

KW 嘉華國際集團有限公司

K. WAH INTERNATIONAL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

Stock code 股份代號 00173

*Resilience Amid Challenges:
Preserving Distinctive
Quality and Value*

守質創值 堅韌維優

ANNUAL REPORT
2025 年報



OUR MISSION

It is our mission to focus on customer needs and pursue the spirit of excellence with quality products and services through our commitment to research, design and value creation. With vision, perseverance and teamwork, we strive to provide shareholders with the best return on their investment.

CORPORATE PROFILE

K. Wah International Holdings Limited ("KWIH" or "the Group", stock code: 00173) is the listed property arm of K. Wah Group. With a strong foothold established in Hong Kong, KWIH has grown and prospered into a leading integrated developer and investor of exquisite and niche projects, with a strategic focus on Hong Kong, the Yangtze River Delta and Pearl River Delta regions.

Committed to delivering premium projects built to an uncompromising standard of quality, our portfolio of large-scale residential communities and comprehensive development undertakings such as premium residential developments, Grade-A office towers, hotel, serviced apartments and retail premises are truly one-of-a-kind. Each of our properties boasts a perfect interplay of superb design, delicate craftsmanship, top-notch facilities and innovative features, thanks to a team of seasoned professionals. That is also why we are honoured with a host of international accolades, besides earning a reputed name for impeccable living.

Cresleigh Property, the property management arm of the Group, delivers exceptional hotel serviced property management services guided by advanced and international standards in general to premium residential buildings, commercial facilities, office towers and real estate complexes.

Sharing the common vision of excellence and sustainability, we go beyond both in the projects we develop and the communities we help grow and cultivate. We have always been a trend-setter pioneering unique and sophisticated lifestyle, embracing customers' needs and creating added value in the projects we undertake as a premier brand.

Taking pride in our track record and strong financial capability, guided by the spirit of prudence and excellence, we will continue to adopt a progressive strategy with a disciplined approach in land acquisition, in strive for setting ever higher standards of quality living spaces and delivering long term shareholder value.

企業使命

秉承以客為本及追求卓越之精神，不斷透過研究、設計及創造價值，恪守不屈不撓、群策群力及具遠見之經營理念，為客戶提供優質產品及服務，並為股東帶來理想投資回報。

公司簡介

嘉華國際集團有限公司（「嘉華國際」或「集團」；股份代號：00173）為嘉華集團旗下之房地產業務旗艦，創立並紮根於香港，至今已發展成以香港、長三角及珠三角地區為策略據點之綜合發展商及投資者，所開發之項目均以品精質優見稱。

嘉華國際擅長於開發優質物業，由旗下專業團隊所拓展之項目涵蓋大型住宅社區、綜合城市發展項目，其中包括優質住宅、甲級寫字樓、酒店、服務式公寓及特色商鋪，物業皆匠心獨運，揉合特色設計、精湛技術、頂尖設備及創新元素於一身，多年來物業質素備受市場認同，建築及設計屢獲國際殊榮。

集團旗下的嘉英物業以先進的管理理念和國際高端精品酒店的營運模式，為物業提供專業及優質的管理服務，其服務類型涵蓋主流及高端住宅、商業設施、寫字樓和房地產綜合體。

集團以締造理想和諧的生活國度為發展宗旨，因地制宜，不僅用心傳承「嘉華」的優質品牌內涵，更以臻善創新的意念打造別樹一幟的物業，塑造現代生活新標準，切合家需要的同時，亦為物業注入長遠價值。

憑藉資深經驗及雄厚財政實力，嘉華國際將繼續以審慎進取的策略，物色具潛力的土地，竭誠為客戶打造優質的生活空間，為股東帶來長遠而持續的回報。



Company website

CONTENTS

2	Achievements	51	Report of the Directors
4	Financial Calendar	62	Independent Auditor's Report
5	Corporate Information	67	Consolidated Profit and Loss Statement
6	Five Years Summary	68	Consolidated Statement of Comprehensive Income
8	Statement from the Chairman	69	Consolidated Balance Sheet
11	Management Discussion and Analysis	71	Consolidated Cash Flow Statement
30	Environmental, Social and Governance Policies	72	Consolidated Statement of Changes in Equity
32	Investor Relations	73	Notes to the Consolidated Financial Statements
33	Corporate Governance Report	139	Significant Properties
47	Biographical Information of Directors		

KT MARINA HONG KONG



Achievements

K. Wah International Holdings Limited

- Caring Company
- Employer of Choice Award
- ERB Manpower Developer Award
- Good Employee Recognition Campaign — ESG Team
- Good Employer Charter
- Good MPF Employer Award
- Happiness at Work Promotional Scheme
- Heart to Heart Company
- HKIRA Investor Relations Awards — Certificate of Excellence

- Hubexo Asia Hong Kong's Top 10 Developers 2025
- 2024 Annual Report — Bronze Award in "Cover Design: Real Estate Development"
- 2024 Annual Report — Gold Award & Top 100 Corporate Publications in Cover Design

K. Wah (China) Investment Co., Ltd.

- Employer of the Year
- ESG Best Practice Award

Cresleigh Property Management (Shanghai) Co., Ltd.

- AAA Shanghai Property Management Industry Integrity Commitment Enterprise



WYSH, Shanghai

- China Real Estate Commercial Management “Young Power” Benchmark Programme (Enterprise) Award
- Excellent Practice Case of Shanghai Urban Renewal
- M Cháo Trendsetter in Lifestyle
- National Top 100 Public Cultural Spaces Award — Business District Cultural Space
- Popular Trendy Cultural Landmark
- Shanghai Design 100+ Global Competition — Officially Shortlisted Project

Stanford Residences, Shanghai

- Influential Apartments Brand of the Year

AKIS, Nanjing

- Best Commercial Complex — Gold Award
- Best Influential Business Brand of the Year
- Best Sustainable Complex

Citta Residences Hexi, Nanjing

- New Premium Serviced Apartment of the Year

Cosmo, Guangzhou

- MUSE Design Awards Gold Award — Earth Art Park

Crowne Plaza Guangzhou Huadu

- Elite-favourite Quality Business Hotel
- Golfers’ Choice Awards
- Traveller Review Awards
- Select Quality Service Hotel
- Annual Best Business Restaurant — Garden Café
- Annual Selection of Reputation Restaurant — Garden Café

Holiday Inn Express K. Wah Plaza Jiangmen East Station

- Outstanding Apartment Layouts in Jiangmen (104m², 127m²)
- 2025 Q1–Q3 Silver Dragon Awards



Financial Calendar

DATES	EVENTS
21 August 2025	Announcement of Interim Results for the six months ended 30 June 2025
27 October 2025	Payment of 2025 Interim Cash Dividend of 2 HK cents per share
27 March 2026	Announcement of Annual Results for the year ended 31 December 2025
12 June 2026 to 17 June 2026 (both dates inclusive)	Closure of Registers of Members for ascertaining shareholders' eligibility to attend and vote at the 2026 Annual General Meeting
17 June 2026	2026 Annual General Meeting
23 June 2026	Ex-dividend date
25 June 2026 to 30 June 2026 (both dates inclusive)	Closure of Registers of Members for ascertaining shareholders' entitlement to the 2025 Final Dividend
30 June 2026	Record Date for 2025 Final Dividend
31 July 2026	Payment of 2025 Final Cash Dividend of 1 HK cent per share

Corporate Information

CHAIRMAN

Mr. Francis Lui Yiu Tung, *BBS*

CO-MANAGING DIRECTORS

Mrs. Paddy Tang Lui Wai Yu, *BBS, JP*

Mr. Alexander Lui Yiu Wah

NON-EXECUTIVE DIRECTOR

Dr. Moses Cheng Mo Chi, *GBM, GBS, OBE, JP*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kwai Lam

Mr. Nip Yun Wing

Mr. Cheung Kin Sang

AUDIT COMMITTEE

Mr. Nip Yun Wing (*Chairman*)

Dr. Moses Cheng Mo Chi, *GBM, GBS, OBE, JP*

Mr. Cheung Kin Sang

REMUNERATION COMMITTEE

Mr. Wong Kwai Lam (*Chairman*)

Mr. Francis Lui Yiu Tung, *BBS*

Mr. Nip Yun Wing

NOMINATION COMMITTEE

Mr. Francis Lui Yiu Tung, *BBS* (*Chairman*)

Mr. Wong Kwai Lam

Mr. Cheung Kin Sang

COMPANY SECRETARY

Ms. Miranda Tse

INDEPENDENT AUDITOR

PricewaterhouseCoopers

Certified Public Accountants and Registered Public Interest

Entity Auditor

REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

29th Floor, K. Wah Centre

191 Java Road

North Point, Hong Kong

PRINCIPAL BANKERS*

Agricultural Bank of China

Bank of China (Hong Kong)

Bank of Communications

China Construction Bank (Asia)

DBS Bank

Hang Seng Bank

Hongkong and Shanghai Banking Corporation

Mizuho Bank

Nanyang Commercial Bank

Oversea-Chinese Banking Corporation

The Bank of East Asia

United Overseas Bank

LEGAL ADVISORS*

Baker & McKenzie

Grandall Zimmern Law Firm

P.C. Woo & Co.

Wilkinson & Grist

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited

Canon's Court

22 Victoria Street

PO Box HM 1179

Hamilton HM Ex

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Shops 1712–1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

WEBSITE ADDRESS

<http://www.kwih.com>

SHARE LISTING

The Stock Exchange of Hong Kong Limited

("HK Stock Exchange")

STOCK CODE

HK Stock Exchange : 00173

Bloomberg : 173 HK

Reuters : 0173.HK

* Listed in alphabetical order

Five Years Summary

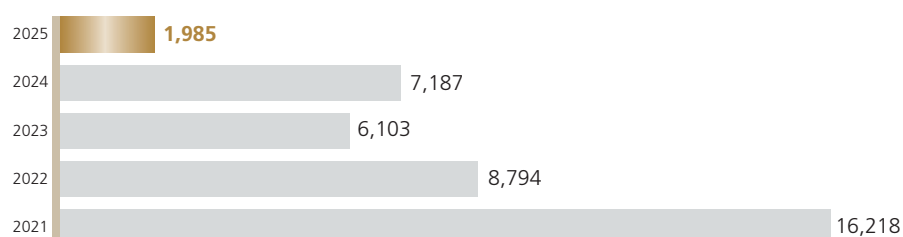
CONSOLIDATED PROFIT AND LOSS STATEMENT

	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Revenue	16,217,700	8,793,712	6,102,809	7,187,433	1,985,027
Profit/(loss) before tax	5,090,122	2,068,046	1,488,934	706,348	(489,140)
Taxation charge	(1,650,829)	(641,563)	(646,704)	(337,261)	(373,791)
Profit/(loss) for the year	3,439,293	1,426,483	842,230	369,087	(862,931)
Non-controlling interests	(84,416)	(54,096)	(40,074)	(34,017)	(6,330)
Profit/(loss) attributable to equity holders of the Company	3,354,877	1,372,387	802,156	335,070	(869,261)
Earnings/(loss) per share (HK cents)	107.3	43.8	25.6	10.6	(27.6)
Dividend per share (HK cents)	21.0	21.0	16.0	9.0	3.0

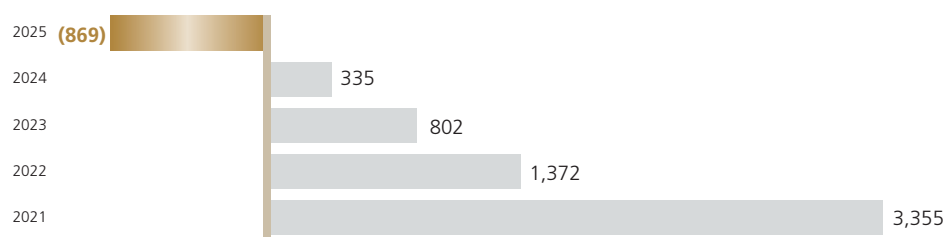
CONSOLIDATED BALANCE SHEET

	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Non-current assets	17,473,172	20,498,244	17,224,026	17,062,893	18,532,684
Associated companies and joint ventures	14,346,076	13,803,948	13,194,362	12,973,188	14,760,238
Other non-current assets/ investments	8,932,309	10,264,672	8,656,304	6,267,514	6,879,586
Net current assets	23,737,413	17,004,471	21,055,575	19,099,335	15,017,720
Employment of capital	64,488,970	61,571,335	60,130,267	55,402,930	55,190,228
Financed by:					
Share capital	313,023	313,289	313,289	315,273	315,273
Reserves	43,585,993	43,542,869	42,014,797	39,763,363	39,786,752
Shareholders' funds	43,899,016	43,856,158	42,328,086	40,078,636	40,102,025
Non-controlling interests	1,316,418	2,786,713	2,769,355	1,879,113	1,898,669
Long-term borrowings	16,385,011	12,244,037	12,324,296	10,802,654	10,379,475
Other non-current liabilities	2,888,525	2,684,427	2,708,530	2,642,527	2,810,059
Capital employed	64,488,970	61,571,335	60,130,267	55,402,930	55,190,228
Net assets value per share (HK\$)	14.02	14.00	13.51	12.71	12.72

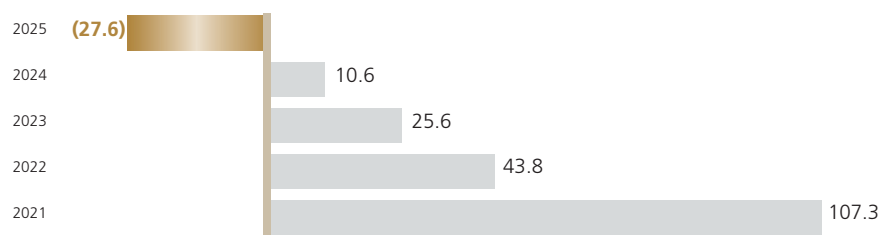
Revenue (HK\$ Million)



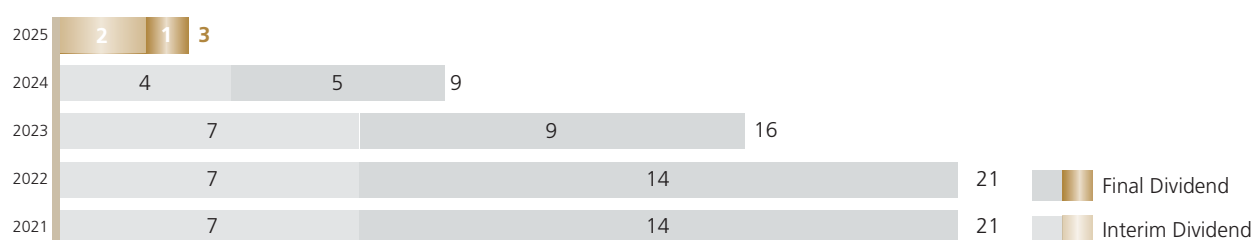
(Loss)/Profit Attributable to Equity Holders of the Company (HK\$ Million)



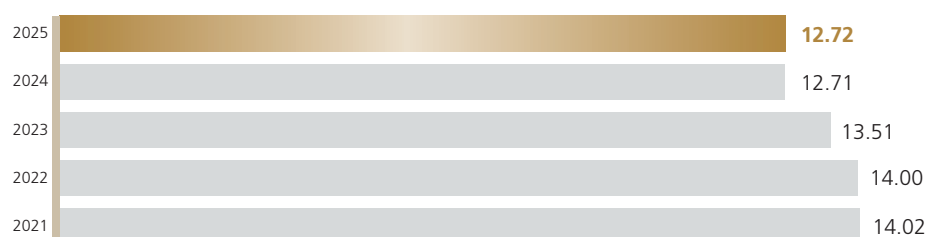
(Loss)/Earnings Per Share (HK Cents)



Dividend Per Share (HK Cents)



Net Assets Value Per Share (HK\$)



Statement from the Chairman



Dear Shareholders,

KWIH maintained steady development and a sound financial position through its robust business strategy and flexible market response capabilities, laying a solid foundation for future growth. Adhering to the principles of “impeccable quality” and “K. Wah Plus”, the Group steadily launched premium residential projects in Hong Kong and the Mainland. For the financial year ended 31 December 2025, the Group recorded attributable contracted sales of approximately HK\$5.7 billion, and attributable revenue increased by 37% year-on-year to approximately HK\$11.5 billion. The Group recorded a loss attributable to equity holders of approximately HK\$870 million.

The Board remains confident in the Group’s long-term development prospects and recommends a final dividend of 1 HK cent per share. Together with the interim dividend of 2 HK cents per share paid, total dividend for the year amounted to 3 HK cents per share, reflecting the Group’s continued commitment to rewarding shareholders.

In 2025, sentiment in the Hong Kong property market gradually stabilised. Benefiting from the interest rate cut cycle and capital inflows, transaction activities increased progressively in the second half of the year. The Mainland property

market remained in an adjustment period, with the Central Government continuing to implement policies to stabilise the market and reduce inventory. Sales performance of key projects in both Hong Kong and the Mainland remained stable as the Group prudently adjusted its sales strategies in response to market conditions and policy changes.

In Hong Kong, transactions of KT Marina 1 increased, with over 660 units sold cumulatively. Another joint venture project in the Kai Tak runway area, Victoria Voyage 1A and 1B, was launched in the second half of 2025, with over 150 units sold. In addition, the solely-owned project Kabitat • Tin Hau on King's Road, Tin Hau, was launched in January 2026, with over 90% of units sold, receiving strong market response. The joint venture project La Mirabelle, Tseung Kwan O, was launched in March 2026. The Group will continue to launch various premium projects, including the solely-owned project located on Hospital Road in Mid-levels West, the joint venture project on Po Shan Road, KT Marina 2, and Victoria Voyage 2A and 2B. In the Mainland, Cosmopolis, the residential portion of Phase I of Cosmo in Guangzhou, recorded cumulative sales of over 740 units. Projects including VETTA in Suzhou and J City in Jiangmen were launched as planned. The Group will continue to focus on Hong Kong and Tier 1 and Tier 2 cities in the Mainland, targeting upgraders, while flexibly responding to market changes as it makes plans to launch premium projects.

The Group will continue to prudently manage its land bank to ensure sustainability and flexibility for steady development. The Group's land bank comprises a total attributable gross floor area of approximately 1.27 million sq. m. across Hong Kong and the Mainland, providing a solid foundation for future development.

The Group's financial position has remained solid and positive. During the year under review, the Group actively implemented debt reduction measures. With a healthy balance sheet and sufficient funds, the Group will continue to respond to market changes prudently and capture investment opportunities at an opportune time.

OUTLOOK

In 2026, global economic conditions remain uncertain amid ongoing geopolitical risks and market volatility. Nevertheless, there have been signs of gradual improvement in Hong Kong's property market and increasing stability in the Mainland market under supportive policies. As a Hong Kong-rooted company, the Group will actively seize the opportunities arising from the commencement of the national 15th Five-Year Plan, integrating into the broader national development framework. The Group maintains a cautiously optimistic outlook on the medium- to long-term development of the property markets in Hong Kong and the Mainland. It will continue to maintain a stable cash flow and sound financial position while leveraging its extensive experience to develop premium properties through flexible development strategies, thereby creating long-term value for all stakeholders.

On behalf of the Board, I would like to take this opportunity to thank all our staff for their steadfast dedication and relentless efforts in fulfilling their duties despite ongoing challenges, and for the invaluable contributions they have made to the Group. I look forward to their continued collaboration with the Group to seize future opportunities for development and realise our vision for long-term and sustained business growth.

Mr. Francis Lui Yiu Tung

BBS

Chairman

27 March 2026

GRAND MAYFAIR
HONG KONG



COSMO
GUANGZHOU



Management Discussion and Analysis

OPERATIONS REVIEW AND OUTLOOK

Operating Results

The revenue of the Group for the year ended 31 December 2025 was HK\$1,985 million, primarily derived from the property sales of K. Summit in Hong Kong, Cosmo in Guangzhou and J City in Jiangmen, and the rental income of Shanghai K. Wah Centre. The attributable revenue of the Group (comprising the revenue of the Group and attributable revenue from joint ventures and associated companies of HK\$9,564 million) was HK\$11,549 million for the year ended 31 December 2025.

Loss attributable to equity holders of the Company was HK\$869 million while the underlying loss of the Group was HK\$1,292 million before the net of tax fair value change of investment properties for the year ended 31 December 2025. The underlying loss was primarily due to the impairment provision on development properties as a consequences of market conditions, and share of losses of joint ventures which have negative project margins under price pressure. Nonetheless, the Group maintains strong liquidity, a low gearing and ample financial resources, including the cash and bank deposits amounted to HK\$6,473 million and available undrawn banking facilities amounted to HK\$15,878 million held as of 31 December 2025, and there are positive measures showing the governments' proactiveness to stabilise the markets.

The total comprehensive income attributable to equity holders of the Company was HK\$244 million for the year ended 31 December 2025 after primarily accounting for the fair value change on the non-current investment of an approximately 3.71% interest in Galaxy Entertainment Group Limited ("GEG") and exchange differences arising from translation of the Group's RMB denominated net assets at year-end.

Attributable contracted sales of the Group (comprised of contracted sales of the Group and attributable contracted sales from joint ventures and associated companies) in 2025 amounted to HK\$5.7 billion, mainly derived from Villa Garda, KT Marina and Grand Mayfair in Hong Kong and Cosmo in Guangzhou.

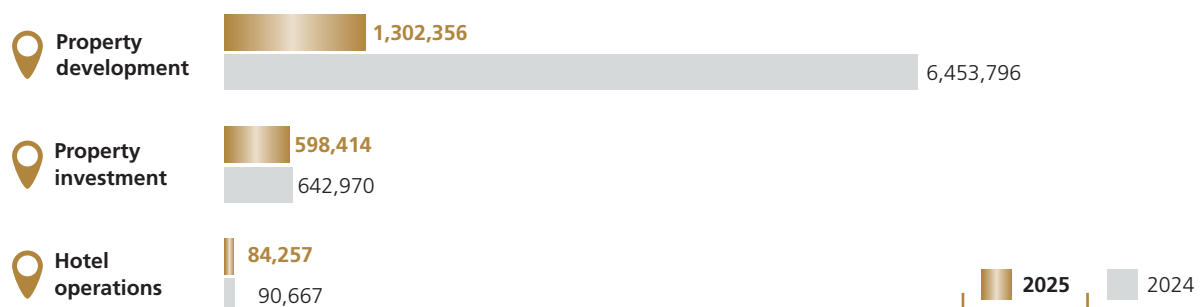
As of 31 December 2025, the Group had attributable contracted sales yet to be recognised amounted to HK\$6.5 billion, expected to be accounted for from the year of 2026 onwards.

	Property development		Property investment	Others	Total
	Hong Kong HK\$'000	Mainland HK\$'000	HK\$'000	HK\$'000	HK\$'000
2025					
Revenue	255,410	1,046,946	598,414	84,257	1,985,027
Adjusted EBITDA	46,974	(743,717)	442,767	(159,402)	(413,378)
Total assets	18,331,017	22,473,150	18,428,372	6,859,332	66,091,871
2024					
Revenue	540,491	5,913,305	642,970	90,667	7,187,433
Adjusted EBITDA	197,349	353,227	486,538	(194,476)	842,638
Total assets	16,160,942	26,909,792	16,700,841	6,599,472	66,371,047

Management Discussion and Analysis

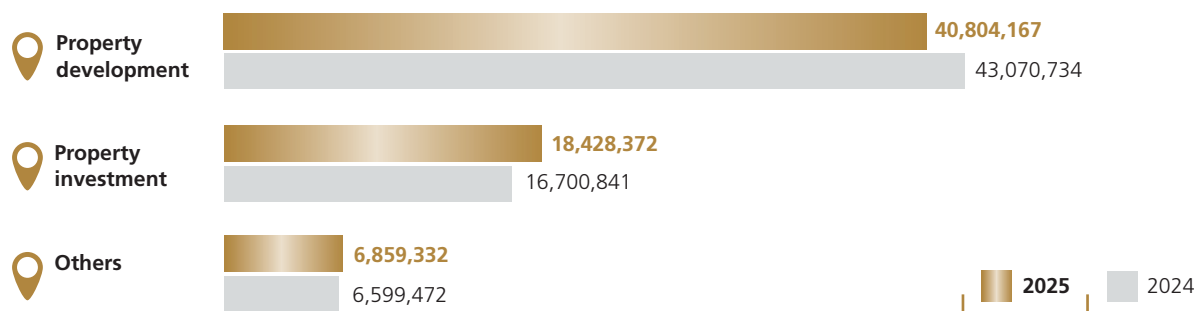
Revenue by Division

For the year ended 31 December 2025
(HK\$'000)



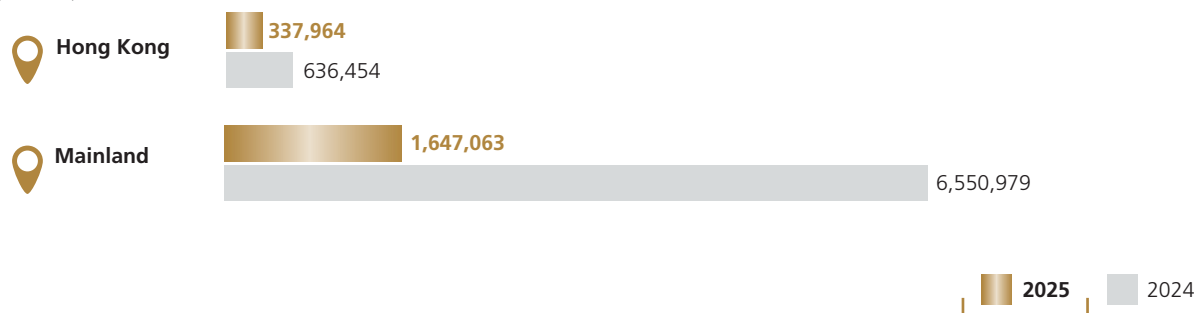
Total Assets by Division

As at 31 December 2025
(HK\$'000)



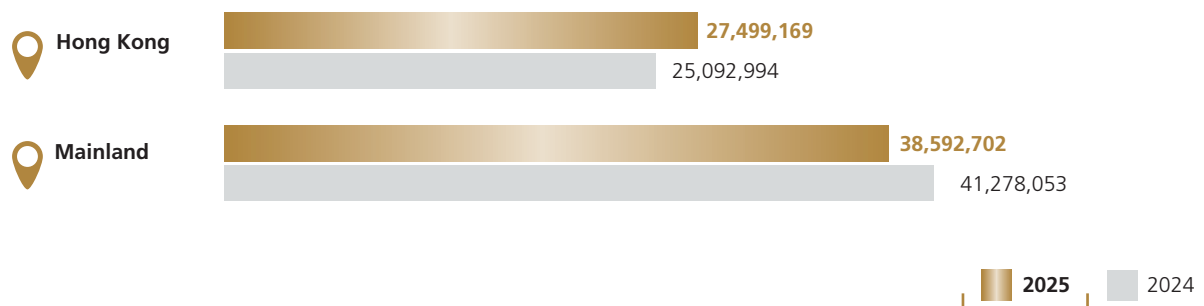
Revenue by Geographical Area

For the year ended 31 December 2025
(HK\$'000)



Total Assets by Geographical Area

As at 31 December 2025
(HK\$'000)



Property Development

(A) Hong Kong

Given lower borrowing costs and an improvement in market sentiment, the Hong Kong property market has shown signs of gradual recovery in 2025. During the year, the Group continued to market remaining units across various launched projects. The market opportunity was seized to launch more batches of units of Villa Garda in Tseung Kwan O and KT Marina in Kai Tak, while Phase III of Grand Mayfair in Yuen Long was first put up for sale. These three joint venture projects received positive market responses, resulting in attributable contracted sales amounted to approximately HK\$4.1 billion.

Following the certificates of compliance being issued, the handover of pre-sold units for three joint venture projects, Grand Mayfair, Villa Garda and KT Marina, commenced in late March and early April 2025, with the corresponding attributable sales recognised in the year.

The Group will continue to market its remaining units across various launched projects. In addition, a number of projects in the sales pipeline will be launched for sale in 2026, subject to market conditions.

Construction work of projects under development are progressing as scheduled.

Details of the Group's major development projects are as follows:

2 Grampian Road, Kowloon (100% owned)

This project has 5 premium house units and is situated in one of Kowloon's prime residential areas with a total GFA of approximately 2,000 square metres. The development of the project was completed with one house unit sold.



HONG KONG

- 1 2 Grampian Road
- 2 Kabitat • Tin Hau
- 3 Inland Lot No. 8872, Hospital Road
- 4 28 Po Shan Road
- 5 Grand Victoria
- 6 Grand Mayfair
- 7 Villa Garda
- 8 KT Marina
- 9 Victoria Voyage
- 10 La Mirabelle
- 11 J SENSES
- 12 Commercial Complex at Twin Peaks
- 13 Chantilly
- 14 Shops at K. Summit

* Location shown on an approximate basis only and accuracy not assured.

Management Discussion and Analysis

Kabitat • Tin Hau, Hong Kong (100% owned)

This project, with a total GFA of approximately 4,000 square metres, is being redeveloped into a premium residential project and sits in close proximity to the city's central business district and within walking distance to the MTR Tin Hau Station. Construction work is well underway, and the project is targeted to be completed in 2026. Pre-sales are launched in January 2026 and received an overwhelming market response with only two special units still available.

Inland Lot No. 8872, Hospital Road, Hong Kong (100% owned)

This prime site within walking distance to the MTR Sai Ying Pun Station, offers a total GFA of approximately 4,000 square metres. Located on a hillside, it is being developed into a premium residential project and enjoys panoramic city views, while a number of historical architectural buildings are in the vicinity. Construction work is well underway and the project is targeted to be completed in 2027. Pre-sales are expected to be launched in 2026, subject to market conditions.

28 Po Shan Road, Hong Kong (50% owned)

This project is a premium luxury residence, which has a total GFA of approximately 4,100 square metres, and offers one vertical house with eight-storey over the podium. It is located in a prestigious Mid-Levels area with stunning sea views. The development of the project was completed in 2024 and is ready to be put on the market, subject to market conditions.

Grand Victoria, South West Kowloon (22.5% owned)

This project is a premium-grade residential property comprising of 1,437 units in three phases. With a total GFA of approximately 91,800 square metres, it is situated within walking distance to the MTR Nam Cheong Station in a coveted urban waterfront location featuring panoramic harbour views. The development of the project was completed and nearly all of the units were sold as of year-end.



Grand Victoria, Hong Kong

Grand Mayfair, Yuen Long (33 $\frac{1}{3}$ % owned)

This premium residential project has a total GFA of approximately 114,800 square metres comprising 2,200 units in three phases. Located next to the MTR Kam Sheung Road Station, it offers convenient access to other parts of the city and to the Mainland. Pre-sales of Phases I and II began in 2022 and pre-sales of Phase III are launched in October 2025, with approximately 90% of the units sold. The development of Phases I and II are complete with the certificates of compliance obtained in March 2025. Pre-sold units of Phases I and II were handed over to buyers with corresponding attributable sales recognised for the year. Construction work of Phase III is well underway and is targeted to be completed in 2027.

