Provide extreme weather transportation allowances to the employees when necessary - Formulate emergency plans to deal with extreme weathers, which aims to reduce the disruption and loss due to suspension of operations - Conduct property enhancement initiatives to prevent and alleviate impacts due to extreme weather events - Undertake regular checks and maintenance of the properties - Purchase comprehensive insurance coverage for our properties and staff - Deliver safety training and guidance to the employees - Diverse supplier base to ensure stable supply of products and services 	<ul style="list-style-type: none"> - Decrease in revenues due to business disruption and drop in business demand - Increase in operating costs for repair and maintenance of properties and insurance premiums - Increase in capital expenditures for mitigation and resilience measures - Decrease in asset value of properties due to damage to properties 	Short term
Chronic risk: Rising in mean temperatures and rising sea level	<p>Rising mean temperatures:</p> <ul style="list-style-type: none"> - Leading to extreme heat while severe weather and hot weather causing impact on staff especially those who are working outdoor - Impact tourists' willingness to visit and cause a drop in business demand <p>Rising sea levels:</p> <ul style="list-style-type: none"> - Leading to coastal flooding which will cause damage to the properties and in turn increase cost for repair and maintenance - Cause potential risk on damages on the Group's properties which will in turn increase insurance premiums 	<ul style="list-style-type: none"> - Explore the feasibility of installation of facilities to lower indoor temperature - Regularly review and maintain air-conditioning and cooling systems to ensure operational efficiency - Initiate energy saving measures - Conduct property enhancement initiatives to prevent and alleviate impacts due to coastal flooding - Purchase comprehensive insurance coverage for our properties and staff 	<ul style="list-style-type: none"> - Decrease in revenues due to drop in business demand and lowered labour productivity - Increase in operating costs for cooling and air-conditioning, repair and maintenance of properties and insurance premiums - Increase in capital expenditures for enhancement of energy efficiency and mitigation and resilience measures - Decrease in asset value of properties in the medium to long term due to damage to properties 	Long term

Risk	Potential impacts on business model and value chain	Steps taken and mitigation measures	Financial impact ⁽¹⁾	Time horizon ⁽²⁾
Transition Risk				
Policy and legal risk: - More stringent climate and environmental legislations, rules and regulations - Goal of carbon neutrality before 2050 introduced by HKSAR Government	- Require extra capital investment and compliance costs to fulfill the more stringent requirements - Decline in corporate reputation due to failure to comply with requirements for climate change	- Monitor existing and emerging trends, policies and regulations relevant to environmental and climate change on a regular basis - Raise the awareness to avoid cost increments, non-compliance fines and/or reputational risks due to delayed response	- Increase in operating costs for compliance - Increase in capital expenditures for replacing/acquiring assets in compliance with latest legislation requirements	Short to medium term
Market risk: - Increased awarenesses to climate change from the tenants and customers - Increased costs of utilities and low-carbon materials	- Shift in the preference of tenants and customers to green and climate resilient properties and sustainable hospitality will decrease the competitive edge of the Group with the confrontation of more sustainable competitors - Input price and output price are expected to change, such as energy and waste treatment	- Analyze market trends on a timely basis and take appropriate actions when necessary - Maintain close communication with our tenants and customers to understand their expectations and provide support wherever appropriate to increase customers' loyalty - Communicate and encourage employees, tenants and customers to reduce GHG emissions in daily operations whenever practicable - Adopt energy efficiency measures - Use low-carbon and energy-efficient products and materials	- Negative impact on revenues due to the loss of tenants and/or customers if fail to meet market expectations - Increase in operating costs and capital expenditures to meet market expectations - Decrease in asset value in the medium to long term if property sustainability fail to meet market expectations - Increase in operating costs for utilities and procurement of food and beverage and room amenities	Long term
Technology risk: - Substitution of existing assets with lower carbon emissions options	- Early retirement of existing assets with high emissions	- Find substitution products with lesser subsequent operating costs to offset the high initial replacement costs	- Increase in capital expenditure for replacing assets	Short term
Reputation risk: - Rising public demand for decarbonisation efforts	- Damage to reputation if fail to demonstrate decarbonisation efforts	- Maintain transparency on ESG issues to build trust and confidence among our stakeholders	- Increase in operating costs and capital expenditures to meet stakeholders' expectation	Long term

Note (1): Quantitative information of financial impact is not provided as the level of measurement uncertainty involved in estimating that impact is so high that the resulting quantitative information would not be useful. Reasonable information relief was applied to the amount and percentage of assets or business activities vulnerable to or aligned with climate-related transition risks, physical risks and opportunities.

Note (2): Short term is defined as one to five years, medium term is defined as six to ten years, and long term is defined as more than ten years. We have considered the time frame after taking into account the alignment with the environmental and GHG reduction targets for short and medium term and the goals of the Climate Action Plan 2050 implemented by the HKSAR Government for long term.

Note (3): Commercial sensitivity relief was applied to the climate-related opportunities.

Note (4): Reasonable information relief and capabilities relief were applied to the climate-related scenario analysis.

Note (5): The Group currently does not have a climate-related transition plan.

During the Reporting Year, the Group deployed approximately HK\$4,587,000 capital expenditures towards climate-related risks and opportunities. The Group planned to maintain adequate funds for mitigation measures for the identified risks and seizing opportunities.

Risk Management

Our Group conducts enterprise risk assessment at least once a year to cover the current and potential risks faced by our Group's business, including, but not limited to the risks arising from the ESG aspects such as climate change. The Group has formulated contingency plans to deal with extreme weather, which aims to reduce the disruption and loss due to suspension of operations. The Board, with the support from the ESG working group, reviews the impact of climate change on the Group's operation on a regular basis and formulates measures in response to the different risks occur to the Group and achieve sustainable operations in the future.

Climate-related risks have been integrated into the Group's risk management framework to ensure the risks are properly identified, assessed, prioritised, managed and reported. The Group adopts the following processes to identify, assess, prioritise and monitor the climate-related risks:

Identify, assess and prioritise the climate-related risks

The list of climate-related risks are identified by discussing with the department head of the operating units, comparing to the industry peers, and referencing from the policies issued by the regulatory authorities. The ESG working group consolidates and manages the climate-related risks identified by the external sources and departments. After identified the list of risks, the ESG working group will then consider criteria, including but not limited to assessment of the likelihood of the occurrence and the significance effects of the list of risks, the impact to the Group and the resources needed to spend to recover the risks. Risks with higher potential impact and higher likelihood are given higher priority. Mitigation measures are developed to minimise the impact of such risks.

Monitor the climate-related risks

The Board is responsible for overseeing the risk management and internal control systems to ensure that the communications of the core values, strategic planning and operational guidelines throughout the Group are effective. The Audit Committee supports the Board in reviewing the risk management and internal control systems to ensure that effective controls are in place. The internal audit function assesses the effectiveness of the risk management and internal control systems once a year. It reports the assessment results and makes recommendations to the Audit Committee regularly. The Group selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal controls are present and functioning. The Group also evaluates, monitors and communicates climate-related risks in a timely manner to those parties responsible for taking corrective actions, including senior management and the Board, as appropriate. The Group is committed to controlling the risks by implementing initiatives, such as purchasing insurances to cover the potential risks from flooding, typhoons, etc., and taking into account the climate-related risks during property maintenance and refurbishment.

Metrics and Targets

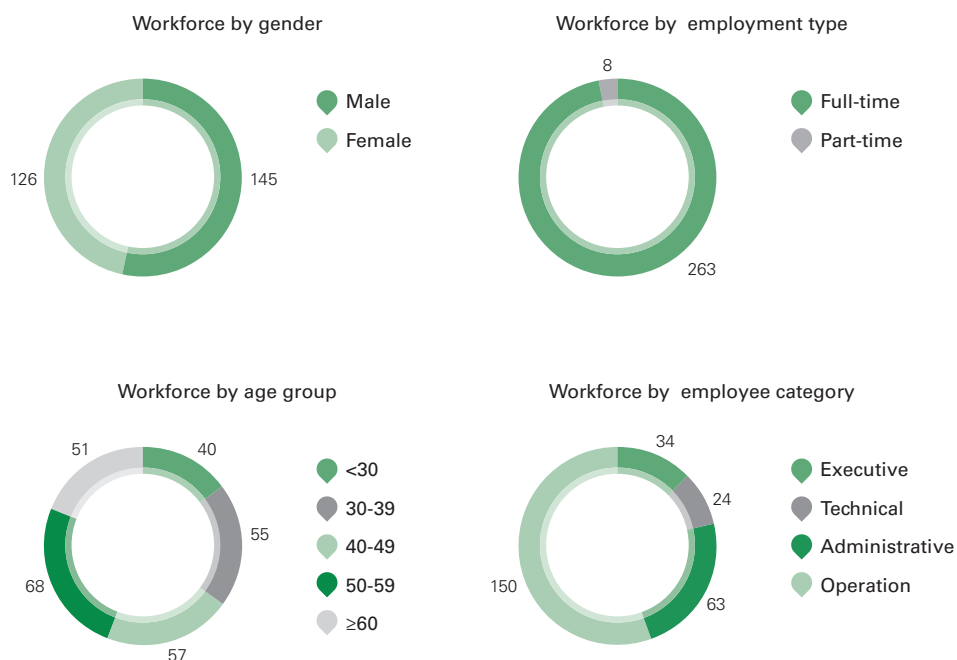
The Group strives to reduce the emissions, waste generation, as well as conserving energy and water resources. As such, the Group has established carbon reduction targets and initiatives to prepare for the transition to a low carbon economy. For information regarding the GHG emissions and targets together with the performance against climate-related targets and the changes in the Group's performance, please refer to the "Greenhouse gas emissions" on pages 48 to 51 of this annual report. For other emission targets, please refer to the details in the respective sections. The targets and the methodology for setting the targets have not been validated by a third party. Regarding monitoring the progress of the targets, the ESG working group assist the Board to review the targets and the performance on a regular basis and assess whether any revision is required. The revision of the target and the performance together with any assessment of the revision will report to the Board at least once per year. Regarding GHG emission targets, they are not derived using a sectoral decarbonisation approach, and currently no plan of using carbon credits to offset GHG emissions to achieve the GHG emission targets. Regarding the cross-industry metrics, the reasonable information relief is applied. The Group does not apply a carbon price in the decision making and does not factored the climate-related considerations into remuneration policies.

SOCIAL RESPONSIBILITY

The Group ingrains social responsibility into all aspects of its operations. Maintaining honest and authentic dialogue with staff, the Group seeks to address to their needs and views and to ensure our conduct being responsible at all times. We commit to offer a fair and safe workplace with staff development opportunities. Furthermore, the Group commits to the delivery of quality products grounded on ethical business conduct and supply chain management, as well as to meaningful engagements with the community.

Aspect B1: Employment

As at the end of the Reporting Year, the Group employed 271 employees, of which 145 and 126 are male and female staff respectively. The Group employed 263 and 8 full-time and part-time staff respectively, with the majority in the age group of 50-59. All of the above employees are located in Hong Kong.



Year	FY2025	FY2024
Group	271	265
Workforce by gender		
Male	145	143
Female	126	122
Workforce by employment type		
Full-time	263	257
Part-time	8	8
Workforce by age group		
<30	40	44
30-39	55	49
40-49	57	60
50-59	68	62
≥60	51	50
Workforce by employee category		
Executive	34	35
Technical	24	25
Administrative	63	60
Operation	150	145

Note: The employment data in headcount was based on the employment contracts entered into between the Group and our employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on “How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs” issued by HKEX.

Based on the principles of fairness and equality, the Group's Hong Kong staff handbook stipulates clear policies relating to relevant labour laws, regulations and industry practices, covering areas such as compensation, dismissal, promotion, working hours, recruitment, rest periods, equal opportunities, diversity and other benefits and welfare. During the Reporting Year, the Group has encountered no incidents of non-compliance with all major applicable laws and regulations related to employment. Major laws and regulations applicable include, but are not limited to, "Employment Ordinance", "Employees' Compensation Ordinance", "Minimum Wage Ordinance", "Sex Discrimination Ordinance", "Disability Discrimination Ordinance", and "Race Discrimination Ordinance" in Hong Kong. The Group's policies and procedures included in the staff handbook are reviewed and updated on a regular basis. The Group discourages and disallows any behavior that violates the regulations in the staff handbook. Offenders will receive warning, and the Group has the right to terminate employment contract with offenders for any serious violations.

Remuneration and welfare

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance and experience. The promotion and remuneration of the Group's employees are subject to annual review. Permanent employees enjoy benefits such as medical coverage, a wide variety of paid leave including study, maternity, paternity and compassionate leave. Employees in Hong Kong are entitled to the defined contribution retirement scheme. Details are set out in the staff handbook to ensure information transparency on the responsibilities and rights of employees.

Recruitment, promotion and dismissal

The human resources department conducts a comprehensive recruitment review process to ensure that the data provided by the candidates is accurate. The Group's recruitment and promotion process are carried out in a fair and open manner for all employees; employees are recognised and rewarded by their contribution, work performance and skills, and outcomes will not be affected by any discrimination on the grounds of age, sex, marital status, family status, race, disability, nationality, religion, political affiliation and sexual orientation and other factors. We would also consider evaluation from references and nominators, if applicable, especially for higher position staff. In the case of dismissal, the staff handbook is adhered to which ensures the entire procedure is compliant with statutory requirements.