Villa Garda, Tseung Kwan O (30% owned)

This premium residential project is situated on the seafront at Tseung Kwan O and is connected to the MTR LOHAS Park Station. It has a total GFA of approximately 88,800

square metres, offering 1,880 units in three phases. Pre-sales began in 2022 with over 95% of the units sold. The development is complete with the certificates of compliance obtained by May 2025. Pre-sold units were handed over to buyers with corresponding attributable sales recognised for the year.

KT Marina, Kai Tak (40% owned)

This premium residential project has a total GFA of approximately 99,900 square metres and offers 2,138 units in two phases. It is located in the Kai Tak Development Area close to the MTR Kai Tak Station. The pre-sales of Phase I began in late 2023 with approximately 85% of the launched units sold. Pre-sales of the remaining phase are expected to be launched in 2026, subject to market conditions. The development of Phase I is complete with the certificate of compliance obtained in March 2025. Pre-sold units were handed over to buyers with corresponding attributable sales recognised for the year. Construction work of the remaining phase is well underway and is targeted to be completed in 2026.



Villa Garda, Hong Kong

Management Discussion and Analysis

Victoria Voyage, Kai Tak (10% owned)

This premium residential project is located in the Kai Tak Development Area opposite KT Marina, offering panoramic views of Victoria Harbour. It has a total GFA of approximately 111,900 square metres, comprising 2,060 units in four phases. The development is complete and the certificate of compliance was obtained in March 2025. The sales of the first two phases were launched in August 2025 with approximately 75% of the launched units sold.

La Mirabelle, Tseung Kwan O (25% owned)

This site has a total GFA of approximately 144,000 square metres and is being developed into a premium residential project by a joint venture with other property developers, offering 2,550 units in two phases. It is located northwest of the MTR LOHAS Park Station and enjoys views of Junk Bay. Construction work is well underway and the

project is targeted to be completed in 2027. Pre-sales of Phase I are launched in March 2026.

(B) Mainland

During the year, the Group continued to market remaining units of various launched projects including Cosmo in Guangzhou, VETTA in Suzhou and J City in Jiangmen, generating total contracted sales of approximately RMB1.1 billion for the Group.

The development of the Group's projects under construction is progressing on schedule and according to plan. The Group will also continue to market the remaining units of its various completed projects.

Details of the Group's major development projects are as follows:



Victoria Voyage, Hong Kong

Shanghai, Nanjing and Suzhou

Site XHPO-0001, D1-2&D5B-1, Huajing Town, Xuhui District, Shanghai (60% owned)

This project, with a total GFA of approximately 195,800 square metres, is located in a core development zone planned for artificial intelligence and life science industries. In close proximity to a multiple-railway interchange, this comprehensive development is being developed in phases, integrating residences, offices, retail and a hotel for sale/long-term investment. The residential portion, Avenir, offers the market 440 units of three- and four-bedroom and was launched for sale in 2024 with an encouraging market response, resulting in all units pre-sold in the same year. The development of Avenir is complete in December 2025. The handover of pre-sold units to buyers commenced in January 2026 with satisfactory results and corresponding sales to be recognised in 2026. Construction work of other portions is underway and on schedule.

Cavendish, Jiangning District, Nanjing (100% owned)

This project is located in Jiangning District, close to several railway and transportation networks and within walking distance from Nanjing South Railway Station. It has a total GFA of approximately 49,700 square metres, offering 381 residential units and ancillary commercial facilities. The development of the project was completed with approximately 70% of the units sold as of year-end.



* Location shown on an approximate basis only and accuracy not assured.

Management Discussion and Analysis

Site 2020G72, Hexi New Town, Jianye District, Nanjing (100% owned)

This project, located in a core urban district, is in close proximity to the central business district of Hexi and next to Wuhoujie Metro Station with a total GFA of approximately 477,000 square metres. This comprehensive project is being developed in phases integrating residences, apartments, retail, offices and a hotel for sale/long-term investment. The residential portion, Sierra, consists of 11 towers with 856 three- to five-bedroom units ranging in size from 103 to 211 square metres. The development of Sierra was completed in 2024 and 10 residential towers were put on the market with approximately 95% units sold as of year-end. Sales of the remaining tower will launch once the relevant documents have been obtained. The development of the first phase of the commercial portion is complete in the second half of 2025. One tower of apartments was transferred as investment property in late 2025 and leasing activities have commenced.

VETTA, Xiangcheng District, Suzhou (100% owned)

This project is located in Suzhou Xiangcheng District, next to the Suzhoubei Railway Station and the Suzhou Rail Transit Line 2. It has a total GFA of approximately 70,400 square metres, offering 588 three- and four-bedroom residential units. The development was completed with approximately 90% of the units sold as of year-end.

Avanti, National Hi-Tech District, Suzhou (100% owned)

This project is located in Suzhou National Hi-Tech District, next to the Suzhou Xinqu Railway Station, the Suzhou Rail Transit Line 3 and the Suzhou Rail Transit Line 6. With a total GFA of approximately 59,000 square metres, it offers 514 residential units. The development of the project was completed with approximately 60% of the launched units sold.



Avenir, Shanghai

Guangzhou, Dongguan and Jiangmen

Phases III&IV of K. Wah Plaza, Huadu District, Guangzhou (100% owned)

Consisting of four buildings including apartments, offices and retail facilities, this completed project is close to Baiyun International Airport and has a total GFA of approximately 86,000 square metres. Approximately 90% of the apartments have been sold as of year-end and the offices and retail portions are held for long-term investment purposes.

Cosmo, Xinhuzhen West Site, Huadu District, Guangzhou (99.99% owned)

This project sits just steps away from Baiyun District and is poised to benefit from enhanced transportation networks. It has a total GFA of approximately 579,000 square metres and is being developed in phases for residential units and commercial complexes. The first phase, offering residential units with a GFA of approximately 187,000 square metres, provides 1,474 units of two- to four-room types in 12 towers and a commercial complex of 23,000 square metres. The development of the first phase was completed with approximately 80% of the launched units sold as of year-end. The development of the second phase is well underway and on schedule.

Bayview, Songshan Lake District, Dongguan (100% owned)

This project, situated in a prominent location in Songshan Lake District, Dongguan, is close to the central living area of Chashan Town with panoramic river views and in close proximity to Chashan Station on Dongguan's Rail Transit Line 2. It has a total GFA of approximately 159,000 square metres, providing 1,196 units, mainly of three- and four-bedroom and some special units, with ancillary commercial facilities. The development was completed with approximately 80% of the launched units sold as of year-end.

J City, Jianghai District, Jiangmen (100% owned)

Located in Jianghai District and next to the Jiangmendong Railway Station of the Guangzhou-Zhuhai Intercity Railway, J City comprises two adjacent land sites with a total aggregate GFA of approximately 278,600 square metres, providing 2,111 residential units available for sale with ancillary commercial facilities and a hotel. The development was completed with approximately 80% of the launched units sold as of year-end.



Sierra, Nanjing

Management Discussion and Analysis

Property Investment

The Group's leasing performance continued to be satisfactory during the year. The overall occupancy remained stable and continues to deliver the Group steady recurrent income.

Details of the Group's major investment projects are as follows:

(A) Hong Kong

J SENSES at J Residence, Johnston Road, Wan Chai (100% owned)

With a total GFA of approximately 3,400 square metres, J SENSES is a premium dining and shopping arcade located in a prime Hong Kong Island location that offers the neighbourhood a high-end dining and leisure environment. It was fully leased as of year-end and continues to deliver the Group stable rental income.

Commercial Complex at Twin Peaks, Tseung Kwan O (100% owned)

With a total GFA of approximately 3,500 square metres, this complex serves the residents of Twin Peaks and the surrounding neighbourhood. It was almost fully leased for the year and continues to deliver the Group stable rental income.

Chantilly, 6 Shiu Fai Terrace, Stubbs Road (100% owned)

Located in a highly desirable area of Hong Kong Island, Chantilly offers a total GFA of approximately 4,700 square metres and is held for long-term investment, with overall occupancy of approximately 90% for the year.

Shops at K. Summit, Kai Tak (100% owned)

With a total GFA of approximately 1,200 square metres, this complex serves the residents of K. Summit and the surrounding neighbourhood. The shops were fully leased as of year-end.

(B) Mainland

Shanghai K. Wah Centre, Shanghai (69.6% effective interest)

This prime investment property is situated on Huaihai Zhong Road in Xuhui District, a central business district of Shanghai, with a total GFA of approximately 72,000 square metres. It continues to be one of the city's landmark offices and the choice of multinational corporate tenants. The property achieved an average occupancy rate of approximately 85% as of year-end and continues to provide the Group stable rental income.



Avanti, Suzhou

Stanford Residences, Shanghai (100% owned)

The Group continues to be dedicated to providing a privileged residential lifestyle environment for tenants seeking high-end modern living. “Stanford Residences”, including “Jing An” and “Xu Hui” with a total GFA of approximately 57,000 square metres, offer everything from five-star management services to sophisticated and contemporary interiors that feature stylish furniture and fittings. Throughout the year, they continued to enjoy high occupancy with an overall occupancy rate of over 90%, delivering the Group stable rental income. The strong rental rate and high occupancy drove the change in fair value this year.

Palace Lane, Shanghai (100% owned)

To serve its prestigious residents at The Palace and Xuhui’s high-end retail market, Palace Lane, with a total GFA of approximately 8,000 square metres, offers consumers a variety of leisure, food and beverage experiences. The overall occupancy rate was approximately 60% for the year. Alternative usage is under consideration, subject to market conditions.

EDGE, Shanghai (53.61% owned)

EDGE, located by Suzhou Creek in Jingan District, with a total GFA of approximately 21,000 square metres, is close to various public transportation networks and connected to Qufu Road Station, an interchange station for Line 8 and Line 12 of the Shanghai Metro. Sustainability is integrated into its building design by incorporating green building features and the use of energy-efficient technologies and materials. It has been well received and maintained full occupancy throughout the year.

WYSH, Shanghai (100% owned)

WYSH, on Wuyi Road in Changning District, is situated in a historical and cultural heritage area and offers a well-developed community with good public transport networks. With a total GFA of approximately 13,300 square metres, it is positioned as an urban oasis integrating commerce, dining, leisure and entertainment, featuring both modern and traditional architectural elements. It became operational in 2024, with approximately 90% leased as of year-end.

Cavendish’s commercial portions, Nanjing (100% owned)

This commercial complex has a total GFA of approximately 7,300 square metres, with approximately 90% leased as of year-end.



* Location shown on an approximate basis only and accuracy not assured.

Management Discussion and Analysis

Citta Residences Hexi, Nanjing (100% owned)

These residences are situated within the comprehensive project in Hexi New Town next to Sierra, and has a total GFA of approximately 25,200 square metres. High-quality serviced apartments ensure comfortable and convenient smart living spaces for residents, bringing warmth and tranquillity to the rhythm of urban life. The development is complete in September 2025 and the leasing campaigns have been rolled out.

Cove Gala, Dongguan (100% owned)

This commercial complex situated within Silver Cove has a total GFA of approximately 11,600 square metres. It provides daily needs for residents and also serves the surrounding neighbourhood by offering consumers a wide variety of leisure and dining experiences. The occupancy rate was approximately 70% as of year-end.

K. Wah Plaza, Guangzhou (100% owned)

Situated in a prime location in Huadu District and offering convenient access to a number of public transportation networks, this retail space and offices held for rental have a total GFA of approximately 51,000 square metres, with occupancy of approximately 65% as of year-end.

Cosmo Avenue, Guangzhou (99.99% owned)

This commercial complex situated within Cosmo has a total GFA of approximately 23,000 square metres. It serves the residents of Cosmo and the neighbourhood by offering the community convenient living facilities and enjoying a wide variety of leisure, entertainment and dining experiences. It became operational in late 2024 with approximately 85% leased as of year-end.



Bayview, Dongguan

Land Bank Replenishment

The Group remains vigilant in monitoring the land markets both in Hong Kong and the Mainland, exercising discipline and sound judgment in evaluating opportunities for land replenishment. The aim is to maximise earning potential while exploring diverse avenues for new investment prospects.

Investment in GEG

The Group has an investment of 162 million shares, or approximately 3.71% (2024: 3.71%) interest, in GEG, measured at fair value and classified as non-current assets. As of 31 December 2025, GEG represented 9% (2024: 8%) of the Group's total assets and its share price increased to HK\$38.32 (2024: HK\$33). The increase in fair value of HK\$864 million (2024: a decrease of HK\$1,747 million) was recorded to reserves. During the year, dividends of HK\$195 million (2024: HK\$130 million) were received from GEG.

The principal activities of GEG are gaming, the provision of hospitality and the sale,

manufacture and distribution of construction materials. The audited consolidated profit attributable to equity holders of GEG for the year ended 31 December 2025 was HK\$10,674 million (2024: HK\$8,759 million), while the audited consolidated net asset value attributable to equity holders of GEG as at 31 December 2025 was HK\$83,143 million (2024: HK\$75,946 million). A final dividend of HK\$0.8 per share was just declared.

As stated in its 2025 annual results announcement, GEG continues to have confidence in the longer-term outlook of Macau. With its healthy and liquid balance sheet, solid financial foundation and cash flow from operations, it enables GEG to return capital to shareholders, fund its development pipelines, pursue international expansion opportunities and ensure that a strong balance sheet remains in the event of unforeseeable circumstances such as economic shocks.

The Board continues to view its investment in GEG as sound and for the long-term.



J City, Jiangmen

MARKET REVIEW AND OUTLOOK

Global, Mainland and Hong Kong

The global economy grew at a subdued pace of 3.2% in 2025, slightly slower than the 3.3% seen in 2024. While geopolitical tensions and supply chain adjustments persisted, a key shift was the significant easing of U.S. monetary policy. The Federal Reserve cut interest rates to a target range of 3.5%–3.75% by year-end, down from 4.5% in 2024, as inflation moderated to approximately 2.7% in the U.S. and approximately 2.0%–2.1% in Europe. Although this policy shift provided some relief, softer demand in key regions continued to weigh on export-oriented economies. Geopolitical instability remained a top concern for businesses, although earlier anxieties over trade policy began to recede.

The Mainland's economy met its growth target with a 5.0% expansion in 2025, matching the 2024 rate. However, the recovery was uneven. Growth was primarily driven by strong industrial production, particularly in advanced manufacturing, while domestic consumer confidence remained subdued amid ongoing real estate market uncertainties. To stabilise the property sector, the government continued targeted measures including enhanced support for homebuyers and incentives for financial institutions to increase lending.

Hong Kong's economy demonstrated resilience, with growth accelerating to approximately 3.2%–3.5% in 2025, up from 2.5% in 2024. This performance was supported by a sustained rebound in tourism, a recovery in cross-border trade, and effective government fiscal policies aimed at boosting consumption. The overall environment remained stable, with the unemployment rate steady at 3.8% and consumer price inflation staying modest at approximately 1.1%–1.2%.

Hong Kong Property Market

In 2025, Hong Kong's property market experienced continued recovery momentum, with first-hand residential transactions reaching 20,540 units, an approximate 21% year-on-year increase. This growth was driven by sustained government policies including extended stamp duty relief, interest rate cuts, and higher loan-to-value ratios, all of which further reduced home-buying costs and stimulated market activity. Additionally, enhancements to investor immigration schemes, talent programmes and Greater Bay Area developments contributed to increase housing demand, supporting a more robust market recovery.



Huajing Town Project, Xuhui District, Shanghai

Mainland Property Market

The Mainland property market showed signs of stabilisation in 2025, bolstered by a series of supportive measures such as further reductions in down payments, competitive mortgage rates, and continued loosening of purchase restrictions. However, buyer confidence remained cautious amid ongoing economic uncertainties. Nationwide, the volume of new residential property sales declined by approximately 10% year-on-year, while the value of these sales dropped by approximately 13.6%. This reflected a slight improvement in the rate of decline compared to the previous year, indicating a slow path towards stabilisation. The central government's commitment to stabilising the real estate market and promoting corporate liquidity reflects a proactive approach to supporting sector recovery.

Outlook for 2026

Looking ahead to 2026, the global economic environment is expected to remain subdued. Amid ongoing volatility and policy shifts, the International Monetary Fund forecasts global real gross domestic product growth of 3.3% and 3.2%, for 2026 and 2027 respectively. Monetary policy in major economies will continue to influence financial conditions.

For Hong Kong, the residential market recovery is forecast to extend into 2026, with mass residential prices projected to rise by approximately 5%–7%. This momentum is expected to be supported by stable interest rates, continued demand from mainland buyers, and a normalised supply pipeline. However, the commercial real estate sector may continue to face headwinds.

In the Mainland, the market is expected to continue its transition toward the new development model. Policy support is likely to remain targeted, focusing on ensuring delivery of pre-sold homes, mitigating financial risks, and boosting affordable housing. The performance gap between core first-tier cities and lower-tier cities is anticipated to persist.

Despite the challenging environment, the Group remains committed to delivering high-quality products, maintaining strong branding, and exercising disciplined cost and project management. Leveraging its strong financial position, the Group will continue to focus on prime projects in key areas of Hong Kong and the Mainland's first-tier cities, actively seeking opportunities to capitalise on the market recovery.



WYSH, Shanghai



EDGE, Shanghai

REVIEW OF FINANCE

Financial Position

The financial position of the Group remained satisfactory throughout the year. As of 31 December 2025, total funds employed (being total equity and total borrowings) were HK\$56 billion (2024: HK\$57 billion). The number of issued shares of the Company was 3,152,728,607 as of 31 December 2025 without any movement since last year end.

Group Liquidity, Financial Resources and Gearing Ratio

The Group monitors its liquidity requirements on a short-to-medium-term rolling basis and arranges refinancing of the Group's borrowings when appropriate. As of 31 December 2025, the Group's borrowings were HK\$13,738 million (2024: HK\$14,563 million) and 24% is repayable within one year. The maturity profile of the borrowings is spread over a period of up to five years except for an amount of HK\$432 million which is due after five years. The average interest rate for the Group during the year decreased to 3.1% from last year's average of 4.3%.

As of 31 December 2025, the Group had available undrawn banking facilities totaling HK\$15,878

million (2024: HK\$17,666 million) comprising HK\$12,999 million (2024: HK\$14,416 million) for working capital and HK\$2,879 million (2024: HK\$3,250 million) for project facility purposes.

As of 31 December 2025, the Group's cash and bank deposits amounted to HK\$6,473 million (2024: HK\$9,649 million), with approximately 73% held in Renminbi. The decrease in cash and bank deposits was mainly due to the repayments of substantial project loans of joint venture projects during the year to lower their associated finance costs. The gearing ratio, defined as the ratio of total borrowings less cash and bank deposits to total equity, increased to 17% as of 31 December 2025 from 12% as of last year end.

Several 4/5-year revolving credit/term facilities in total approximately HK\$2 billion were executed during the year, as well as a 3-year syndicated loan of approximately HK\$4 billion in November 2025, for refinancing at favourable cost and enhancing the Group's funding capability. The ample financial resources will provide adequate funding for the Group's operational and capital expenditure requirements.



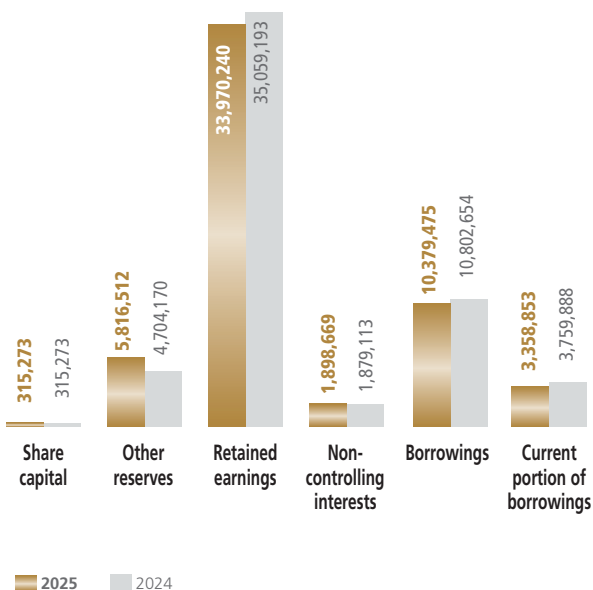
Shanghai K. Wah Centre



(Top) Stanford Residences Jing An, Shanghai
(Bottom) Stanford Residences Xu Hui, Shanghai

Sources of Funding

As at 31 December 2025
(HK\$'000)



Treasury Policies

In order to minimise risk, the Group continues to adopt a prudent approach regarding foreign exchange exposure. Forward foreign exchange contracts are utilised when considered appropriate and when attractive pricing opportunities arise to mitigate foreign exchange exposures. Interest rate swap contracts are also utilised as appropriate to mitigate the impact of any undue interest rate fluctuations on the Group's operations in the medium and longer term. The interest rate swap contracts were expired during the year and no outstanding amount as of year-end (2024: HK\$1.4 billion).

In addition, the Group entered into cross currency swap contracts to hedge a portion of its net investment in the Mainland's operations, which are designated as net investment hedges. The net investment hedges offset the risk of changes in the value of the investment in the Mainland due to the fluctuation of the Renminbi exchange rate. As of the year end, the notional principal amount of the cross currency swap contracts was approximately HK\$2.8 billion (2024: HK\$2.8 billion). After the year-end, all outstanding cross currency swap contracts were fully ceased.



Site 2020G72, Hexi New Town, Jianye District, Nanjing

Management Discussion and Analysis

The Group do not utilise derivative financial instruments for speculative purpose and the use of derivative financial instruments is strictly monitored and controlled. The derivative financial instruments entered into by the Group were solely used for management of the Group's interest rate and foreign exchange exposures.

Of the Group's bank loans of HK\$13,738 million as of 31 December 2025, approximately 65% was denominated in Hong Kong dollars, with the remainder in Renminbi. Approximately 55% of such borrowings were on a floating rate basis, with the remainder on fixed rate basis.

Charges on Group Assets

As of 31 December 2025, certain subsidiaries of the Group pledged assets (comprising investment properties and development properties) with aggregate carrying values of HK\$4,171 million (2024: HK\$4,341 million) to banks in order to secure the Group's borrowing facilities.

Guarantees

As of 31 December 2025, the Group has executed guarantees in favour of banks in respect of facilities granted to certain joint ventures and associated companies, amounting to HK\$242 million (2024: HK\$8,151 million) and HK\$1,684 million (2024: HK\$980 million) respectively, of which facilities totaling HK\$242 million (2024: HK\$6,735 million) and HK\$1,399 million (2024: HK\$980 million) respectively have been utilised. In addition, the Group provided guarantees amounting to HK\$1,281 million (2024: HK\$1,617 million) in respect of mortgage facilities granted by banks relating to mortgage loans arranged for purchasers of the Group's properties.

As of 31 December 2025, the Company has executed guarantees in favour of banks in respect of facilities granted to certain subsidiaries, joint ventures and associated companies, amounting to HK\$25,335 million (2024: HK\$28,471 million), HK\$242 million (2024: HK\$7,622 million) and HK\$1,684 million (2024: HK\$980 million) respectively. Of these, facilities totaling HK\$12,335 million (2024: HK\$13,517 million), HK\$242 million (2024: HK\$6,713 million) and HK\$1,399 million (2024: HK\$980 million) respectively have been utilised.



K. Wah Plaza, Guangzhou and Crowne Plaza Guangzhou Huadu

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2025, the Group, excluding its associated companies and joint ventures, employs 732 employees in Hong Kong and the Mainland. Employees cost, excluding Directors' emoluments, amounted to approximately HK\$349 million for the year under review.

The Group believes its long-term growth and success depend upon the quality, performance and commitment of its employees. The Group's remuneration policy aims to offer competitive remuneration packages to attract, retain and motivate talents. With result-driven incentive programmes which are built upon our established performance management framework, the Group believes the remuneration packages of its employees are fair, reasonable and competitive in relation to comparable organisations with similar business interests.

The Group has put in place a share option scheme for its executives and employees since 1989 for the purposes of providing competitive remuneration package as well as retaining talents in the long term. The Group puts emphasis on employees' training and development opportunities which form an important component of the Group's human resources strategy. Training and development programmes are provided through internal and external resources in each year to address the needs of our employees for the sustainable development of our businesses.



J SENSES, Hong Kong

Environmental, Social and Governance Policies

This section highlights the Group's Environmental, Social and Governance ("ESG") related policies and performance for the financial year ended 31 December 2025. Further details about the management approach towards the Group's sustainability strategies, relevant ESG-related policies, initiatives, and performance are set out in the ESG Report 2025 which is prepared in accordance with the ESG Reporting Code set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Visionary Sustainable Development

Sustainable development is a core pillar of the Group's business strategy. As the business community continues its transition towards a low-carbon economy, the Group is enhancing its resilience to the impacts of climate change while focusing on the prioritisation of resource efficiency and the promotion of green building practices, continuing to strive to optimise the Group's environmental footprint. The Board holds overall accountability for KWIH's ESG strategy and performance. The ESG Committee, co-chaired by Co-Managing Directors and comprised of functional department representatives, leads the implementation of ESG initiatives into the Group's daily operations. It also oversees the identification and assessment of ESG-related risks and opportunities, including climate-related risks and opportunities, and advise the Board on significant strategic and financial risks.

The Group follows its stringent Environmental Policy to manage the environmental impacts. The Group has set medium-term targets of reducing greenhouse gas ("GHG") emissions intensity and energy intensity by 26% and 39%, respectively, by 2025 compared to 2016 baselines. Through sustained and diligent efforts, the Group's GHG emissions intensity has recorded a steady reduction from 2021 levels, with the set targets achieved and exceeded. In addition, the Group continued to develop its GHG emissions inventory and advanced its climate-related risks and opportunities analysis in response to the enhanced climate disclosure requirements.

In 2025, KWIH's sustainability commitment and efforts continued to be widely recognised.

Promoting Sustainable Building and Greener Environments

The Group has been acknowledged for its achievements in innovative landscape design and sustainable building practices, showcasing ongoing efforts in pursuing excellence in quality and integrating sustainability into urban development. AKIS, KWIH's inaugural large-scale integrated project in Nanjing, received widespread acclaim for its outstanding green building practices and innovative spatial strategies with the integration of sustainable

technologies, and was honoured with the "Best Sustainable Complex of the Year" and "Best Commercial Complex of the Year — Gold" at the GBE Commercial Real Estate Awards. In its pursuit of excellence in landscape design, the Earth Art Park in Cosmo, Guangzhou has transformed natural ecosystems into a space of profound aesthetic and educational value which integrates sustainability into residents' daily lives, winning the Gold Award at the 2025 MUSE Design Awards.

AN ACCOUNT OF KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group regularly engages its stakeholders to understand their concerns and expectations regarding its sustainability initiatives, performance and future strategies, aiming to gather their views and feedback. This facilitates the Group to identify risks and opportunities, balance different interests and make informed decisions.

Empowering Our People

KWIH focuses on creating an inclusive work environment consistent with its people-oriented approach. The Group meticulously organises a diverse range of activities and programmes designed to enhance the overall well-being of our employees, foster teamwork and nurture a more inclusive and collaborative work culture. To encourage continuous learning and professional development, the Group offers training programmes to support employees in enhancing the knowledge and skills required for their roles. Additionally, various platforms such as K-Channel and the internal KWIH mobile app "One K. Wah" are consistently leveraged to strengthen internal communication.

Engaging Customers and Value Chain

KWIH strives to deliver quality products and services to the satisfaction of customers, achieved through stringent control measures. All advertisements and other promotional materials, as well as intellectual property rights, are handled to ensure compliance with relevant local laws and regulations. The Group's privacy guidelines have detailed procedures governing the use and management of data and information in accordance with relevant regulatory requirements. A structured and systematic complaint-handling protocol is in place to ensure timely response and proper follow-up actions.

To integrate environmentally and socially responsible practices along the value chain, contractors and suppliers are required to adhere to the Group's expectations on quality, environmental protection, occupational health and safety protocols, as well as regulatory compliance. Audits, site visits and quality assessments on contractors and suppliers are conducted as appropriate to verify full adherence to our requirements.

“GO GREEN @ K. Wah” — Enhancing Sustainable Practices

The Group has continued to organise year-round ESG activities under the theme “GO GREEN @ K. Wah” to enhance environmental awareness and promote sustainable practices among employees. Staff engagement initiatives were organised to jointly promote the sustainable development of the community, including support for the “Walk for Nature” initiative at the Mai Po Nature Reserve to promote ecological conservation, as well as recycling activities for mooncake boxes and red packets to encourage responsible recycling practices in daily living.

Internal communications including prominent posters and notices were strategically placed throughout the workplace, along with up-to-date environmental news shared via email to encourage employees to adopt eco-friendly behaviours, such as paperless working culture and energy-efficient practices.

Contributing to Communities

In alignment with its commitment to “giving back to society from which one has benefited”, KWIH is committed to making positive impacts through community engagement programmes in areas of youth development and community empowerment. The Group supported the “Strive and Rise Programme” for three consecutive years to help secondary school students in need. The Group also partnered with the Hong Kong-Shanghai Youth Association to promote youth development and support children’s care in the broader community. Furthermore, the Group launched various initiatives to support needy groups and contribute to broader community well-being.

COMPLIANCE STATUS WITH RELEVANT LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON THE BUSINESS

During the reporting year, there were no reported cases of non-compliance with relevant laws and regulations in Hong Kong and the Mainland regarding the environment, labour standards, occupational health and safety, anti-corruption or data privacy.



KWIH organised year-round ESG activities under the theme “GO GREEN @ K. Wah” to promote environmental awareness.



Through the “Strive and Rise Programme”, employees from KWIH served as mentors to secondary students from underprivileged families, supporting them in developing self-confidence and accessing diverse learning opportunities.



KWIH collaborated with the Hong Kong-Shanghai Youth Association to promote youth development and support children’s care in the broader community.

Investor Relations



KWIH is committed to fostering transparent and ongoing dialogue with shareholders, investors and other stakeholders through its professional team, and ensures accurate and timely disclosure of its corporate information.

The Group discloses corporate information in compliance with relevant laws and regulatory policies to uphold a highly transparent approach to management. The Group regularly reviews its Shareholders Communication Policy to ensure its continued suitability and effectiveness. The Group's corporate governance policies, press releases, financial reports and announcements are made available on the HKEXnews website and/or the company website, enabling investors from around the world to access company updates, developments and business strategies, thereby enhancing their understanding of the Group and helping to facilitate their investment decisions. Shareholders and

stakeholders can also submit enquiries via email and through the online enquiry form on the company website.

The Group's senior management and investor relations team engage in regular communication with shareholders, investors and other stakeholders by proactively participating in annual general meetings, briefing sessions on financial results and project site tours, etc., facilitating more investors in gaining insights into the business and investment values of the Group. Feedback collected from the activities is exchanged with directors and relevant management of the Group.

During the reporting period, KWIH received a number of accolades from international and local institutions in recognition of its outstanding and sustainable performance in investor relations.



Corporate Governance Report

As at 27 March 2026

The Board presents this Corporate Governance Report as set out in the Company's annual report for the year ended 31 December 2025.

The objective of the management structure within the Group — headed by the Board and led by the Chairman — is to deliver sustainable value to the shareholders of the Company ("Shareholders"). To this end, good corporate governance plays a significant role.

The Board had applied the applicable code provisions ("CPs") set out in the Corporate Governance Code ("CG Code") in Appendix C1 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("HK Stock Exchange") during the year.

COMPANY CULTURE

KWIH recognises its mission to focus on customer needs and pursues the spirit of excellence with quality products and services to be provided by the Company. With vision, perseverance and teamwork, KWIH strives to provide the Shareholders with a decent return on their investment.

KWIH's core values, commitments, policies and codes as determined by the Board under the leadership of the Company's Chairman are vital in the Company's overall operation and brand building. The Company's corporate cultures and strategies are taken into consideration in determining the business model, mission and vision. Those values and principles are embedded throughout the Company's Code of Conduct, Whistleblowing Policy, Anti-Corruption Policy and other relevant policies which are communicated with the senior management and staff through the Staff Handbook, staff orientation, intranet, trainings, slogans and where appropriate.

As a people-oriented enterprise, KWIH's spirit of core values emanate from the interior to the exterior, which means the employees must apply the business principles and ethics, consistent with those expected by the Company, and regard the core values as the blueprint for and the indicator of their daily performance. The Board, with the management's support, is responsible for overseeing and monitoring the Company's operations executed in the way aligned with the Company's corporate cultures, and its mission and vision, value and strategy through evaluation of both qualitative and quantitative indicators such as financial performance, staff performance appraisals and turnover rate, whistleblowing data, employee surveys, breaches of code of conduct, and regulatory breaches, etc. Reports were made regularly to the Board for drawing insights into the Company's corporate culture.

The Company upholds the highest ethical standards and accountability throughout its operations and has an explicit zero-tolerance approach for any fraudulent or unethical conduct. All employees are required to follow the Code of Conduct which details the Company's compulsory requirements in respect of responsible business conduct. To ensure whistle-blowers having no concerns to report grievances without fear of reprisal, all cases are treated with strict confidence and submitted to designated personnel for further investigation.

BOARD OF DIRECTORS

The Board Led by the Chairman, the Board as the highest governing body of the Company has the responsibilities for leadership and control of the Group (including but not limited to business, operation as well as environmental, social and governance ("ESG") risks and opportunities). The Board sets the strategies of the Group and approves the annual operating budget prepared and presented by the management for achieving the Group's strategic objectives.

Corporate Governance Report

As at 27 March 2026

Chairman and Co-Managing Directors On 27 March 2025, Mr. Francis Lui Yiu Tung was appointed as the Chairman of the Board and Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah were appointed as the Co-Managing Directors of the Company.

The Chairman provides leadership for the Board and ensures that the Board works effectively in discharging its responsibilities, and all key issues are discussed and addressed to in a timely manner and information is provided timely, adequately and accurately. He also encourages all the Directors, especially the non-executive Director (“NED”) and the independent non-executive Directors (“INEDs”) to express their opinion freely before proposing any resolutions for voting. The Co-Managing Directors are responsible to lead and oversee the day-to-day management of the Group. The roles of the Chairman and the Co-Managing Directors are separate and the division of responsibilities between them is also clearly defined.

Board Composition The Board currently comprises 7 Board members: the Chairman, the 2 Co-Managing Directors, 1 NED and 3 INEDs; with one of the INEDs has accounting professional qualification. The number of INEDs exceeds one-third of the Board and it complies with Rule 3.10A of the Listing Rules. The biographical details of the current Directors are set out on pages 47 to 50 of this annual report as well as on the website of the Company. The list of Directors with their roles and functions is also disclosed on the websites of the Company and Hong Kong Exchanges and Clearing Limited (“HKEx”) respectively.

The executive Directors (“EDs”) are employees of the Company who carry out executive functions in addition to their duties as Directors. They are collectively responsible for promoting the success of the Company by directing strategic objectives, developing strategic plans and overseeing the day-to-day management of the Group’s business to ensure the efficient disposition of the Group’s resources for the achievement of the strategic objectives set by the Board.

The NED and INEDs are not employees of the Company and they do not participate in the daily management of the Group’s business. The NED and INEDs have brought to the Board external perspectives, constructively challenged and helped develop proposals on strategies, scrutinize the management in meeting agreed goals and monitor performance reporting. Through their wealth of experience across a number of industries and business sectors, the NED and INEDs have contributed valuable views and proposals for the Board’s deliberations and decisions.

Board and Workforce Diversity The Board has one female Director out of the seven Directors, and is committed to enhancing gender diversity as and when suitable candidates are identified. The details of the policy relating to board diversity and the diversity profile of the Board are set out on pages 41 and 42 respectively of this Corporate Governance Report.

As at 31 December 2025, (i) the senior management had 33 per cent female representation, with one female out of three management employees; and (ii) the Group achieved a balanced gender diversity in the workforce whereof the gender ratio of male to female (excluding the senior management) is around 1:1.08. The Company has policies and procedures to provide equal opportunities in the workforce against discrimination with regard to gender in relation to recruitment and promotion. The Equal Opportunities Legislation Policy implemented by the Company disregards factors such as gender, age, nationality, ethnicity, religion, disability or sexual orientation.

The details of the Group’s gender diversity at workforce level are set out in a separate 2025 Environmental, Social and Governance Report of the Group.

Board Practices In 2025, the Board held 4 Board meetings at approximately quarterly intervals and the dates of which had been scheduled at the beginning of the year. Notice of at least 14 days in advance was given for convening a regular Board meeting. The Directors actively participated in person, by phone or through other means of electronic communication in accordance with the Bye-laws of the Company at each Board meeting to consider and, if appropriate, approve the annual budget, if applicable, and to review the business progress against the budget. Matters requiring Board consents were approved by voting at the Board meetings where Board members acted collectively as a unit. The Chairman has also encouraged and allowed all Directors to have sufficient time to raise questions on each agenda item during the Board meeting. Between scheduled Board meetings, routine/operational matters requiring Board approval were considered and approved by the Board via the circulation of written resolutions with supporting materials, explanatory write-ups from the Company Secretary or briefings from the management where appropriate.

In addition to Board meetings, the Chairman also has regular gatherings with the Directors, occasionally with INEDs and without the presence of other Directors, to consider issues in an informal setting. The INEDs are encouraged to freely provide their independent views and recommendations to the Board.

The newly appointed Directors will receive a comprehensive, formal and tailored induction upon appointment. The Company Secretary has regularly updated the Directors on compliance developments. All the Directors have access to the advice and services from the management and the Company Secretary with a view to ensuring that Board procedures, and applicable rules and regulations, are followed. There are also arrangements in place for providing continuous professional development training (including attendance at external forums or briefing sessions and delivering of speeches on the relevant topics) and relevant reading materials to the Directors to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. Each Director will ensure that he/she has sufficient time and attention allocated to the Company to discharge his/her responsibilities effectively and, where applicable, attends all the Board meetings, Board Committee meetings and the general meeting, and that his/her other commitments do not affect the effectiveness of their contribution on the time available to the Company. The Company receives notification from each Director on an annual basis a list showing the nature of offices he/she holds in other public listed companies and organizations and other significant commitments and also indication of the respective estimated time involved.

The Company has arranged appropriate directors' and officers' liability insurance cover in respect of potential legal actions against their risks and exposure arising from the Group's business and activities.

The NED and INEDs are either veteran professionals or businessmen who have brought not only a wide range of skills and experiences to the Group but also independent judgment to bear on issues of strategy, performance, risk and people through their contributions at Board meetings and also at meetings of the audit committee ("Audit Committee"), the remuneration committee ("Remuneration Committee") and the nomination committee ("Nomination Committee") of the Company.

The Board has procedures in place to ensure that conflict of interest will be resolved in accordance with the spirit and requirement of CP C.5.7 of the CG Code of the Listing Rules. The Company assists the INEDs with professional advice (at the Company's expenses) and management briefings for them to arrive at their recommendations on matters involving conflict of interest.

Supply and Access to Information The Company Secretary circulates meeting agenda (with arrangements for Directors to include their own items if thought fit) and supporting papers to the Directors at least 3 days in advance of a Board meeting, and attends Board meetings to assist in the proceedings.

Corporate Governance Report

As at 27 March 2026

All the Directors have access to and open contact with the management for any information and are entitled to have access to board papers and related materials as they require for making informed decisions on matters placed before them. Assisted by the Company Secretary, the Chairman of the Board has ensured that the Directors have been properly briefed on issues arising at Board meetings and supplied with information and papers as promptly and fully as possible. The Directors have access to independent professional advice when it becomes necessary and also the services of the Company Secretary who has been regularly updating the Directors on governance and regulatory matters. The service of independent professional advice at the Company's expense is also available to the members of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. The external auditor, PricewaterhouseCoopers ("PwC"), attended all the Audit Committee meetings as well as Board meetings convened for approving annual and interim results.

The Company Secretary has kept all the minutes of the Board meetings, which together with supporting board papers, are available for all the Board members for inspection. These minutes recorded matters considered by the Board and views expressed by the Directors. Draft and final versions of these minutes are sent to all the Directors for their comments and records respectively, in both cases, within a reasonable time after each meeting.

Directors' attendance at Board meetings and other meetings in 2025 is as follows:

Name of Directors	Meetings attended/Eligible to attend				
	Board Meeting (4)	Audit Committee Meeting (2)	Remuneration Committee Meeting (1)	Nomination Committee Meeting (1)	Annual General Meeting (1)
Executive Directors					
Francis Lui Yiu Tung ¹	4/4	N/A	N/A	N/A	1/1
Paddy Tang Lui Wai Yu ²	4/4	N/A	N/A	N/A	1/1
Alexander Lui Yiu Wah ³	4/4	N/A	N/A	N/A	1/1
Non-executive Director					
Moses Cheng Mo Chi	4/4	2/2	N/A	N/A	1/1
Independent Non-executive Directors					
Wong Kwai Lam	4/4	N/A	1/1	1/1	1/1
Nip Yun Wing	4/4	2/2	1/1	N/A	1/1
Cheung Kin Sang	4/4	2/2	N/A	1/1	1/1
Average attendance rate	100%	100%	100%	100%	100%

Notes:

- Mr. Francis Lui Yiu Tung is the younger brother of Mrs. Paddy Tang Lui Wai Yu and the eldest brother of Mr. Alexander Lui Yiu Wah. Mr. Francis Lui Yiu Tung was appointed as the Chairman of the Board, the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company with effect from 27 March 2025.
- Mrs. Paddy Tang Lui Wai Yu is the eldest sister of Mr. Francis Lui Yiu Tung and Mr. Alexander Lui Yiu Wah. Mrs. Paddy Tang Lui Wai Yu was appointed as the Co-Managing Director of the Company with effect from 27 March 2025.
- Mr. Alexander Lui Yiu Wah is the youngest brother of Mr. Francis Lui Yiu Tung and Mrs. Paddy Tang Lui Wai Yu. Mr. Alexander Lui Yiu Wah was appointed as the Co-Managing Director of the Company with effect from 27 March 2025.

Appointment, Re-election and Removal All the NED and INEDs are appointed for a specified term of three years, subject to re-election by Shareholders at the annual general meeting of the Company.

In accordance with the Bye-laws of the Company, other than the Directors who are holding the capacity of the Chairman or the Managing Director of the Company, one-third of the Board members for the time being (or the number nearest one-third) shall retire by rotation, and stand for re-election, at each annual general meeting of the Company. The Chairman of the Board and the Co-Managing Directors of the Company will voluntarily retire by rotation at least once every three years to uphold good corporate governance practice. At the forthcoming 2026 annual general meeting of the Company (“2026 AGM”), Mr. Francis Lui Yiu Tung (the Chairman and ED), Dr. Moses Cheng Mo Chi (NED) and Mr. Nip Yun Wing (INED) will retire by rotation and, being eligible, have offered themselves for re-election.

Particulars of the said retiring Directors and the recommendation of the Board to the Shareholders to vote in favor of the resolutions that the said retiring Directors be re-elected, are set out in a circular of the Company published on the websites of the Company and HKEx respectively at the same time as this annual report is published.

Board Independence The Board recognises that board independence is of utmost importance and key to good corporate governance. The Company has established relevant mechanisms to ensure independent views and input are available to the Board and conducted review of such mechanisms on an annual basis.

The Board considers all of its INEDs are independent in character and judgment as within the guidelines under Rule 3.13 of the Listing Rules. In reaching its determination, the Board has concluded that there are no relationships or circumstances that are likely to affect any INED’s judgment. In accordance with Rule 3.13 of the Listing Rules, each of the 3 INEDs, Mr. Wong Kwai Lam, Mr. Nip Yun Wing and Mr. Cheung Kin Sang, is determined by the Board as independent and each of the INEDs has provided an annual written confirmation of his independence to the Company. The INEDs are identified in all the Company’s corporate communications to the Shareholders that disclose the names of the Directors.

Mr. Wong Kwai Lam has been an INED of the Company since August 2011 thus serving the Company for more than 9 years. During the years of his service, Mr. Wong Kwai Lam has expressed objective views and given independent guidance to the Company over the years. Notwithstanding the years of service rendered by Mr. Wong Kwai Lam as an INED of the Company, the Board is of the view that Mr. Wong Kwai Lam is able to continue fulfilling his role as required with in-depth understanding of the Company’s operations and business and with the necessary knowledge and professional qualifications. Mr. Wong Kwai Lam has also the character, integrity and experience as required to continue fulfilling the role and the duties of an INED. The Board is satisfied that Mr. Wong Kwai Lam still remains independent, and there is no evidence that his tenure of more than 9 years has had any impact on his independence.

Directors’ Induction and Continuous Professional Development All the Directors have participated in continuous professional development training (including attendance at external forums or briefing sessions, delivering of speeches and in-house seminars on the relevant topics to the business and operation of the Group) and have been provided with relevant reading materials to ensure they are apprised of the latest changes on the relevant applicable laws, rules and regulations to further strengthen their knowledge and skills on their roles, functions and duties. The Company also from time to time provides written training materials and organises seminars for the Directors on the latest development of the Listing Rules, applicable laws, rules and regulations relating to the Directors’ duties and responsibilities.

During the year under review, the Company at its own expenses had provided the Directors with written training materials for regulatory updates and arranged in-house seminar sessions conducted by qualified professionals for the Directors and the management of the Company to attend.

Corporate Governance Report

As at 27 March 2026

The Company has maintained records of the trainings provided for each Director on the following subjects, summarized as follows:

- a. Updates on industry developments and business trends related to the Group's business
- b. Finance or economy
- c. Legal and regulatory developments (including Listing Rules updates)

Members of the Board	Training Subjects
Executive Directors	
Francis Lui Yiu Tung	a, b, c
Paddy Tang Lui Wai Yu	a, b, c
Alexander Lui Yiu Wah	a, b, c
Non-executive Director	
Moses Cheng Mo Chi	a, b, c
Independent Non-executive Directors	
Wong Kwai Lam	a, b, c
Nip Yun Wing	a, b, c
Cheung Kin Sang	a, b, c

Model Code for Securities Transactions by Directors The Board has adopted a code for transactions in the Company's securities by Directors and their connected persons that complies with the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 of the Listing Rules. Having been enquired separately, each Director has confirmed that he or she has complied with the adopted code throughout the year ended 31 December 2025. The Company has also adopted written guidelines, which are on no less exacting terms than the Model Code, for transactions in the Company's securities by its certain employees.

Other than the continuing connected transactions as disclosed in the Report of the Directors, none of the Directors had, at any time during the year and up to the date of this Report or at the balance sheet date, a material interest, directly or indirectly, in any significant transaction, arrangement and contract of significance with the Company or any of its subsidiaries.

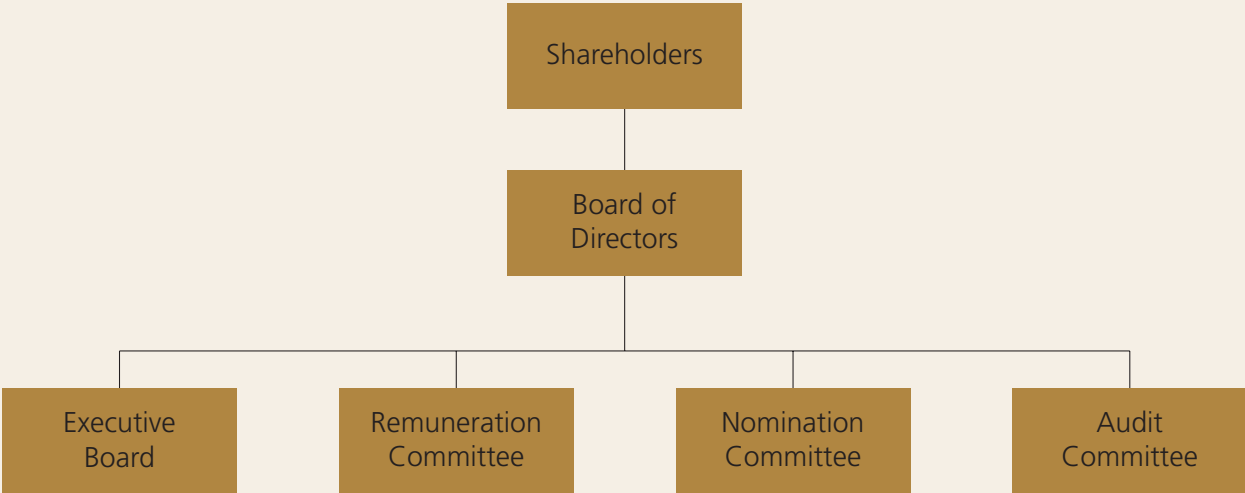
Corporate Governance Functions A Corporate Governance Policy including all the required terms of reference stated in CP A.2.1 of the CG Code was adopted by the Board on 22 March 2012 and revised on 27 March 2026 and is subject to review annually. The Board is primarily responsible for determining the policy for the corporate governance of the Company and performing the following corporate governance duties as required under the CG Code:

- To develop and review the Company's policies and practices on corporate governance and make recommendations;
- To review and monitor the training and continuous professional development of the Directors and the senior management;
- To review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and the Directors of the Group; and
- To review the Group's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

During the year under review, the Board reviewed the Policy for Nomination of Directors (“Nomination Policy”), the Model Code, the Corporate Governance Policy, the Dividend Policy, the Shareholders Communication Policy and the amounts under the annual caps on continuing connected transactions of the Group, as well as the effectiveness and adequacy of the internal control and risk management systems (including ESG risks and opportunities) of the Company through the internal audit function and the Audit Committee. The Company has also established an internal policy on handling the confidential and inside information, and securities transactions for all employees of the Group in compliance with the requirements under Part XIVA of the Securities and Futures Ordinance when they are in possession of confidential and inside information in relation to the Group.

DELEGATION BY THE BOARD

The Board has set up 4 committees, namely, the Executive Board, the Remuneration Committee, the Nomination Committee and the Audit Committee, to assist it in carrying out its responsibilities. The structure of which is as follows:



Executive Board The Board has established an executive board (“Executive Board”), which comprises all the EDs and is chaired by the Chairman of the Board, and has delegated to the Executive Board, within the clear guidelines set by the Board, the authority to oversee the implementation of the Group’s strategy set by the Board, monitor the Group’s investment and trading performance as well as funding and finance requirements, and review management performance. The Board retains to itself authority on annual budgets and accounts, dividends, share capital, derivative transactions other than instruments incidental to its financing on normal and usual course of business, connected transactions and transactions requiring Shareholders’ approval, and certain financing, acquisitions, disposals and operation issues above predetermined thresholds.

The Executive Board also meets regularly and operates as a general management committee under the direct authority of the Board. The Executive Board shall report through the Chairman to the Board. Resolutions and minutes of the Board or the Executive Board or committees or general meetings are circulated to all the Directors on a quarterly basis. The Executive Board sub-delegates day-to-day administration details to the management committees charged with specific operation tasks under the leadership of the Executive Board. The management, pursuant to the level of authority formally approved by the Executive Board, submits written proposals with detailed analysis on financial and commercial aspects and recommendations to the Executive Board for consideration and approval. When the matter exceeds the authority of the Executive Board or relates to any matters specifically reserved to the Board, it shall be submitted to the Board for approval.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee The Remuneration Committee currently comprises 3 members, as identified in the table on page 36 (Mr. Wong Kwai Lam, Mr. Nip Yun Wing and Mr. Francis Lui Yiu Tung, who was appointed as a member with effect from 27 March 2025) and is chaired by Mr. Wong Kwai Lam (INED). The Company Secretary, acting as the secretary of the Remuneration Committee, has kept full minutes of the Remuneration Committee meetings with drafts and final versions circulated to members for their comments and records respectively within a reasonable time after the relevant meetings.

The Remuneration Committee is accountable to the Board and regularly reviews, formulates and determines fair and competitive remuneration packages with a view to attracting, retaining and motivating Directors of the calibre required to manage the Company successfully.

The written terms of reference of the Remuneration Committee were revised in December 2022 to include an ongoing responsibility to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The revised written terms of reference of the Remuneration Committee (in both English and Chinese versions) is available on the websites of the Company and HKEx respectively.

In accordance with its terms of reference, the Remuneration Committee:

- on 4 March 2025, reviewed and approved the 2024 year-end bonus paid to the EDs;
- on 21 March 2025, reviewed the level of Directors' fees for 2024 as well as the remuneration packages of the EDs (who also constituted senior management of the Company) for 2025;
- on 12 March 2026, reviewed and approved the 2025 year-end bonus paid to the EDs; and
- on 18 March 2026, reviewed the level of Directors' fees for 2025 as well as the remuneration packages of the EDs (who also constituted senior management of the Company) for 2026.

The Remuneration Committee's proposals on the EDs' remuneration packages and the Directors' fees for 2025 have been endorsed by the Board, and the proposed Directors' fees will be recommended for Shareholders' approval at the 2026 AGM. The Remuneration Committee had submitted its written report and/or recommendations to the Board after its meeting.

The Company's remuneration policy for the Directors is to reward the performance of, attract, and retain and motivate the Directors. The Remuneration Committee will, based on the Company's remuneration policy, take into consideration the Company's performance and profitability, the market pay-level for directors having comparable role and duties as well as the Directors' duties and responsibilities with the Company when determining the Directors' remuneration packages.

No Director had participated in the determination of his or her own remuneration.

Details of the Directors' emoluments and the Five Highest Pay Individuals of the Group for the year ended 31 December 2025 are set out in notes 11(a) and 12 respectively to the audited consolidated financial statements of the Group for the year ended 31 December 2025 ("2025 Financial Statements").

Nomination Committee The Nomination Committee currently comprises 3 members, as identified in the table on page 36 of whom 2 are INEDs (Mr. Wong Kwai Lam and Mr. Cheung Kin Sang). The Nomination Committee is chaired by Mr. Francis Lui Yiu Tung, who was appointed as the chairman with effect from 27 March 2025. The Company Secretary, acting as the secretary of the Nomination Committee, has kept full minutes of the Nomination Committee meetings with drafts and final versions circulated to members for their comments and records respectively within a reasonable time after the relevant meetings.

The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board at least annually; making recommendations on any proposed changes to the Board in order to complement the Company's corporate strategies; identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; conducting assessment of the independence of each INED and the management of Board succession. In order to facilitate its functions for the nomination procedures and the process and the criteria to select and recommend candidates for directorship of the Company, the Nomination Policy was adopted by the Board on 22 March 2012, and was revised in March 2013 and March 2019 and was further updated in March 2026 to conform with the latest requirements under the CG Code and the related Listing Rules, and was renamed Policy for Nomination of Directors and Board Diversity ("Nomination and Board Diversity Policy").

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, ethnicity, reputation for integrity, cultural and educational background, professional experience, skills, knowledge, length of service and other qualities relevant to duties of the Directors and as the Board may consider relevant and applicable from time to time. The Company will also take into consideration its own corporate strategy and business operations from time to time in determining the optimum composition of the Board. The Board will ensure that there is not a single gender Board and to pursue progressive improvement in gender diversity on the Board over time, taking into account the Company's specific circumstances, business needs, candidate availability and other relevant factors. The Board will use reasonable endeavors to maintain and increase appropriate gender balance on the Board. These gender diversity commitments will be reviewed annually.

The Nomination Committee will review the Nomination and Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time. The Nomination Committee is also responsible for assessing the independence of each INED to ensure they can continually exercise independent judgement and reviewing their annual confirmation on their independence.

The Board through the Nomination Committee annually reviews the implementation and effectiveness of the Nomination and Board Diversity Policy and the mechanisms to ensure independent views and input are available to the Board by consideration of the followings:

- ensuring the Board maintains a balance of skills, experience and diversity of perspective appropriate to the requirements of the business of the Group;
- maintaining a balanced composition of EDs and NEDs (including INEDs) on the Board so that independent judgment can effectively be achieved;
- Directors' access of independent professional advice to perform their own duties; and
- annual review of the Directors' time commitment to the Company to ensure each Director is able to spend sufficient time to perform his/her duties to the Company.

The written terms of reference of the Nomination Committee had been revised in March 2026 to include an ongoing responsibility to assist the Board in maintaining a board skills matrix and to support the Company's regular evaluation of the performance of the Board. The revised written terms of reference of the Nomination Committee (in both English and Chinese versions) is available on the websites of the Company and HKEx respectively.

Corporate Governance Report

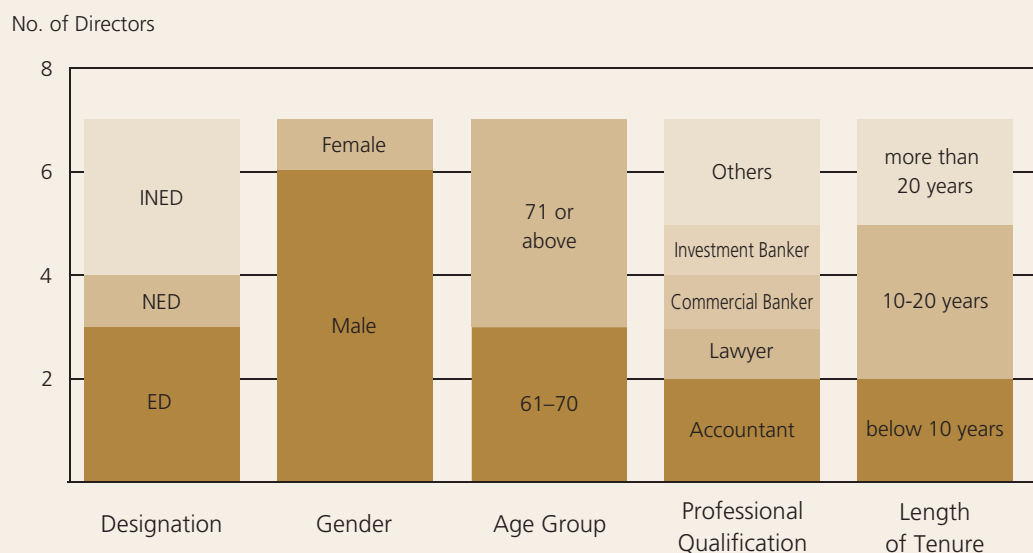
As at 27 March 2026

In 2025, the Nomination Committee met once in March 2025 with all the then members attended the said meeting. At the meeting held on 18 March 2026, the Nomination Committee performed the following works:

- reviewed the structure, size and composition of the Board (including the implementation and the effectiveness of the Nomination and Board Diversity Policy);
- assessed each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his or her responsibilities effectively, taking into his or her account professional qualifications and work experience, existing directorships of issuers listed on the HK Stock Exchange and other significant external time commitments (if any) and other factors or circumstances relevant to the Director's character, integrity, independence and experience;
- assessed the independence of all the INEDs (including the review of mechanisms to ensure their independent views can reach the Board);
- made recommendation to the Board on the retirement and re-appointment of Directors at the 2026 AGM; and
- considered and made recommendation to the Board on the amendments to the Nomination and Board Diversity Policy to conform with the latest requirements under the CG Code and the related Listing Rules.

The Nomination Committee considers that the Nomination and Board Diversity Policy remains effective and appropriate for the Company and was satisfied with the independence of the Board and considers the aforesaid mechanisms ensuring the Board independence remain effective during the year. The Nomination Committee also considers that each of the Directors has devoted sufficient time and made valuable contribution to the Board, effectively discharging his or her responsibilities. The Nomination Committee had submitted its written report and/or recommendations to the Board after its meeting.

The diversity profile of the Board as at 27 March 2026 is as follows:



Audit Committee The Audit Committee is accountable to the Board and assists the Board to oversee the Company's financial reporting process and risk management (including ESG risks and opportunities) and internal control systems and to review the Group's interim and annual consolidated financial statements.

The Audit Committee currently comprises 1 NED (Dr. Moses Cheng Mo Chi) and 2 INEDs (Mr. Nip Yun Wing and Mr. Cheung Kin Sang), as identified in the table on page 36, and is chaired by Mr. Nip Yun Wing. The Company Secretary, acting as the secretary of the Audit Committee, has kept full minutes of the Audit Committee meetings with drafts and final versions circulated to the members for their comments and records respectively within a reasonable time after the relevant meetings. Regular attendees at the Audit Committee meetings are the management of the Company responsible for the accounting and financial reporting function, head of the internal audit function, and the senior representatives of PwC as the external auditor.

In 2025, the Audit Committee met twice: in March 2025 to review, among other matters, the Group's 2024 annual results and financial statements; and in August 2025 to review, among other matters, the Group's 2025 interim results and financial statements. At the meeting on 18 March 2026, the Audit Committee reviewed the Group's annual results and financial statements for 2025, the effectiveness and adequacy of the risk management (including ESG risks) and internal control systems of the Group and the effectiveness of the Group's internal audit function. In each meeting, written reports and papers were received from PwC. The Audit Committee had submitted its written reports and/or recommendations to the Board after its meetings.

The written terms of reference of the Audit Committee had been revised in December 2015 to include an ongoing responsibility to oversee the Company's risk management system. The revised written terms of reference of the Audit Committee (in both English and Chinese versions) is available on the websites of the Company and HKEx respectively.

The Audit Committee was satisfied with the independence of PwC during the year and had recommended the Board to propose for the re-appointment of PwC as the external auditor of the Company at the 2026 AGM. An analysis of the fees paid to external auditor for 2025 appears in note 9 to the 2025 Financial Statements.