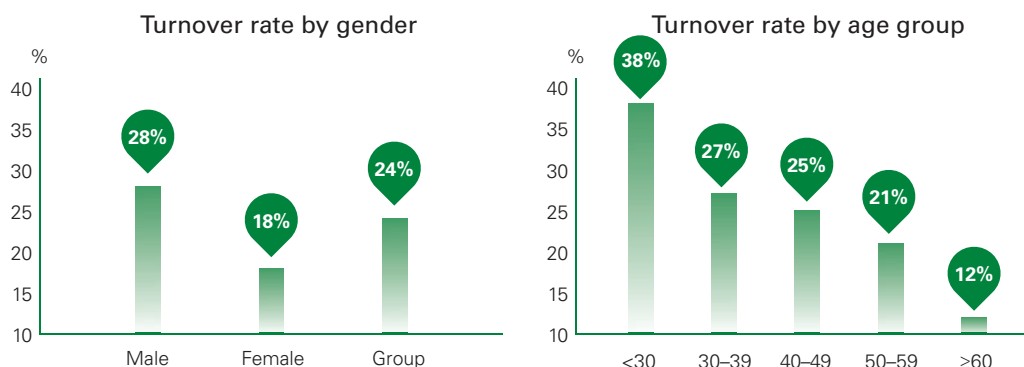
Anti-discrimination and diversity

The Group is an equal opportunity employer and does not discriminate on the basis of age, sex, marital status, family status, race, disability, nationality, religion, political affiliation and sexual orientation. We embrace inclusive employment that builds a respectful workplace. The Group strives to ensure a safe and secure workplace with zero tolerance to any form of abuse and/or sexual harassment in the workplace.

Employee communications

The Group aims to build mutual understanding and trust which contributes to a constructive working environment and organisational success. We also seek to cultivate a culture of healthy work-life balance for the employees. To encourage social bonding in the workplace, the Group has also arranged recreational events during the Reporting Year, such as Christmas celebration, monthly birthday celebrations, interest classes and charity events.

During the Reporting Year, the Group's employee turnover rate was 24% in Hong Kong. The charts and table below present the turnover rate by gender and age.



Year	FY2025	FY2024
Group	24%	28%
Turnover by gender		
Male	28%	30%
Female	18%	25%
Turnover by age group		
<30	38%	48%
30-39	27%	35%
40-49	25%	27%
50-59	21%	18%
≥60	12%	18%

Note: The turnover data in headcount was based on the employment contracts entered into between the Group and our employees. The turnover rate was calculated by dividing the number of employees who resigned during the year by the number of employees as at the end of reporting year. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

Aspect B2: Workplace health and safety

It is of paramount importance to ensure a safe and healthy workplace for our employees. The Group's management team is responsible for identifying any actual and potential hazards and risks to each individual, work towards a safe and hygienic work environment and to ensure that our work environment is adhered to the requirements of relevant laws and regulations. During the Reporting Year, the Group has encountered no incidents of non-compliance with all applicable laws and regulations related to occupational health and safety. Major laws and regulations applicable include, but are not limited to, "Occupational Safety and Health Ordinance" and "Employees' Compensation Ordinance" in Hong Kong.

The Group spares no effort to safeguard the safety of our employees and workplace. We adopt the best practices through the following safety policies and procedures.

- Implement 24-hours comprehensive security measures and facilities at our properties;
- Improve, maintain and regularly clean ventilation systems to ensure workplace air quality;
- Provide emergency fire equipment such as sprinkle system, fire shutter and Manual Fire Alarm System;
- Provide safety equipment such as safety helmets, dust masks, ear plugs and goggles to applicable employees;
- Choose materials with no or low volatile organic compounds contents for renovation works of our properties;
- Conduct regular pest control in common area in offices and operating sites including hotels;
- Establish safety guidelines and practices to ensure healthy and safe working conditions for the employees;
- Conduct regular inspections and investigate any reported unsafe conditions;
- Conduct rescue, fire and evacuation drills on a regular basis and according to statutory requirements;
- Conduct regular safety inspections to identify non-conformities (e.g. misused protective device) as early as possible;
- Hold safety trainings, seminars and workshops on a regular basis in order to raise awareness of occupational safety;
- Develop safety procedures of using the cooking utensils for kitchen staffs in hotels;
- Provide adequate first-aid facilities, and training for first-aid certification; and
- Establish crisis management plan for reporting hazards, injuries and illnesses.

During the Reporting Year, the Group's operations recorded no fatality over the past three financial years, and 66 lost days due to work injury in FY2025. Safety-related training were also held which raised staff awareness regarding the latest regulatory updates as well as safe operational procedures.

Year	FY2025	FY2024	FY2023
Number of work-related fatalities	0	0	0
Lost days due to work injury	66	53	246

Note: The methodology adopted for reporting the number and rate of work-related fatalities set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

Aspect B3: Development and training

The Group regards our staff as the most valuable assets. The Group dedicates significant resources to attract and retain talented employees, and to ensure that staff grow in competence and skill sets alongside the business.

Internal training programmes include cyber security, ESG, personal data protection, anti-corruption, anti-money laundering and counter-financing of terrorism, property leasing and building management. To further promote continuous development, staff are encouraged to attend external programmes. The Group provides education subsidy and related reading materials for eligible staff to engage in programmes that enrich their job knowledge. In terms of executive level training, the Group's directors attend training sessions and are briefed regularly on the listing rules to ensure compliance and upkeep of good corporate governance practices.

During the Reporting Year, a total number of 207 employees have attended training, of which 99 and 108 were male and female respectively. In terms of employee category, 30, 18, 43 and 116 of employees trained were of executive, technical, administrative and operation respectively.

During the Reporting Year, the Group has provided a total of 2,319 training hours for staff, which averages to 8.9 and 8.2 hours per male and female staff. In terms of employee category, an average of 16.9, 18.0, 7.1 and 6.2 training hours per staff were received by executive, technical, administrative and operation respectively.



Year	FY2025	FY2024
Group	76%	79%
Percentage of employees trained by gender		
Male	68%	74%
Female	86%	85%
Percentage of employees trained by employee category		
Executive	88%	89%
Technical	75%	76%
Administrative	68%	72%
Operation	77%	81%
Group	8.6	9.8
Average training hours per employee by gender		
Male	8.9	9.8
Female	8.2	9.7
Average training hours per employee by employee category		
Executive	16.9	17.1
Technical	18.0	12.8
Administrative	7.1	10.4
Operation	6.2	7.2

Note: Training refers to the continuing development through guides, seminars, webinars, training, etc. that the Group's employees attended during the year. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

Aspect B4: Labor Standard

The Group prohibits all forms of child labour and forced labour or modern slavery, as defined by "Employment Ordinance". The Group's human resources department are responsible to monitor and ensure compliance with latest relevant laws and regulation prohibiting child labour and forced labour. Prior to employment, all the applicants are required to go through background check.

The Group has established and implemented the staff handbook which contains clear policies relating to relevant labour laws, regulations and industry practices, covering areas such as compensation, dismissal, promotion, working hours, recruitment, rest periods, equal opportunities, diversity and other benefits and welfare.

During the Reporting Year, the Group has encountered no incidents of non-compliance with all applicable laws and regulations related to anti-child and anti-forced labour practices. Major laws and regulations applicable include, but are not limited to, "Employment Ordinance" in Hong Kong.

Aspect B5: Supply chain management

The Group is committed to developing and maintaining effective and mutually beneficial working relationships with our business partners, mainly suppliers and contractors from Hong Kong. During the Reporting Year, the Group has encountered no incidents of non-compliance with all related laws and regulations in Hong Kong.

The Group's supplier code of conduct requires full compliance to all applicable laws. Our suppliers are also required to go beyond compliance to ensure their environmental and social impacts are given consideration. We required them to comply with all applicable social and environmental laws, such as "Statutory Minimum Wage" in Hong Kong. The Group procured from a total of 916 suppliers in Hong Kong, which includes building services, renovation works and food and beverage during the Reporting Year.

The Group has set up a stringent supplier selection policy and a performance assessment to ensure suppliers can compete under an open and fair mechanism. Before engaging a new supplier (including contractors), the Group will fill in a pre-acceptance assessment form and evaluate the background and track records of the suppliers. Only suppliers that can fulfil the Group's requirements are qualified as approved suppliers and included in approved contractors and suppliers list. Moreover, the Group will undergo performance assessment on the existing approved suppliers upon completion of each assignment/engagement to ensure their performance standards are up to the Group's requirements and contract specifications. Suppliers are also required to submit a declaration form in compliance with the Group's ethical commitment clauses of works contract and a certificate confirming compliance with ESG standards.

Furthermore, the Group gradually takes environmental consideration into account in the procurement process. To gradually integrate the environmental vision into the procurement of product supplies, the Group avoids disposable products and chooses suppliers who provide durable products with less packaging materials. Priority will be given to environmentally friendly materials and office goods, so as to raise the suppliers' awareness of sustainable development.

The Group conducts supply chain ESG risks assessment to identify and manage ESG risks along the supply chain.

Aspect B6: Product responsibility

The Group offers quality services grounded on responsible operating practices. We commit to meeting customers and tenants needs through innovation and sound business ethics.

Product quality and safety

Assuring the quality and safety of our services are of topmost importance. The Group mainly engages in hotel operations and property-related services. The Group manages a wide range of properties from commercial to high-end residential and mixed-use in Hong Kong, including dog-friendly hotel rooms. During the Reporting Year, the Group has encountered no incidents of non-compliance with all applicable laws and regulations related to service quality and safety in Hong Kong. Major laws and regulations applicable include, but are not limited to, "Landlord and Tenant (Consolidation) Ordinance", "Hotel and Guesthouse Accommodation Ordinance", "Public Health and Municipal Services Ordinance", "Buildings Ordinance", "Fire Services Ordinance", "Fire Safety (Commercial Premises) Ordinance", "Fire Safety (Buildings) Ordinance" and "Fire Safety (Industrial Buildings) Ordinance" in Hong Kong.

The Group strives for improvement to service quality through implementing the following processes.

- The property management teams conduct surveys from customers on a regular basis to evaluate the quality of services;
- Customer complaints are handled by a formal complaint mechanism in a fair and systematic manner. In FY2025, no material complaints has been received;
- Cross-department meetings chaired by top management were held on a regular basis for the improvement in the service quality;
- Inspections for external contractors' workmanship and adherence to specifications and on-site checks are conducted to ensure workmanship and adhere to specification; and
- Conduct contractors' performance appraisals upon completion of works to evaluate the quality of the contractors' work.

Regarding the complaints handling, all the managers in the hotels are fully trained to handle the customer complaints in a professional and sincere ways. Under the formal complaint mechanism, all the complaints will be investigated by the designated manager on duty and redirected to the appropriate departments for further follow up.

Regarding the food and beverages, the hotels have implemented strict procedures and measures from food sourcing from suppliers, storage and delivery, food preparation to serving to the customers. The standard of hygiene and food safety are maintained at every step of the processes. The hotels also carry out regular inspections on the food preparation processes, food storage and food hygiene conditions to ensure the food handlers are strictly follow the stringent standards in food handling and hygiene. If any food ingredients of the food products are proved as contaminated, the hotels will stop using it immediately and recall food products for destruction, if necessary. During the Reporting Year, the Group did not have any major incident of food recall due to food safety issue.

Ethical operating practices

The Group places great value in conducting all aspects of our businesses with integrity and honest values. From protection of data privacy and intellectual property to ethical marketing communication, our robust management approaches ensure all aspects are not overlooked. During the Reporting Year, the Group has no incidents of non-compliance with all applicable laws and regulations related to data privacy, advertising, labelling matters in Hong Kong. Major laws and regulations applicable include, but are not limited to, “Personal Data (Privacy) Ordinance” and “Competition Ordinance” in Hong Kong.

Personal data privacy protection

The Group is committed to protecting privacy and confidentiality of the collected personal data. The Group has established internal policies on handling personal data recorded from our customers, tenants and employees. We collect data only in a lawful and fair way, for directly related purposes of which the data subject is clearly notified. Adhering to policy requirements, the Group maintains the personal data inventory which is secured to prevent any unauthorised or accidental access. Data integrated into the hotels’ systems is stored at secured cloud-based data center governed by audit department and risk control of the service provider. We ensure the data is accurate and not kept longer than necessary. The data will be used in the proper context only for authorised business purposes and shall be accessible only to those staff who have a legitimate need to know. Major laws and regulations applicable include, but are not limited to, “Personal Data (Privacy) Ordinance” in Hong Kong.

We conduct periodic assessment to ensure our policies are most up-to-date. Building a culture of zero tolerance is dependent on effective communication of policies. Thus, the Group invests resources on related training and education.

Intellectual property rights protection

According to the Group’s policy, employees have the responsibility to protect the Group’s intellectual property rights, including patents, trademarks, brand name and other related rights. Employees are not allowed to damage, delete or take advantage of any asset or documents without the Group’s approval.

Advertising and product labelling

Responsible marketing practices are crucial to gaining customer trust and confidence. The Group has established clear guidelines on the ethical usage of all forms of sales promotion, as well as direct marketing and digital marketing communications. All sales promotions should meet reasonable consumer expectations, as well as be administered prompt and efficient. All direct marketing and digital marketing communications should uphold transparency. Ongoing assessment of policies are conducted through periodic assessment.

Aspect B7: Anti-corruption

The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability. We adopt the lowest level of acceptance for corruption risks to build a culture of zero tolerance to corrupt and anti-competitive practices. During the Reporting Year, the Group has encountered zero concluded legal cases regarding corrupt practices brought against the Group or our employees and no incidents of non-compliance with all applicable laws and regulations. Major laws and regulations applicable include, but are not limited to, “Prevention of Bribery Ordinance”, “Anti-Money Laundering and Counter-Terrorist Financing Ordinance” in Hong Kong.

The development of robust internal controls is the key to our management approach. We have established a code of conduct on the prohibition of bribery and corruption, acceptance/offering of gifts/advantages and abuse of office, as well as the declaring of conflict of interests. The soliciting or accepting of advantages from parties as a reward for or inducement to doing any act in relation to the Group's business is strictly prohibited. Guidelines make it clear to all staff the criteria the acceptance and offering of gifts and advantages becomes beyond that of a courtesy/token gift. Senior management is also clearly provided guidance on what constitutes abuse of office, such as regarding the misuse of Group's assets for personal interest. With regard to conflict of interests, the fundamental rule is to avoid any conflict of interest as far as practicable.

The Group has implemented whistleblowing policy to encourage employees and related third parties who deal with the Group to voice any suspected misconduct, malpractice, illegal acts or failure to act. Employees who breach the anti-corruption policy will face disciplinary action, which could result in dismissal for serious misconduct. The Group has no tolerance to any corruption and set whistleblowing policy to report any corruption. Whistleblowers can report via email directly to the audit committee and the company secretary with regards to any suspected misconduct with full details and supporting evidence.