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

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

Financial Reporting The Board is accountable for the proper stewardship of the Group's affairs, and the Directors acknowledge their responsibility for preparing the financial statements of the Company in accordance with generally accepted accounting standards in Hong Kong, the requirements of the Listing Rules and the applicable laws as well as the integrity of the financial information so reported. Such responsibility is extended to cover not only the annual and interim reports but also announcements and other financial disclosures of the Company required under the Listing Rules. The external auditor has a primary responsibility for auditing and reporting on the financial statements and the Independent Auditor's Report to the Shareholders, as set out on pages 62 to 66 of this annual report.

The management of individual businesses within the Group provides the Directors with such information and explanations necessary to enable them to make an informed assessment of the financial and other information put forward before the Board for approval. Starting from April 2012, the Company had provided all the Directors with monthly management key updates giving a balanced, clear and understandable assessment of the Company's performance, financial position and prospects to enable the Board as a whole and each Director to discharge their respective duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Group had adopted the going concern basis in preparing its financial statements.

Risk Management and Internal Control The Board acknowledges its responsibility for maintaining and reviewing the effectiveness of the Group's risk management and internal control systems on an ongoing basis.

The Group has a clear organizational structure with well-defined responsibilities, reporting lines and authority limits and budgetary controls for managers of operating divisions. Policies and procedures are in place to effect all material controls, including financial, operational and compliance controls.

Corporate Governance Report

As at 27 March 2026

Risk management strategies have been established to help individual operating divisions manage material risks faced by the Group (including but not limited to business, operation and ESG risks) from time to time and support the Board in discharging its corporate governance responsibilities. Risk assessment exercise is performed through questionnaires and interviews with the senior executives and function heads to identify and evaluate significant risks of the Group and the results of which are reported to the Board for considering any risk mitigation actions and controls through the Audit Committee. Appropriate risk mitigation actions are being taken to manage and control individual risks identified.

The Board, through the Audit Committee, has reviewed the Group's risk management system annually and internal control system semi-annually which are designed to manage rather than eliminate the risk of failure (including ESG risks) to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board's review also considered the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit, financial reporting functions as well as those relating to the Group's ESG performance and reporting.

The Group's Internal Audit Department has been established to carry out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management (including but not limited to business, operation and ESG risks) and internal control systems. Its audit work covers all material controls, including financial, operational and compliance controls. Assessment of risk management and internal control system is performed through validation discussion with the senior executives and function heads based on the results of the internal control assessment form developed by the Internal Audit Department to facilitate the senior executives and function heads to assess the adequacy of the Company's system of internal control to bringing the risk of key processes to an acceptable level, based on their supervision in individual functional or operational areas or knowledge acquired through management meetings. To enhance the reliability of the assessment, independent assurance procedures were undertaken, including thorough review of supporting documentation. The interview findings substantiated the questionnaire results, providing reasonable assurance on the integrity and effectiveness of the risk management and internal control systems in operation. The overall result of risk management and internal control assessment will be consolidated and reported to the senior management and the Audit Committee.

The chairman of the Audit Committee has open access to the head of Internal Audit Department. During the year 2025 and up to the date of the 2025 Financial Statements, there were (i) no significant control failures or weaknesses; (ii) no significant changes in the Group's assessment of risks (including ESG risks) and the risk management and internal control system, as the Internal Audit Department so reported to the Board through the Audit Committee. The Board, through the review of the Audit Committee, considers that the risk management and internal control system of the Group are appropriate and effective.

ENGAGEMENT AND COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Board adopted a Shareholders Communication Policy in March 2012 and had it revised in March 2023 incorporating the principles of the Company in relation to its communication with the Shareholders, with the objective of ensuring the effective and timely dissemination of information to Shareholders, investors and other stakeholders at all times. In addition to sending annual reports, interim reports, circulars and notices to the Shareholders, the Company also makes sure these materials, which contain extensive information about the Group's activities, are timely available for access by Shareholders on both the websites of the Company and HKEx. The Company's website at <http://www.kwih.com> is also an informative platform for investors and it contains a dedicated investor relations section offering timely and direct access to our financial reports, corporate announcements, press releases and other business information.

The Company has delegated its management specifically charged with investor relation functions. The Company responds to enquiries from Shareholders, investors and other stakeholders on matters relating to the business of the Group in an informative and timely manner. Every year, upon announcing results, the Company holds a press conference and/or issues press release (where appropriate) and gives briefings to the investment community, and the EDs also have dialogues with institutional investors and financial analysts. In between times, the Company organizes site visits and meetings for reserved analysts in order to provide them with comprehensive knowledge of our projects.

The Company encourages its Shareholders to attend annual general meetings and all its other shareholders' meetings to get informed of its progress and highlights. The Company will monitor and review the process of the Company's general meetings regularly, and, if necessary, make changes to ensure that Shareholders' needs are best addressed and served. The Chairman of the Board and other Directors are available at these meetings to address Shareholders' questions. A separate resolution is proposed at general meetings of the Company on each substantially separate issue, including the election of individual directors. All the resolutions proposed at the 2025 annual general meeting of the Company held on 18 June 2025 ("2025 AGM") were passed by way of poll in compliance with the Rule 13.39(4) of the Listing Rules. The chairman of the 2025 AGM had at the meeting ensured that an explanation was provided for the detailed procedures for conducting a poll. The Company's branch share registrar and transfer office in Hong Kong had acted as the scrutineer for the vote-taking at the 2025 AGM, the voting results of which had been announced by the Company in accordance with Rule 2.07C of the Listing Rules on the websites of the Company and HKEx respectively. The Company had sent the notice of 2025 AGM to the Shareholders at least 21 days before the 2025 AGM. The chairman of the 2026 AGM (and chairman of any other shareholders' meetings) will ensure that any vote of the Shareholders at the 2026 AGM (and any other shareholders' meetings) will be taken by poll in compliance with the said Rule 13.39(4) of the Listing Rules.

The Board has reviewed the implementation and effectiveness of the Shareholders Communication Policy of the Company during the year. With the above measures in place, the Shareholders Communication Policy of the Company is considered to have been effectively implemented.

SHAREHOLDERS' RIGHTS

Convening a special general meeting by Shareholders Pursuant to the provisions of Section 74 of the Companies Act 1981 of Bermuda (as amended), a special general meeting may be convened by the Board of Directors upon requisition by any Shareholder(s) holding not less than one-tenth of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. The requisition must state the purposes of the meeting, and must be signed by the relevant Shareholder(s) and deposited at the principal place of business in Hong Kong of the Company. If the Board of Directors does not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the Shareholder(s), or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Putting forward proposals at general meeting A Shareholder shall make a written requisition to move a resolution at a general meeting to the Board of Directors or the Company Secretary of the Company at the principal place of business in Hong Kong of the Company, specifying the shareholding information of the Shareholder, his/her contact details and the proposal he/she intends to put forward at a general meeting regarding any specified transaction/business and its supporting documents.

Proposal for election of Director If a Shareholder intends to propose a person other than a retiring Director of the Company for election as Director, the procedures have been set out in the Company's website.

Enquiries to the Board Shareholders may put forward their enquiries about the Company to the Board of Directors at the Company's principal place of business in Hong Kong or by email through the Corporate Affairs Department of the Company.

Corporate Governance Report

As at 27 March 2026

CONSTITUTIONAL DOCUMENTS

The Company's Memorandum of Association and Bye-laws has been published on the websites of the Company and HKEx respectively. There have been no changes in the Company's Memorandum of Association and Bye-laws during the year.

The Board proposed to make certain amendments to the existing Bye-laws of the Company in order to (i) provide the Company with the flexibility to hold its repurchased shares as treasury shares; (ii) align the Bye-laws of the Company with the relevant provisions of the Listing Rules relating to further expansion of paperless listing regime, which provides for hybrid general meeting and electronic voting; and (iii) incorporate other consequential and house-keeping amendments to better align the Bye-laws of the Company with the Listing Rules and applicable laws of Bermuda (collectively, "Proposed Amendments"). In view of the Proposed Amendments, the Board proposes to adopt a new set of Bye-laws of the Company in substitution for, and to the exclusion of, the existing Bye-laws of the Company, which is subject to the approval from the shareholders of the Company by way of a special resolution at the 2026 AGM.

DIVIDEND POLICY

The Board has adopted a dividend policy to ensure an appropriate procedure on declaring and recommending the dividend payment of the Company, details of which are set out on page 51 of this annual report.

COMPLIANCE WITH APPENDIX C1 OF THE LISTING RULES

The Board and the management of the Company are committed to observing good corporate governance, consistent with prudent management and the enhancement of shareholders' value. The full Board is entrusted with the overall responsibility of developing, overseeing and ensuring adherence to the Company's Corporate Governance Policy and the Shareholders Communication Policy. The Company is also committed to maintaining high standards of corporate governance and to enhancing corporate transparency and accountability.

Throughout the year under review, the Company had complied with the applicable CPs set out in the CG Code, apart from the deviations from (i) CPs C.2.2 to C.2.6 and C.2.8 to C.2.9 (responsibilities of the chairman of the board); (ii) CP C.6.3 (the company secretary should report to the chairman of the board); and (iii) CP B.3.5 (gender diversity on the nomination committee).

Following the appointment of the Chairman of the Board and the Co-Managing Directors of the Company with effect from 27 March 2025 as disclosed in the relevant announcement of the Company dated 27 March 2025, the Board considers that the circumstances of such temporary deviations had been addressed appropriately and the Company had thereafter complied with each of the CPs as set out in the abovementioned deviations numbered (i) and (ii).

CP B.3.5 requires at least one member of the Nomination Committee to be of a different gender. The Board recognizes that gender diversity within the Nomination Committee can broaden perspectives and widen the pool of potential board candidates. While the Company is presently unable to appoint a director of a different gender to the Nomination Committee, it is actively identifying suitable candidate(s) of a different gender and will broaden its search channels to reach a more diverse talent pool as soon as practicable, with a view to ensuring compliance with the relevant CP.

ENVIRONMENTAL AND SOCIAL MATTERS

The Company has complied with the relevant provisions set out in the Environmental, Social and Governance Reporting Code in Appendix C2 of the Listing Rules for the financial year ended 31 December 2025 with details set out in a separate Environmental, Social and Governance Report published on the websites of the Company (<http://www.kwih.com>) and of HKEx (<http://www.hkexnews.hk>) respectively at the same time as this annual report is published.

Biographical Information of Directors

EXECUTIVE DIRECTORS

Mr. Francis Lui Yiu Tung, *BBS*, aged 70, joined K. Wah group in 1979. He has been an executive Director of the Company since June 1989 and is presently the Chairman, the chairman of the nomination committee as well as a member of the remuneration committee of the Company. Mr. Lui is also an executive director and the chairman of Galaxy Entertainment Group Limited. Save as disclosed herein, he has no previous directorships in other public listed companies in the last 3 years. He holds a Bachelor of Science degree in civil engineering and a Master of Science degree in structural engineering from the University of California at Berkeley, USA. Mr. Lui is a member of the National Committee of the Chinese People's Political Consultative Conference since 11th election in 2008, a member of the Chief Executive Election Committee of the HKSAR and a member of the Chief Executive Election Committee of Macau SAR. He is also the Chair of the Trustees Committee of Macao University of Tourism Development Foundation, a Vice-Chair of the Council of the Macao University of Tourism, a director of the 72nd Term of Macao Chamber of Commerce, an Honorary Chairman of the 22nd Term of Kiang Wu Hospital Charitable Association, a member of the 11th Standing Committee of the All-China Federation of Returned Overseas Chinese, an executive director of the Chamber of Tourism of the All-China Federation of Industry and Commerce, a Forever Honorary President of the Greater Bay Area Finance Development Association, a Forever Honorary Chairman of the Association of Macau Travel Industry Professionals and Counsellor of Our Hong Kong Foundation. Mr. Lui was awarded the Medal of Merit — Tourism by Macau SAR in 2012; as well as the Bronze Bauhinia Star by Hong Kong SAR in 2024 for his meritorious service to the community in various public services over the years with his professional knowledge in construction and property development. In 2021, Mr. Lui received the insignia of Officer of the Order of Arts and Letters from the French Government. He was also named the most influential person in the Asian Gaming Power 50 list for the ninth time in 2025, and "Outstanding CEO" at the 2024 IAG Academy IR Awards. Furthermore, Mr. Lui is the Honorary Citizen of each of Guangzhou City, Shenzhen City and Jiangmen City. Mr. Lui is the younger brother of Mrs. Paddy Tang Lui Wai Yu and the eldest brother of Mr. Alexander Lui Yiu Wah.

Mrs. Paddy Tang Lui Wai Yu, *BBS, JP*, aged 72, joined K. Wah group in 1980 and has been an executive Director of the Company since June 1989 and is presently the Co-Managing Director of the Company. She is also an executive director of Galaxy Entertainment Group Limited. Save as disclosed herein, she has no previous directorships in other public listed companies in the last 3 years. She holds a Bachelor of Commerce degree from McGill University, Canada and is a member of The Institute of Chartered Accountants in England and Wales. Ms. Lui was elected as a member of the Shanghai Committee of the Chinese People's Political Consultative Conference from December 2012 to December 2022. She was appointed as a member of board of trustees of Shanghai Jiao Tong University on 30 October 2014. Ms. Lui was formerly a member of the Standing Committee on Company Law Reform, the Tourism Strategy Group, the Statistic Advisory Board, the Hong Kong Arts Development Council and the Board of Ocean Park Corporation and a non-executive director of the Mandatory Provident Fund Schemes Authority. Ms. Lui has been elected as a member of the Election Committee of the HKSAR since 1998. She is the Managing Director of Stanford Hotels International. She was appointed as the Chairman of The Federation of Hong Kong Hotel Owners on 1 January 2026. Ms. Lui is the eldest sister of Mr. Francis Lui Yiu Tung and Mr. Alexander Lui Yiu Wah.

Mr. Alexander Lui Yiu Wah, aged 63, joined K. Wah group in 1984 and is presently the Managing Director of Hong Kong Properties of the Group. He has been an executive Director of the Company since April 2010 and is presently the Co-Managing Director of the Company. Mr. Lui is also a director of several affiliated companies of the Group. Save as disclosed herein, he has no previous directorships in other publicly listed companies in the last 3 years. He holds a Bachelor of Science in Industrial and Systems Engineering from the University of Southern California, USA. Mr. Lui was a committee member of the Guangdong Provincial Committee of the 11th and 12th Chinese People's Political Consultative Conference and has been again elected as a committee member of the Guangdong Provincial Committee of the 13th Chinese People's Political Consultative Conference in 2023. Mr. Lui was appointed as the vice president of

Biographical Information of Directors

the Guangdong General Chamber of Commerce in 2017. He was reappointed as the vice-chairman of the Guangdong Federation of Industry & Commerce in 2022. In 2024, Mr. Lui was appointed as the honorable chairman of the International Bay Area Schools Alliance. In October 2017, he was appointed as the honorary advisor of the Guangdong — Hong Kong — Macau Greater Bay Area Youth Association. In 2023, Mr. Lui has been reappointed as the vice-chairman of the 8th Board of Directors of the Guangdong Overseas Friendship Association, the managing vice-chairman of the 12th Board of Directors of the Guangzhou Foreign Investment Enterprises Chamber of Commerce, and the vice-chairman of the 7th Board of Directors of Guangzhou Overseas Friendship-Liaison Association. He was appointed as the honorary advisor of Hengqin Free Trade Zone (Hong Kong) Representative Office in 2018. In 2023, Mr. Lui was appointed as the honorable president of the 7th Board of Directors of the Jiangmen Association of Enterprises with Foreign Investment and the vice-chairman of the 7th Board of Directors of Xinhui Overseas Friendship Association. In December 2017, he was awarded the honorable president of the 1st Council of Pengjiang Overseas Youth Association. Mr. Lui has been appointed as the honorary chairman of the 3rd Members Association of Xinhui District Daze Town in December 2019. Mr. Lui has been a member of the board of directors of The Real Estate Developers Association of Hong Kong since 1999. He was appointed as a member of the Court of the City University of Hong Kong in 2024. He has been appointed as a member of the HKTDC Infrastructure Development Advisory Committee in 2023 and the First Vice-President of The Hong Kong Real Property Federation in 2021. Mr. Lui was appointed as a member of the Hong Kong CPPCC (Provincial) Members Association Limited in April 2013 and is now the honorary director. Mr. Lui has been appointed as a director of the 3rd and 4th Board of Directors of the Association of The Hong Kong Members of Guangdong's Chinese People's Political Consultative Conference Committees. He has been appointed as the honorable president of the Hong Kong Guangdong Chamber of Foreign Investors in 2023. Mr. Lui is the honorary vice president of the Federation of Hong Kong Guangdong Community Organisations and was appointed as the vice president in July 2017. Mr. Lui was appointed as the managing vice-chairman of the 1st and 2nd Board of Directors of Hong Kong Guangdong Youth Association and has been appointed as the honorary counsellor of its 3rd Board of Directors in October 2022. Mr. Lui was appointed as the executive vice-chairman of the 3rd Hong Kong Guang Fo Zhao Fraternity in 2010. In 2024, Mr. Lui was appointed as the managing vice-president of the 4th Executive Committee of the Hong Kong Federation of Guangzhou Associations. He was also appointed as the honorary president of the GMC Hong Kong Members Association in November 2018. In December 2022, Mr. Lui was appointed as the Youth of Guangzhou and Hong Kong Association consultant. Mr. Lui is the youngest brother of Mr. Francis Lui Yiu Tung and Mrs. Paddy Tang Lui Wai Yu.

NON-EXECUTIVE DIRECTOR

Dr. Moses Cheng Mo Chi, *GBM, GBS, OBE, JP*, aged 76, has been a non-executive Director of the Company since August 2009. He has been appointed as a member of the audit committee of the Company with effect from 31 July 2015. Dr. Cheng is a practising solicitor and a senior consultant of Messrs. P.C. Woo & Co., a Hong Kong firm of solicitors, after serving as its senior partner from 1994 to 2015 and as its consultant from 2016 to January 2023. He was also the founding chairman of The Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. Dr. Cheng was a member of the Legislative Council of Hong Kong and the chairmen of the Insurance Authority, the Main Board Listing Committee and the Growth Enterprise Market Listing Committee of the HK Stock Exchange and a remuneration committee member of The Financial Reporting Council in Hong Kong. He has been appointed as a non-official member of the Executive Council of the HKSAR with effect from 1 July 2022. He has also been appointed by the Government of the HKSAR as the chairman of the Hong Kong Maritime and Port Development Board effective from 1 July 2025, for a term of three years. Dr. Cheng is currently an independent non-executive director of Guangdong Investment Limited, Liu Chong Hing Investment Limited, The Hong Kong and China Gas Company Limited and Towngas Smart Energy Company Limited, all being public listed companies on the Main Board of the HK Stock Exchange. He is also a non-executive director of Tian An China Investments Company Limited (a public listed company on the Main Board of the HK Stock

Exchange). Save as disclosed herein, he has no previous directorships in other public listed companies in the last 3 years. Dr. Cheng was awarded the Grand Bauhinia Medal by the Government of the HKSAR in July 2016.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Kwai Lam, aged 76, has been appointed as an independent non-executive Director since August 2011 and a member of the nomination committee of the Company since March 2012. He had been appointed as a member of the remuneration committee since August 2011 and was appointed as the chairman of the remuneration committee of the Company with effect from 7 June 2023. Mr. Wong obtained a degree of Bachelor of Arts from The Chinese University of Hong Kong (“CUHK”) in 1972 and a Ph. D from Leicester University, England in 1977. He has over 30 years of experience in the commercial and investment banking industry. He worked with Merrill Lynch (Asia Pacific) Limited (“Merrill Lynch”) from May 1993 to August 2009 where he served as a managing director in the Asia investment banking division since January 1995. Mr. Wong was appointed as a senior client advisor to Merrill Lynch in September 2009 and served in that position for one year. In his 17 years of experience in various senior positions with Merrill Lynch, Mr. Wong’s responsibilities included, among others, managing the overall business of its Asia investment banking division from March 2003 to May 2005. Prior to joining Merrill Lynch, Mr. Wong had been a director in the investment banking division of CS First Boston (Hong Kong) Limited and a director and the head of primary market in Standard Chartered Asia Limited. Mr. Wong is currently the chairman of IncitAdv Consultants Limited. Mr. Wong has been appointed as a member of the investment sub-committee and a vice chairman of the Board of Trustees of New Asia College of CUHK. He was appointed as a member of the Advisory Board of Continuing and Professional Studies of CUHK with effect from August 2017. Mr. Wong is an independent non-executive director, a member of the audit committee and designated (finance) committee and the chairman of the nomination committee of ESR Asset Management (Prosperity) Limited as the manager of Prosperity Real Estate Investment Trust (a publicly-listed company on the Main Board of the HK Stock Exchange). In April 2013, Mr. Wong was also appointed as an independent non-executive director of Langham Hospitality Investments and Langham Hospitality Investments Limited (“LHIL”) (a publicly-listed company on the Main Board of the HK Stock Exchange) and LHIL Manager Limited (“LHIL Manager”) which is the trustee-manager of Langham Hospitality Investments. Mr. Wong is the chairman of the audit committees of LHIL and LHIL Manager, and a member of the remuneration committee and nomination committee of LHIL. He has been appointed as an independent non-executive director and a member of the audit committee and the remuneration committee of CK Hutchison Holdings Limited (a publicly-listed company on the Main Board of the HK Stock Exchange) in May 2020 and has been appointed as the chairmen of its audit committee and remuneration committee in August 2022 and in May 2024 respectively; and he served as a member of its nomination committee from May to November 2020. Mr. Wong has also been appointed as the chairman and director of Hong Kong Grand Opera Company Limited in August 2019. Mr. Wong was appointed as the Chairman of the Chamber of Hong Kong Listed Companies from 4 June 2019 to 29 June 2021. He was formerly a member of the Advisory Committee to the Securities and Futures Commission in Hong Kong, a member of the Real Estate Investment Trust (REIT) Committee of the Securities and Futures Commission in Hong Kong and a member of the China Committee to the Hong Kong Trade Development Council. He was also a director of CUHK Medical Centre Limited and an advisor to the Chamber of Hong Kong Listed Companies. He has ceased as a member of the Hospital Governing Committee of The Prince of Wales Hospital, Hong Kong on 31 March 2021. He has retired as an independent non-executive director, the chairman of each of the audit committee and the nominating committee, a member of the remuneration committee as well as the Lead Independent Director of Hutchison Port Holdings Management Pte. Limited (as the trustee-manager of Hutchison Port Holdings Trust (a business trust listed in Singapore)) with effect from 2 December 2024. Save as disclosed herein, he has no previous directorships in other publicly-listed companies in the last 3 years.

Biographical Information of Directors

Mr. Nip Yun Wing, aged 72, has been appointed as an independent non-executive Director of the Company since July 2019. He was appointed as a member of the audit committee of the Company with effect from 1 March 2020 and the chairman of the audit committee of the Company and a member of the remuneration committee of the Company with effect from 7 June 2023. Mr. Nip holds a Master of Business Administration degree from The Chinese University of Hong Kong and is a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Nip has extensive experience in corporate finance, investment and management. He was an executive director and chief financial officer of China Overseas Land & Investment Limited (Stock Code: 00688) from 17 August 2009 and retired on 3 April 2018. Mr. Nip ceased as an independent non-executive director, the chairman and a member of the audit committee and a member of the nomination committee of Shenzhen International Holdings Limited (Stock Code: 00152) with effect from 12 June 2020. Both companies are public listed companies on the Main Board of the HK Stock Exchange. He has been appointed as a member of the Hospital Governing Committee of Tai Po Hospital with effect from 1 April 2024. He has also been appointed as a member of the New Territories Regional Advisory Committee of the Hospital Authority with effect from 1 April 2025. Save as disclosed herein, he has no previous directorships in other public listed companies in the last 3 years.

Mr. Cheung Kin Sang, aged 67, has been appointed as an independent non-executive Director of the Company since 1 April 2023. He was appointed as a member of each of the audit committee and the nomination committee of the Company with effect from 7 June 2023. Mr. Cheung holds a Bachelor of Social Sciences Degree in Economics from The University of Hong Kong. He has over 40 years of corporate and commercial banking experience with diversified industry, product and institutional exposure. Mr. Cheung worked with DBS Bank Ltd, Hong Kong Branch/DBS Bank (Hong Kong) Limited (“Bank”) from July 2009 to December 2022 where he served as the managing director and the head of institutional banking group in Hong Kong from June 2011 until his retirement in December 2022. He was also the alternate chief executive of DBS Bank (Hong Kong) Limited from December 2012 to December 2022. Mr. Cheung had been working for over 13 years in the Bank, during which, he was responsible for growing the Bank’s franchise in the corporate and commercial banking businesses in Hong Kong. Prior to joining the Bank, he was the regional general manager of North East Asia and the general manager of Hong Kong Branch of OCBC Bank. Prior to such appointments, Mr. Cheung held senior positions in corporate commercial banking and risk management with major international banks including Citibank, ABN-AMRO and Rabobank. Currently, Mr. Cheung is the chairman of the Board of Governors of World Green Organisation, a member of The Hong Kong Academy of Finance and a member of the Advisory Committee on Accounting and Finance of The Hong Kong Polytechnic University. He was a member of the Advisory Board and the Investment Committee to Hong Kong Export Credit Insurance Corporation from January 2011 to December 2016 and a member of Industry Training Advisory Committee of the Hong Kong Qualifications Framework for the banking industry from January 2021 to December 2023. Mr. Cheung is currently an independent non-executive director and a member of the audit committee, the remuneration committee, the nomination committee and the sustainability committee of Yuexiu Property Company Limited (a public listed company on the Main Board of the HK Stock Exchange). He has been appointed as an independent non-executive director and a member of the Risk Management and Compliance Committee of Dah Sing Bank, Limited with effect from 1 January 2024. He has also been appointed as an independent non-executive director of Dah Sing Banking Group Limited (a public listed company on the Main Board of the HK Stock Exchange) with effect from 2 January 2024. Save as disclosed herein, he has no previous directorships in other public listed companies in the last 3 years.

SENIOR MANAGEMENT

Assisted by head of departments, the executive Directors are under the direct responsibilities for the business and operations of the Group and the executive Directors are therefore regarded as the senior management of the Company.

Report of the Directors

The Directors have pleasure in presenting to the shareholders of the Company (“Shareholders”) their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 (“2025 Financial Statements”).

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Our principal subsidiaries, joint ventures and associated companies are primarily engaged in property development and property investment in Hong Kong and the Mainland, and their activities are set out in note 40 to the 2025 Financial Statements.

Further discussion and analysis of these activities, including a fair review of the Group’s business and a discussion of the principal risks and uncertainties facing by the Group, particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2025, and an indication of likely future development in the Group’s business, can be found in the sections headed “Five Years Summary”, “Statement from the Chairman”, “Management Discussion and Analysis”, “Environmental, Social and Governance Policies”, “Investor Relations” and “Corporate Governance Report” of this annual report as well as the Environmental, Social and Governance Report available on the websites of both Hong Kong Exchanges and Clearing Limited and the Company. The above sections form part of this Report of the Directors.

RESULTS AND APPROPRIATIONS

The 2025 Financial Statements on pages 67 to 138 of this annual report set out the results of the Group for the year ended 31 December 2025.

An interim cash dividend of HK\$0.02 per ordinary share of the Company (“Share”) was paid during the year. The Board recommends the payment of a final cash dividend of HK\$0.01 per Share. Including the interim dividend paid, the total dividends per Share for the year amount to HK\$0.03 (2024: HK\$0.09 per Share). Details of dividends are set out in note 15 to the 2025 Financial Statements.

DIVIDEND POLICY

The dividend policy was adopted by the Board on 20 March 2019 to ensure an appropriate procedure on declaring and recommending the dividend payment of the Company. In deciding whether to propose a dividend and the amount, if applicable, the Board shall take into account (i) the Group’s actual and expected operating results; (ii) the Group’s working capital requirements and future investment opportunities; (iii) the Group’s financial and liquidity position; (iv) any statutory and contractual restrictions on payment of dividends; and (v) any other factors that the Board considers relevant.

The declaration, payment and amount of dividends are subject to the Board’s discretion and are in compliance with applicable laws and regulations including the laws of Bermuda and the Bye-laws of the Company. The dividend policy is subject to review annually.

SHARES ISSUED

Note 27 to the 2025 Financial Statements contains details of the shares issued by the Company during the year and there was no change in issued share capital of the Company during the year.

The Company did not hold any treasury shares as at 31 December 2025.

DEALINGS IN LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year. The Company did not hold any treasury shares as at 31 December 2025.

EQUITY-LINKED AGREEMENTS

Save for the share option schemes described below, the Group has not entered into any equity-linked agreements during the year.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2025, calculated under Companies Act 1981 of Bermuda, amounted to HK\$2,211,067,000 (2024: HK\$2,335,652,000).

DONATIONS

During the year, the Group made charitable donations amounting to HK\$2,466,000 (2024: HK\$22,735,000).

SIGNIFICANT PROPERTIES

Details of the significant properties held by the Group as at 31 December 2025 for investment and development purposes are set out on pages 139 to 140 of this annual report.

DIRECTORS

The Directors of the Company who served during the year and up to the date of this Report of the Directors were Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu, Mr. Alexander Lui Yiu Wah, Dr. Moses Cheng Mo Chi, Mr. Wong Kwai Lam, Mr. Nip Yun Wing and Mr. Cheung Kin Sang.

Biographical details of the current Directors are set out on pages 47 to 50 of this annual report.

In accordance with Bye-law 109(A) of the Bye-laws of the Company, Dr. Moses Cheng Mo Chi and Mr. Nip Yun Wing will retire by rotation and Mr. Francis Lui Yiu Tung will voluntarily retire by rotation at the forthcoming 2026 annual general meeting of the Company ("2026 AGM") and, being eligible, have offered themselves for re-election at the 2026 AGM.

None of the Directors proposed for re-election has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

Subject to the approval of Shareholders at the 2026 AGM, the following fees in respect of the year ended 31 December 2025 will be paid to the Directors:

	Chairman HK\$	Member HK\$
Board	232,000	200,000
Audit Committee	146,000	125,000
Remuneration Committee	60,000	50,000
Nomination Committee	60,000	50,000

DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Company (including executive Directors, non-executive Director ("NED") and independent non-executive Directors ("INEDs")) on a named basis are set out in note 11(a) to the 2025 Financial Statements.

Directors' emoluments are determined by reference to their duties and responsibilities with the Company, the Company's performance and profitability based on the Company's remuneration policy and referencing the market pay-level for directors having comparable role and duties.

PERMITTED INDEMNITY PROVISION

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

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in this Report of the Directors, no other significant transactions, arrangements and contracts of significance in relation to the Group's business, to which the Company or its subsidiaries was a party and in which a Director or his or her connected entity has or had a material beneficial interest, whether directly or indirectly, subsisted as at 31 December 2025 or at any time during the year.