The Group promotes fair and open competition through our code of conduct on combating against anti-competitive practices. Our policies outline clear guidelines that prohibit cartels, and any activities of trade associations and industry bodies which prevents, restricts or distorts competition. The abuse of market power, such as in the form of predatory pricing, anti-competitive tying and bundling, exclusive dealing, are also forbidden. The Group recognises that adherence to the principles of competition is essential to the development of long-term relationships with our stakeholders on mutual trust.

The cultivation of a corporate culture of integrity and probity is reliant upon the Group's anti-corruption training. During the Reporting Year, the Group held internal training and invited Independent Commission Against Corruption ("ICAC") to provide training regarding the anti-corruption and anti-money laundering, for example, corruption prevention measures and guidance. The Group also sent out the anti-corruption materials, ICAC and Estate Agents Authority ("EAA") circular, to the staff and directors. Other than that, some of our staff also attended other anti-corruption trainings held by other organisers, such as ICAC and EAA. To ensure the continuous enhancement of our anti-corruption internal controls, the Group conducts annual corruption risk assessments.

Aspect B8: Community investment

Despite the challenging market and economic conditions, the Group is committed to contributing to socio-economic development, community well-being and sustainability. For the Group's long-term development, community participation is important. As a responsible corporate citizen, the Group is constantly aware of the needs and is committed to promoting development activities of the community at which the Group operates. The Group also encourages staff to spend time and efforts in various community projects and make contributions to the community. During the Reporting Year, the Group has made a total of HK\$3,864,000 (FY2024: HK\$3,001,000) donations to the charitable organisations and activities including the donation of HK\$1,000,000 for the Support Fund for Wang Fuk Court in Tai Po, and the donation for The Community Chest of Hong Kong and Tung Wah Group of Hospitals, and organised some volunteer activities such as site work at animal shelter, Peak to Fong charity walk, elderly visit and storytelling with children, and participated in box of hope for underprivileged children.

APPENDIX

INDEPENDENT ASSURANCE STATEMENT

To the board of directors of Tai Sang Land Development Limited

We have undertaken a limited assurance engagement of the specific Environmental, Social And Governance (“ESG”) report of Tai Sang Land Development Limited (referred to as the “Company”) for the year ended 31 December 2025, as identified in the ESG Report.

The Company’s Responsibility

Pursuant to Environmental, Social and Governance Reporting Code (“ESG Code”) as set out in Appendix C2 to the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited, the Company is responsible for the preparation of the ESG report in accordance with the ESG Code. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of ESG report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the ESG report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 (Revised)”) and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the ESG report is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of the Company’s use of ESG Code as the basis for the preparation of the ESG report, assessing the risks of material misstatement of the ESG report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, as well as evaluating the overall presentation of the ESG report and the compliance with “comply or explain provision” of the ESG Code regarding the disclosure of key performance indicators (“KPIs”).

Our Responsibility (Continued)

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Within the scope of our work we performed amongst others the following procedures:

- Evaluated the suitability in the circumstances of the Company's use of ESG Code, as the basis for preparing the ESG report;
- Through inquiries, obtained an understanding of the Company's control environment, processes and information systems relevant to the preparation of the ESG report, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates;
- Tested a limited number of items to or from supporting records, as appropriate;
- Performed analytical procedures by comparing the data in environmental performance year-by-year and made inquiries of management to obtain explanations for any significant fluctuations we identified;
- Considered the presentation and disclosure of the ESG report;
- Contained sufficient appropriate evidence from the Company's operating system to determine if the disclosure of both qualitative and quantitative KPIs is objective, accurate and complete enough for the assurance conclusion; and
- Performed sufficient sensitivity analyses to consider the appropriation of data and assumption used in preparing future-oriented information of KPIs.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's ESG report has been prepared, in all material respects, in accordance with the ESG Code.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's ESG report including the aspect of KPIs for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the ESG Code.

BMI ENVIRONMENTAL CONSULTANCY LIMITED

Hong Kong, 27th March 2026

At Tai Sang Land Development Limited (“TSLD”), we aim to provide quality spaces and services while reducing our environmental impact. Sustainability guides how we invest, manage, and grow, and it is reflected in day-to-day decisions across our portfolio.

Across our property investment and management operations, we continue to adopt greener and more resource-efficient practices. These include installing renewable energy systems such as the solar panels, expanding greenery, improving energy performance, and reducing carbon footprint of our assets.



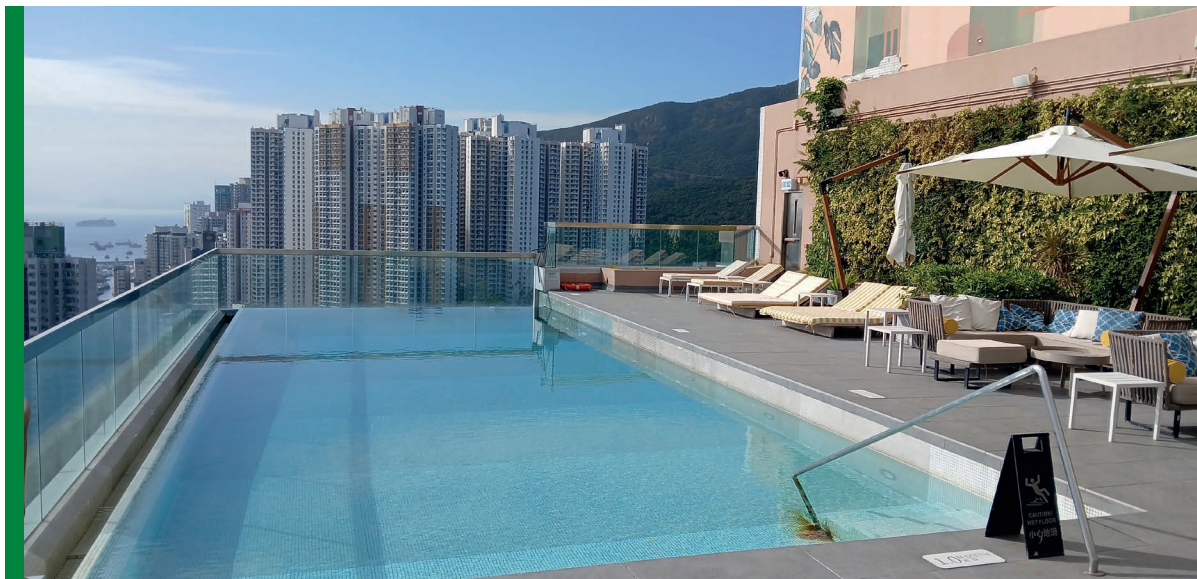
On the twentieth floor of Gateway Ts, an industrial property on the edge of Tsing Yi Island overlooking the Kwai Chung Container Port, vertical gardens introduce greenery into a highly functional setting. They improve visual comfort and demonstrate that practical sustainability enhancements can be implemented across different asset types and locations.



At the podium of Kam Yuen Mansion, the owners of the estate opt for a newly designed natural planters with curated planting palettes which sits alongside preserved mature trees. Together they absorb CO₂, refresh the landscape, respect the site's existing character, and enhance the arrival experience with a calmer and greener setting.



At TS Tower, a natural green wall and a series of planters bring living greenery to the café terrace on 3/F. Thoughtfully integrated into the outdoor area, they soften the urban environment, improve comfort, and create a more welcoming setting for occupants and visitors.



Next to the rooftop swimming pool of the Arca Hotel, a flourishing green wall adds a calm and refreshing touch to the space. Paired with the surrounding design elements, it envisages our continuing commitment to reducing carbon footprint and provides a cohesive backdrop for guests to relax while supporting a more environmentally considerate guest experience.



Solar panels are installed on the rooftop of the commercial complex and recreational facilities at Floral Villas that provides clean energy back to the power company thereby encouraging less reliance on fossil-fuel-based power generation.



Leveraging the Renewable Energy Feed-in Tariff (FIT) Scheme, the solar power system converts daily sunlight into low-carbon electricity. This not only helps reduce our operational carbon footprint and supports the wider adoption of clean energy, but also raises the awareness of energy conservation for the neighbors at the vicinity.

Being a responsible corporate citizen, TSLD is committed to listening to the needs of the community and providing support through community participation and charitable donations. We also encourage our employees to care for the community. During the Reporting Year, our employees had participated in various volunteer services to care for the needs of different members in our society.

Our team members visited animal shelter of Hong Kong Saving Cat and Dog Association to spend time with cats and dogs, participating in hands-on activities like shelter cleaning, lunch feeding and providing companionship to boost their well-being and adoption prospects.



Our team members joined Hong Kong Dog Rescue's Peak to Fong Charity Walk – a fundraising hike where participants walk dogs from The Peak to Central, raising awareness and funds for shelter operations while giving donator dogs exercise and socialisation.



Our team members visited Sheung Tsui Home, a residential elderly care facility operated by Tung Wah Group of Hospitals in Hong Kong, for a hands-on Chinese New Year activity. We make festive lanterns together, bring holiday cheer, and send joy through lucky bags.



Our team members participated in Books & Beyond Reading Club's storytelling sessions at local schools, engaging kids through fun, interactive reading activities that build English skills, creativity, and social-emotional learning. We also prepare practical stationery supplies.



Our team members participated in Box of Hope by packing and donating toy, essential and stationery boxes for their daily use during the holiday season, bringing joy to underprivileged kids and teaching our team about community poverty.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TAI SANG LAND DEVELOPMENT LIMITED**
(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of Tai Sang Land Development Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 86 to 141, comprise:

- the consolidated statement of financial position as at 31st December 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st December 2025, 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 Hong Kong Companies Ordinance.

Basis for Opinion

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

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

Independence

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

Key Audit Matters

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

The key audit matter identified in our audit is related to valuation of investment properties.

Key Audit Matter

How our audit addressed the Key Audit Matter

Valuation of investment properties

Refer to notes 2.3.3, 4 and 7 to the consolidated financial statements.

The Group's investment properties portfolio comprises industrial, commercial and residential properties in Hong Kong and the United States. As at 31st December 2025, the amount of investment properties in the consolidated statement of financial position was HK\$9,079 million. The Group's investment properties are significant to the consolidated statement of financial position.

Valuations were carried out by third party valuers for all investment properties in order to support management's estimate.

The valuation of completed investment properties was based on the income capitalisation method and direct comparison method which depend on certain key assumptions that require significant management estimates and judgement, including market rents, capitalisation rates and market evidence of recent transaction prices of comparable properties. The valuation of properties under development was based on the residual method which depends on key assumptions including the gross development value of the project upon completion (estimated using a direct comparison method) less estimated development costs and developer's profit.

Our procedures in relation to management's valuation of investment properties include:

Understanding of management's internal control and inherent risk assessment

We obtained an understanding of management's internal control and assessment process over the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining the fair values of investment properties.

Experience of valuers and relevance of their work

We assessed the valuers' qualifications and expertise and read their terms of engagement with the Group to determine whether they have appropriate experience and whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

Data provided to the valuers

We performed testing on a sample basis on the data provided by the Group to the valuers from which the valuation was based upon. For completed investment properties, these data included key terms of lease agreements, rental income schedules and vacancy information which we agreed to appropriate supporting documentation.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The inherent risk in relation to the valuation of investment properties is considered significant due to, among other factors, the existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement, which warrants specific audit focus in this area.</p>	<p>Assumptions and estimates used by the valuers</p> <p>We involved our internal valuation expert in assessing the valuations and the key assumptions of investment properties with the valuers. We had meetings with the valuers in which the valuation approaches and the key assumptions therein were discussed. The assumptions used varied across the portfolio depending on the age, nature and location of each property and included market rents, capitalisation rates, recent market transaction prices, gross development value, estimated development costs and allowance for developer's profit for properties in similar location and condition. In each of these areas, on a sample basis, we compared the estimates and assumptions used by the valuers against comparable market transactions.</p> <p>Based on the procedures performed, we considered that the methods, significant assumptions and data used by management in relation to the valuation of investment properties were supported by the available evidence.</p>

Other Information

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, 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 HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is WONG, Wai Bong, Benson (practising certificate number: P04878).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27th March 2026

Consolidated Statement of Financial Position

As at 31st December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	6	1,911,401	1,952,774
Investment properties	7	9,078,946	9,294,986
Financial assets at fair value through other comprehensive income	8	18,376	17,308
Prepayments for non-current assets		554	10
		11,009,277	11,265,078
Current assets			
Properties for sale	9	110,473	110,473
Other inventories		262	261
Debtors and prepayments	10	32,936	33,035
Current income tax recoverable		296	816
Cash and cash equivalents	11	119,496	123,438
		263,463	268,023
Total assets		11,272,740	11,533,101
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	12	417,321	417,321
Reserves	13	7,564,510	7,844,569
		7,981,831	8,261,890
Non-controlling interests		274,454	279,356
Total equity		8,256,285	8,541,246
Non-current liabilities			
Long term bank loans – secured	14	669,769	2,119,204
Deferred income tax liabilities	15	229,411	229,189
Derivative financial instruments	16	3,217	–
Lease liabilities		663	375
		903,060	2,348,768

Consolidated Statement of Financial Position As at 31st December 2025

	Notes	2025	2024
		HK\$'000	HK\$'000
Current liabilities			
Rental and other deposits		94,582	98,292
Creditors and accruals	17	38,149	32,606
Current income tax liabilities		2,765	1,384
Short term bank loans	18	123,000	150,000
Current portion of long term bank loans – secured	14	1,854,666	360,540
Lease liabilities		233	265
		2,113,395	643,087
		2,113,395	643,087
Total liabilities		3,016,455	2,991,855
Total equity and liabilities		11,272,740	11,533,101

The financial statements on pages 86 to 141 were approved by the board of directors on 27th March 2026 and were signed on its behalf.