DIRECTORS' INTERESTS IN SECURITIES AND UNDERLYING SHARES

As at 31 December 2025, the interests or short positions of each Director in the Shares, underlying Shares and debentures of the Company, and the details of any right to subscribe for Shares and of the exercise of such rights, as recorded in the register required to be kept under section 352 of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("HK Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Rules Governing the Listing of Securities on the HK Stock Exchange ("Listing Rules"), were as follows:

(A) Shares (including underlying Shares)

Name of Directors	Number of Shares (including underlying Shares) Held				Total	Approximate % of Issued Share Capital
	Personal Interests	Family Interests	Corporate Interests	Other Interests		
Francis Lui Yiu Tung	8,538,035	–	330,256,231 ⁽¹⁾	1,784,138,543 ^{(2),(3)&(4)}	2,122,932,809	67.34
Paddy Tang Lui Wai Yu	25,098,417 ⁽⁴⁾	–	210,000 ⁽⁵⁾	1,722,066,188 ^{(2)&(3)}	1,747,374,605	55.42
Alexander Lui Yiu Wah	16,470,497 ⁽⁴⁾	–	4,005,183 ⁽⁶⁾	1,732,860,882 ^{(2)&(3)}	1,753,336,562	55.61
Moses Cheng Mo Chi	729,175	–	–	–	729,175	0.02
Wong Kwai Lam	720,000	–	–	–	720,000	0.02
Nip Yun Wing	160,000	–	–	–	160,000	0.01
Cheung Kin Sang	–	–	–	–	–	–

Notes:

- (1) Such Shares were interests of or deemed interests of corporations controlled by Mr. Francis Lui Yiu Tung.
- (2) A discretionary family trust established by the late Dr. Lui Che-woo, as settlor was interested in 1,684,776,769 Shares. Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah, as discretionary beneficiaries of the discretionary family trust, are deemed to have an interest in those Shares in which the trust has an interest. Interests in 29,688,273 Shares (including underlying shares) are held by Mr. Francis Lui Yiu Tung as executor of the will of the late Dr. Lui Che-woo.
- (3) Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah are also deemed to be interested in 69,673,501 Shares, 37,289,419 Shares and 48,084,113 Shares respectively by virtue of them being beneficiaries of certain trusts for the purpose of Part XV of the SFO.
- (4) There were duplications of interests of 3,514,831 Shares between Mr. Francis Lui Yiu Tung and Mrs. Paddy Tang Lui Wai Yu and 4,519,069 Shares between Mr. Francis Lui Yiu Tung and Mr. Alexander Lui Yiu Wah.
- (5) Such Shares were interests of corporation controlled by Mrs. Paddy Tang Lui Wai Yu.
- (6) Such Shares were interests of corporation controlled by Mr. Alexander Lui Yiu Wah.

Report of the Directors

(B) Underlying Shares – Share Options

Details are set out in the SHARE OPTION SCHEMES section below.

All the interests stated above represent long positions.

Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah, by virtue of their deemed interests in 1,684,776,769 Shares as described in Note (2) above and as Directors of the Company, are deemed to be interested in the issued share capital of every subsidiary, joint venture and associated company of the Company held through the Company under the provision of the SFO.

Save as disclosed above, as of 31 December 2025, none of the Directors had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its specified undertakings or its other associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As of 31 December 2025, the interests of every person (not being a Director or chief executive of the Company) in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company and the HK Stock Exchange were as follows:

Name of Shareholders	Capacity	Number of Shares Held (Long Position)	Approximate % of Issued Share Capital
HSBC International Trustee Limited ⁽¹⁾	Trustee	1,686,018,737	53.48
CWL Assets (PTC) Limited	Trustee	1,684,776,769	53.44
Super Focus Company Limited	Beneficial owner	1,120,247,673	35.53
Star II Limited	Interest of controlled corporation	264,752,460	8.40
Favor Right Investments Limited	Beneficial owner	229,857,444	7.29
Lui Che Woo Foundation Limited	Beneficial owner	206,285,639	6.54
Premium Capital Profits Limited	Beneficial owner	184,229,079	5.84

Note:

(1) HSBC International Trustee Limited is the trustee of the trust established by the late Dr. Lui Che-woo as settlor, was interested in 1,684,776,769 Shares of the Company.

There was duplication of interests of 1,684,776,769 Shares among Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu, Mr. Alexander Lui Yiu Wah, HSBC International Trustee Limited and CWL Assets (PTC) Limited. Of these Shares, 1,120,247,673 Shares were interested by Super Focus Company Limited, 69,919,192 Shares were interested by Best Chance Investments Ltd., 229,857,444 Shares were interested by Favor Right Investments Limited, 184,229,079 Shares were interested between Premium Capital Profits Limited and Star II Limited and 80,523,381 Shares were interested between Mark Liaison Limited and Star II Limited.

Save as disclosed above, as of 31 December 2025 the Company had not been notified by any persons who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEMES

The existing share option scheme of the Company ("2021 Share Option Scheme") was approved and adopted by the Shareholders at its annual general meeting held on 9 June 2021 in replacement of the share option scheme of the Company adopted on 20 June 2011 ("2011 Share Option Scheme") to the effect that no further options of the Company shall be offered or granted under the 2011 Share Option Scheme, but the options which had already been granted and remain outstanding shall continue to be valid and exercisable in accordance with their terms of issue.

Both of the 2021 Share Option Scheme and the 2011 Share Option Scheme fall within the ambit of, and are subject to the regulations under Chapter 17 of the Listing Rules.

A summary of the 2021 Share Option Scheme is set out below:

(1) Purposes

- (i) to attract and retain the best quality personnel for the development of the Company's businesses;
- (ii) to provide additional incentives to employees, consultants, agents, representatives, advisers, suppliers of goods or services, customers, contractors, business allies and joint venture partners; and
- (iii) to promote the long term financial success of the Company by aligning the interests of option holders to Shareholders.

(2) Participants

- (i) any person employed (on a full-time or part-time basis) by the Company or any affiliate and any person who is a senior executive or director (whether executive or non-executive) of the Company or any affiliate; or
- (ii) any consultants, agents, representatives or advisers of the Company or any affiliate; or
- (iii) any persons who provide goods or services to the Company or any affiliate; or
- (iv) other participants as detailed in the 2021 Share Option Scheme.

"Affiliate" means any company which is (a) a holding company of the Company; or (b) a subsidiary of a holding company of the Company; or (c) a subsidiary of the Company; or (d) a controlling shareholder of the Company; or (e) a company controlled by a controlling shareholder of the Company; or (f) a company controlled by the Company; or (g) an associated company of a holding company of the Company; or (h) an associated company of the Company.

(3) Total number of Shares available for issue

Mandate Limit – Subject to the paragraph below, the total number of Shares which may be issued upon exercise of all options to be granted under the 2021 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as of 9 June 2021, being 312,697,461 Shares.

Overriding Limit – The Company may by ordinary resolutions of the Shareholders refresh the Mandate Limit as referred to in the above paragraph provided that the Company shall issue a circular in accordance with and containing such information as required under the Listing Rules to the Shareholders before such approval is sought. The overriding limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2021 Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time.

Report of the Directors

As of the date of this annual report, no option was granted under the 2021 Share Option Scheme since its adoption on 9 June 2021. The total number of Shares available for issue under the 2021 Share Option Scheme was 312,697,461, which represented approximately 9.92% of the issued share capital of the Company (excluding treasury shares, if any) on the date of this annual report.

(4) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options (including both exercised and outstanding options) in any 12-month period granted to each participant must not exceed 1% of the Shares in issue. However, subject to separate approval by the Shareholders in general meeting with the relevant participant and his close associates (as defined in the Listing Rules) abstaining from voting and provided that the Company shall issue a circular in accordance with and containing such information as required under the Listing Rules to Shareholders before such approval is sought, the Company may grant a participant options which would exceed the aforesaid limit.

(5) Option period

The period during which an option may be exercised as determined by the Board in its absolute discretion at the time of grant, save that such period must not exceed 10 years from the date of grant of the relevant option.

(6) Minimum period for which an option must be held before it is vested

The minimum period, if any, for which an option must be held before it is vested shall be determined by the Board in its absolute discretion.

(7) Payment on acceptance of the option

HK\$1.00 is payable by the grantee to the Company on acceptance of the option offer. An offer must be accepted within 14 days from the date of offer (or such longer period as the Board may specify in writing).

(8) Basis of determining the subscription price

The subscription price shall be determined by the Board in its absolute discretion at the time of grant of the relevant option but shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the HK Stock Exchange's daily quotation sheet on the date of grant;
- (ii) the average closing price of the Shares as stated in the HK Stock Exchange's daily quotation sheet for the five (5) business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(9) Effects of re-organisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of a capitalization of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation or subdivision of shares or reduction of capital, such corresponding alterations (if any) shall be made to: (a) the number and/or nominal amount of Shares subject to the option so far as unexercised; and/or (b) the subscription price; and/or (c) the maximum number of Shares subject to the 2021 Share Option Scheme, as the auditors for the time being the Company shall certify in writing to the Board to be in their opinion fair and reasonable (except in the case of a capitalization issue where no such certification shall be required), provided that: (i) any such alterations shall be made on the basis that the aggregate subscription price payable by an option holder on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) it was before such event; (ii) no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iii) no such alterations shall be made the effect of which would be to increase the proportion of the issued share capital of the Company for which any option holder is entitled to subscribe pursuant to the options held by him.

(10) The remaining life of the 2021 Share Option Scheme

The life span of the 2021 Share Option Scheme is 10 years commencing from 9 June 2021 and will expire on 8 June 2031.

Except for the number of the options that may be granted and the expiry date of the 2021 Share Option Scheme, the terms of the 2021 Share Option Scheme and the 2011 Share Option Scheme are the same in all material aspects. A summary of those terms applicable to the outstanding share options of 2011 Share Option Scheme has been disclosed in the Company's 2020 Annual Report.

No option was granted under the 2021 Share Option Scheme since its adoption on 9 June 2021. Accordingly, as at 31 December 2025, there was no option outstanding under the 2021 Share Option Scheme.

As at 1 January 2025 and 31 December 2025, the number of the options available for grant under the Mandate Limit were 312,697,461.

Particulars of the movement of the options under the 2011 Share Option Scheme during the year ended 31 December 2025, were as follows:

Name or category of participants	Date of grant	Number of options			Exercise price per Share (HK\$)	Exercise period
		Held at 1 January 2025	Lapsed during the year	Held at 31 December 2025		
Directors						
Francis Lui Yiu Tung	15 Jul 2020	1,300,000	–	1,300,000	3.462	15 Jul 2021–14 Jul 2026
Paddy Tang Lui Wai Yu	15 Jul 2020	3,100,000	–	3,100,000	3.462	15 Jul 2021–14 Jul 2026
Alexander Lui Yiu Wah	15 Jul 2020	3,100,000	–	3,100,000	3.462	15 Jul 2021–14 Jul 2026
Moses Cheng Mo Chi	15 Jul 2020	160,000	–	160,000	3.462	15 Jul 2021–14 Jul 2026
Wong Kwai Lam	15 Jul 2020	160,000	–	160,000	3.462	15 Jul 2021–14 Jul 2026
Nip Yun Wing	15 Jul 2020	160,000	–	160,000	3.462	15 Jul 2021–14 Jul 2026
Cheung Kin Sang	–	–	–	–	–	–
Employees^(a) (in aggregate)	15 Jul 2020	8,080,000	2,220,000	5,860,000	3.462	15 Jul 2021–14 Jul 2026
Others^(b)	15 Jul 2020	3,100,000	–	3,100,000	3.462	15 Jul 2021–14 Jul 2026

Report of the Directors

Notes:

- (a) Employees include an associate of Directors shown above and the movements in the options held by the associate of Directors during the year were as follows:

Name	Date of grant	Held at 1 January 2025 and at 31 December 2025	Exercise price per Share (HK\$)	Exercise period
Tang Eugene Justin Yue Chung	15 Jul 2020	300,000	3.462	15 Jul 2021–14 Jul 2026

- (b) All the outstanding options are held by Mr. Francis Lui Yiu Tung as executor of the estate of the late Dr. Lui Che-woo.

All the options granted were subject to a one-year vesting period.

As at the date of this annual report, the total number of Shares available for issue under the 2011 Share Option Scheme taking into account the options already granted under the 2011 Share Option Scheme was 16,590,000, representing approximately 0.53% of the issued Shares (excluding treasury shares, if any) as at the date of this annual report and representing approximately 0.53% of the weighted average number of issued Shares (excluding treasury shares, if any) for the year.

No option was granted, exercised or cancelled under the 2011 Share Option Scheme during the year.

Save for the share option schemes described above, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

CONTINUING CONNECTED TRANSACTION

During the year ended 31 December 2025, the Company had the following continuing connected transaction, details of which are set out below:

On 20 August 2020, the Company and Polymate Co., Ltd. ("Polymate") (a wholly-owned subsidiary of a substantial shareholder of the Company which is the trustee of a discretionary family trust established by the late Dr. Lui Che-woo and of which members of Lui's family, including Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah, are the discretionary beneficiaries) had entered into the master lease agreement ("2020 Master Lease Agreement"), pursuant to which the Group (as lessee or licensee) may renew or enter into new leases with the respective subsidiaries of Polymate ("Lessor Group") (as lessor or licensor) in respect of the leasing and/or licensing of certain properties and car-parking spaces beneficially owned by the Lessor Group from time to time ("Lessor Properties") for a term of 3-year period from 1 November 2020 to 31 October 2023 (both dates inclusive). Based on the continuing administrative, operational, marketing, promotional and sales needs of the Group, and considering that the Group might have to renew some of the existing leases entered into under the 2020 Master Lease Agreement to satisfy the future business needs of the Group from time to time, following the expiry of the 2020 Master Lease Agreement, the Company and Polymate had entered into another master lease agreement on 23 August 2023 ("2023 Master Lease Agreement") whereas the Group as lessee or licensee and the Lessor Group as lessor or licensor in respect of the Lessor Properties for a term of 3-year period from 1 November 2023 to 31 October 2026 (both dates inclusive). Pursuant to the 2020 Master Lease Agreement and the 2023 Master Lease Agreement, the amount of annual rent payable by the Group to the Lessor Group is subject to the annual caps ("Annual Caps") fixed for each corresponding financial year as disclosed in the announcements of the Company dated 20 August 2020 and 23 August 2023 ("Announcements") respectively. For the year ended 31 December 2025, the aggregate annual rent of HK\$5,489,000 was paid and payable by the Group under the 2023 Master Lease Agreement, which is within the Annual Caps.

The entering into of the 2020 Master Lease Agreement and the 2023 Master Lease Agreement constituted as continuing connected transactions of the Company, with applicable percentage ratios more than 0.1% but less than 5%, was exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Details of the continuing connected transactions have been disclosed in the Announcements.

The Board of Directors of the Company (including the INEDs) had noted and approved the abovementioned continuing connected transactions. These continuing connected transactions have also been reviewed by the INEDs of the Company who are not interested in any continuing connected transaction with the Company and they confirmed that these transactions have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms; and in accordance with the relevant agreements governing the respective transactions, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company's independent auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter to the Company containing its findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules.

Save as disclosed above, none of the related party transactions (as defined in HKAS 24 — Related Party Disclosures) entered into by the Group during the year ended 31 December 2025 disclosed in note 38 to the 2025 Financial Statements falls under the scope of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules which is subject to the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no shareholders pre-emptive rights as a matter of Bermuda law, either under statute or at common law.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year under review and up to the date of this Report of the Directors, Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah (collectively, "Relevant Directors"), as either directly or indirectly through a discretionary family trust and other privately-owned companies, are deemed to be interested in several independently managed companies, which are also engaging in property investment, trading, and development. The business of these companies ("Competing Business") may compete, directly or indirectly, with the business of the Group. The Relevant Directors are also the directors of certain holding companies of the Competing Business.

Notwithstanding the interests of the Relevant Directors in the Competing Business disclosed above, the Group is able to carry on its business independent of, and at arm's length from, the Competing Business, given that the Company has a strong and independent Board with 4 out of 7 Directors being NED/INEDs as at the date of this Report of the Directors. These NED/INEDs are professionals (audit/accounting/banking and legal) or prominent businessmen. The Company has established corporate governance procedures, which ensure investment opportunities and business performance are independently assessed and reviewed. The Relevant Directors are fully aware of their fiduciary duty to the Company, and will abstain from voting on any matter where there is, or there may be, a conflict of interest. The Directors therefore consider that the Group's interests are adequately safeguarded.

Save as disclosed above, there is no other competing business interest between the Directors and his/her respective close associates and the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

DISCLOSURE UNDER RULE 13.22 OF THE LISTING RULES

As of 31 December 2025, the Group had given financial assistance and guarantees to financial institutions for the benefit of its affiliated companies. In compliance with the requirements of Rule 13.22 of the Listing Rules, the combined balance sheet of the affiliated companies as at the balance sheet date is disclosed as follows:

	Combined Balance Sheet HK\$'000	Group's Attributable Interest HK\$'000
Non-current assets	1,692,801	421,526
Current assets	72,172,633	18,509,601
Current liabilities	(9,317,922)	(2,450,694)
	64,547,512	16,480,433
Share capital	1,802,548	806,912
Reserves	978,145	181,785
Amounts due to shareholders	55,673,931	13,845,802
Non-current liabilities	6,092,888	1,645,934
	64,547,512	16,480,433

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the 2025 Financial Statements, is shown on pages 6 to 7 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025:

- (1) the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover; and
- (2) the aggregate amount of purchases (not including the purchases of items which were of a capital nature) attributable to the Group's major suppliers of the Group's total of such purchases is as follow:

The largest supplier	15%
Five largest suppliers	38%

None of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital (excluding treasury shares, if any)) had any interest in the five largest customers or suppliers (suppliers of items which were not of a capital nature).

MANAGEMENT CONTRACTS

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

AUDITOR

The 2025 Financial Statements have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the 2026 AGM.

On behalf of the Board

Francis Lui Yiu Tung

Chairman

Hong Kong, 27 March 2026

Independent Auditor's Report



To the Shareholders of K. Wah International Holdings Limited

(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of K. Wah International Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 67 to 138, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated profit and loss statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement 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 31 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 disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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.

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties
- Realisation of development properties held by the Group

Key Audit Matter

Valuation of investment properties

Refer to notes 3.5 (Summary of material accounting policy information), 5(a) (Critical accounting estimates and judgments) and 17 (Notes to the consolidated financial statements)

The Group had investment properties of HK\$17,852,928,000 as at 31 December 2025 of which fair value gains were recognised and presented as “change in fair value of investment properties” in the consolidated profit and loss statement. The Group’s investment property portfolio comprises completed properties and properties under development in Hong Kong and the Mainland.

Independent valuers were engaged by the Group to determine the valuation of the Group’s investment properties. The valuation of completed investment properties was arrived at using the income capitalisation method by considering the capitalised income derived from existing tenancies and the reversionary potential, including capitalisation rate and prevailing market rent, of the properties, and whenever appropriate, the direct comparison approach by reference to market evidence of recent market transaction prices. For investment properties under development, the valuation of completed investment properties was arrived at using residual method. Other than capitalisation rate, prevailing market rent and recent market transaction prices, the estimated development costs and developer’s profit were also taken into consideration.

There is inherent estimation uncertainty in determining a property’s valuation, as the valuers make assumptions, judgments and estimates in the key areas. Significant judgment and estimates are applied in the valuation of investment properties.

How our audit addressed the Key Audit Matter

We understood management’s controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgments involved in determining assumptions to be applied.

We evaluated the independent valuers’ competence, capabilities and objectivities, obtained the valuation reports and met with the independent valuers to discuss the valuation methodologies applied.

We checked the accuracy of the input data, on a sample basis, used by the independent valuers in the valuation of properties including rental rates from existing tenancies by agreeing them to the underlying agreements with the tenants.

We assessed the methodologies used by the valuers and challenged the reasonableness of the key assumptions used in the valuation of properties by comparing market yields for capitalisation rates, leasing transactions and/or recent market transaction prices of comparable properties, where applicable.

For investment properties under development, we tested, on a sample basis, the development costs to construction contracts, latest budgets and/or other supporting documents, where applicable and compared the market data of comparable properties for developer’s profit.

We involved our in-house valuation experts in the assessment of the valuation of selected investment properties.

We evaluated the appropriateness of related disclosures made in the consolidated financial statements.

Based on the audit procedures performed, we found the valuation of investment properties were supportable in light of available evidence.

KEY AUDIT MATTERS (cont'd)

Key Audit Matter

Realisation of development properties held by the Group

Refer to notes 3.10 (Summary of material accounting policy information), 5(b) (Critical accounting estimates and judgments) and 23 (Notes to the consolidated financial statements)

Development properties are a key component of the net asset value attributable to equity holders. As of 31 December 2025, the Group held properties under development and completed properties held for sale in Hong Kong and the Mainland through subsidiaries, joint ventures, and associated companies. The assessment of their net realisable value requires management to apply significant judgment.

Management determined the carrying value of development properties based on their net realisable value, which involves estimating the future sales price and anticipated costs to completion. These estimates are based on contracted sales prices of the underlying properties and/or recent market transaction prices of comparable properties and projected development and other costs. As a result of this assessment, provisions of HK\$715,472,000 were recognised during the year.

Given the inherent estimation uncertainty in determining net realisable value, management's assumptions, judgments, and estimates are critical in the valuation process. The key areas of judgment include estimating the future sales price and the anticipated costs to completion of the development.

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.

How our audit addressed the Key Audit Matter

We understood management's controls and processes for determining the net realisable value of the development properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgments involved in determining assumptions to be applied.

We obtained management's assessment of the net realisable value of the underlying properties and, on a sample basis, assessed the reasonableness of key assumptions applied by management. For the estimated future sales price, we checked, on a sample basis, against contracted sales prices of the underlying properties and/or recent market transaction prices of comparable properties, where applicable. For anticipated costs to completion on properties under development, we tested, on a sample basis, the projected development costs against construction contracts, latest budgets, and/or other supporting documents, where applicable.

We involved our in-house valuation experts in the assessment of the net realisable value of selected development properties.

We evaluated the appropriateness of related disclosures made in the consolidated financial statements.

Based on the audit procedures performed, we found that the estimates used in the calculation of the net realisable value of development properties were supportable in light of available evidence.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional 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.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Cho Kin Lun (practising certificate number: P05514).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2026

Consolidated Profit and Loss Statement

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	7	1,985,027	7,187,433
Cost of sales		(1,980,483)	(5,827,434)
Gross profit		4,544	1,359,999
Other operating income		537,929	609,704
Other net gains		50,141	96,327
Change in fair value of investment properties		524,683	(52,602)
Other operating expenses		(284,013)	(323,318)
Administrative expenses		(452,705)	(552,623)
Finance costs	8	(365,072)	(442,038)
Share of (losses)/profits of joint ventures		(465,914)	21,155
Share of losses of associated companies		(38,733)	(10,256)
(Loss)/profit before taxation	9	(489,140)	706,348
Taxation charge	13	(373,791)	(337,261)
(Loss)/profit for the year		(862,931)	369,087
Attributable to:			
Equity holders of the Company		(869,261)	335,070
Non-controlling interests		6,330	34,017
		(862,931)	369,087
		HK cents	HK cents
(Loss)/earnings per share	14		
Basic		(27.57)	10.63
Diluted		(27.57)	10.63

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit for the year	(862,931)	369,087
Other comprehensive income/(loss):		
<i>Items that will not be reclassified to profit and loss:</i>		
Change in fair value of financial assets at fair value through other comprehensive income	864,415	(1,746,703)
Exchange differences arising from translation — non-controlling interests	47,796	(72,120)
<i>Items that may be reclassified to profit and loss:</i>		
Exchange differences arising from translation — subsidiaries	576,972	(601,082)
— joint ventures and associated companies	2,240	(1,515)
(Losses)/gains on net investment hedges	(330,286)	138,497
Other comprehensive income/(loss) for the year	1,161,137	(2,282,923)
Total comprehensive income/(loss) for the year	298,206	(1,913,836)
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	244,080	(1,875,733)
Non-controlling interests	54,126	(38,103)
	298,206	(1,913,836)

Consolidated Balance Sheet

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	316,306	330,263
Investment properties	17	17,852,928	16,349,981
Right-of-use assets	18	74,599	77,416
Joint ventures	19	10,769,795	9,984,779
Associated companies	20	3,990,443	2,988,409
Financial assets at fair value through other comprehensive income	21	6,226,389	5,361,974
Deferred taxation assets	32	288,851	305,233
Other non-current assets	22	653,197	905,540
		40,172,508	36,303,595
Current assets			
Development properties	23	17,920,236	18,634,218
Inventories		970	897
Amounts due from joint ventures	19	74,260	96,167
Debtors and prepayments	24	608,801	503,910
Derivative financial instruments	31	—	62,202
Financial assets at fair value through profit or loss	25	1,274	215,895
Taxes recoverable		840,685	904,784
Cash and cash equivalents and bank deposits	26	6,473,137	9,649,379
		25,919,363	30,067,452
Total assets		66,091,871	66,371,047
EQUITY			
Share capital	27	315,273	315,273
Reserves	29	39,786,752	39,763,363
Shareholders' funds		40,102,025	40,078,636
Non-controlling interests		1,898,669	1,879,113
Total equity		42,000,694	41,957,749

Consolidated Balance Sheet

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	30	10,379,475	10,802,654
Lease liabilities	18	3,052	3,937
Deferred taxation liabilities	32	2,807,007	2,638,590
		13,189,534	13,445,181
Current liabilities			
Amounts due to joint ventures	19	826,999	808,253
Amounts due to associated companies	20	83,856	79,219
Creditors, accruals and other liabilities	33	1,660,137	1,539,793
Pre-sales deposits	34	4,355,968	4,291,758
Current portion of borrowings	30	3,358,853	3,759,888
Derivative financial instruments	31	103,360	2,553
Taxes payable		512,470	486,653
		10,901,643	10,968,117
Total liabilities		24,091,177	24,413,298
Total equity and liabilities		66,091,871	66,371,047
Net current assets		15,017,720	19,099,335
Total assets less current liabilities		55,190,228	55,402,930

Paddy Tang Lui Wai Yu
Co-Managing Director

Alexander Lui Yiu Wah
Co-Managing Director

Consolidated Cash Flow Statement

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Cash generated from operations	35(a)	418,144	4,791,080
Tax paid		(145,684)	(752,967)
Interest paid		(538,216)	(762,613)
Net cash (used in)/generated from operating activities		(265,756)	3,275,500
Cash flows from investing activities			
Purchases of property, plant and equipment		(10,119)	(4,662)
Purchases of investment properties		(33,131)	(67,238)
Increase in investments in joint ventures and advances to joint ventures		(2,953,986)	(769,413)
Repayments from joint ventures		1,734,492	701,563
Increase in investments in associated companies and advances to associated companies		(1,040,664)	(268,181)
Repayments from associated companies		4,200	6,180
Disposal of financial assets at fair value through profit or loss		223,215	1,139,114
Settlement on derivative financial instruments		39,527	96,942
Decrease/(increase) in bank deposits		1,413,684	(1,128,652)
Proceeds from disposal of property, plant and equipment		197	150
Bank interest received		109,842	179,308
Dividends received from joint ventures and associated companies		16,215	25,589
Dividend income from financial assets at fair value through other comprehensive income		194,981	129,987
Net cash (used in)/generated from investing activities		(301,547)	40,687
Cash flows from financing activities			
Proceeds from borrowings	35(b)	6,037,645	7,658,561
Repayments of borrowings	35(b)	(7,118,541)	(8,236,548)
Principal elements of lease liabilities		(2,861)	(3,573)
Capital contribution from non-controlling interests		—	693
Repayment of capital to non-controlling interests		—	(794,118)
Dividends paid to non-controlling interests		(34,570)	(58,714)
Dividends paid to shareholders		(220,691)	(373,717)
Net cash used in financing activities		(1,339,018)	(1,807,416)
Net (decrease)/increase in cash and cash equivalents		(1,906,321)	1,508,771
Cash and cash equivalents at beginning of year		7,808,759	6,421,254
Changes in exchange rates		125,930	(121,266)
Cash and cash equivalents at end of year	26	6,028,368	7,808,759

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Shareholders' funds HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 January 2025	315,273	4,704,170	35,059,193	40,078,636	1,879,113	41,957,749
Comprehensive loss						
(Loss)/profit for the year	—	—	(869,261)	(869,261)	6,330	(862,931)
Other comprehensive income						
Other comprehensive income for the year	—	1,113,341	—	1,113,341	47,796	1,161,137
Transactions with equity holders						
Lapse of share options	—	(999)	999	—	—	—
Dividends	—	—	(220,691)	(220,691)	(34,570)	(255,261)
At 31 December 2025	315,273	5,816,512	33,970,240	40,102,025	1,898,669	42,000,694
At 1 January 2024	313,289	6,930,788	35,084,009	42,328,086	2,769,355	45,097,441
Comprehensive income						
Profit for the year	—	—	335,070	335,070	34,017	369,087
Other comprehensive loss						
Other comprehensive loss for the year	—	(2,210,803)	—	(2,210,803)	(72,120)	(2,282,923)
Transactions with equity holders						
Lapse of share options	—	(13,831)	13,831	—	—	—
Shares issued as scrip dividends	1,984	(1,984)	—	—	—	—
Reserve arising on scrip dividends	—	—	34,353	34,353	—	34,353
Capital contribution from non-controlling interests	—	—	—	—	693	693
Repayment of capital to non-controlling interests	—	—	—	—	(794,118)	(794,118)
Dividends	—	—	(408,070)	(408,070)	(58,714)	(466,784)
At 31 December 2024	315,273	4,704,170	35,059,193	40,078,636	1,879,113	41,957,749

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

K. Wah International Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and its principal place of business in Hong Kong is 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong.

As at 31 December 2025, the Directors of the Company consider that the ultimate holding company to be CWL Assets (PTC) Limited, a limited liability company incorporated in the British Virgin Islands, which is a trustee of a discretionary family trust established by the late Dr. Lui Che-woo. CWL Assets (PTC) Limited does not produce financial statements available for public use.

The principal activities of the Company and its subsidiaries (together the “Group”) are property development and investment in Hong Kong and the Mainland.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated and have been approved for issue by the Board of Directors (the “Board”) on 27 March 2026.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants under the historical cost convention as modified by the revaluation of investment properties, certain financial assets and financial instruments, which are carried at fair values. HKFRSs comprise the following authoritative literature: HKFRS Accounting Standards, Hong Kong Accounting Standards and Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The accounting policies and methods of computation used in the preparation of the consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 December 2024, except as stated below.

The adoption of amendments to standards

In 2025, the Group adopted the following amendments to standards, which are relevant to its operations.

HKAS 21 and HKFRS 1 (Amendments) Lack of Exchangeability

The above amendments to standards did not have significant impact on the Group’s accounting policies and did not require retrospective adjustments.