William Ma Ching Wai
Director

Alfred Ma Ching Kuen
Director

The notes on pages 92 to 141 are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss

For the year ended 31st December 2025

	Notes	2025	2024
		HK\$'000	HK\$'000
Revenues	5(a)	471,304	481,554
Cost of sales	19	(177,303)	(182,945)
Gross profit		294,001	298,609
Fair value losses on investment properties	7	(245,001)	(329,252)
Other gains, net	20	210	1,316
Administrative expenses	19	(191,021)	(181,541)
Operating loss		(141,811)	(210,868)
Finance income	22	2,039	2,929
Finance costs	22	(112,872)	(151,856)
Finance costs, net		(110,833)	(148,927)
Loss before income tax		(252,644)	(359,795)
Income tax (expense)/credit	23	(6,938)	19,609
Loss for the year		(259,582)	(340,186)
Loss attributable to:			
Owners of the Company		(257,607)	(333,408)
Non-controlling interests		(1,975)	(6,778)
		(259,582)	(340,186)
Loss per share (basic and diluted)	24	HK\$(0.90)	HK\$(1.16)

The notes on pages 92 to 141 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31st December 2025

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
		HK\$'000	HK\$'000
Loss for the year		(259,582)	(340,186)
Other comprehensive income			
<u>Items that will not be reclassified to</u>			
<u>profit or loss</u>			
Changes in fair value of financial assets			
at fair value through other			
comprehensive income	8	963	2,163
Exchange translation difference		17	(9)
Other comprehensive income for the year		980	2,154
Total comprehensive income for the year		(258,602)	(338,032)
Total comprehensive income attributable to:			
Owners of the Company		(257,046)	(332,269)
Non-controlling interests		(1,556)	(5,763)
		(258,602)	(338,032)

The notes on pages 92 to 141 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31st December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Operating activities			
Net cash generated from operations	26(a)	150,330	171,819
Hong Kong Profits Tax paid		(4,856)	(3,564)
Hong Kong Profits Tax refunded		58	1,230
United States taxation paid		(18)	(26)
Letting fees paid		(4,887)	(1,875)
		<u>140,627</u>	<u>167,584</u>
Investing activities			
Interest received		2,039	2,929
Dividends received		909	925
Additions of property, plant and equipment		(719)	(9,984)
Additions of investment properties		(28,092)	(5,731)
Additions of financial assets at fair value through other comprehensive income		(105)	–
Proceeds on disposal of property, plant and equipment		3,920	2,991
		<u>(22,048)</u>	<u>(8,870)</u>
Financing activities			
Interest paid		(113,239)	(160,469)
Drawn down of bank loans	26(b)	540,556	360,900
Repayments of bank loans	26(b)	(523,215)	(310,345)
Repayments of lease liabilities		(281)	(295)
Dividends paid to shareholders		(23,013)	(28,767)
Dividends paid to non-controlling shareholders of subsidiaries		(3,346)	(4,655)
		<u>(122,538)</u>	<u>(143,631)</u>
Net (decrease)/increase in cash and cash equivalents			
		(3,959)	15,083
Cash and cash equivalents at 1st January		123,438	108,364
Exchange translation difference		17	(9)
		<u>119,496</u>	<u>123,438</u>

The notes on pages 92 to 141 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st December 2025

Attributable to owners of the Company								
	Share capital	Property revaluation reserve	Investment revaluation reserve	Exchange reserve	Retained profits	Total reserves	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2025	417,321	793,420	(29,847)	7,165	7,073,831	7,844,569	279,356	8,541,246
Loss for the year	-	-	-	-	(257,607)	(257,607)	(1,975)	(259,582)
Other comprehensive income								
Change in fair value of financial assets at fair value through other comprehensive income	-	-	544	-	-	544	419	963
Exchange translation difference	-	-	-	17	-	17	-	17
Total comprehensive income for the year	-	-	544	17	(257,607)	(257,046)	(1,556)	(258,602)
Transaction with owners								
Dividends paid	-	-	-	-	(23,013)	(23,013)	(3,346)	(26,359)
At 31st December 2025	417,321	793,420	(29,303)	7,182	6,793,211	7,564,510	274,454	8,256,285
At 1st January 2024	417,321	793,420	(30,995)	7,174	7,436,006	8,205,605	289,774	8,912,700
Loss for the year	-	-	-	-	(333,408)	(333,408)	(6,778)	(340,186)
Other comprehensive income								
Change in fair value of financial assets at fair value through other comprehensive income	-	-	1,148	-	-	1,148	1,015	2,163
Exchange translation difference	-	-	-	(9)	-	(9)	-	(9)
Total comprehensive income for the year	-	-	1,148	(9)	(333,408)	(332,269)	(5,763)	(338,032)
Transaction with owners								
Dividends paid	-	-	-	-	(28,767)	(28,767)	(4,655)	(33,422)
At 31st December 2024	417,321	793,420	(29,847)	7,165	7,073,831	7,844,569	279,356	8,541,246

The notes on pages 92 to 141 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Tai Sang Land Development Limited (the “Company”) and its subsidiaries (collectively the “Group”) are principally engaged in property investment, property rental, property development, estate management and agency, hotel operation and catering operation.

The Company is a limited liability company incorporated in Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollar (“HK\$”), unless otherwise stated. These consolidated financial statements for the year ended 31st December 2025 have been approved for issue by the board of directors on 27th March 2026.

2 SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income (“FVOCI”) and derivative financial instruments which are measured at fair value.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards (“HKFRSs”),
- Hong Kong Accounting Standards (“HKASs”), and
- Interpretations developed by the HKICPA.

The Group had net current liabilities of HK\$1,849,932,000 as at 31st December 2025 (2024: HK\$375,064,000). The current liabilities mainly included short term bank loans of HK\$123,000,000 (2024: HK\$150,000,000) and current portion of long term bank loans of HK\$1,854,666,000 (2024: HK\$360,540,000). Based on the Group’s history of generating cash from operations, history of refinancing, its available banking facilities and its assets backing, the directors consider that the Group will be able to obtain sufficient financial resources so as to enable it to operate and meet its liabilities as and when they fall due. The Group intends to refinance the facilities that will mature within one year. Subsequent to reporting date, the Group has obtained two loans facilities in aggregate amount of HK\$1,970,391,000 for the purpose of refinancing the current portion of long term bank loans of HK\$1,737,788,000 and corporate future funding needs. These new loans facilities will be matured in 2029 and 2031 respectively. The directors believe that the Group will continue as a going concern and consequently have prepared the consolidated financial statements on a going concern basis.

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

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policy and disclosures

(i) Amended standard adopted by the Group

The following amended standard is relevant and mandatory to the Group for the first time for the financial year beginning on or after 1st January 2025:

HKAS 21 (Amendments)	Lack of Exchangeability
----------------------	-------------------------

The adoption of this amended standard did not result in a substantial impact to the results and financial position of the Group.

(ii) New standards, amended standards and interpretation not yet adopted

The Group has not early adopted the following new standards, amended standards and interpretation that have been issued and are not mandatory for the Group's accounting periods beginning on or after 1st January 2026:

		Effective for accounting year beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1st January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11	1st January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature- dependent Electricity	1st January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1st January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1st January 2027
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1st January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause	1st January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group's directors have performed an assessment on these new standards, amended standards and interpretation, and have concluded on a preliminary basis that the adoption of these new standards, amended standards and interpretation are not expected to have a significant impact on the Group's financial performance and position when they become effective, except for HKFRS 18 which will impact the presentation of profit and loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policy and disclosures (Continued)

(ii) New standards, amended standards and interpretation not yet adopted (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements (effective for accounting periods beginning on or after 1st January 2027)

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of financial performance of similar entities and provide more relevant information and transparency to users. These include:

- (a) all income and expenses in the consolidated statement of profit and loss are required to be classified into one of the five categories, namely operating, investing, financing, income taxes, and discontinued operations;
- (b) two newly-defined subtotals “operating profit” and “profit before financing and income taxes” are required to be presented in the consolidated statement of profit and loss to increase comparability;
- (c) management-defined performance measures (“MPMs”), which are often non-HKFRS measures (e.g., earnings before interest, tax, depreciation and amortisation), are required to be disclosed in a single note in the consolidated financial statements;
- (d) enhanced guidance on the principles of aggregation and disaggregation of information is provided; and
- (e) operating profit subtotal is required to be used as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method, and each of interest income, interest expense and dividend income should be classified under a single category.

The adoption of HKFRS 18 would not have any impact on the Group’s profit/(loss) attributable to shareholders, but is expected to trigger certain changes in the presentation of consolidated statement of profit and loss.

The Group is still in the process of assessing the impact of HKFRS 18 on the Group’s consolidated financial statements, particularly with respect to the categorisation of income and expenses in the Group’s consolidated statement of profit and loss, the structure of the Group’s consolidated statement of profit and loss and consolidated statement of cash flows, and the additional disclosure required for MPMs.

There are no other new/revised HKFRS Accounting Standards not yet effective that are expected to have any material impact on the Group.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Summary of material accounting policies

2.3.1 Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st December 2025 and 2024.

(i) *Subsidiaries*

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(ii) *Separate financial statements*

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2.3.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Summary of material accounting policies (Continued)

2.3.2 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate their cost amounts, net of their residual values, over their estimated useful lives as follows:

Right-of-use in land	Unexpired lease terms
Buildings	15 to 40 years
Plant and equipment	3 to 10 years
Right-of-use in equipment	Shorter of the asset's useful life and unexpired lease terms

Freehold land is stated at cost less accumulated impairment losses. No depreciation is provided for freehold land.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss.

2.3.3 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group companies, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property comprises freehold land, leasehold land and buildings. Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on valuations carried out by external valuers. Changes in fair value are recognised in the consolidated statement of profit or loss. The fair value of an investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Property that is being constructed or developed as investment property is carried at fair value. Where fair value is not reliably determinable, such investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Summary of material accounting policies (Continued)

2.3.3 Investment properties (Continued)

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item as at the date of transfer is treated in the same way as a revaluation under HKAS 16 "Property, plant and equipment". Any resulting increase in the carrying amount of the property is recognised in the consolidated statement of profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increased directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the consolidated statement of profit or loss.

2.3.4 Impairment of non-financial assets and investments in subsidiaries

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

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

2.3.5 Properties for sale

Properties for sale are stated at the lower of cost and net realisable value. Cost comprises development expenditure and other associated expenditures, including interest capitalised. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Summary of material accounting policies (Continued)

2.3.6 Current and deferred income tax

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

(i) Current income tax

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

(ii) Deferred income tax

Inside basis differences

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

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

(iii) Offsetting

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

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Summary of material accounting policies (Continued)

2.3.7 Leases

(a) *The Group is the lessee*

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Summary of material accounting policies (Continued)

2.3.7 Leases (Continued)

(a) *The Group is the lessee (Continued)*

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

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

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

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

Right-of-use assets are included within the same financial statements line item within which the corresponding underlying assets would be presented if they were owned.

The Group measures the right-of-use assets that meet the definition of investment property using the fair value model applied to its investment property (note 2.3.3). Right-of-use assets linked to owner occupied buildings are measured applying the cost model relevant to that specific class of property, plant and equipment as described in note 2.3.2 and tested for impairment as described in note 2.3.4.

(b) *The Group is the lessor*

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term (note 2.3.8(i)). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Summary of material accounting policies (Continued)

2.3.8 Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable for the goods and services in the ordinary course of the Group's activities. If contracts involve the sale of multiple goods and services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time by reference to the satisfaction of the performance obligation if one of the following criteria is met:

- provide all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls; or
- do not create an asset with an alternative use of the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

(i) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

(ii) Agency commission and management fees

Agency commission and management fees income are recognised over time when the service is rendered and the Group's performance provides all of the benefits received and consumed simultaneously by the customer.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Summary of material accounting policies (Continued)

2.3.8 Revenue and income recognition (Continued)

(iv) Income on sale of properties and investments

For properties sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

(v) Income from hotel operations

Income from hotel operations is recognised when the customers simultaneously receive and consume the benefits provided by the Group.

(vi) Income from catering operations

Income from catering operations is recognised at the point of sale to customers.

(vii) Interest income

Interest income from a financial asset is recognised on a time-proportion basis using the effective interest method.

2.3.9 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the issue of a financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific 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. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

2.3.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or board of directors, where appropriate.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.4 Summary of other accounting policies

2.4.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

2.4.2 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar, which is the Company's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(iii) *Group companies*

The results and financial positions of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the consolidated statement of profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.4 Summary of other accounting policies (Continued)

2.4.3 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following two categories: those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and those to be measured at amortised cost.

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.4 Summary of other accounting policies (Continued)

2.4.3 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. On disposal of these equity investments, any related balance within the investment revaluation reserve is reclassified to retained earnings. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

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

(iv) Impairment

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

2.4.4 Derivatives and hedging activities

A derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently remeasured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Fair value gain or loss arising from derivatives not designated or not qualified for hedge accounting are recognised immediately in profit or loss.

2.4.5 Other inventories

Other inventories comprise food and beverages and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.4 Summary of other accounting policies (Continued)

2.4.6 Trade and other receivables

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade and other receivables with the objective of collecting the contractual cash flows, and it therefore measures them subsequently at amortised cost using effective interest method.

Lease receivables are recognised initially at the amount of consideration for operating leases while lease income is recognised on a straight-line basis.

If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2.4.7 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4.8 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.4.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.4 Summary of other accounting policies (Continued)

2.4.10 Contingent liabilities and contingent assets

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

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.4.11 Retirement benefit obligations

The Group's contributions to the defined contribution retirement schemes are available to all employees in Hong Kong and the United States ("US"). The assets of the schemes are held separately from those of the Group in independently administered funds.

The US subsidiaries, which participate in the US government benefit schemes, are required to contribute to the schemes for the retirement benefits of eligible employees. The government authorities are responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the schemes is to pay the ongoing contributions required by the schemes.

The Group's contributions to the aforesaid defined contribution retirement schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums that are determined with reference to salary scale as stipulated under the requirements of the respective territories and are charged to the statement of profit or loss as incurred.

Employee entitlements to long service payments are recognised when they accrue to employees. A provision is made for the estimated liability for long service payments as a result of services rendered by employees up to the end of reporting period. The provision for long service payments is included as liabilities in the financial statements.