2 BASIS OF PREPARATION (cont'd)

New standards, amendments and improvements to standards and interpretation that are not yet effective

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

The Group will adopt the above new standards, amendments and improvements to standards and interpretation as and when they become effective. The Group has performed a preliminary assessment of the likely impact and anticipates that the application of these new standards, amendments and improvements to standards and interpretation will have no material impact on the results and the financial position of the Group, except for the application of HKFRS 18 which is expected to primarily affect the presentation and disclosures in the consolidated financial statements. The Group will continue to assess the impact in more details.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Consolidation

(a) Subsidiaries

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.1 Consolidation (cont'd)

(a) *Subsidiaries (cont'd)*

Inter-group transactions, balances, 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 profit and loss statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

(i) *Business combinations*

The Group applies the acquisition method to account for business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

(ii) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.1 Consolidation (cont'd)

(a) *Subsidiaries (cont'd)*

(iii) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means that the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs.

(iv) *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.

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

(b) *Associated companies*

Associated companies are entities over which the Group has significant influence but not control. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

Group's investment in associated companies includes goodwill identified on acquisition, net of any accumulated impairment loss. Upon the acquisition of the ownership interest in an associated company, any difference between the cost of the associated company and the Group's share of the net fair value of the associated company's identifiable assets and liabilities is accounted for as goodwill.

The Group's share of its associated companies post-acquisition profits or losses is recognised in the consolidated profit and loss statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated company.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.1 Consolidation (cont'd)

(b) Associated companies (cont'd)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognises the amount in the consolidated profit and loss statement.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the interest in the associated companies held by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associated companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associated companies are recognised in the consolidated profit and loss statement.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the interest in the joint ventures held by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.2 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 Board that makes strategic decisions.

3.3 Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3.4 Property, plant and equipment

Land and buildings comprise mainly offices and hotel building. Leasehold land classified as finance leases and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. 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 asset will flow to the Group and the cost of the asset can be measured reliably.

The carrying amount of the replaced asset is derecognised. All other repairs and maintenance costs are charged to the profit and loss statement during the financial period in which they are incurred.

All direct and indirect costs relating to the construction of property, plant and equipment, including borrowing costs during the construction period are capitalised as the costs of the assets.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.4 Property, plant and equipment (cont'd)

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Buildings (including hotel buildings) on leasehold land are depreciated over their shorter useful life or respective lease periods using the straight-line method. No depreciation is provided on assets under construction. Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Hotel buildings	20 years
Land and buildings	Shorter of remaining lease term or useful life
Plant and machinery	10 years
Other assets	3 to 10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its recoverable amount. Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss statement.

3.5 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, is classified as investment property. Investment property also includes property under construction or development for intended use as investment property upon completion.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Investment property that is obtained through a lease is measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), and any initial direct costs incurred by the Group.

After initial recognition, investment property is carried at fair value, representing open market value determined at each balance sheet date by external valuers. Fair value is based on valuations carried out by professional valuers. Where fair value of investment property under construction 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).

The fair value of 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. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. The fair value of investment property also reflects the market values of comparable properties which have been recently transacted, adjusted for any qualitative differences that may affect the price such as location, floor area, quality and the finishes of the building and other related factors.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.5 Investment properties (cont'd)

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- Estimated construction costs
- The stage of completion
- Types of properties
- The level of reliability of cash inflow after completion
- The development risk specific to the property
- Past experience with similar constructions

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

Changes in fair values of investment property (completed or under construction) are recognised in the profit and loss statement. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

When an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to completed properties held for sale at its fair value at the date of change in use.

If an investment property becomes owner-occupied or under development with the view changed to owner-occupation, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an 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 property at the date of transfer is recognised in other comprehensive income as revaluation reserves of property, plant and equipment. However, if the fair value gives rise to a reversal of a previous impairment, this write-back is recognised in the profit and loss statement. This revaluation reserve shall remain and be transferred to retained earnings upon disposal of this property.

If a development property becomes an investment property when there is a change in use, any difference resulting between the fair value of the property at that date and its previous carrying amount is recognised in the profit and loss statement. A change in use would involve an assessment of whether a property meets the definition of investment property and supporting evidence that a change in use has occurred. A change in intention, in isolation, is not enough to support a transfer.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.6 Impairment of non-financial assets, investments in associated companies and joint ventures

Non-financial assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation, but are tested at least annually for impairment. Assets that are subject to amortisation 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 the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

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

3.7 Financial assets

(a) *Classification*

The Group classifies its financial assets in the categories of 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 costs. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on settlement-date. 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.

(c) *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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.7 Financial assets (cont'd)

(c) Measurement (cont'd)

Debt instruments

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

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

Equity instruments

The Group 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 OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established.

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.7 Financial assets (cont'd)

(d) 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.

3.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.9 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. The derivative is classified as a non-current asset or liability when the remaining maturity is more than twelve months, and as a current asset or liability when the remaining maturity of the contract is less than twelve months. Changes in fair value of derivatives are recognised in the profit and loss statement.

The Group designates certain derivatives (note 31) and Renminbi denominated borrowings (note 30) as net investment hedges in foreign operations. Movements in the hedging reserve in shareholders' equity are shown in note 29.

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Net investment hedges in foreign operations

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in consolidated profit and loss statement within finance costs.

Gains and losses accumulated in equity are reclassified to consolidated profit and loss statement when the foreign operation is partially disposed of or sold.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.10 Development properties

Properties for/under development comprise leasehold land and land use rights, construction costs, development expenditure and borrowing costs incurred during the construction period, less provisions for impairment. Development properties are carried at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and anticipated costs to completion. Upon completion, the properties are transferred to properties held for sale. Properties under development included in the current assets are expected to be realised in, or is intended for sale in the Group's normal operating cycle.

Properties held for sale are initially measured at the carrying amount of the property at the date of reclassification from properties under development. Subsequently, properties held for sale are carried at the lower of cost and net realisable value. Net realisable value is determined by reference to management estimates based on prevailing market conditions.

3.11 Inventories

Inventories comprise primarily operating supplies, food and beverages, engineering spare parts and guest supplies. Operating supplies, food and beverages are stated at the lower of cost and net realisable value. Engineering spare parts and guest supplies are stated at lower of cost and net realisable value and expensed when consumed. Costs are assigned to individual items on the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.12 Trade debtors

Trade debtors are recognised initially at the amount of consideration that is unconditional and subsequently measured at amortised cost using the effective interest method, less provision for impairment, as the Group holds the trade debtors with the objective to collect the contractual cash flows and those cash flows represent solely payments of principal and interest. The Group's impairment policies are set out in note 3.7(d). The carrying amount of trade debtors is reduced through the use of an allowance account and the amount of the provision is recognised in the profit and loss statement within other operating expenses. When a debtor is uncollectible, it is written off against the allowance account for trade debtors. Subsequent recoveries of amounts previously written off are credited against other operating income in the profit and loss statement.

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

3.13 Mortgage loans receivable

First mortgage loans receivable is initially recognised at fair value and is subsequently remeasured to their fair value at the end of each reporting period. Second mortgage loans receivable is classified as loans and receivable and is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Mortgage loans receivable is classified as current assets if expected to be settled within twelve months from the balance sheet date; otherwise, is classified as non-current.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.14 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks, 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, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability including fees and commissions to agents, advisers, levies by regulatory agencies and securities exchange, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the profit and loss statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs. Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has right to defer settlement of the liability for at least twelve months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

3.17 Trade creditors

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

3.18 Leases

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;
- lease payments to be made under an extension option if the group is reasonably certain to exercise the option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.18 Leases (cont'd)

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

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

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

Entity-specific details about the Group's leasing policy are provided in note 18.

Right-of-use assets are generally depreciated over the shorter of the assets useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the profit and loss statement. Short-term leases are with a lease term of twelve months or less.

Rental income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term (note 3.23). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expenses over the lease term on the same basis as rental income. The respective leased assets are included in the balance sheet based on their nature.

3.19 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when there is a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provision are not recognised for future operating losses. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

When 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 management's best estimate 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 risk specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.20 Current and deferred taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred taxation assets and liabilities attributable to temporary differences and to unused tax losses.

Current taxation

The current taxation charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries, joint ventures and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred taxation

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

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

Deferred taxation assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation 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 taxation 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, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in 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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.21 Employee benefits

(a) Employee entitlements, benefits and bonuses

Contributions to publicly or privately administered defined contribution retirement or pension plans on a mandatory, contractual or voluntary basis are recognised as employee benefit expense in the financial period when they are due. The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Provisions for bonus plans due wholly within twelve months after balance sheet date are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(b) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and retaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the profit and loss statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.21 Employee benefits (cont'd)

(b) Share-based compensation (cont'd)

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

3.22 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily takes a substantial period of time to get ready for their intended use or sales. All other borrowing costs are charged to the profit and loss statement in the financial period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable and is shown, net of value-added tax, returns, rebates and discounts, allowances for credit and other revenue reducing factors.

Revenue is recognised when it is probable that future economic benefits will flow to the Group and specific criteria for each of the activities of the Group have been met. Estimates are based on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) Sales of properties

Revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. If properties have no alternative use to the Group contractually and the Group has an enforceable right to payment from the customers for performance completed to date, the Group satisfies the performance obligation over time and therefore, recognises revenue over time in accordance with the input method for measuring progress. Otherwise, revenue is recognised at a point in time when the customer obtains control of the completed property.

For property development and 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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.23 Revenue recognition (cont'd)

(a) Sales of properties (cont'd)

Contract acquisition costs incurred to obtain contracts are capitalised and amortised when the related revenue are recognised.

Any additional renovation services, which are contracted alongside the sales of property and completed at the time of property handover, are considered as part of sales of property transaction and performance obligation. The related revenue is recognised as the sales of property at a point in time when the customer obtains control of the completed property.

(b) Rental income

Rental income net of any incentives given to the lessees is recognised over the periods of the respective leases on a straight-line basis over the lease term.

(c) Hotel operation income

Hotel operation income is recognised when the services are rendered.

(d) Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/losses on these assets. Interest income on financial assets at amortised cost is recognised in the profit and loss statement as other operating income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(e) Dividend income

Dividend is received from financial assets measured at FVOCI and is recognised as other operating income in profit or loss when the right to receive payment is established.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.24 Foreign currencies

(a) 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 currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss statement, except when deferred in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses are presented in the profit and loss statement as other net gains/losses. Exchange differences arising from translation of inter-company loan balances between Group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Group's net investment in a foreign entity.

Translation differences on non-monetary financial assets held at FVPL are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets held at FVOCI are included in the fair value through other comprehensive income reserve in other comprehensive income.

(c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rates at the date of that balance sheet;
- (ii) income and expenses for each profit and loss statement are translated at average exchange rates; and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates at the balance sheet date. Exchange differences arising are recognised in other comprehensive income.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.24 Foreign currencies (cont'd)

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associated company that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

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

3.25 Government grants

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

3.26 Financial guarantees

Financial guarantees 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 (1) the amount determined in accordance with the expected credit loss model under HKFRS 9; and (2) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

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 associated companies or joint ventures are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

3.27 Dividend distribution

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

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The property industry is sensitive to the economic environment in Hong Kong and the Mainland, which will affect the volumes and selling prices of property transactions. The Group mainly relies on sales of properties, income from investment properties and renewal of bank borrowings to fund its operations.

Risk management is carried out by the management of the Group under the supervision of the Board. The management of the Group identifies, evaluates and manages significant financial risks in the individual operating units of the Group. The Board provides guidance for overall risk management.

4.1 Financial risk factor

(a) Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong and the Mainland and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB").

Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the entities in the Group.

To hedge a portion of its net investment in the Mainland's operation and mitigate the risk of changes in the investment value due to fluctuations in the RMB exchange rate, the Group has entered into cross currency swap contracts and has also borrowed RMB-denominated loans. These hedging instruments help offset the foreign exchange risk associated with the net investment in the subsidiary whose functional currency is RMB.

As at 31 December 2025, the carrying amount of the Group's cross currency swap contracts designated for hedging net investment was approximately HK\$103 million (liabilities) (2024: HK\$39 million (net assets)), with a notional principal amount of approximately HK\$2,825 million (2024: HK\$2,825 million). These contracts have a maturity date in 2026 (2024: 2025).

As at 31 December 2025, the carrying amount of the RMB-denominated loans used for hedging purposes was approximately HK\$3,360 million (2024: HK\$3,191 million). These loans have a maturity date ranging from 2026 to 2030 (2024: 2025 to 2026).

The Group established the hedge ratio to closely align with the underlying risk exposure, which was assessed to be highly effective, and hedge ineffectiveness is expected to be insignificant.

The Group would also consider entering into forward foreign exchange contracts to reduce foreign exchange risk exposure where necessary.

4 FINANCIAL RISK MANAGEMENT (cont'd)

4.1 Financial risk factor (cont'd)

(a) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

At 31 December 2025, if Hong Kong dollar had strengthened or weakened by 3% (2024: 3%) against RMB, with all other variables held constant, loss before taxation for the year would have been higher or lower by approximately HK\$0.1 million (2024: profit before taxation for the year would have been lower or higher by approximately HK\$0.1 million) mainly as a result of foreign exchange losses/gains arising from cash at banks.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits, amounts due from joint ventures/ associated companies, mortgage loans receivables and bank loans.

The interest rate risk arises primarily from borrowings. Borrowings with variable rates expose the Group to cash flow interest rate risk. Borrowings with fixed rates expose the Group to fair value interest rate risk.

With regard to cash flow interest rate risk of borrowings, when opportunities arise, the Group considers the use of interest rate swaps to fix the interest costs for long term. In case of funding requirement, other than bank borrowings, the Group may issue fixed-rate instruments, such as bonds, to avoid fluctuation of interest costs over the period of the instruments.

The Group has followed a policy of developing long-term banking facilities to match its long-term investments in Hong Kong and the Mainland. The policy also involves close monitoring of interest rate movements and replacing and entering into new banking facilities when favourable pricing opportunities arise. At 31 December 2025, if interest rates had been increased or decreased by 1% (2024: 1%) with all other variables held constant, the loss before taxation for the year (before capitalisation) would decrease or increase by approximately HK\$8 million (2024: profit before taxation for the year (before capitalisation) would increase or decrease by approximately HK\$46 million) mainly as a result of higher or lower net interest income.

(iii) Price risk

The Group is exposed to equity securities price risk through investments held by the Group classified as financial assets at fair value through other comprehensive income which are publicly traded and financial assets at fair value through profit or loss.

At 31 December 2025, if the share price of the financial assets at fair value through other comprehensive income had been increased or decreased by 10% (2024: 10%) with all other variables held constant, the equity would increase or decrease by approximately HK\$623 million (2024: HK\$536 million).

At 31 December 2025, if the trade price of the financial assets at fair value through profit or loss had been increased or decreased by 10% (2024: 10%) with all other variables held constant, the loss before taxation for the year would decrease or increase by approximately HK\$0.1 million (2024: profit before taxation for the year would increase or decrease by approximately HK\$22 million).

4 FINANCIAL RISK MANAGEMENT (cont'd)

4.1 Financial risk factor (cont'd)

(b) Credit risk

The Group's credit risk is primarily attributable to trade and other debtors, mortgage loans receivables, bank deposits, amounts due from joint ventures/associated companies and guarantees.

The Group adopts a "three-stage" approach for impairment assessment based on changes in credit quality since initial recognition (except for trade receivables, which applies simplified approach). Based on management's assessment, there were no changes in stages for the above-mentioned financial assets during the year ended 31 December 2025 as there were no significant changes in credit risk noted. As at 31 December 2025, all of the above-mentioned financial assets are classified as stage 1 under the "three-stage" approach, as there are no significant increase in credit risk after initial recognition or that have low credit risk at the reporting date.

The Group has policies in place to ensure that sales of properties, goods and services are made to customers with an appropriate credit history. The Group reviews the recoverable amount of the debtors and loans receivable on a regular basis and an allowance for doubtful debts is made where there is an expected credit loss.

To measure the expected credit losses, debtors and loans receivable are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the debtors to settle the outstanding balances.

In respect of credit exposures to customers for sales of properties, the Group normally receives deposits or progress payments from individual customers prior to the completion of sales transactions. For mortgage loans receivables, credit assessments are carried out before approving loans to the customers. Regular review with stringent monitoring procedures are conducted for overdue debts. With regard to credit exposure to customers for rental of properties, the Group also receives rental payments in advance with sufficient initial rental deposits to cover potential default in future rental payments. In respect of credit exposures to amounts due from joint ventures/associated companies, the Group regularly monitors the business performance of the joint ventures and associated companies. The Group's credit risks in these balances are mitigated through the value of the assets held by these entities and the power to participate/jointly control their relevant activities. The management considers that the counterparties have a low risk of default, after taking into account the value of the assets held and the operating results of these entities. For financial guarantee provided by the Group, any failure to discharge an obligation by the counterparties will cause a financial loss to the Group. The maximum amount of the guarantee under the respective contracts is disclosed in note 37. At the reporting date, the management has performed impairment assessment and concluded there is no significant increase in credit risk since initial recognition of the financial guarantee contracts.

The credit risk on liquid funds is limited because around 82% (2024: 79%) of the funds are placed in banks with high credit rankings, ranging from Aa to A, and the remaining 18% (2024: 21%) in local banks with close monitoring by the management and there is no concentration in any particular bank. Management does not expect any losses from non-performance of these banks.

4 FINANCIAL RISK MANAGEMENT (cont'd)

4.1 Financial risk factor (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due.

The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. It prepares cash flow forecasts to assess funding needs on a regular and rolling basis and, if necessary, obtains financing to meet the funding requirement.

The Group also maintains a level of liquid assets that ensures the availability of sufficient cash flows to meet any unexpected and material cash requirements in the course of ordinary business. In addition, standby credit facilities are obtained from banks to provide contingent liquidity support. As at 31 December 2025, the Group's total undrawn facilities amounted to approximately HK\$15.9 billion (2024: HK\$17.7 billion).

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include adjusting the construction progress of development properties, implementing cost control measures and accelerating sales with more flexible pricing. The Group will, based on its assessment of the relevant future costs and benefits, pursue such options as are appropriate.

The contractual maturity of the Group for its financial liabilities, drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay, including both interest and principal, is set out below.

	Within 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
At 31 December 2025					
Borrowings	3,800,660	5,627,832	5,022,651	455,116	14,906,259
Lease liabilities	1,119	1,161	2,089	—	4,369
Trade creditors	939,185	—	—	—	939,185
Other creditors and accruals	493,858	—	—	—	493,858
Amounts due to joint ventures	826,999	—	—	—	826,999
Amounts due to associated companies	83,856	—	—	—	83,856
Total	6,145,677	5,628,993	5,024,740	455,116	17,254,526
At 31 December 2024					
Borrowings	4,414,457	7,594,012	3,611,262	325,049	15,944,780
Lease liabilities	2,827	1,092	3,170	—	7,089
Trade creditors	790,514	—	—	—	790,514
Other creditors and accruals	520,542	—	—	—	520,542
Amounts due to joint ventures	808,253	—	—	—	808,253
Amounts due to associated companies	79,219	—	—	—	79,219
Total	6,615,812	7,595,104	3,614,432	325,049	18,150,397

Note:

The table above excludes guarantees executed by the Group that management considers the likely realisation of the guarantees to be minimal.

Interest on borrowings is calculated on balances held as at 31 December 2025 and 31 December 2024. Floating-rate interest is estimated using the current interest rate as at 31 December 2025 and 31 December 2024 respectively.

4 FINANCIAL RISK MANAGEMENT (cont'd)

4.2 Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of borrowings and equity.

The Directors of the Company review the capital structure periodically. As a part of this review, the Directors of the Company assess the annual budget prepared by its finance team which reviews, inter alia, the planned construction projects proposed by its project team and takes into account the timing of funding so required. Based on the proposed annual budget, the Directors of the Company consider the cost of capital and the risks associated with capital. The Directors of the Company also balance its overall capital structure through the payment of dividends, new share issues, if applicable, as well as the issue of new debt or the redemption of existing debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio, which is calculated as net borrowings to total equity. Net borrowings is calculated as total borrowings, including current and non-current borrowings, less cash and bank deposits.

The gearing ratio is calculated as follows:

	2025 HK\$'000	2024 HK\$'000
Total borrowings	13,738,328	14,562,542
Less: Cash and bank deposits (note 26)	(6,473,137)	(9,649,379)
Net borrowings	7,265,191	4,913,163
Total equity	42,000,694	41,957,749
Gearing ratio	17%	12%

4.3 Fair value estimation

The disclosure of fair value measurements of financial instruments carried at fair value by level in 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).

(a) *Financial instruments in Level 1*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Hong Kong listed equity investments classified as financial assets at fair value through other comprehensive income (note 21).

4 FINANCIAL RISK MANAGEMENT (cont'd)

4.3 Fair value estimation (cont'd)

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Note that all the resulting fair value estimates are included in Level 2.

Instruments included in Level 2 comprise financial assets at fair value through profit or loss (note 25) and derivative financial instruments (note 31).

There was no transfer of financial assets between the levels of fair value hierarchy classifications.

The fair values of long-term borrowings are estimated using the expected future contractual payments discounted at current market interest rates.

The fair values of financial instruments that are not traded in an active market, which include unlisted pooled fund are determined with reference to quoted market price provided by the bank which may use established valuation techniques to ascertain the price.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, balances with joint ventures and associated companies, debtors, tender deposits, bank balances, creditors and current borrowings are assumed to approximate their fair values.

See note 17 for disclosures of the investment properties that are measured within level 3 of the fair value hierarchy.

4 FINANCIAL RISK MANAGEMENT (cont'd)

4.3 Fair value estimation (cont'd)

The fair value of first mortgage loans receivables (note 22) is determined using discounted cash flow valuation techniques with reference to the unobservable inputs, including the lending rates from financial institution and dates over the terms of not more than 25 years (2024: 25 years), and is measured within level 3 of the fair value hierarchy.

4.4 Financial instruments by category

The Group holds the following financial instruments:

	Note	2025 HK\$'000	2024 HK\$'000
Financial assets			
Financial assets at amortised cost			
Amounts due from joint ventures	19	9,596,303	9,005,456
Amounts due from associated companies	20	3,594,999	2,554,335
Trade and other debtors and tender deposits	24	186,172	167,634
Cash and cash equivalents and bank deposits			
At fair value through profit or loss	26	—	647,948
At amortised cost		6,473,137	9,001,431
Mortgage loans receivables			
At fair value through profit or loss	22	269,781	427,733
At amortised cost		246,893	342,457
Financial assets at fair value through other comprehensive income			
	21	6,226,389	5,361,974
Financial assets at fair value through profit or loss			
	25	1,274	215,895
Derivative financial instruments			
	31	—	62,202
		26,594,948	27,787,065
Financial liabilities			
Liabilities at amortised cost			
Amounts due to joint ventures	19	826,999	808,253
Amounts due to associated companies	20	83,856	79,219
Trade and other creditors*	33	1,020,438	899,205
Borrowings	30	13,738,328	14,562,542
Lease liabilities	18	4,036	6,528
Derivative financial instruments			
	31	103,360	2,553
		15,777,017	16,358,300

* Excluding non-financial liabilities

The Group's exposure to various risks associated with the financial instruments is discussed in notes 4.1 and 4.2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets mentioned above.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the consolidated 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 are addressed below:

(a) Fair values of investment properties

The fair values of investment properties are determined by independent valuers on an open market for existing use basis. In making the judgment, the Group considers information from a variety of sources including:

- (i) prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as prevailing market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows; and
- (iv) estimated development costs and developer's profit.

If information on prevailing or recent prices of investment properties is not available, the fair values of investment properties are determined using valuation techniques as disclosed in note 17. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

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 prevailing market yield data, prevailing transactions by the Group and those reported by the market and prevailing or estimated development costs. The valuations are reviewed semi-annually by external valuers.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

(b) Provision for development properties

The Group assesses the carrying amounts of properties under development and completed properties for sale according to their net realisable value based on the realisability of these properties, taking into account estimated costs to completion, sales commission and finance costs based on past experience and estimated net sales value based on prevailing market conditions. Any changes in estimate future sales price can have an impact on the net realisable value of the development properties, and consequently, the carrying amount may require a provision to be recognised if the net realisable value is lower than the carrying amount at the reporting date. The assessment requires the use of judgment and estimates.

The Group closely monitors the trends and developments in the real estate market and regularly reviews the net realisable value of the development properties to ensure that the carrying amounts are accurately reflected in the consolidated financial statements.

(c) Current and deferred taxation and land appreciation tax

Significant judgment is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final taxation outcome of these matters is different from the amounts that were initially recorded, such difference will impact the provision for current and deferred taxation in the financial period in which such determination is made.

The Group is subject to land appreciation tax in the Mainland. However, the actual implementation of this tax is uncertain and varies amongst local tax authorities. Accordingly, significant judgment is required in determining the amount of the land appreciation tax and its related tax provision. The Group recognises land appreciation tax based on best estimates according to the understanding of the tax rules. The final taxation outcome could be different from the amounts that were initially recorded, and these differences will impact the provision for taxation in the financial period in which such determination is made.

Deferred taxation assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(d) Impairment of non-financial assets

The Group tests at each balance sheet date whether assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

(e) Recoverability of other non-current assets, debtors, amounts due from joint ventures/ associated companies and expected credit loss on guarantees

The Group assess whether there is objective evidence that other non-current assets, debtors and amounts due from joint ventures/associated companies are impaired and financial loss arises on guarantees. It recognises impairment based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year. The final outcome of the recoverability and cash flows of these non-current assets, debtors, amounts due from joint ventures/associated companies and changes in the risk of default by the counterparties of guarantees will impact the amount of impairment/expected credit loss required.

(f) Fair value of certain financial assets, derivative financial instruments and first mortgage loans receivables

The fair value of financial assets, derivative financial instruments and first mortgage loans receivables that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Significant management judgment and assumption was needed in the assessment of the fair value of the investments as detailed in note 4.3.

6 SEGMENT INFORMATION

The Group is principally engaged in property development and investment in Hong Kong and the Mainland. In accordance with the internal financial reporting of the Group provided to the chief operating decision-maker for the purposes of allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are property development and property investment. The Group regards the Board as the chief operating decision-maker.

The results of the operating segments represent the adjusted earnings before interest, tax, depreciation, amortisation and certain items (the "Adjusted EBITDA"). Certain items include other operating income/expenses, other net gains/losses and change in fair value of investment properties. The Adjusted EBITDA excludes the share of results of joint ventures and associated companies. There are no sales or trading transactions between the operating segments. Others represent corporate level activities including central treasury management, hotel operation and administrative function.

Segment assets represent total assets excluding joint ventures and associated companies and other assets. Other assets mainly include financial assets at fair value through other comprehensive income, hotel building, inventories and other non-operating assets held by the corporate office.

6 SEGMENT INFORMATION (cont'd)

	Property development		Property investment	Others	Total
	Hong Kong HK\$'000	Mainland HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 December 2025					
Revenue from contracts with customers:					
— Recognised at a point in time	255,410	1,046,946	—	—	1,302,356
— Recognised over time	—	—	—	84,257	84,257
Revenue from other sources:					
— Rental income	—	—	598,414	—	598,414
Revenue	255,410	1,046,946	598,414	84,257	1,985,027
Adjusted EBITDA	46,974	(743,717)	442,767	(159,402)	(413,378)
Other income and expenses/gains, net					304,057
Depreciation and amortisation					(34,783)
Change in fair value of investment properties			524,683		524,683
Finance costs					(365,072)
Share of losses of joint ventures	(444,522)	(21,392)			(465,914)
Share of losses of associated companies	(38,733)	—			(38,733)
Loss before taxation					(489,140)
Taxation charge					(373,791)
Loss for the year					(862,931)
As at 31 December 2025					
Segment assets	4,541,924	21,427,745	18,428,372	—	44,398,041
Other assets	—	—	—	6,859,332	6,859,332
Joint ventures	9,827,242	1,016,813	—	—	10,844,055
Associated companies	3,961,851	28,592	—	—	3,990,443
Total assets	18,331,017	22,473,150	18,428,372	6,859,332	66,091,871
Total liabilities	5,785,747	15,307,315	2,845,999	152,116	24,091,177

6 SEGMENT INFORMATION (cont'd)

	Property development		Property investment	Others	Total
	Hong Kong HK\$'000	Mainland HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 December 2024					
Revenue from contracts with customers:					
— Recognised at a point in time	540,491	5,913,305	—	—	6,453,796
— Recognised over time	—	—	—	90,667	90,667
Revenue from other sources:					
— Rental income	—	—	642,970	—	642,970
Revenue	540,491	5,913,305	642,970	90,667	7,187,433
Adjusted EBITDA	197,349	353,227	486,538	(194,476)	842,638
Other income and expenses/gains, net					382,713
Depreciation and amortisation					(35,262)
Change in fair value of investment properties			(52,602)		(52,602)
Finance costs					(442,038)
Share of profits/(losses) of joint ventures	24,008	(2,853)			21,155
Share of losses of associated companies	(9,993)	(263)			(10,256)
Profit before taxation					706,348
Taxation charge					(337,261)
Profit for the year					369,087
As at 31 December 2024					
Segment assets	4,195,954	25,805,425	16,700,841	—	46,702,220
Other assets	—	—	—	6,599,472	6,599,472
Joint ventures	9,004,466	1,076,480	—	—	10,080,946
Associated companies	2,960,522	27,887	—	—	2,988,409
Total assets	16,160,942	26,909,792	16,700,841	6,599,472	66,371,047
Total liabilities	6,253,448	15,406,978	2,678,840	74,032	24,413,298
Additions to non-current assets					
Year ended 31 December 2025	—	9,843	33,164	243	43,250
Year ended 31 December 2024	—	9,576	67,249	291	77,116

6 SEGMENT INFORMATION (cont'd)

Geographical segment information

The Group operates in two (2024: two) main geographical areas: Hong Kong and the Mainland. The revenue for the years ended 31 December 2025 and 2024 and total non-current assets (other than joint ventures, associated companies, financial assets at fair value through other comprehensive income, deferred taxation assets and other non-current assets) as at 31 December 2025 and 2024 by geographical area are as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue		
Hong Kong	337,964	636,454
Mainland	1,647,063	6,550,979
	1,985,027	7,187,433
	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Hong Kong	2,643,637	2,687,570
Mainland	15,600,196	14,070,090
	18,243,833	16,757,660

7 REVENUE

	2025 HK\$'000	2024 HK\$'000
Sales of properties	1,302,356	6,453,796
Rental income	598,414	642,970
Hotel operations	84,257	90,667
	1,985,027	7,187,433

8 FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses		
Bank loans, overdrafts and others	566,961	835,481
Lease liabilities	239	190
	567,200	835,671
Capitalised as cost of properties under development	(202,128)	(393,633)
	365,072	442,038

The capitalisation rates used to determine the amounts of borrowing costs eligible for the development of properties are from 2% to 5% (2024: 2% to 6%) per annum.