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.4 Summary of other accounting policies (Continued)

2.4.12 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model under HKFRS 9 “Financial Instruments”; and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 “Revenue from Contracts with Customers”.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks, including foreign exchange risk, credit risk, liquidity risk, interest rate risk and price risk.

(a) Foreign exchange risk

The Group operates in Hong Kong and the US and is primarily exposed to foreign exchange risk arising from US dollar (“US\$”). The foreign exchange risk exposure is considered to be minimal to the Group because HK\$ is pegged to US\$.

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The credit risk of the Group’s financial assets, which mainly comprise cash and cash equivalents, utility and other deposits, trade debtors and effective rent receivables, arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

To manage this risk arising from cash and cash equivalents, they are mainly placed with banks with high credit rating. There has been no recent history of default in relation to these financial institutions. The expected credit loss is close to zero.

Credit risk of utility and other deposits is minimal as the directors of the Group consider there is no actual or expected significant changes in the operating results of the third party.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Trade debtors mainly represent rental receivables and receivables from hotel operation. The Group requests rental deposits from tenants to minimise the credit exposure to the Group. Receivables from hotel operations mainly represents receivables from credit cards which are from reputable financial institutions. For trade debtors and effective rent receivables, the Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. The Group measures the expected credit losses on a combination of both individual and collective basis.

The trade debtors relating to third party customers which are in known financial difficulties or with significant doubt on collection of receivables are identified and assessed individually for provision for impairment allowance.

The following table represents the gross carrying amount and the provision for impairment in respect of the individually assessed receivables as at 31st December 2025 and 2024.

	2025	2024
	HK\$'000	HK\$'000
Gross carrying amount	338	408
Provision for impairment	(338)	(408)
Net carrying amount	—	—

The Group then determines the provision for expected credit losses by grouping the remaining trade debtors and effective rent receivables. The expected credit loss rates are based on historical credit losses experienced in the past one year and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Based on historical experience, majority of these trade debtors and effective rent receivables were settled shortly upon maturity, hence the expected credit loss is immaterial. Management considers the credit risk is not high. The Group maintains frequent communications with the counterparties. Management has closely monitored the credit qualities and the collectability of these receivables and consider that the expected credit risks of them are minimal in view of the history of cooperation with them.

(c) Liquidity risk

The Group adopts a prudent liquidity risk management and maintains sufficient cash on hand and the availability of funding through an adequate amount of committed credit facilities.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

At 31st December 2025, the Group's net current liabilities amounted to HK\$1,849,932,000 (2024: HK\$375,064,000). Based on the Group's history of refinancing, the directors consider that the Group will be able to refinance its existing bank loans before their respective due dates and obtain sufficient financial resources so as to satisfy its working capital requirements, the payments of its liabilities as and when they fall due, and its future capital commitments. The directors have closely monitored the maintenance of sufficient reserves of cash and adequate committed lines of funding to ensure the expected liquidity requirements can be met.

The table below analyses the Group's financial liabilities at the end of reporting period into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Except for lease liabilities and bank borrowings, balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Within one year	In the second year	In the third to fifth year
	HK\$'000	HK\$'000	HK\$'000
2025			
Rental and other deposits	94,582	–	–
Creditors and accruals	33,474	–	–
Lease liabilities	251	224	472
Short term bank loans	128,027	–	–
Long term bank loans	1,946,192	57,537	673,968
	<u>2,202,526</u>	<u>57,761</u>	<u>674,440</u>
2024			
Rental and other deposits	98,292	–	–
Creditors and accruals	27,974	–	–
Lease liabilities	278	231	163
Short term bank loans	158,494	–	–
Long term bank loans	486,334	1,937,313	328,492
	<u>771,372</u>	<u>1,937,544</u>	<u>328,655</u>

The table below analyses the Group's derivative financial instruments that will be settled on a net basis into relevant maturity groupings based on the remaining period from the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual discounted cash flows, based on interest rates (where applicable) prevailing at the date of the consolidated statement of financial position.

	Within one year	In the second year	In the third to fifth year
	HK\$'000	HK\$'000	HK\$'000
2025			
Interest rate swap contract			
– Cash outflow	(1,300)	(1,300)	(433)
	<u>(1,300)</u>	<u>(1,300)</u>	<u>(433)</u>

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(d) Interest rate risk

The Group is primarily exposed to interest rate risk arising from bank borrowings. The Group's policy is to maintain all its bank borrowings in floating rate instruments except when management's objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowings. The Group will attempt to refinance variable rate borrowings by fixed rate borrowings at a lower rate if and when available.

At 31st December 2025, if interest rates on bank borrowings had been 10 basis points higher/lower with all other variables held constant, loss after income tax for the year would have been increased/decreased by HK\$2,225,000 (2024: loss increased/decreased HK\$2,210,000) before taking account of interest capitalisation, mainly as a result of higher/lower interest expense on floating rate borrowings.

(e) Price risk

The Group is exposed to equity securities price risk for the Group's financial assets at FVOCI. The performance of the Group's investments is closely monitored, together with an assessment of their relevance to the Group's long term strategic plans.

At 31st December 2025, if the fair value of the equity securities had been 10% higher/lower with all other variances held constant, the investment revaluation reserve would have been increased/decreased by HK\$1,838,000 (2024: HK\$1,731,000).

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt (total borrowings) to equity (total equity) ratio. The debt to equity ratio is 32.1% (2024: 30.8%) as at 31st December 2025.

Certain entities of the Group are subject to loan covenants. As at 31st December 2025 and 2024, there is no event of default.

As disclosed in note 14, the long term bank loans are subject to certain covenants which the relevant Group entities are required to comply with. Under the terms of the loan agreements, certain entities of the Group are required to comply with financial covenants applicable to certain bank loans, which include loan to value ratio, interest coverage ratio, consolidated tangible net worth and net external gearing ratio. Depending on the specific terms of the respective loan agreements, these financial covenants are assessed at the end of each interim and/or annual reporting period, or on the specific testing dates upon request. Non-financial related covenants that the Group's entities must comply with are terms that commonly applicable to borrowers based on the prevalent financial market practice and assessed on the date agreed upon with the lenders.

There are no indications that the Group entities would have difficulties complying with the covenants within 12 months after the end of the reporting period.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

Financial instruments that are measured in the consolidated statement of financial position at fair value required disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31st December 2025 and 2024.

	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000
At 31st December 2025			
Assets			
Financial assets at fair value through other comprehensive income	18,376	–	–
	<u>18,376</u>	<u>–</u>	<u>–</u>
Liability			
Derivative financial instruments			
– interest rate swap contract (note 16)	–	3,217	–
	<u>–</u>	<u>3,217</u>	<u>–</u>
At 31st December 2024			
Assets			
Financial assets at fair value through other comprehensive income	17,308	–	–
	<u>17,308</u>	<u>–</u>	<u>–</u>

For the year ended 31st December 2025, there were no transfers of financial assets and liability of the Group between different levels of the fair value hierarchy (2024: Nil).

The fair values of derivative financial instruments in level 2 that are not traded in an active market are determined by discounting the contractual future cash flows. The discount rate used is derived from the relevant swap curve as at the reporting date.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Offsetting financial assets and financial liabilities

There were no financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements for both years ended 31st December 2025 and 2024.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Investment properties

The fair values of completed properties are determined by independent valuers on the basis of market value with reference to comparable market transactions. In making the judgements, the Group considers information from a variety of sources including:

- current prices in the local market for properties of similar nature, condition or location, and adjusted to reflect the differences between the subject properties and the comparables where necessary; and
- rental projections based on reliable estimates of reversionary income, derived from the terms of any existing lease and/or other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using market yields that reflect current market expectations on the returns of similar assets.

If information on current or recent prices of investment properties is not available or the market is volatile resulting in a low occupancy rate, the fair values of completed properties are determined using current passing rental income and capitalisation rate. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals, expected future market rentals, maintenance requirements and appropriate discount rates. These valuations are regularly compared to actual market yield data, actual transactions by the Group and those available from the market. The valuations are reviewed semi-annually by external valuers.

The fair values of properties under development are generally derived using the residual method. Residual method is essentially a mean of valuing the completed properties by reference to its development potential less estimated development costs and allowance for developer's profit margin.

The determination of the fair value involves certain assumptions of market conditions which are set out in note 7. Judgement is required to determine the method of valuation and the key parameters used in the valuation are reflective of the current market conditions.

5 REVENUES AND SEGMENT INFORMATION

(a) Revenues recognised during the year are as follows:

	2025	2024
	HK\$'000	HK\$'000
Revenues from external customers		
Property rental		
– investment properties	309,624	322,219
– properties for sale	26,548	27,945
Property related services (note (i))	29,050	29,542
Hotel operations (note (i))	86,130	82,111
Catering operations (note (ii))	19,952	19,737
	<u>471,304</u>	<u>481,554</u>

Notes:

- (i) The Group's revenues from property related services and hotel operations are recognised over-time as the services are performed.
- (ii) The Group's revenue from catering operations is recognised at a point in time.

5 REVENUES AND SEGMENT INFORMATION (Continued)

(b) Operating lease arrangement

The Group leases out investment properties and properties for sale under lease terms generally in the range of one to ten years.

At 31st December 2025, the future aggregate minimum lease payments to be received under non-cancellable operating leases are as follows:

	2025	2024
	HK\$'000	HK\$'000
Within 1 year	276,235	278,003
Between 1 and 2 years	173,060	173,599
Between 2 and 3 years	43,389	113,633
Between 3 and 4 years	17,015	17,899
Between 4 and 5 years	10,524	8,825
After 5 years	9,062	3,145
	<u>529,285</u>	<u>595,104</u>

- (c) The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The CODM considers the business from a geographic perspective and has identified the operating segments of the Group as Hong Kong and US.

The CODM assesses the performance of the operating segments based on their underlying profit/(loss), which is measured by profit/(loss) after income tax excluding fair value changes on investment properties (net of deferred income tax in the US), and their segment assets and segment liabilities which are measured in a manner consistent with that in the consolidated financial statements.

There are no sales between the operating segments.

5 REVENUES AND SEGMENT INFORMATION (Continued)

(d) Operating segments

	Hong Kong	US	Total
	HK\$'000	HK\$'000	HK\$'000
For the year ended 31st December 2025			
Segment revenues			
Property rental	287,536	48,636	336,172
Property related services	29,050	–	29,050
Hotel operations	86,130	–	86,130
Catering operations	19,952	–	19,952
Total segment revenues	<u>422,668</u>	<u>48,636</u>	<u>471,304</u>
Segment results – underlying loss			
– Property rental and related services	(12,853)	(3,371)	(16,224)
– Hotel and catering operations	(2,211)	–	(2,211)
Fair value losses on investment properties	(224,573)	(20,428)	(245,001)
Deferred income tax, net	–	3,854	3,854
Loss for the year	<u>(239,637)</u>	<u>(19,945)</u>	<u>(259,582)</u>
Included in segment results:			
Finance income	1,871	168	2,039
Finance costs	(107,341)	(5,531)	(112,872)
Income tax expense (note)	(10,774)	(18)	(10,792)
Depreciation	(44,424)	(817)	(45,241)
Employee benefit expenses	(131,064)	(4,400)	(135,464)
Capital expenditure	<u>10,283</u>	<u>22,503</u>	<u>32,786</u>
At 31st December 2025			
Property, plant and equipment	1,907,051	4,350	1,911,401
Investment properties	8,617,470	461,476	9,078,946
Prepayments for non-current assets	554	–	554
Non-current assets (excluding financial assets at fair value through other comprehensive income)	<u>10,525,075</u>	<u>465,826</u>	<u>10,990,901</u>
Non-current financial assets at fair value through other comprehensive income	18,376	–	18,376
Current assets	<u>231,476</u>	<u>31,987</u>	<u>263,463</u>
Segment assets	<u>10,774,927</u>	<u>497,813</u>	<u>11,272,740</u>
Current liabilities	2,011,251	102,144	2,113,395
Non-current liabilities	836,586	66,474	903,060
Segment liabilities	<u>2,847,837</u>	<u>168,618</u>	<u>3,016,455</u>

5 REVENUES AND SEGMENT INFORMATION (Continued)

(d) Operating segments (Continued)

	Hong Kong	US	Total
	HK\$'000	HK\$'000	HK\$'000
For the year ended 31st December 2024			
Segment revenues			
Property rental	292,877	57,287	350,164
Property related services	29,542	–	29,542
Hotel operations	82,111	–	82,111
Catering operations	19,737	–	19,737
	<u>424,267</u>	<u>57,287</u>	<u>481,554</u>
Total segment revenues			
Segment results – underlying (loss)/profit			
– Property rental and related services	(36,742)	1,972	(34,770)
– Hotel and catering operations	(4,208)	–	(4,208)
Fair value losses on investment properties	(222,805)	(106,447)	(329,252)
Deferred income tax, net	–	28,044	28,044
	<u>(263,755)</u>	<u>(76,431)</u>	<u>(340,186)</u>
Loss for the year			
Included in segment results:			
Finance income	2,414	515	2,929
Finance costs	(145,381)	(6,475)	(151,856)
Income tax expense (note)	(8,409)	(26)	(8,435)
Depreciation	(44,727)	(817)	(45,544)
Employee benefit expenses	(125,123)	(4,437)	(129,560)
	<u>10,715</u>	<u>5,073</u>	<u>15,788</u>
Capital expenditure			
At 31st December 2024			
Property, plant and equipment	1,947,606	5,168	1,952,774
Investment properties	8,838,000	456,986	9,294,986
Prepayments for non-current assets	10	–	10
	<u>10,785,616</u>	<u>462,154</u>	<u>11,247,770</u>
Non-current assets (excluding financial assets at fair value through other comprehensive income)			
Non-current financial assets at fair value through other comprehensive income	17,308	–	17,308
Current assets	238,638	29,385	268,023
	<u>11,041,562</u>	<u>491,539</u>	<u>11,533,101</u>
Segment assets			
Current liabilities	628,856	14,231	643,087
Non-current liabilities	2,192,485	156,283	2,348,768
	<u>2,821,341</u>	<u>170,514</u>	<u>2,991,855</u>
Segment liabilities			

Note: The amount excludes net deferred income tax of US segment.

6 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use in land	Freehold land and buildings	Plant and equipment	Right-of-use in equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost					
At 1st January 2025	971,018	1,163,960	126,442	1,373	2,262,793
Additions	–	–	3,979	856	4,835
Disposals and write-off	–	–	(17,506)	(930)	(18,436)
At 31st December 2025	971,018	1,163,960	112,915	1,299	2,249,192
Accumulated depreciation					
At 1st January 2025	27,412	179,025	102,829	753	310,019
Depreciation charge	5,812	32,958	6,209	262	45,241
Disposals and write-off	–	–	(16,868)	(601)	(17,469)
At 31st December 2025	33,224	211,983	92,170	414	337,791
Net book value At 31st December 2025	937,794	951,977	20,745	885	1,911,401
Cost					
At 1st January 2024	971,018	1,161,199	129,625	1,261	2,263,103
Additions	–	2,761	7,388	112	10,261
Disposals and write-off	–	–	(10,571)	–	(10,571)
At 31st December 2024	971,018	1,163,960	126,442	1,373	2,262,793
Accumulated depreciation					
At 1st January 2024	21,600	146,856	103,511	479	272,446
Depreciation charge	5,812	32,169	7,289	274	45,544
Disposals and write-off	–	–	(7,971)	–	(7,971)
At 31st December 2024	27,412	179,025	102,829	753	310,019
Net book value At 31st December 2024	943,606	984,935	23,613	620	1,952,774

7 INVESTMENT PROPERTIES

	2025	2024
	HK\$'000	HK\$'000
At 1st January	9,294,986	9,621,524
Additions	27,951	5,527
Capitalised letting fees	4,887	1,875
Amortisation of capitalised letting fees	(3,877)	(4,688)
Fair value losses	(245,001)	(329,252)
	<u>9,078,946</u>	<u>9,294,986</u>
At 31st December (note)	<u>9,078,946</u>	<u>9,294,986</u>
Note:		
Completed investment properties	8,048,946	8,264,986
Investment property under development	1,030,000	1,030,000
	<u>9,078,946</u>	<u>9,294,986</u>

Direct operating expenses recognised in the consolidated statement of profit or loss include HK\$1,458,000 (2024: HK\$2,570,000) relating to investment property that was unlet.

All the investment properties of the Group measured at fair value are categorised as Level 3 in the fair value hierarchy. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfer between Levels 1, 2 and 3 during the year (2024: same).

Fair value measurement using significant unobservable inputs

The change in Level 3 fair value of investment properties for the years ended 31st December 2025 and 2024 are as follows:

	Hong Kong			US	
	Industrial properties	Commercial properties	Residential properties	Commercial property	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2025	5,440,800	861,700	2,535,500	456,986	9,294,986
Additions	5,208	–	240	22,503	27,951
Capitalised letting fees	201	–	309	4,377	4,887
Amortisation of capitalised letting fees	(1,174)	(89)	(652)	(1,962)	(3,877)
Fair value losses	(152,235)	(68,341)	(3,997)	(20,428)	(245,001)
	<u>5,292,800</u>	<u>793,270</u>	<u>2,531,400</u>	<u>461,476</u>	<u>9,078,946</u>
At 31st December 2025	<u>5,292,800</u>	<u>793,270</u>	<u>2,531,400</u>	<u>461,476</u>	<u>9,078,946</u>
At 1st January 2024	5,553,400	936,570	2,571,670	559,884	9,621,524
Additions	382	26	46	5,073	5,527
Capitalised letting fees	419	125	653	678	1,875
Amortisation of capitalised letting fees	(1,849)	(73)	(564)	(2,202)	(4,688)
Fair value losses	(111,552)	(74,948)	(36,305)	(106,447)	(329,252)
	<u>5,440,800</u>	<u>861,700</u>	<u>2,535,500</u>	<u>456,986</u>	<u>9,294,986</u>
At 31st December 2024	<u>5,440,800</u>	<u>861,700</u>	<u>2,535,500</u>	<u>456,986</u>	<u>9,294,986</u>

7 INVESTMENT PROPERTIES (Continued)

Valuation processes

The Group measures its investment properties at fair value. As at 31st December 2025 and 2024, the fair value of the investment properties of the Group in Hong Kong were valued by Jones Lang LaSalle Limited and the Group's US investment property was valued by Newmark Valuation & Advisory. They are independent qualified valuers not related to the Group, who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued.

The Group assigns a team to review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end, the assigned team:

- verifies all major inputs to the independent valuation reports;
- assess property valuations movements when compared to the prior year valuation reports; and
- holds discussions with the independent valuers.

Valuation techniques

For majority of the completed properties, the income capitalisation method was used. For the income capitalisation method used for Hong Kong properties, the valuer applies assumptions for capitalisation rates and notional income, which are influenced by prevailing market yields and comparable market transaction to arrive at the final valuation. For the income capitalisation method used for US properties, which adopted a discounted cash flow analysis, the valuer takes into consideration the yearly net cash flows after deducting expenditures and applies a terminal capitalisation rate and a discount rate to derive a net present value.

For certain carparks, the direct comparison method was used. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

For properties under development, the residual method was used, whereby the valuation is derived from the gross development value of the project upon completion (estimated using a direct comparison method) less estimated development costs and allowance for developer's profit.

There were no changes to the valuation techniques during the year.

Significant unobservable inputs used to determine fair value

Capitalisation rates, terminal capitalisation rate and discount rate are based on the risk profile of the investment properties being valued. The higher the rates, the lower the fair value. Unit prices of the carparks valued under the direct comparison method are based on recent transaction prices of comparable properties. The higher the unit price, the higher the fair value of the carpark being valued. Fair value per square feet ("sq.ft") for properties under development are estimated based on valuers' view of recent market transactions for comparable properties. The lower the fair value per sq.ft, the lower the fair value of property under development.

7 INVESTMENT PROPERTIES (Continued)

Significant unobservable inputs used to determine fair value (Continued)

The following capitalisation rates, terminal capitalisation rate and discount rate are used for the completed properties in respective locations valued under income capitalisation method, unit price are used for carparks under direct comparison method, and fair value per sq.ft are used for properties under development valued under residual method:

	Hong Kong	US
2025		
Completed properties – valued under the income capitalisation method		
Capitalisation rates used for:		
Industrial properties	3.1% to 4.2%	N/A
Commercial properties	2.5% to 5.5%	N/A
Residential properties	1.3% to 3.7%	N/A
Terminal capitalisation rate used for:		
Commercial property	N/A	8.0%
Discount rate used for:		
Commercial property	N/A	9.3%
Completed properties – valued under the direct comparison method		
Unit price used for:		
Carparks	HK\$1,590,000 per carpark space	N/A
Properties under development – valued under the residual method		
Fair values per sq.ft (HK\$/sq.ft) used for:		
Residential property	HK\$88,000	N/A
2024		
Completed properties – valued under the income capitalisation method		
Capitalisation rates used for:		
Industrial properties	2.7% to 4.2%	N/A
Commercial properties	2.5% to 5.5%	7.3%
Residential properties	1.3% to 3.4%	N/A
Completed properties – valued under the direct comparison method		
Unit price used for:		
Carparks	HK\$1,735,000 per carpark space	N/A
Properties under development – valued under the residual method		
Fair values per sq.ft (HK\$/sq.ft) used for:		
Residential property	HK\$88,000	N/A

7 INVESTMENT PROPERTIES (Continued)

Significant unobservable inputs used to determine fair value (Continued)

During the year, the fair value loss was mainly from completed investment properties in Hong Kong. The decrease in fair value was primarily attributed to a consistent decrease in market rental as well as increase in capitalisation rates, for the completed investment properties in Hong Kong, whereas there was fair value gain of investment property in US as a result of improved market yield assumptions due to the cut in Federal Funds Rate, which however, reversed to fair value loss after absorbing the capital expenditure incurred.

Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the investment properties.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Listed equity securities in Hong Kong

	2025	2024
	HK\$'000	HK\$'000
At 1st January	17,308	15,145
Additions	105	–
Net fair value gain credited to equity	963	2,163
At 31st December	18,376	17,308

Financial assets at FVOCI represent listed equity securities in Hong Kong which are not held for trading, of which the Group has irrevocably elected at initial recognition to recognise them in this category. These are strategic investments and the Group considers this classification to be more relevant.

The equity investments, which were denominated in Hong Kong dollar, and listed in the Main Board of The Stock Exchange of Hong Kong Limited, were mainly conglomerates that are also engaged in property development and utility businesses.

9 PROPERTIES FOR SALE

The Group's interests in properties for sale at their net book values are analysed as follows:

	2025	2024
	HK\$'000	HK\$'000
Leasehold land	12,056	12,056
Development expenditures	98,417	98,417
	110,473	110,473

10 DEBTORS AND PREPAYMENTS

	2025	2024
	HK\$'000	HK\$'000
Trade debtors (note (a))	1,484	2,225
Less: provision for impairment	(338)	(408)
Trade debtors, net	1,146	1,817
Effective rent receivables	12,779	12,561
Prepayments	9,567	9,809
Deposits and other receivables	9,444	8,848
	<u>32,936</u>	<u>33,035</u>

Notes:

- (a) The trade debtors represent rental and management fee receivables. The Group normally does not grant credit to tenants for lease receivables, and grants 30 days credit for management fee receivables.

At 31st December 2025, the ageing analysis of the trade debtors, net based on invoice date was as follows:

	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	655	1,450
31 – 60 days	251	367
61 – 90 days	240	–
	<u>1,146</u>	<u>1,817</u>

Movement on the Group's loss allowance for trade receivables are as follows:

	2025	2024
	HK\$'000	HK\$'000
At 1st January	408	4,523
Increase in loss allowance	338	551
Amount written-off as uncollectible	(408)	(4,666)
At 31st December	<u>338</u>	<u>408</u>

The Group applies the simplified approach to provide for expected credit losses for trade debtors and effective rent receivables prescribed by HKFRS 9 as disclosed in note 2.4.3(iv).

- (b) The carrying amounts of debtors and prepayments approximated their fair values as at 31st December 2025 and 2024.

11 CASH AND CASH EQUIVALENTS

	2025	2024
	HK\$'000	HK\$'000
Bank balances and cash	<u>119,496</u>	<u>123,438</u>

12 SHARE CAPITAL

Ordinary shares, issued and fully paid:

	Number of shares (thousands)	Share capital HK\$'000
At 1st January 2025 and 31st December 2025	287,670	417,321
At 1st January 2024 and 31st December 2024	287,670	417,321

13 RESERVES

	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st January 2025	793,420	(29,847)	7,165	7,073,831	7,844,569
Loss for the year	-	-	-	(257,607)	(257,607)
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	544	-	-	544
Exchange translation difference	-	-	17	-	17
Total comprehensive income for the year	-	544	17	(257,607)	(257,046)
Transaction with owners					
Dividends paid					
2024 final dividend (note 25)	-	-	-	(14,383)	(14,383)
2025 interim dividend (note 25)	-	-	-	(8,630)	(8,630)
At 31st December 2025	793,420	(29,303)	7,182	6,793,211	7,564,510
Representing:					
Reserves	793,420	(29,303)	7,182	6,778,828	7,550,127
2025 final dividend proposed (note 25)	-	-	-	14,383	14,383
	793,420	(29,303)	7,182	6,793,211	7,564,510

13 RESERVES (Continued)

	Property revaluation reserve	Investment revaluation reserve	Exchange reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2024	793,420	(30,995)	7,174	7,436,006	8,205,605
Loss for the year	-	-	-	(333,408)	(333,408)
Other comprehensive income					
Change in fair value of financial assets at fair value through other comprehensive income	-	1,148	-	-	1,148
Exchange translation difference	-	-	(9)	-	(9)
Total comprehensive income for the year	-	1,148	(9)	(333,408)	(332,269)
Transaction with owners					
Dividends paid					
2023 final dividend	-	-	-	(17,260)	(17,260)
2024 interim dividend (note 25)	-	-	-	(11,507)	(11,507)
At 31st December 2024	793,420	(29,847)	7,165	7,073,831	7,844,569
Representing:					
Reserves	793,420	(29,847)	7,165	7,059,448	7,830,186
2024 final dividend proposed (note 25)	-	-	-	14,383	14,383
	793,420	(29,847)	7,165	7,073,831	7,844,569

14 LONG TERM BANK LOANS – SECURED

	2025	2024
	HK\$'000	HK\$'000
Bank loans		
– wholly repayable within five years	2,524,435	2,479,744
Amounts due within one year included under current liabilities	(1,854,666)	(360,540)
	669,769	2,119,204

14 LONG TERM BANK LOANS – SECURED (Continued)

The maturity of the long term bank loans is as follows:

	2025	2024
	HK\$'000	HK\$'000
– within one year	1,854,666	360,540
– in the second year	31,380	1,834,951
– in the third to fifth year	638,389	284,253
	<u>2,524,435</u>	<u>2,479,744</u>

The effective interest rates per annum at the end of the reporting period were as follows:

	2025	2024
HK\$ bank loans	4.11%-4.70%	5.63%-5.98%
US\$ bank loan	5.75%	6.39%

The exposure of the long term bank loans to the contractual repricing dates is as follows:

	2025	2024
	HK\$'000	HK\$'000
1 month or less	<u>2,524,435</u>	<u>2,479,744</u>

The carrying amounts of the long term bank loans approximated their fair values as at 31st December 2025 and 2024. The fair values are based on cash flows discounted using a rate based on the borrowing rates in the range of 4.11% to 5.75% (2024: 5.63% to 6.39%) per annum.

The carrying amounts of the long term bank loans are denominated in the following currencies:

	2025	2024
	HK\$'000	HK\$'000
HK dollar	2,438,377	2,391,955
US dollar	86,058	87,789
	<u>2,524,435</u>	<u>2,479,744</u>

14 LONG TERM BANK LOANS – SECURED (Continued)Pledge of assets

The Group has pledged a freehold land and building (note 6) and an investment property (note 7) located in the US with net book value of HK\$3,013,000 (2024: HK\$3,686,000) and fair value of HK\$461,476,000 (2024: HK\$456,986,000) respectively, to a financial institution to secure a credit facility of the Group in the US, totalling of HK\$101,830,000 (2024: HK\$103,732,000), of which included in long term bank loan of HK\$86,058,000 (2024: HK\$87,789,000) was outstanding as at 31st December 2025.