9 (LOSS)/PROFIT BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit before taxation is stated after crediting:		
Interest income from banks	98,644	186,057
Interest income from joint ventures and associated companies	50,613	66,057
Interest income from mortgage loans and others	32,676	48,010
Dividend income from financial assets at fair value through other comprehensive income	194,981	129,987
Gain on disposal of property, plant and equipment	37	—
Net gains on settlement of derivative financial instruments	39,527	96,942
Net fair value gains on financial assets at fair value through profit or loss	6,029	17,639
Net exchange gains	25,483	28,099
and after charging:		
Cost of properties sold	1,138,241	5,307,965
Cost of inventories consumed/sold	14,924	14,749
Impairment of development properties (note 23)	715,472	393,976
Selling and marketing expenses	136,970	189,277
Depreciation for property, plant and equipment (net of amount capitalised under properties under development of HK\$141,000 (2024: HK\$326,000))	30,074	29,789
Depreciation for right-of-use assets	4,709	5,473
Auditors' remuneration to the auditor of the Company		
Audit services (including interim review)	5,000	5,200
Non-audit services	526	684
Loss on disposal of property, plant and equipment	—	807
Lease expenses	5,441	5,998
Outgoings in respect of investment properties		
Direct operating expenses of investment properties that generate rental income	42,967	40,488
Direct operating expenses of investment properties that did not generate rental income	5,239	3,666
Net fair value losses on derivative financial instruments	20,935	45,546

10 EMPLOYEE BENEFIT EXPENSES

	2025 HK\$'000	2024 HK\$'000
Staff costs including directors' emoluments	356,077	433,854
Pension costs — defined contribution plans	24,808	31,626
	380,885	465,480
Capitalised as cost of properties under development	(48,418)	(53,402)
	332,467	412,078

10 EMPLOYEE BENEFIT EXPENSES (cont'd)

The Group operates two defined contribution schemes in Hong Kong which comply with all the respective requirements under the Occupational Retirement Schemes Ordinance (“ORSO”) and Mandatory Provident Fund (“MPF”) Schemes Ordinance. All the assets under the schemes are held separately from the Group under independently administered funds. Contributions to the MPF Scheme follow the MPF Schemes Ordinance while contributions to the ORSO Scheme are based on a percentage ranging from 5% to 10% (depending upon the length of employment) of the basic salary of the employee, minus the mandatory contributions to the MPF Scheme. The contributions to the ORSO Scheme may be reduced by contributions forfeited in respect of those employees who leave the scheme prior to the full vesting of the contributions of the Group on the employee.

Employees in the Mainland participate in various social security funds organised by the relevant municipal and provincial governments under which the Group is required to make monthly defined contributions to those plans based on a rate at 16% of the basic salaries of the employees, depending upon the applicable local regulations. The Group has no other obligations for the payment of other post-retirement benefits of employees other than the above payments.

During the year, contributions forfeited of HK\$1,488,000 (2024: HK\$1,013,000) were utilised, and no available amount (2024: HK\$2,000) at the balance sheet date to reduce future contributions.

11 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Name	(note i)	(note ii)			Total HK\$'000
	Directors' fee HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	
2025					
Lui Che-woo (iii)	292	—	—	—	292
Francis Lui Yiu Tung (iv)	200	1,776	538	178	2,692
Paddy Tang Lui Wai Yu (v)	200	7,968	2,670	797	11,635
Alexander Lui Yiu Wah (v)	200	10,824	3,640	1,082	15,746
Moses Cheng Mo Chi	325	—	—	—	325
Wong Kwai Lam	310	—	—	—	310
Nip Yun Wing	396	—	—	—	396
Cheung Kin Sang	375	—	—	—	375
	2,298	20,568	6,848	2,057	31,771
2024					
Lui Che-woo (iii)	342	13,406	4,470	1,358	19,576
Francis Lui Yiu Tung (iv)	200	1,920	538	192	2,850
Paddy Tang Lui Wai Yu (v)	200	8,616	2,670	862	12,348
Alexander Lui Yiu Wah (v)	200	11,700	3,640	1,170	16,710
William Yip Shue Lam (vi)	197	—	—	—	197
Moses Cheng Mo Chi	325	—	—	—	325
Wong Kwai Lam	306	—	—	—	306
Nip Yun Wing	365	—	—	—	365
Cheung Kin Sang	250	—	—	—	250
	2,385	35,642	11,318	3,582	52,927

11 BENEFITS AND INTERESTS OF DIRECTORS (cont'd)

(a) Directors' emoluments (cont'd)

Notes:

- (i) The amounts represented emoluments paid or receivable in respect of a person's services as a director of the Company or its subsidiary undertakings.
- (ii) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings. The discretionary bonuses paid in 2025 were in relation to performance and services for 2024.
- (iii) Passed away on 7 November 2024.
- (iv) Appointed as the Chairman of the Board, the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company with effect from 27 March 2025.
- (v) Appointed as the Co-Managing Director of the Company with effect from 27 March 2025.
- (vi) Retired as an independent non-executive Director of the Company with effect from 7 June 2023.

There was no arrangement under which a Director waived or agreed to waive any emoluments during the current and prior years.

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

Pursuant to the master lease agreement dated 23 August 2023, made between the Company and Polymate Co., Ltd. ("Polymate"), an aggregated annual rent of HK\$5,489,000 for the year ended 31 December 2025 (2024: HK\$5,696,000) was paid to Polymate, which is a wholly-owned subsidiary of a substantial shareholder of the Company which in turn is the trustee of a discretionary family trust established by the late Dr. Lui Che-woo and of which members of Lui's family, including Mr. Francis Lui Yiu Tung, Mrs. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah, are the discretionary beneficiaries.

Save for the aforementioned contract and arrangement, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and 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).

12 FIVE HIGHEST PAY INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year include two (2024: three) Directors. The emoluments of the five individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other emoluments	27,866	41,304
Pension costs — defined contribution plans	2,452	3,769
Discretionary bonuses	7,417	12,105
	37,735	57,178

The emoluments of the individuals fell within the following bands:

	Number of employees	
	2025	2024
HK\$3,000,001 — HK\$3,500,000	2	—
HK\$3,500,001 — HK\$4,000,000	1	1
HK\$4,500,001 — HK\$5,000,000	—	1
HK\$11,500,001 — HK\$12,000,000	1	—
HK\$12,000,001 — HK\$12,500,000	—	1
HK\$15,500,001 — HK\$16,000,000	1	—
HK\$16,500,001 — HK\$17,000,000	—	1
HK\$19,500,001 — HK\$20,000,000	—	1
	5	5

13 TAXATION CHARGE

	2025 HK\$'000	2024 HK\$'000
Current		
Hong Kong profits tax	8,278	16,818
Mainland		
— Income tax	164,324	391,115
— Land appreciation tax	72,023	76,237
Under/(over)-provision in previous years	236	(2,113)
Deferred (note 32)	128,930	(144,796)
	373,791	337,261

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year after setting off available tax losses brought forward. Taxation assessable on profits generated for the year in the Mainland has been provided at the rate of 25% (2024: 25%). There is no income tax provided on other comprehensive income.

13 TAXATION CHARGE (cont'd)

Land appreciation tax in the Mainland is normally provided at statutory progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, and is included in the profit and loss statement as taxation charge.

The Group is within the scope of the Pillar Two Rules promulgated by the Organisation for Economic Co-operation and Development (the "Rules"). Under the Rules, the Group is liable to pay a top-up tax in jurisdictions where its effective tax rate falls below 15%.

Pillar Two legislation in Hong Kong, namely the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025, has been enacted on 6 June 2025 and the Rules take effect from 1 January 2025.

The Group has assessed its exposure to the Rules. In accordance with accounting standards, the Group has applied the mandatory temporary exception from recognising and disclosing deferred taxes related to the Rules. Based on the assessment for the year ended 31 December 2025, the Group does not expect a material impact on its income tax position resulting from the Rules.

The taxation charge on the (loss)/profit before taxation differs from the theoretical amount that would arise using the applicable taxation rate being the weighted average of rates prevailing in the countries in which the Group operates, as follows:

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit before taxation	(489,140)	706,348
Share of losses/(profit) of joint ventures	465,914	(21,155)
Share of losses of associated companies	38,733	10,256
	15,507	695,449
Tax calculated at applicable tax rates	25,833	211,852
Income not subject to taxation	(42,458)	(48,806)
Expenses not deductible for taxation purposes	70,296	87,267
Recognition and utilisation of previously unrecognised tax losses	(14,469)	(39,787)
Tax loss not recognised	275,127	66,719
Land appreciation tax deductible for calculation of income tax	(18,006)	(19,059)
Under/(over)-provision in previous years	236	(2,113)
	296,559	256,073
Withholding tax	5,209	4,951
Land appreciation tax	72,023	76,237
Taxation charge	373,791	337,261

14 (LOSS)/EARNINGS PER SHARE

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

	2025	2024
	HK\$'000	HK\$'000
(Loss)/profit attributable to equity holders of the Company	(869,261)	335,070

	Number of shares	
	2025	2024
Weighted average number of shares for calculating basic (loss)/earnings per share	3,152,728,607	3,152,728,607
Effect of dilutive potential ordinary shares — Share options	—	—
Weighted average number of shares for calculating diluted (loss)/earnings per share	3,152,728,607	3,152,728,607

15 DIVIDENDS

	2025	2024
	HK\$'000	HK\$'000
Interim cash dividend of 2 HK cents (2024: 4 HK cents) per share	63,055	126,109
Proposed final cash dividend of 1 HK cent (2024: 5 HK cents) per share	31,527	157,636
	94,582	283,745

The Board recommended the payment of a final cash dividend in respect of 2025 of 1 HK cent (2024: 5 HK cents) per share. This dividend will be accounted for as an appropriation of retained earnings in the year ending 31 December 2026.

16 PROPERTY, PLANT AND EQUIPMENT

	Hotel buildings HK\$'000	Land and buildings HK\$'000	Plant and machinery HK\$'000	Other assets HK\$'000	Total HK\$'000
Cost					
At 1 January 2024	427,524	171,788	28,136	154,482	781,930
Exchange differences	(9,141)	(1,241)	(602)	(1,862)	(12,846)
Additions	—	—	—	4,662	4,662
Disposals	—	—	—	(6,549)	(6,549)
At 31 December 2024	418,383	170,547	27,534	150,733	767,197
Exchange differences	10,561	1,434	696	2,243	14,934
Additions	—	—	—	10,119	10,119
Disposals	—	—	—	(1,813)	(1,813)
At 31 December 2025	428,944	171,981	28,230	161,282	790,437
Accumulated depreciation					
At 1 January 2024	218,881	64,310	25,359	110,887	419,437
Exchange differences	(4,962)	(482)	(542)	(1,040)	(7,026)
Charge for the year	18,865	2,992	—	8,258	30,115
Disposals	—	—	—	(5,592)	(5,592)
At 31 December 2024	232,784	66,820	24,817	112,513	436,934
Exchange differences	6,126	589	627	1,293	8,635
Charge for the year	18,803	2,987	—	8,425	30,215
Disposals	—	—	—	(1,653)	(1,653)
At 31 December 2025	257,713	70,396	25,444	120,578	474,131
Net book value					
At 31 December 2025	171,231	101,585	2,786	40,704	316,306
At 31 December 2024	185,599	103,727	2,717	38,220	330,263

No land and buildings were pledged to secure the banking facilities of the Group as at 31 December 2025 and 31 December 2024.

Other assets comprise cruiser, furniture and equipment, leasehold improvements and motor vehicles.

17 INVESTMENT PROPERTIES

	Completed		Under development		Total
	Hong Kong	Mainland	Hong Kong	Mainland	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	2,670,400	12,384,551	—	1,546,016	16,600,967
Exchange differences	—	(265,438)	—	(33,956)	(299,394)
Additions	—	—	2,802	64,436	67,238
Transfer from development properties	—	—	33,772	—	33,772
Change in fair value	(90,600)	42,140	—	(4,142)	(52,602)
At 31 December 2024	2,579,800	12,161,253	36,574	1,572,354	16,349,981
Exchange differences	—	315,557	—	39,388	354,945
Additions	—	—	4,243	28,888	33,131
Transfer from development properties	—	590,188	—	—	590,188
Change in fair value	(46,000)	574,235	—	(3,552)	524,683
Reclassifications	—	48,282	—	(48,282)	—
At 31 December 2025	2,533,800	13,689,515	40,817	1,588,796	17,852,928

- (a) The Group applies the fair value model to account for investment properties, which were valued at 31 December 2025 on an open market value basis by Cushman & Wakefield Limited, Cushman & Wakefield International Property Advisers (Guangzhou) Co., Ltd., Savills Valuation and Professional Services (China) Limited, Knight Frank Petty Limited and Vincorn Consulting and Appraisal Limited, independent professional valuers.
- (b) Investment properties with carrying values of HK\$2,319,863,000 (2024: HK\$2,300,540,000) were pledged to secure the banking facilities of the Group.
- (c) The investment properties are leased to tenants under operating leases with rentals payable monthly.
- (d) **Valuation processes of the Group**
The Group's investment properties were valued at 31 December 2025 by independent professional valuers who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department reviews the valuations performed by the valuers and reports directly to senior management of the Group. 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 finance department:

- Verifies major inputs to the independent valuation reports;
- Assesses property valuations movements when compared to the prior year valuation reports;
- Holds discussions with the independent valuers.

17 INVESTMENT PROPERTIES (cont'd)**(e) Valuation technique*****Fair value measurements using significant unobservable inputs***

Fair values of completed investment properties are generally derived using the income capitalisation method or, where appropriate, by reference to direct comparison approach. Income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation were referenced to recent lettings, within the subject property projects and other comparable properties. Direct comparison approach is based on sales prices of comparable properties in close proximity and adjusted for differences in key attributes such as property location and quality.

Information about the significant unobservable inputs used for the fair value measurements of completed residential and commercial properties valued under the income capitalisation method is as follows:

	Residential Properties		Commercial Properties	
	Hong Kong	Mainland	Hong Kong	Mainland
2025				
Rental value (HK\$/sqm/month)	389 to 401	244 to 494	238 to 1,090	43 to 668
Capitalisation rate (%)	2.15 to 2.30	3.50	3.25 to 6.00	4.00 to 8.00
2024				
Rental value (HK\$/sqm/month)	389 to 401	240 to 428	238 to 1,060	42 to 700
Capitalisation rate (%)	2.10 to 2.25	3.50	3.25 to 6.00	4.50 to 8.00

Prevailing market rents are estimated based on valuers' view of recent lettings, within the subject property projects and other comparable properties. The lower the rents, the lower the fair value. Capitalisation and discount rates are estimated by valuers based on the risk profile of the properties being valued. The higher the rates, the lower the fair value.

Fair value of investment properties under development is derived using the residual method. Residual method is essentially a mean of valuing the properties by reference to its development potential by deducting all known or anticipated development costs to completion together with the developer's profit from the estimated capital value of the development by reference to recent market transactions of comparable properties assuming completed as at the date of valuation.

Estimated costs to completion and developer's profit are estimated by valuers based on market conditions for investment properties under development. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the costs, the lower the fair value. The estimated developer's profit used for the fair value measurements ranged from 10% to 20% on gross development value.

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

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Right-of-use assets		
Leasehold land and land use rights	70,693	71,109
Office premises	3,906	6,307
	74,599	77,416
Lease liabilities		
Current	984	2,591
Non-current	3,052	3,937
	4,036	6,528

The depreciation of right-of-use assets for leasehold land and land use rights and office premises are HK\$2,182,000 (2024: HK\$2,189,000) and HK\$2,527,000 (2024: HK\$3,284,000) respectively.

The Group leases various land and office premises. Leasehold land and rental contracts are typically made for fixed periods within 1 to 50 years. Lease terms are negotiated on an individual basis.

No right-of-use assets were pledged to secure the banking facilities of the Group as at 31 December 2025 and 31 December 2024.

19 JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	1,247,752	1,075,490
Amounts due from joint ventures	9,522,043	8,909,289
	10,769,795	9,984,779

Amounts due from joint ventures classified as non-current assets are unsecured, will not be repayable within next twelve months and non-interest bearing (except for an amount of HK\$13,562,000 (2024: HK\$14,909,000) which carries interest at fixed rate). Amounts due from/to joint ventures classified as current assets/liabilities are unsecured, non-interest bearing and repayable on demand.

Impairment of certain properties amounting to HK\$236,067,000 (2024: nil) was recognised during the year.

The Group's share of losses of certain joint ventures exceeded the carrying amount of the investments in the joint ventures during the year and the exceed amount of HK\$654,500,000 was charged against of the amounts due from joint ventures.

Details of principal joint ventures of the Group are given in note 40(b). There are no contingent liabilities relating to the Group's interest in the joint ventures as at 31 December 2025 and 31 December 2024.

All the joint ventures are private companies and there are no quoted market price available for their shares.

19 JOINT VENTURES (cont'd)

The summarised financial information in respect of material joint ventures of the Group for the years ended 31 December 2025 and 2024 is set out below.

(a) Summarised financial information of Gainable Development Limited

	2025 HK\$'000	2024 HK\$'000
Non-current assets	—	5,655
Current assets	16,268,169	18,557,220
Current liabilities	(17,108,992)	(18,682,423)
Net liabilities	(840,823)	(119,548)
Revenue	3,440,591	—
Loss after taxation and total comprehensive loss	(721,275)	(35,093)

Reconciliation of the summarised financial information to the carrying amount:

	2025 HK\$'000	2024 HK\$'000
Net liabilities	(840,823)	(119,548)
Effective interest in the joint venture	40%	40%
Carrying amount at 31 December	(336,329)	(47,819)

(b) Summarised financial information of Top Regent Holdings Limited

	2025 HK\$'000	2024 HK\$'000
Current assets	7,767,986	16,113,031
Current liabilities	(7,243,772)	(16,108,318)
Net assets	524,214	4,713
Revenue	12,281,748	—
Profit after taxation and total comprehensive income	519,501	26,241

Reconciliation of the summarised financial information to the carrying amount:

	2025 HK\$'000	2024 HK\$'000
Net assets	524,214	4,713
Effective interest in the joint venture	33¹/₃%	33 ¹ / ₃ %
Carrying amount at 31 December	174,738	1,571

19 JOINT VENTURES (cont'd)

(c) Summarised financial information of Joy Origin Holdings Limited

	2025 HK\$'000	2024 HK\$'000
Current assets	4,022,957	13,927,361
Current liabilities	(5,083,527)	(13,964,794)
Net liabilities	(1,060,570)	(37,433)
Revenue	11,364,857	—
(Loss)/profit after taxation and total comprehensive (loss)/income	(1,023,137)	13,913

Reconciliation of the summarised financial information to the carrying amount:

	2025 HK\$'000	2024 HK\$'000
Net liabilities	(1,060,570)	(37,433)
Effective interest in the joint venture	30%	30%
Carrying amount at 31 December	(318,171)	(11,230)

(d) Aggregate information of joint ventures that are not individually material

The Group also has interests in a number of joint ventures that are not individually material. The share of the aggregate carrying amount and results of these joint ventures attributable to the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount	1,073,014	1,132,968
(Loss)/profit after taxation	(43,630)	22,271
Other comprehensive income/(loss)	1,899	(1,219)
Total comprehensive (loss)/income	(41,731)	21,052
Dividends received from joint ventures	15,615	24,869

20 ASSOCIATED COMPANIES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	395,444	434,074
Amounts due from associated companies	3,594,999	2,554,335
	3,990,443	2,988,409

The share of the aggregate amounts of the assets, liabilities and results of the associated companies, all of which are unlisted, attributable to the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
Assets	6,496,027	5,904,165
Liabilities	(6,100,583)	(5,470,091)
Net assets	395,444	434,074
Revenue	115,928	1,372
Loss after taxation	(38,733)	(10,256)
Other comprehensive income/(loss)	341	(296)
Total comprehensive loss	(38,392)	(10,552)
Dividends received from associated companies	600	720

Amounts due from associated companies classified as non-current assets are unsecured, will not be repayable within next twelve months and non-interest bearing (except for an amount of HK\$1,383,013,000 (2024: HK\$1,285,376,000) which carries interest at prevailing market rate). Amounts due from/to associated companies classified as current assets/liabilities are unsecured, non-interest bearing and repayable on demand. There is no single associated company material to the Group. As at 31 December 2025, no amounts due from associated companies were impaired (2024: nil).

Details of principal associated companies of the Group are given in note 40(c). There are no contingent liabilities relating to the Group's interest in the associated companies as at 31 December 2025 and 31 December 2024.

All the associated companies are private companies and there are no quoted market price available for their shares.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
Listed equity securities, at fair value	6,226,389	5,361,974

The listed securities represent the Group's 3.71% (2024: 3.71%) equity interest in Galaxy Entertainment Group Limited ("GEG"), which is incorporated and listed in Hong Kong. The principal activities of GEG are gaming, provision of hospitality and sale, manufacture and distribution of construction materials.

22 OTHER NON-CURRENT ASSETS

	2025 HK\$'000	2024 HK\$'000
First mortgage loans receivables	262,621	417,031
Second mortgage loans receivables	238,104	332,016
Development deposit and others	152,472	156,493
	653,197	905,540

Mortgage loans are advances to purchasers of development properties of the Group and are secured by first or second mortgages on the related properties. The current portion of the first and second mortgage loans amounting to HK\$7,160,000 (2024: HK\$10,702,000) and HK\$8,789,000 (2024: HK\$10,441,000) respectively are included under other debtors. The Group has not provided any impairment loss for its mortgage loans during the year (2024: nil). The fair value of the second mortgage loans receivables approximates their carrying amounts.

23 DEVELOPMENT PROPERTIES

	Completed HK\$'000	Under development HK\$'000	2025 HK\$'000	Completed HK\$'000	Under development HK\$'000	2024 HK\$'000
Leasehold land and land use rights	7,102,807	2,687,659	9,790,466	5,046,416	5,794,307	10,840,723
Development costs	6,045,924	2,083,846	8,129,770	4,934,071	2,859,424	7,793,495
	13,148,731	4,771,505	17,920,236	9,980,487	8,653,731	18,634,218

Development properties with carrying values of HK\$1,851,612,000 (2024: HK\$2,040,610,000) were pledged to secure the banking facilities of the Group.

As at 31 December 2025, development properties under development amounting to HK\$4,179,851,000 (2024: HK\$4,061,831,000) were not scheduled for completion within twelve months.

Impairment of certain completed properties amounting to HK\$715,472,000 (2024: HK\$393,976,000) was recognised during the year.

24 DEBTORS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade debtors	7,227	7,508
Other debtors	144,894	181,269
Tender deposits	50,000	—
Prepayments and other deposits	85,805	27,198
Sales commissions	11,483	9,027
Prepaid sales taxes	309,392	278,908
	608,801	503,910

The debtors and prepayments are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	95,142	55,810
RMB	513,659	448,100
	608,801	503,910

Trade debtors mainly comprise rental receivables. Rental from tenants is due and payable in advance.

The aging analysis of the trade debtors of the Group based on the date of invoices and net of provision for bad and doubtful debts is as follows:

	2025 HK\$'000	2024 HK\$'000
Within one month	5,818	4,618
Two to three months	1,409	2,541
Four to six months	—	334
Over six months	—	15
	7,227	7,508

24 DEBTORS AND PREPAYMENTS (cont'd)

The Group measures expected credit losses which use a lifetime expected loss allowance for all trade debtors. Trade debtors are grouped based on shared credit risk characteristics and the days past due as follows:

	2025 HK\$'000	2024 HK\$'000
Current	5,818	4,618
Within three months past due	1,409	2,541
Over three months past due	—	349
	7,227	7,508

No provision for impairment for trade debtors was made as at 31 December 2025 (2024: nil).

As at 31 December 2025, other debtors included a loan receivable of HK\$17,471,000 (2024: HK\$24,600,000) which is unsecured, interest-free, denominated in RMB and matured within a year. The loan was fully performing. The Group does not hold any collateral as security. As at 31 December 2025, no other debtors was impaired (2024: nil).

Sales commissions represent contract acquisition costs incurred to obtain property sale contracts. The Group has capitalised the amounts and amortised when the related revenue is recognised. For the year ended 31 December 2025, the prepaid amount recognised to profit or loss was HK\$841,000 (2024: HK\$13,108,000) and there was no impairment loss (2024: nil) in relation to the costs capitalised.

The carrying amounts of the debtors and prepayments approximate to their fair value. There is no concentration of credit risk with respect to trade debtors as the Group has a large number of customers. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

25 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The amount represents unlisted pool funds in the Mainland denominated in RMB. It is classified as financial assets at fair value through profit or loss and any changes in fair value are recognised in the consolidated profit and loss statement.

26 CASH AND CASH EQUIVALENTS AND BANK DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Cash at bank and in hand	4,233,831	5,650,837
Short-term and other bank deposits	1,794,537	2,157,922
Cash and cash equivalents	6,028,368	7,808,759
Short-term bank deposits maturing after three months	6,861	1,403,888
Restricted cash	437,908	436,732
Total cash and bank deposits	6,473,137	9,649,379

26 CASH AND CASH EQUIVALENTS AND BANK DEPOSITS (cont'd)

The restricted cash mainly represents sale proceeds held in independent stakeholder's accounts as required by the relevant rules/regulations and are being used to fund the outstanding construction costs of the relevant property developments or in repayment of project loans. The balances will be released upon completion of the relevant projects or when the relevant balance exceeds the prescribed limit.

The effective interest rate on bank deposits is 3.01% (2024: 3.05%) per annum and these deposits have an average of 18 days (2024: 124 days).

The cash and bank deposits are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	1,726,648	1,656,364
RMB	4,743,233	7,992,832
Others	3,256	183
	6,473,137	9,649,379

The credit quality of cash and bank deposits by reference to Moody's credit ratings is as follows:

	2025 HK\$'000	2024 HK\$'000
Credit rating:		
Aa	687,227	2,371,781
A	4,597,960	5,264,906
Baa	1,168,029	1,409,523
Others	19,921	603,169
	6,473,137	9,649,379

27 SHARE CAPITAL

	2025		2024	
	Shares of HK\$0.10 each	Number of	Shares of HK\$0.10 each	Number of
	shares	HK\$'000	shares	HK\$'000
Authorised:				
At beginning and end of year	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid:				
At beginning of year	3,152,728,607	315,273	3,132,894,615	313,289
Issued as scrip dividends	—	—	19,833,992	1,984
At end of year	3,152,728,607	315,273	3,152,728,607	315,273

No share options were exercised for the years ended 31 December 2025 and 31 December 2024.

28 SHARE OPTION SCHEME

The Company operates a share option scheme under which options to subscribe for shares in the Company may be granted to employees, senior executives or Directors or consultants of the Company or its affiliates, and other qualifying grantees. Options are exercisable at a price of the higher of the closing price of the shares on the date of grant or the average closing prices of the shares for the five business days immediately preceding the date of grant and subject to a one year vesting period. Consideration to be paid on each grant of option is HK\$1.00. The period within which the shares must be taken up under an option is determined by the Board from time to time, except that such period shall not expire more than ten years from the date of grant of the option.

Movements of share options and their related weighted average exercise prices per share during the year are as follows:

	2025		2024	
	Average exercise price HK\$	Number of share options	Average exercise price HK\$	Number of share options
At beginning of year	3.462	19,160,000	3.914	38,550,000
Lapsed	3.462	(2,220,000)	4.361	(19,390,000)
At end of year	3.462	16,940,000	3.462	19,160,000
Vested at end of year	3.462	16,940,000	3.462	19,160,000

No share options were exercised for the years ended 31 December 2025 and 31 December 2024.

The options outstanding as at 31 December 2025 have exercise price of HK\$3.462 (2024: HK\$3.462) per share with weighted average remaining contractual life of 0.6 years (2024: 1.6 years).

Share options outstanding at the end of the year have the following exercise period and exercise price per share:

Exercise period	Exercise price HK\$	Number of share options	
		2025	2024
Directors			
15 July 2021 to 14 July 2026	3.462	7,980,000	7,980,000
Employees and others			
15 July 2021 to 14 July 2026	3.462	8,960,000	11,180,000
		16,940,000	19,160,000

No share options were granted for the years ended 31 December 2025 and 31 December 2024.

Notes to the Consolidated Financial Statements

29 RESERVES

	Share premium HK\$'000	Share option reserve HK\$'000	Contributed surplus HK\$'000	Capital redemption/ Capital reserve HK\$'000	Revaluation reserve HK\$'000	Fair value through other comprehensive income reserve HK\$'000	Hedging reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2025	1,799,245	8,622	99,089	872	636	5,189,741	138,497	(2,532,532)	35,059,193	39,763,363
Comprehensive loss										
Loss for the year	—	—	—	—	—	—	—	—	(869,261)	(869,261)
Other comprehensive income/(loss)										
Exchange differences arising from translation	—	—	—	—	16	—	—	576,956	—	576,972
Translation differences for joint ventures and associated companies	—	—	—	—	—	—	—	2,240	—	2,240
Change in fair value of financial assets at fair value through other comprehensive income	—	—	—	—	—	864,415	—	—	—	864,415
Losses on net investment hedges	—	—	—	—	—	—	(330,286)	—	—	(330,286)
Transactions with equity holders										
Lapse of share options	—	(999)	—	—	—	—	—	—	999	—
2024 final dividend	—	—	—	—	—	—	—	—	(157,636)	(157,636)
2025 interim dividend	—	—	—	—	—	—	—	—	(63,055)	(63,055)
At 31 December 2025	1,799,245	7,623	99,089	872	652	6,054,156	(191,789)	(1,953,336)	33,970,240	39,786,752
At 1 January 2024	1,801,229	22,453	99,089	872	650	6,936,444	—	(1,929,949)	35,084,009	42,014,797
Comprehensive income										
Profit for the year	—	—	—	—	—	—	—	—	335,070	335,070
Other comprehensive (loss)/income										
Exchange differences arising from translation	—	—	—	—	(14)	—	—	(601,068)	—	(601,082)
Translation differences for joint ventures and associated companies	—	—	—	—	—	—	—	(1,515)	—	(1,515)
Change in fair value of financial assets at fair value through other comprehensive income	—	—	—	—	—	(1,746,703)	—	—	—	(1,746,703)
Gains on net investment hedges	—	—	—	—	—	—	138,497	—	—	138,497
Transactions with equity holders										
Lapse of share options	—	(13,831)	—	—	—	—	—	—	13,831	—
Shares issued as scrip dividends	(1,984)	—	—	—	—	—	—	—	—	(1,984)
Reserve arising on scrip dividends	—	—	—	—	—	—	—	—	34,353	34,353
2023 final dividend	—	—	—	—	—	—	—	—	(281,961)	(281,961)
2024 interim dividend	—	—	—	—	—	—	—	—	(126,109)	(126,109)
At 31 December 2024	1,799,245	8,622	99,089	872	636	5,189,741	138,497	(2,532,532)	35,059,193	39,763,363

30 BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Long-term bank loans		
Secured	1,480,856	1,448,612
Unsecured	12,257,472	13,113,930
	13,738,328	14,562,542
Current portion included in current liabilities	(3,358,853)	(3,759,888)
	10,379,475	10,802,654

The bank loans are repayable within the following periods:

	2025 HK\$'000	2024 HK\$'000
Within one year	3,358,853	3,759,888
Between one to two years	5,252,261	7,094,765
Between two to five years	4,694,829	3,402,725
After five years	432,385	305,164
	13,738,328	14,562,542

The carrying amounts of the bank loans approximate to their fair value based on prevailing market interest rate. The effective interest rate is approximately 3.1% (2024: 4.3%). Borrowings are within Level 2 of the fair value hierarchy.