The Group has pledged certain right-of-use in land and buildings (note 6) and investment properties (note 7) located in Hong Kong with net book value of HK\$1,208,119,000 (2024: HK\$1,239,064,000) and fair value of HK\$6,011,000,000 (2024: HK\$6,141,800,000) respectively, and rental income thereon to financial institutions to secure credit facilities of the Group in Hong Kong, totalling of HK\$2,849,964,000 (2024: HK\$2,993,721,000), of which included in long term bank loans of HK\$2,438,377,000 (2024: HK\$2,391,955,000) and short term bank loans (note 18) of HK\$123,000,000 (2024: HK\$150,000,000) were outstanding as at 31st December 2025.

15 DEFERRED INCOME TAX LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2025	2024
	HK\$'000	HK\$'000
Deferred income tax liabilities	229,411	229,189

The movements on the net deferred tax liabilities are as follows:

	2025	2024
	HK\$'000	HK\$'000
At 1st January	229,189	252,081
Charged/(credited) to consolidated statement of profit or loss (note 23)	222	(22,892)
At 31st December	229,411	229,189

At 31st December 2025, the Company and its subsidiaries in Hong Kong had unrecognised tax losses in total of HK\$616,464,000 (2024: HK\$564,258,000) to carry forward against future taxable income. Such tax losses have no expiry date.

15 DEFERRED INCOME TAX LIABILITIES (Continued)

The movements in deferred income tax assets/(liabilities) (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

	Tax losses	
	2025	2024
	HK\$'000	HK\$'000
At 1st January	110,491	88,228
(Charged)/credited to consolidated statement of profit or loss	(39,023)	22,263
At 31st December	<u>71,468</u>	<u>110,491</u>

	Revaluation of properties		Accelerated tax depreciation	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January	(130,251)	(159,775)	(209,429)	(180,534)
Credited/(charged) to consolidated statement of profit or loss	3,925	29,524	34,876	(28,895)
At 31st December	<u>(126,326)</u>	<u>(130,251)</u>	<u>(174,553)</u>	<u>(209,429)</u>

16 DERIVATIVE FINANCIAL INSTRUMENTS

	2025	2024
	HK\$'000	HK\$'000
Liability		
Derivatives that are not designated in hedge accounting relationships:		
Interest rate swap contract	3,217	-

The notional principal amount of the outstanding interest rate swap contract as at 31st December 2025 was HK\$200,000,000 (2024: Nil).

The net fair value loss on interest rate swap contract of HK\$3,993,000 (2024: Nil) (note 20) has been recognised and charged to profit or loss for the year.

17 CREDITORS AND ACCRUALS

	2025	2024
	HK\$'000	HK\$'000
Trade creditors	12,586	8,572
Other creditors	11,708	12,370
Accruals	13,855	11,664
	<u>38,149</u>	<u>32,606</u>

At 31st December 2025, the ageing analysis of the trade creditors based on invoice date was as follows:

	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	12,245	8,362
31 – 60 days	156	179
61 – 90 days	–	15
Over 90 days	185	16
	<u>12,586</u>	<u>8,572</u>

The carrying amounts of creditors and accruals approximated their fair values as at 31st December 2025 and 2024.

18 SHORT TERM BANK LOANS

	2025	2024
	HK\$'000	HK\$'000
Short term bank loans – secured	<u>123,000</u>	<u>150,000</u>

The effective interest rates per annum at the end of the reporting period were as follows:

	2025	2024
Short term bank loans	<u>4.60%</u>	<u>6.10%</u>

The exposure of the short term bank loans to the contractual repricing dates is as follows:

	2025	2024
	HK\$'000	HK\$'000
1 month or less	<u>123,000</u>	<u>150,000</u>

The carrying amounts of the short term bank loans approximated their fair values as at 31st December 2025 and 2024.

Short term bank loans are secured by certain investment properties and the right-of-use in land and buildings in Hong Kong and the rental income thereon. All the short term bank loans are denominated in Hong Kong dollar. Details are set out in note 14.

19 COST AND EXPENSES

	2025	2024
	HK\$'000	HK\$'000
Auditors' remuneration		
– audit services	2,986	3,025
– non-audit services	1,371	1,137
Depreciation	45,241	45,544
Amortisation of capitalised letting fees	3,877	4,688
Provision for impairment of trade debtors	338	551
Donations	3,880	3,032
Outgoings, in respect of (note (a))		
– investment properties	66,420	72,268
– properties for sale	7,784	6,324
– property related services (note (c))	25,532	27,028
– property, plant and equipment	3,814	5,019
Outgoings, in respect of (note (b))		
– hotel and catering operations (note (c))	73,753	68,828
Other employee benefit expenses (note 21)	88,382	86,496
Others	44,946	40,546
	<u>368,324</u>	<u>364,486</u>
Total cost of sales and administrative expenses	<u>368,324</u>	<u>364,486</u>

Notes:

- (a) Outgoings mainly included building management fee, government rent and rates, repair and maintenance and employee benefits.
- (b) Outgoings mainly included food cost, commission expense, electricity charge, cleaning fee and employee benefits.
- (c) The employee benefit expenses (note 21) included in outgoings, in respect of

	2025	2024
	HK\$'000	HK\$'000
– property related services	502	763
– hotel and catering operations	46,580	42,301
	<u>47,082</u>	<u>43,064</u>

20 OTHER GAINS, NET

	2025	2024
	HK\$'000	HK\$'000
Dividend income from financial assets at fair value through other comprehensive income	909	925
Gain on disposal of property, plant and equipment, net	3,294	391
Realised and unrealised losses on derivative financial instruments, net (note 16)	(3,993)	–
	<u>210</u>	<u>1,316</u>

21 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2025	2024
	HK\$'000	HK\$'000
Salaries	103,029	98,368
Housing and other allowances, benefits in kind	21,748	21,382
Bonuses	16,775	15,781
Retirement benefit costs	3,237	3,474
	<u>144,789</u>	<u>139,005</u>
Less: Intra-group rental expenses	(9,325)	(9,445)
	<u>135,464</u>	<u>129,560</u>

(a) Pensions – defined contribution plans

There was no forfeited contribution as at 31st December 2025 (2024: Nil). No forfeited contribution was utilised during the year (2024: Nil).

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2024: four) directors whose emoluments are reflected in note 31(a). The emoluments payable to the remaining one (2024: one) individual during the year are as follows:

	2025	2024
	HK\$'000	HK\$'000
Salaries	2,443	2,443
Housing and other allowances, benefits in kind	696	678
Bonuses	457	457
Retirement benefit costs	36	27
	<u>3,632</u>	<u>3,605</u>

21 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell with the following band:

	Number of individuals	
	2025	2024
Emolument band (in HK\$)		
HK\$3,500,001 – HK\$4,000,000	1	1

During the year, no emolument was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No directors waived or agreed to waive any emoluments during the year (2024: same).

22 FINANCE INCOME AND COSTS

	2025	2024
	HK\$'000	HK\$'000
Finance income		
Interest income from bank deposits	2,039	2,929
Finance costs		
Interest expenses on bank loans	(112,872)	(151,856)
Finance costs, net	(110,833)	(148,927)

23 INCOME TAX (EXPENSE)/CREDIT

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Except for the minimum US state tax which has been paid during the year, no overseas taxation (2024: Nil) has been provided as there is no estimated taxable profit for the overseas subsidiaries for the year.

The amount of income tax (charged)/credited to consolidated statement of profit or loss represents:

	2025	2024
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong Profits Tax	(6,799)	(3,346)
– United States taxation	(18)	(26)
– Over provision in prior year	101	89
	(6,716)	(3,283)
Deferred income tax (note 15)		
– Hong Kong	(4,076)	(5,152)
– United States	3,854	28,044
	(222)	22,892
	(6,938)	19,609

23 INCOME TAX (EXPENSE)/CREDIT (Continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong where the Company operates and the difference is set out as follows:

	2025	2024
	HK\$'000	HK\$'000
Loss before income tax	(252,644)	(359,795)
Calculated at a taxation rate of 16.5% (2024: 16.5%)	41,686	59,366
Income not subject to tax	463	517
Expenses not deductible for tax purposes	(41,279)	(42,753)
Effect of different taxation rates in other countries	2,452	12,770
Over provision in prior year	101	89
Others	(10,361)	(10,380)
Income tax (expense)/credit	(6,938)	19,609

There was no income tax relating to components of other comprehensive income for the year ended 31st December 2025 and 2024.

24 LOSS PER SHARE

The calculation of basic loss per share is based on loss attributable to owners of the Company of HK\$257,607,000 (2024: HK\$333,408,000) and on 287,670,000 (2024: 287,670,000) ordinary shares in issue during the year.

As there are no dilutive potential ordinary shares for the year ended 31st December 2025 and 2024, the diluted loss per share is equal to the basic loss per share.

25 DIVIDENDS

The interim dividend paid in 2025 and 2024 were HK\$8,630,000 (HK3 cents per share) and HK\$11,507,000 (HK4 cents per share) respectively. At a meeting held on 27th March 2026, the directors proposed a final dividend of HK5 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31st December 2026 upon the approval by the Company's shareholders.

	2025	2024
	HK\$'000	HK\$'000
Interim, paid, of HK3 cents (2024: HK4 cents) per ordinary share	8,630	11,507
Final, proposed, of HK5 cents (2024: HK5 cents) per ordinary share	14,383	14,383
	23,013	25,890

26 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of loss before income tax to net cash generated from operations

	2025	2024
	HK\$'000	HK\$'000
Loss before income tax	(252,644)	(359,795)
Dividend income	(909)	(925)
Finance income	(2,039)	(2,929)
Finance costs	112,872	151,856
Depreciation	45,241	45,544
Amortisation of capitalised letting fees	3,877	4,688
Provision for impairment of trade debtors	338	551
Unrealised loss on derivative financial instruments	3,217	–
Fair value losses on investment properties	245,001	329,252
Gain on disposal of property, plant and equipment, net	(3,294)	(391)
Operating profit before working capital changes	151,660	167,851
Increase in other inventories	(1)	(49)
(Increase)/decrease in debtors and prepayments	(239)	8,839
(Decrease)/increase in rental and other deposits	(3,710)	696
Increase/(decrease) in creditors and accruals	2,620	(5,518)
Net cash generated from operations	150,330	171,819

(b) Bank loans reconciliation

During the year, movement of bank loans represented net cash inflow of HK\$17,341,000 (2024: HK\$50,555,000) and bank loan origination charges amortised of HK\$351,000 (2024: HK\$814,000).

27 FINANCIAL GUARANTEES

At 31st December 2025, the Company had provided guarantees to bankers for credit facilities granted to subsidiaries, of which HK\$2,518,964,000 (2024: HK\$2,393,721,000) were utilised as at 31st December 2025.

At 31st December 2025, a subsidiary had provided a guarantee to a bank for a loan facility granted to the Company, of which HK\$44,000,000 (2024: HK\$150,000,000) was utilised as at 31st December 2025.

28 CAPITAL COMMITMENTS

	2025	2024
	HK\$'000	HK\$'000
Contracted but not provided for		
– investment properties	48,180	12,818
– property, plant and equipment	1,534	773
	<u>49,714</u>	<u>13,591</u>

29 RELATED PARTY TRANSACTIONS

The Group entered into the following transactions with related parties during the year:

(a) Property rental and property related services transactions with related parties

Revenues from property rental and property related services in note 5(a) included amounts of HK\$1,730,000 (2024: HK\$1,652,000) and HK\$521,000 (2024: HK\$562,000) respectively from related companies and persons based on prices and terms as agreed by the parties involved.

(b) Sale of motor vehicle to related person

Sale of motor vehicle of HK\$255,000 (2024: Nil) to a related person was based on price and terms as agreed by the parties involved with reference to the latest transaction prices.

(c) Purchase of motor vehicle from related person

In 2025, there was no purchase of motor vehicle (2024: HK\$1,200,000) from a related person. In 2024, the transaction was based on price and terms as agreed by the parties involved with reference to the latest transaction prices.

(d) Key management remuneration

Remuneration of key management was as follows:

	2025	2024
	HK\$'000	HK\$'000
Short term employee benefits	42,821	42,457
Post-employment benefits	18	33
	<u>42,839</u>	<u>42,490</u>

30 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

Statement of financial position of the Company as at 31st December 2025

	2025	2024
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	15,876	25,630
Investment properties	317,620	346,530
Subsidiaries	554,240	531,349
Prepayments for non-current assets	554	–
	<u>888,290</u>	<u>903,509</u>
Current assets		
Debtors and prepayments	6,914	7,288
Amounts due from subsidiaries	928,438	872,418
Cash and cash equivalents	22,148	46,028
	<u>957,500</u>	<u>925,734</u>
Total assets	<u><u>1,845,790</u></u>	<u><u>1,829,243</u></u>
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	417,321	417,321
Reserves	890,652	917,033
Total equity	<u>1,307,973</u>	<u>1,334,354</u>
Non-current liabilities		
Lease liabilities	5,860	11,947
Current liabilities		
Rental and other deposits	2,693	3,102
Creditors and accruals	5,560	4,359
Short term bank loan	44,000	150,000
Amounts due to subsidiaries	470,124	313,521
Lease liabilities	9,580	11,960
	<u>531,957</u>	<u>482,942</u>
Total liabilities	<u>537,817</u>	<u>494,889</u>
Total equity and liabilities	<u><u>1,845,790</u></u>	<u><u>1,829,243</u></u>

The statement of financial position of the Company was approved by the board of directors on 27th March 2026 and were signed on its behalf.

William Ma Ching Wai
Director

Alfred Ma Ching Kuen
Director

**30 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY
(Continued)**

Reserves movement of the Company

	Retained profits
	HK\$'000
At 1st January 2025	917,033
Loss for the year	(3,368)
Transaction with owners	
Dividends paid	
2024 final dividend (note 25)	(14,383)
2025 interim dividend (note 25)	(8,630)
At 31st December 2025	<u>890,652</u>
Representing:	
Reserves	876,269
2025 final dividend proposed (note 25)	14,383
	<u>890,652</u>
At 1st January 2024	957,550
Loss for the year	(11,750)
Transaction with owners	
Dividends paid	
2023 final dividend	(17,260)
2024 interim dividend (note 25)	(11,507)
At 31st December 2024	<u>917,033</u>
Representing:	
Reserves	902,650
2024 final dividend proposed (note 25)	14,383
	<u>917,033</u>

31 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking

	Fees	Salaries	Discretionary bonuses	Housing and other allowances, benefit in kind	Employer's contribution to a retirement benefit scheme	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 31st December 2025						
Name of director						
William Ma Ching Wai (Chief Executive)	28	6,310	2,629	11,534	–	20,501
Patrick Ma Ching Hang	23	2,156	465	3,665	–	6,309
Philip Ma Ching Yeung	23	3,410	703	2,672	18	6,826
Alfred Ma Ching Kuen	23	1,083	212	720	–	2,038
Amy Ma Ching Sau	23	2,414	458	720	–	3,615
Edward Cheung Wing Yui	191	–	–	–	–	191
Kevin Chau Kwok Fun	191	–	–	–	–	191
Yiu Kei Chung	191	–	–	–	–	191
Aaron Tan Leng Cheng	191	–	–	–	–	191
Ho Chi Keung	191	–	–	–	–	191
	<u>1,075</u>	<u>15,373</u>	<u>4,467</u>	<u>19,311</u>	<u>18</u>	<u>40,244</u>
For the year ended 31st December 2024						
Name of director						
William Ma Ching Wai (Chief Executive)	28	6,311	2,629	11,392	3	20,363
Patrick Ma Ching Hang	23	2,156	463	3,503	3	6,148
Philip Ma Ching Yeung	23	3,410	699	2,648	18	6,798
Alfred Ma Ching Kuen	23	1,083	209	720	3	2,038
Amy Ma Ching Sau	23	2,414	455	720	3	3,615
Edward Cheung Wing Yui	191	–	–	–	–	191
Kevin Chau Kwok Fun	191	–	–	–	–	191
Yiu Kei Chung	191	–	–	–	–	191
Aaron Tan Leng Cheng	191	–	–	–	–	191
Ho Chi Keung (appointed on 24th May 2024)	191	–	–	–	–	191
	<u>1,075</u>	<u>15,374</u>	<u>4,455</u>	<u>18,983</u>	<u>30</u>	<u>39,917</u>

31 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by the directors for the year ended 31st December 2025 (2024: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits for the year ended 31st December 2025 (2024: Nil).

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

For the year ended 31st December 2025, the Company did not pay consideration to any third parties for making available directors' services (2024: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and connected entities with such directors

As at 31st December 2025, there were no loans, quasi-loans and other dealing arrangements in favour of directors, bodies corporate controlled by and connected entities with such directors (2024: Nil).

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

No other contracts of significance in relation to the Group's business to which the Company or any of 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 (2024: Nil).

32 PRINCIPAL SUBSIDIARIES

At 31st December 2025, the Company had the following principal subsidiaries which, in the opinion of the directors, materially affect the results and/or assets of the Group. Montgomery Lands, Incorporated, Central Financial Management Company Inc. and Central Financial Management of Montana LLC were incorporated and operate in the US. All other subsidiaries were incorporated and operate in Hong Kong.

Name	Percentage of issued shares held				Issued ordinary shares	Principal activities
	By the Company		By subsidiary company			
	2025	2024	2025	2024		
Arca Enterprise Limited	100	100	–	–	1 share	n
Ballington Limited	100	100	–	–	1,000 shares	e, j
Big Century Development Limited	–	–	95	95	1 share	l
Cambella Limited	100	100	–	–	1,000 shares	i
Capital Gold Investment Limited	–	–	100	100	1 share	j
Central Financial Management Company Inc.	–	–	100	100	10,000 shares of US\$1 each	a
Central Financial Management of Montana LLC	–	–	100	100	N/A	g
Chi Ho Investment Company Limited	100	100	–	–	100 shares	e, j, l
China Gateway Emporium Limited	–	–	100	100	2 shares	l
Continental United Limited	–	–	95	95	1 share	l
East Gold Investment Limited	–	–	100	100	1 share	j
Etrema Company Limited	100	100	–	–	1,000 shares	l
F. V. Club House Limited	–	–	100	100	1 share	b
Figo Limited	100	100	–	–	1 share	n
Glory Gold Investment Limited	–	–	100	100	1 share	j
Gold Earth Investment Limited	–	–	100	100	1 share	j
Gold Express Investment Limited	–	–	100	100	1 share	j
Golden Ocean Corporation Limited	100	100	–	–	531,510 shares	j
Hinwise Limited	100	100	–	–	1 share	l
Janwin Limited	100	100	–	–	1 share	l
Kam Cheung Investment Company Limited	75	75	–	–	1,200,000 shares	l
Kam Chung Industrial Company, Limited	100	100	–	–	1,149,430 shares	j
Kam Hang Company Limited	95	95	–	–	5,000 shares	e, l
Kam Yiu Company Limited	100	100	–	–	73,000 shares	l
King Dynasty Development Limited	–	–	95	95	1 share	l
La Bizplace Limited	100	100	–	–	2 shares	m
Montgomery Enterprises Limited	100	100	–	–	1,190,840 shares	d, e, j, l
Montgomery Lands, Incorporated	–	–	100	100	20,000 shares of US\$1 each	e, l
New Century Development Limited	–	–	95	95	1 share	l
Ocean Gold Investment Limited	–	–	100	100	1 share	j
On Ah Enterprises, Limited	65	65	–	–	100,000 shares	l

32 PRINCIPAL SUBSIDIARIES (Continued)

Name	Percentage of issued shares held				Issued ordinary shares	Principal activities
	By the Company		By subsidiary company			
	2025	2024	2025	2024		
Pentacontinental Land Investment Company Limited	53.6	53.6	-	-	2,000,000 shares	e, l
Satvision Limited	100	100	-	-	1,000 shares	j
Silver Focus Investment Limited	-	-	100	100	1,000 shares	e, j
Silver Grand Investment Limited	-	-	100	100	1,000 shares	j
Smartwide Development Limited	-	-	95	95	1 share	l
Tai Fung Investment Company Limited	65	65	-	-	1,400,000 shares	l
Tai Land Finance Company Limited	100	100	-	-	100,000 shares	f
Tai Sang Cold Storage & Godown Company Limited	58	58	-	-	5,600,000 shares	e
Tai Sang Estate Agency Limited	100	100	-	-	100,000 shares	a
Tai Wing Investment Company Limited	100	100	-	-	1,523,590 shares	h
TSE (Floral Villas) Limited	-	-	100	100	100 shares	k
TSE (Gateway ts) Limited	-	-	100	100	1 share	k
TSE Property Management Company Limited	100	100	-	-	1 share	e, k
TSL Construction and Engineering Limited	100	100	-	-	2 shares	j
Welldicker Industrial Limited	100	100	-	-	2 shares	e
Worldround Investment Company (Hong Kong) Limited	100	100	-	-	127,820 shares	m
Worldwide Pacific Limited	100	100	-	-	1 share	l
Xin Kuok Investments Limited	100	100	-	-	2 shares	h
Yulan Group Limited	100	100	-	-	1 share	c, e, k

Principal activities:

a = agency service	h = motor vehicle rental
b = club house operation	i = property development
c = hotel management service	j = property for resale
d = hotel and catering operation	k = property management service
e = investment holding	l = property rental
f = money lender	m = restaurant licence holding
g = motor vehicle holding	n = trade mark holding

Schedule of the Group's Significant Properties

At 31st December 2025

A PROPERTIES FOR INVESTMENT

Description	Lot Number	Type [#]	Appro. G.F.A.* (M ²)	Group's interest	Lease term
Hong Kong					
Gateway ts, 8 Cheung Fai Road, Tsing Yi	T.Y.T.L. 56	G & I	118,025	100%	Medium term
Heung Wah Industrial Building (portion), 12 Wong Chuk Hang Road, Aberdeen	A.I.L. 340	I	6,025	95%	Long term
Heung Wah Industrial Building (portion), 12 Wong Chuk Hang Road, Aberdeen	A.I.L. 340	I	671	100%	Long term
Chin Fat Factory Building (portion), 3 Tsat Po Street, San Po Kong	K.I.L. 4438 & 4439	I	966	65%	Medium term
House of Corona (portion), 50 Hung To Road, Kwun Tong	K.T.I.L. 284	I	699	65%	Medium term
Kam Yuen Mansion (portion), 3 Old Peak Road	I.L. 646 Sec. A & Sec. B	R	2,034	75%	Long term
Sea and Sky Court (portion), 92 Stanley Main Street, Stanley	S.I.L. 8	R	319	100%	Long term
Mercantile House, 186 & 190 Nathan Road, Tsim Sha Tsui	K.I.L.9735 & 2/70 shares of 8631	C	1,078	100%	Medium term
Continental Mansion (portion), 294-304 King's Road, North Point	R.P. of I.L. 7185	C & R	1,078	53.6%	Long term
Kin Wah House (portion), 176-178 Tung Lo Wan Road	I.L. 3578, 3579 & 3581	C	590	100%	Long term
Viking Court (portion), 165-166 Connaught Road West, Western District	M.L. 342 & 343	C	585	100%	Long term
Kam Wah Building (portion), 23-25 Shek Yam Road and 2-14 Shek Yi Road, Kwai Chung	K.C.T.L. 171	C	262	95%	Medium term
Floral Villas (portion), 18 Tso Wo Road, Tso Wo Hang, Sai Kung	Lot 314 D.D. 252	C & R	4,838	100%	Medium term
TS Tower (portion), 43 Heung Yip Road, Wong Chuk Hang	R.P. of A.I.L. 353	C	2,623	100%	Long term
Sheung Wan Tai Sang Commercial Building (Hollywood Centre) (portion), 77-91 Queen's Road West, Sheung Wan	I.L. 3752 to 3758	C	54	100%	Long term
Overseas					
Montgomery Plaza (portion), 456 Montgomery Street, San Francisco, the United States	N/A	C	15,169 [^]	100%	Freehold

B PROPERTIES FOR SALE

Description	Lot Number	Type [#]	Appro. G.F.A.* (M ²)	Group's interest
Hong Kong				
Floral Villas (portion), 18 Tso Wo Road, Tso Wo Hang, Sai Kung	Lot 314 D.D.252	R	3,798	100%
Sheung Wan Tai Sang Commercial Building (Hollywood Centre) (portion), 77-91 Queen's Road West, Sheung Wan	I.L. 3752 to 3758	C	4,006	100%
Kam Wah Building (portion), 23-25 Shek Yam Road and 2-14 Shek Yi Road, Kwai Chung	K.C.T.L. 171	C	1,724	100%

Schedule of the Group's Significant Properties At 31st December 2025

C PROPERTIES FOR HOTEL OPERATION

Description	Lot Number	Type [#]	Approx. G.F.A.* (M ²)	Group's interest
Hong Kong				
Sheung Wan Tai Sang Commercial Building (Hollywood Centre) (portion), 77-91 Queen's Road West, Sheung Wan	I.L. 3752 to 3758	H	1,841	100%
TS Tower (portion), 43 Heung Yip Road, Wong Chuk Hang	R.P. of A.I.L. 353	H & F	13,633	100%

D PROPERTIES UNDER DEVELOPMENT

Description	Lot Number	Type [#]	Approx. site area (M ²)	Group's interest	Stage of completion	Expected completion date
Hong Kong						
No.20 & No.22 Severn Road, The Peak	R.B.L. 1137	R	3,810	100%	Planning	N/A

E OTHER PROPERTIES

Properties for own operations

Description	Lot Number	Type [#]	Approx. G.F.A.* (M ²)	Group's interest	Lease term
Hong Kong					
No.1 Barker Road, The Peak	R.B.L. 810	Q	1,352	100%	Medium term
Kam Yuen Mansion (portion), 3 Old Peak Road	I.L. 646 Sec. A & Sec. B	Q	910	75%	Long term
TS Tower (portion), 43 Heung Yip Road, Wong Chuk Hang	R.P. of A.I.L. 353	O	1,776	100%	Long term
Heung Wah Industrial Building (portion), 12 Wong Chuk Hang Road, Aberdeen	A.I.L. 340	O	922	95%	Long term
Overseas					
Montgomery Plaza (portion), 456 Montgomery Street, San Francisco, the United States	N/A	O	469 [^]	100%	Freehold

Type[#]

G	:	Godown
I	:	Industrial
R	:	Residential
C	:	Commercial
H	:	Hotel
F	:	Food and beverage
O	:	Own-occupied office
Q	:	Quarters for directors/staff
[^]	:	Net rentable area

*Approx. G.F.A. : Approximate gross floor area

Five-Year Financial Summary

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
RESULTS					
(HK\$ thousand)					
Profit/(loss) attributable to:					
– Owners of the Company	633,618	360,115	(185,656)	(333,408)	(257,607)
– Non-controlling interests	<u>20,808</u>	<u>25,395</u>	<u>21,290</u>	<u>(6,778)</u>	<u>(1,975)</u>
	<u>654,426</u>	<u>385,510</u>	<u>(164,366)</u>	<u>(340,186)</u>	<u>(259,582)</u>
Earnings/(loss) per share	<u>HK\$2.20</u>	<u>HK\$1.25</u>	<u>HK\$(0.65)</u>	<u>HK\$(1.16)</u>	<u>HK\$(0.90)</u>
ASSETS AND LIABILITIES					
(HK\$ thousand)					
Total assets	11,832,924	12,133,849	11,890,984	11,533,101	11,272,740
Total liabilities	<u>(3,023,352)</u>	<u>(3,018,729)</u>	<u>(2,978,284)</u>	<u>(2,991,855)</u>	<u>(3,016,455)</u>
Total equity	<u>8,809,572</u>	<u>9,115,120</u>	<u>8,912,700</u>	<u>8,541,246</u>	<u>8,256,285</u>