The borrowings are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	8,903,175	9,927,305
RMB	4,835,153	4,635,237
	13,738,328	14,562,542

The Group has complied with the financial covenants of its borrowing facilities during the years ended 31 December 2025 and 31 December 2024.

Secured bank borrowings are pledged by investment properties and development properties (Notes 17 and 23).

As at 31 December 2025, the Group designated the RMB-denominated borrowings of HK\$3,360 million (2024: HK\$3,191 million) to hedge the exposure arising from the net investments in certain subsidiaries with major operations in the Mainland. For the year ended 31 December 2025, losses arising from the hedging instruments of HK\$169,613,000 (2024: gains of HK\$54,869,000) have been recognised in other comprehensive loss/income as an effective hedge.

31 DERIVATIVE FINANCIAL INSTRUMENTS

	2025 HK\$'000	2024 HK\$'000
Current assets		
Interest rate swaps	—	20,935
Cross currency swaps (net investment hedges)	—	41,267
	—	62,202
Current liabilities		
Cross currency swaps (net investment hedges)	103,360	2,553

The notional principal amount of the outstanding cross currency swaps as at 31 December 2025 was HK\$2,825 million (2024: HK\$2,825 million).

The notional principal amount of the outstanding interest rate swaps as at 31 December 2024 was HK\$1,400 million.

For the year ended 31 December 2025, losses arising from the cross currency swaps of HK\$160,673,000 (2024: gains of HK\$83,628,000) have been recognised in other comprehensive loss/income as an effective hedge.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

32 DEFERRED TAXATION

	2025 HK\$'000	2024 HK\$'000
Deferred taxation assets	288,851	305,233
Deferred taxation liabilities	(2,807,007)	(2,638,590)
	(2,518,156)	(2,333,357)

32 DEFERRED TAXATION (cont'd)

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset taxation assets against taxation liabilities and when the deferred taxes relate to the same fiscal authority. The above assets/liabilities are determined after appropriate offsetting of the relevant amounts.

	Accelerated depreciation allowance	Fair value gains	Undistributed profits of subsidiaries	Other temporary differences	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	(280,628)	(1,695,563)	(504,679)	(44,808)	(2,525,678)
Exchange differences	6,224	35,443	10,634	(4,776)	47,525
(Charged)/credited to profit and loss statement	(14,948)	(12,296)	10,552	161,488	144,796
At 31 December 2024	(289,352)	(1,672,416)	(483,493)	111,904	(2,333,357)
Exchange differences	(7,373)	(43,106)	(11,206)	5,816	(55,869)
(Charged)/credited to profit and loss statement	(5,123)	(155,321)	75,197	(43,683)	(128,930)
At 31 December 2025	(301,848)	(1,870,843)	(419,502)	74,037	(2,518,156)

Except for certain tax losses, all the other deferred taxation assets and liabilities are expected to be recovered or settled after twelve months.

Deferred taxation assets of HK\$545,515,000 (2024: HK\$288,741,000) arising from unused tax losses of HK\$2,564,055,000 (2024: HK\$1,492,830,000) have not been recognised in the financial statements. Unused tax losses of HK\$1,123,519,000 (2024: HK\$993,766,000) have no expiry date and the remaining balances have various expiry dates up to and including 2030 (2024: 2029).

Deferred taxation liabilities of HK\$601,000 (2024: HK\$3,446,000) arising from temporary differences associated with investments in subsidiaries have not been recognised in the financial statements, as the Group considers that the timing of reversal of the related temporary differences can be controlled and the temporary differences will not be reversed in the foreseeable future.

33 CREDITORS, ACCRUALS AND OTHER LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Trade creditors	939,185	790,514
Other creditors	81,253	108,691
Accrued operating expenses	412,605	411,851
Rental and other deposits received	226,110	226,146
Lease liabilities — current portion (note 18)	984	2,591
	1,660,137	1,539,793

33 CREDITORS, ACCRUALS AND OTHER LIABILITIES (cont'd)

The creditors, accruals and other liabilities are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollar	130,756	139,613
RMB	1,529,381	1,400,180
	1,660,137	1,539,793

Trade creditors mainly comprise construction cost payables and accrued operating expenses mainly comprise accrued sales commissions, sales taxes and other operating expenses. The carrying amounts of the creditors, accruals and other liabilities approximate to their fair value.

The aging analysis of the trade creditors of the Group based on the date of the invoices is as follows:

	2025 HK\$'000	2024 HK\$'000
Within one month	938,206	788,891
Two to three months	11	123
Four to six months	124	12
Over six months	844	1,488
	939,185	790,514

34 PRE-SALES DEPOSITS

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance obligations under the contracts.

Pre-sales deposits of HK\$192,816,000 (2024: HK\$5,230,045,000) held as at beginning of the year were recognised as sales of properties for the year ended.

The following table shows the amount of unsatisfied performance obligations resulting from property sales for contracts with an original expected duration of one year or more:

	2025 HK\$'000	2024 HK\$'000
Expected to be recognised within one year	3,980,000	4,124,000
Expected to be recognised after one year	—	152,000
	3,980,000	4,276,000

35 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of (loss)/profit before taxation to cash generated from operations

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit before taxation	(489,140)	706,348
Share of losses/(profits) of joint ventures	465,914	(21,155)
Share of losses of associated companies	38,733	10,256
Finance costs	365,072	442,038
Change in fair value of investment properties	(524,683)	52,602
Depreciation of property, plant and equipment	30,074	29,789
Depreciation for right-of-use assets	4,709	5,473
Interest income from banks	(98,644)	(186,057)
(Gain)/loss on disposal of property, plant and equipment	(37)	807
Impairment of development properties	715,472	393,976
Dividend income	(194,981)	(129,987)
Net gains on settlement of derivative financial instruments	(39,527)	(96,942)
Net fair value losses on derivative financial instruments	20,935	45,546
Net fair value gains on financial assets at fair value through profit or loss	(6,029)	(17,639)
Operating profit before working capital changes	287,868	1,235,055
(Increase)/decrease in development properties	(77,366)	4,191,000
(Increase)/decrease in debtors and prepayments	(106,660)	152,112
Decrease in restricted cash	9,720	328,373
(Increase)/decrease in inventories	(73)	352
Decrease in other non-current assets	261,383	564,044
Decrease in pre-sales deposits	(41,096)	(1,446,952)
Increase/(decrease) in creditors, accruals and other liabilities	84,368	(232,904)
Cash generated from operations	418,144	4,791,080

35 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (cont'd)**(b) The movement of liabilities from financing activities and the repayment periods**

	Borrowings		Total
	within 1 year	after 1 year	
	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	2,858,009	12,324,296	15,182,305
Exchange differences	(30,776)	(52,445)	(83,221)
Drawdowns	3,405,018	4,253,543	7,658,561
Repayments	(4,450,000)	(3,786,548)	(8,236,548)
Reclassifications	1,975,440	(1,975,440)	—
Other non-cash movements	2,197	39,248	41,445
At 31 December 2024	3,759,888	10,802,654	14,562,542
Exchange differences	24,629	183,159	207,788
Drawdowns	1,418,029	4,619,616	6,037,645
Repayments	(3,728,603)	(3,389,938)	(7,118,541)
Reclassifications	1,877,910	(1,877,910)	—
Other non-cash movements	7,000	41,894	48,894
At 31 December 2025	3,358,853	10,379,475	13,738,328

36 COMMITMENTS**(a) Contracted but not provided for**

	2025	2024
	HK\$'000	HK\$'000
Commitments in respect of		
Property investment	141,313	122,986
Property development		
— subsidiaries	1,633,499	2,369,738
— joint ventures and associated companies	454,509	1,528,669
	2,229,321	4,021,393

36 COMMITMENTS (cont'd)

(b) Operating lease rental receivables

The future aggregate minimum lease rental income in respect of land and buildings under non-cancellable operating leases is receivable in the following periods:

	2025 HK\$'000	2024 HK\$'000
Within one year	473,636	524,130
In the second year	233,070	326,786
In the third year	120,140	170,588
In the fourth year	62,759	75,732
In the fifth year	35,741	39,815
After five years	50,732	42,381
	976,078	1,179,432

37 GUARANTEES

As at 31 December 2025 and 2024, the Group has executed the following guarantees in respect of loan facilities granted by banks and financial institutions:

	2025		2024	
	Outstanding HK\$'000	Utilised HK\$'000	Outstanding HK\$'000	Utilised HK\$'000
Joint ventures	241,670	241,670	8,150,687	6,734,987
Associated companies	1,684,050	1,399,050	980,000	980,000
Properties buyers (note)	1,281,080	1,281,080	1,617,295	1,617,295
	3,206,800	2,921,800	10,747,982	9,332,282

Note: The Group has provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties in the Mainland. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.

The Group monitors the net realisable values of the relevant properties which are subject to the fluctuation of the property market. As at 31 December 2025, no provision on the above guarantees (2024: nil) was made as the fair value of guarantees on initial recognition and the amount of provision to be recognised subsequently was insignificant.

As at 31 December 2025, the Company has executed guarantees in favour of banks in respect of facilities granted to certain subsidiaries, joint ventures and associated companies, amounting to HK\$25,335 million (2024: HK\$28,471 million), HK\$242 million (2024: HK\$7,622 million) and HK\$1,684 million (2024: HK\$980 million) respectively. Of these, facilities totaling HK\$12,335 million (2024: HK\$13,517 million), HK\$242 million (2024: HK\$6,713 million) and HK\$1,399 million (2024: HK\$980 million) respectively have been utilised.

38 RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions between the Group and related parties, in addition to those disclosed elsewhere in the consolidated financial statements which in the opinion of the Directors, were carried out in the normal course of business during the year:

- (a) Key management personnel comprise Executive Directors of the Company and their emoluments are set out as follows:

	2025	2024
	HK\$'000	HK\$'000
Fees	892	942
Salaries and other emoluments	20,568	35,642
Discretionary bonuses	6,848	11,318
Pension costs — defined contribution plans	2,057	3,582
	30,365	51,484

- (b) Rental income from a related company amounted to HK\$568,000 (2024: HK\$1,410,000) based on the terms of rental agreement between the parties.
- (c) Rental expense to related companies amounted to HK\$5,489,000 (2024: HK\$5,696,000) based on the terms of master lease agreement between the parties.

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

As at 31 December 2025

	2025 HK\$'000	2024 HK\$'000
ASSETS		
Non-current asset		
Subsidiaries	259,561	259,561
Current assets		
Amounts due from subsidiaries	4,074,924	4,200,439
Cash and bank deposits	3,385	3,234
	4,078,309	4,203,673
Total assets	4,337,870	4,463,234
EQUITY		
Share capital	315,273	315,273
Reserves (note a)	4,017,948	4,143,532
Shareholders' funds	4,333,221	4,458,805
LIABILITY		
Current liability		
Creditors and accruals	4,649	4,429
Total equity and liability	4,337,870	4,463,234
Net current assets	4,073,660	4,199,244
Total assets less current liability	4,333,221	4,458,805

Paddy Tang Lui Wai Yu
Co-Managing Director

Alexander Lui Yiu Wah
Co-Managing Director

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (cont'd)**(a) Reserve movement of the Company**

	Share premium HK\$'000	Share option reserve HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2025	1,799,245	8,622	213,560	13	2,122,092	4,143,532
Comprehensive income						
Profit for the year	—	—	—	—	95,107	95,107
Transactions with equity holders						
Lapse of share options	—	(999)	—	—	999	—
2024 final dividend	—	—	—	—	(157,636)	(157,636)
2025 interim dividend	—	—	—	—	(63,055)	(63,055)
At 31 December 2025	1,799,245	7,623	213,560	13	1,997,507	4,017,948
At 1 January 2024	1,801,229	22,453	213,560	13	2,187,671	4,224,926
Comprehensive income						
Profit for the year	—	—	—	—	294,307	294,307
Transactions with equity holders						
Lapse of share options	—	(13,831)	—	—	13,831	—
Shares issued as scrip dividends	(1,984)	—	—	—	—	(1,984)
Reserve arising on scrip dividends	—	—	—	—	34,353	34,353
2023 final dividend	—	—	—	—	(281,961)	(281,961)
2024 interim dividend	—	—	—	—	(126,109)	(126,109)
At 31 December 2024	1,799,245	8,622	213,560	13	2,122,092	4,143,532

40 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

(a) Subsidiaries

Name of company	Principal place of operation	Issued share capital		Effective percentage of equity held by the Group	Principal activities
		Number of shares	Amount per share		
Directly held by the Company					
Incorporated in the British Virgin Islands					
Sutimar Enterprises Limited	Hong Kong	100	US\$1	100	Investment holding
Indirectly held by the Company					
Incorporated in Hong Kong					
Bestcode Holdings Limited	Hong Kong	1	N/A	100	Property holding
Bestford Group Limited	Hong Kong	1	N/A	100	Property development
Century Basis Limited	Hong Kong	1	N/A	100	Property development and investment
Chely Well Limited	Hong Kong	1,000	N/A	72	Investment holding
Charmfield Pacific Limited	Hong Kong	1	N/A	100	Property development and investment
Colour Day International Limited	Hong Kong	2	N/A	100	Investment holding
Dragon Star Pacific Limited	Hong Kong	1,000	N/A	100	Provision of financial services
Enjoy International Limited	Hong Kong	1	N/A	100	Investment holding
Fortune Glow Enterprises Limited	Hong Kong	1	N/A	100	Property holding
Grand Place Limited	Hong Kong	1	N/A	100	Investment holding
Grand Spark Limited	Hong Kong	1	N/A	100	Property investment
Greenwell Investments Limited	Hong Kong	2	N/A	100	Investment holding
Goldstar Power Limited	Hong Kong	1	N/A	100	Investment holding
Goodsave International Limited	Hong Kong	1	N/A	100	Investment holding
Honorwell Enterprises Limited	Hong Kong	1	N/A	100	Property holding
Infinity Profit Limited	Hong Kong	1	N/A	100	Investment holding
Innate Power Development Limited	Hong Kong	1	N/A	100	Investment holding
K. Wah Financial Services Limited	Hong Kong	2	N/A	100	Provision of financial services
K. Wah International Development Limited	Hong Kong	1	N/A	100	Provision of financial services
K. Wah International Property Limited	Hong Kong	1	N/A	100	Investment holding
K. Wah Management Services Limited	Hong Kong	100	N/A	100	Provision of management services
K. Wah Project Management Service Limited	Hong Kong	2	N/A	100	Provision of management services
K. Wah Properties Investment Limited	Hong Kong	1,000	N/A	100	Investment holding
K. Wah Stones (Holdings) Limited	Hong Kong	439,463,724	N/A	100	Investment holding
King Rays Limited	Hong Kong	2	N/A	100	Property development
Lucky Way Investment Limited	Hong Kong	2	N/A	100	Property investment
Manful Global Development Limited	Hong Kong	1	N/A	100	Property development
Max Orient Holdings Limited	Hong Kong	1,000	N/A	100	Investment holding
Mazy Asia Limited	Hong Kong	1	N/A	100	Investment holding
Minter Limited	Hong Kong	2	N/A	100	Investment holding
New Fine Limited	Hong Kong	1	N/A	100	Property development
New Regent Asia Limited	Hong Kong	1	N/A	100	Property investment
Oriental Control Limited	Hong Kong	1	N/A	100	Investment holding
Polynice Limited	Hong Kong	2	N/A	100	Provision of financial services
Pure United Limited	Hong Kong	1	N/A	100	Investment holding
Raise Corporation Limited	Hong Kong	1	N/A	100	Investment holding
Raise Union Limited	Hong Kong	1	N/A	100	Investment holding
Resources Management Limited	Hong Kong	1	N/A	100	Property holding
Richroot Development Limited	Hong Kong	1	N/A	100	Property holding
Royal Mark Investments Limited	Hong Kong	1	N/A	100	Property development
Silver Capital Overseas Limited	Hong Kong	1	N/A	100	Property investment
Silverjade Limited	Hong Kong	1	N/A	100	Provision of financial services
Sky Notion Limited	Hong Kong	1	N/A	100	Investment holding
Skyport Fareast Limited	Hong Kong	1	N/A	100	Investment holding
Tin Wah International Limited	Hong Kong	1	N/A	100	Investment holding
Turnwell Limited	Hong Kong	1	N/A	100	Investment holding
Union Profits Limited	Hong Kong	2	N/A	100	Property investment
United Best Hong Kong Limited	Hong Kong	1	N/A	60	Property development
Victory Way Limited	Hong Kong	9,901,000	N/A	99.99	Investment holding

40 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (cont'd)

(a) Subsidiaries (cont'd)

Name of company	Principal place of operation	Issued share capital		Effective percentage of equity held by the Group	Principal activities
		Number of shares	Amount per share		
Indirectly held by the Company					
Incorporated in Hong Kong					
Wealthy Vision Limited	Hong Kong	1	N/A	100	Investment holding
Well Plant Limited	Hong Kong	1	N/A	100	Investment holding
Well Sense Limited	Hong Kong	1	N/A	100	Investment holding
Winway Global Development Limited	Hong Kong	1	N/A	100	Investment holding
Worldtop China Limited	Hong Kong	1	N/A	100	Investment holding
Incorporated in the British Virgin Islands					
			US\$		
Amazing Enterprises Limited	Hong Kong	10	1	100	Investment holding
Bestfull Profits Limited	Hong Kong	10	1	100	Investment holding
Choice Treasure Limited	Hong Kong	10	1	60	Investment holding
Greatest Smart Limited	Hong Kong	10	1	100	Investment holding
K. Wah International Financial Services Limited	Hong Kong	10	1	100	Provision of financial services
Leharne Properties Limited	Hong Kong	10	1	100	Investment holding
Million Link Group Limited	Hong Kong	1	1	100	Investment holding
Ragon Properties Limited	Hong Kong	10	1	100	Investment holding
Select Vantage Profits Limited	Hong Kong	10	1	100	Investment holding
Strategic Pioneer Limited	Hong Kong	10	1	100	Investment holding

Name of company	Principal place of operation	Registered capital	Effective percentage of equity held by the Group	Principal activities
Indirectly held by the Company				
Incorporated in the Mainland				
Wholly-owned foreign enterprise				
嘉華(中國)投資有限公司 (K. Wah (China) Investment Co., Ltd.)	Shanghai	US\$38,000,000	100	Investment holding
上海嘉港城房地產開發經營有限公司 (Shanghai Jia Gang Cheng Real Estate Development Co., Ltd.)	Shanghai	US\$13,000,000	100	Property investment
上海嘉申房地產開發經營有限公司 (Shanghai Jia Shen Real Estate Development Co., Ltd.)	Shanghai	US\$126,000,000	100	Property development and investment
上海嘉兆房地產開發經營有限公司 (Shanghai Jia Zhao Real Estate Development Co., Ltd.)	Shanghai	US\$119,500,000	100	Property development and investment
上海嘉敏房地產開發經營有限公司 (Shanghai Jia Min Real Estate Development Co., Ltd.)	Shanghai	US\$30,000,000	100	Property development and investment
上海嘉澤房地產開發經營有限公司 (Shanghai Jia Ze Real Estate Development Co., Ltd.)	Shanghai	RMB10,000,000	100	Property development
上海嘉爵房地產開發經營有限公司 (Shanghai Jia Jue Real Estate Development Co., Ltd.)	Shanghai	RMB600,000,000	100	Property development
上海嘉悅房地產開發經營有限公司 (Shanghai Jia Yue Real Estate Development Co., Ltd.)	Shanghai	RMB20,000,000	100	Property development
上海嘉瑤置業有限公司 (Shanghai Jia Yao Real Estate Development Co., Ltd.)	Shanghai	RMB280,000,000 (Paid up: RMB10,000,000)	100	Property investment
上海嘉熙房地產開發經營有限公司 (Shanghai Jia Xi Real Estate Development Co., Ltd.)	Shanghai	RMB258,000,000	100	Property investment
上海嘉裕駿商務管理有限公司 (Shanghai Jiayujun Business Management Co., Ltd.)	Shanghai	RMB1,000,000 (Paid up: nil)	100	Property investment
上海嘉琛裝飾設計有限公司 (Shanghai Jia Chen Decoration & Design Co., Ltd.)	Shanghai	RMB50,000,000 (Paid up: RMB35,000,000)	100	Provision of decoration services
上海嘉英物業管理有限公司 (Cresleigh Property Management (Shanghai) Co., Ltd.)	Shanghai	RMB5,000,000	100	Property management
上海曦臻煦商務管理有限公司 (Shanghai Xi Zhen Xu Business Management Co., Ltd.)	Shanghai	RMB20,000,000 (Paid up: nil)	100	Investment holding

40 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (cont'd)

(a) Subsidiaries (cont'd)

Name of company	Principal place of operation	Registered capital	Effective percentage of equity held by the Group	Principal activities
Indirectly held by the Company				
Incorporated in the Mainland				
Wholly-owned foreign enterprise				
上海曦隼凱商務管理有限公司 (Shanghai Xiyukai Business Management Co., Ltd.)	Shanghai	RMB20,000,000 (Paid up: nil)	100	Investment holding
南京嘉耀房地產開發有限公司 (Nanjing Jia Yao Real Estate Development Co., Ltd.)	Nanjing	RMB300,000,000	100	Property development and investment
南京嘉琛房地產開發有限公司 (Nanjing Jia Chen Real Estate Development Co., Ltd.)	Nanjing	RMB60,000,000	100	Property development and investment
南京嘉兆房地產開發有限公司 (Nanjing Jia Zhao Real Estate Development Co., Ltd.)	Nanjing	RMB2,500,000,000	100	Property development and investment
蘇州嘉兆房地產開發經營有限公司 (Suzhou Jia Zhao Real Estate Development Co., Ltd.)	Suzhou	RMB500,000,000	100	Property development
蘇州嘉熙房地產開發有限公司 (Suzhou Jia Xu Real Estate Development Co., Ltd.)	Suzhou	RMB100,000,000	100	Property development
廣州市嘉華花都置業有限公司 (Guangzhou Jiahua Huadu Property Development Co., Ltd.)	Guangzhou	HK\$488,000,000	100	Property development and investment
廣州市泰榮商業經營管理有限公司 (Guangzhou Tairong Business Management Co., Ltd.)	Guangzhou	RMB60,000,000	100	Property investment
東莞廣裕房地產開發有限公司 (Dongguan Guang Yu Real Estate Development Co., Ltd.)	Dongguan	RMB1,309,393,800	100	Property development and investment
東莞嘉裕房地產開發有限公司 (Dongguan Jia Yu Real Estate Development Co., Ltd.)	Dongguan	RMB500,000,000	100	Property development
江門市嘉豐房地產開發有限公司 (Jiangmen Jia Feng Real Estate Development Co., Ltd.)	Jiangmen	HK\$18,300,000	100	Property development
江門市嘉瀚房地產開發有限公司 (Jiangmen Jia Han Real Estate Development Co., Ltd.)	Jiangmen	RMB2,402,608,000 (Paid up: RMB2,088,069,267)	100	Property development
Cooperative joint venture				
廣州匯城房地產開發有限公司 (Guangzhou Hui Cheng Real Estate Development Co., Ltd.)	Guangzhou	HK\$600,000,000	99.99	Property development and investment
Equity joint venture				
上海嘉匯達房地產開發經營有限公司 (Shanghai Jia Hui Da Real Estate Development Co., Ltd.)	Shanghai	US\$5,000,000	69.6	Property investment
上海凱通文安建設開發有限公司 (Shanghai Kaitong Wenan Construction Development Co., Ltd.)	Shanghai	RMB234,000,000	53.61	Property investment
上海嘉龍匯置業有限公司 (Shanghai Jia Long Hui Property Development Co., Ltd.)	Shanghai	RMB2,000,000,000	60	Property development and investment

40 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (cont'd)

(b) Joint Ventures

Name of company	Principal place of operation	Issued share capital		Effective percentage of equity held by the Group	Principal activities
		Number of shares	Amount per share		
Indirectly held by the Company					
Incorporated in Hong Kong					
Ample Excellent Limited	Hong Kong	2	N/A	50	Property development
Asia Bright Development Limited	Hong Kong	10,000	N/A	22.5	Investment holding
Sky Asia Properties Limited	Hong Kong	1	N/A	22.5	Property development
Top Regent Holdings Limited	Hong Kong	90	N/A	33 $\frac{1}{3}$	Investment holding
Grand Ample Limited	Hong Kong	1	N/A	33 $\frac{1}{3}$	Property development
Gainable Development Limited	Hong Kong	10	N/A	40	Investment holding
Dragon Star H.K. Investments Limited	Hong Kong	1	N/A	40	Property development
Joy Origin Holdings Limited	Hong Kong	10	N/A	30	Investment holding
Sky Castle Limited	Hong Kong	1	N/A	30	Property development
Incorporated in the Mainland		Registered capital			
上海翰豐置業有限公司 (Shanghai Hanfeng Real Estate Co., Ltd.)	Shanghai		RMB163,599,961	49	Property development
南京弘威盛房地產開發有限公司 (Nanjing Hongwei Sheng Real Estate Development Co., Ltd.)	Nanjing		RMB4,000,000	33	Property development
江門市新會區駿景灣譽峰房地產有限公司 (Jiangmen Xinhui Junjingwan Yufeng Real Estate Co., Ltd.)	Jiangmen		RMB70,000,000	50	Property development
江門市新會銀湖置業有限公司 (Jiangmen Xinhui Yinhu Property Development Co., Ltd.)	Jiangmen		RMB120,000,000	30	Property development

(c) Associated Companies (note)

Name of company	Principal place of operation	Issued share capital		Effective percentage of equity held by the Group	Principal activities
		Number of shares	Amount per share		
Indirectly held by the Company					
Incorporated in Hong Kong					
Ultra Keen Holdings Limited	Hong Kong	1	N/A	10	Property development
Cheer Smart Investment Limited	Hong Kong	4	N/A	25	Investment holding
Dynamic Wish Limited	Hong Kong	1	N/A	25	Property development
Incorporated in the British Virgin Islands					
Clear Elegant Limited	Hong Kong	2,000	US\$1	10	Investment holding

Note: Despite less than 20% equity interest in certain companies, significant influence is exercised in the management and thus the companies have been accounted for as associated companies of the Group through the participation in their boards.

Significant Properties

As at 31 December 2025

	Type of Property	Gross Floor Area sq. metres (Approximately)	Group's Interest %	Lease Term	Stage of Completion	Estimated Completion Date
INVESTMENT AND OTHER PROPERTIES						
Hong Kong						
K. Wah Centre 28th, 29th and 30th Floors, 191 Java Road, North Point, Hong Kong	Office	2,926	100	2106	Completed	Existing
J SENSES 60, 60A-66 Johnston Road, Wanchai, Hong Kong	Commercial	3,400	100	2054	Completed	Existing
Chantilly No. 6 Shiu Fai Terrace, Hong Kong	Residential	4,700	100	2070	Completed	Existing
Twin Peaks 9 Chi Shin Street, Tseung Kwan O, New Territories	Commercial	3,500	100	2062	Completed	Existing
K. Summit 9 Muk Tai Street, Kowloon	Commercial	1,200	100	2067	Completed	Existing
Mainland						
Shanghai K. Wah Centre No. 1010 Huaihai Zhong Road, Xuhui District, Shanghai	Office	72,000	69.6	2047	Completed	Existing
Stanford Residences Jing An Lane 1999, Xinzha Road, Jingan District, Shanghai	Residential	31,000	100	2072	Completed	Existing
Stanford Residences Xu Hui 236 Jianguoxi Road, Xuhui District, Shanghai	Residential	26,000	100	2065	Completed	Existing
Palace Lane 236 Jianguoxi Road, Xuhui District, Shanghai	Commercial	8,000	100	2065	Completed	Existing
EDGE 88 Xizang North Road, Jingan District, Shanghai	Office	21,000	53.61	2056	Completed	Existing
WYSH Wuyi Road, Changning District, Shanghai	Commercial/Office	13,300	100	2069 to 2073	Completed	Existing
Site XHPO-0001, D1-2&D5B-1, Huajing Town, Xuhui District, Shanghai	Commercial/Hotel	59,300	60	2063	Construction	2027 or beyond
The Peak 19 Xingxian Road, Nanjing	Commercial	8,000	100	2054	Completed	Existing
Cavendish Jiangning District, Nanjing	Commercial	7,300	100	2057	Completed	Existing
Citta Residences Hexi 318 Lushan Road, Jianye District, Nanjing	Apartment	25,200	100	2061	Completed	Existing
Site 2020G72, Hexi New Town, Jianye District, Nanjing	Commercial/Office/ Hotel	208,000	100	2061	Commercial (Phase I): Completed Others: Construction	Commercial (Phase I): Existing Others: 2028 or beyond
K. Wah Plaza Yingbin Road, Xinhuaazhen, Huadu District, Guangzhou	Commercial/Office/ Hotel	83,000	100	2039	Completed	Existing
Cosmo Avenue Xinhuaazhen West Site, Huadu District, Guangzhou	Commercial	23,000	99.99	2038	Completed	Existing
Cove Gala 111 Jiangnan Zhong Road, Shilong Town, Dongguan	Commercial	11,600	100	2052 to 2054	Completed	Existing

Significant Properties

As at 31 December 2025

	Type of Property	Gross Floor Area sq. metres (Approximately)	Group's Interest %	Lease Term	Stage of Completion	Estimated Completion Date
DEVELOPMENT PROPERTIES						
Hong Kong						
2 Grampian Road, Kowloon	Residential	2,000	100	2047	Completed	Existing
No. 28 Po Shan Road, Mid-levels, Hong Kong	Residential	4,100	50	2090	Completed	Existing
Kabitat • Tin Hau 33 King's Road, Hong Kong	Residential	4,000	100	2072	Construction	2026
Inland Lot No. 8872, Hospital Road, Hong Kong	Residential	4,000	100	2072	Construction	2027
Grand Mayfair 29 Kam Ho Road, Kam Tin South, Yuen Long	Residential	39,400	33 $\frac{1}{3}$	2067	Phases I-II: Completed Phase III: Construction	Phases I-II: Existing Phase III: 2027
KT Marina 15 Shing Fung Road, Kai Tak	Residential	66,600	40	2069	Phase I: Completed Phase II: Construction	Phase I: Existing Phase II: 2026
Victoria Voyage 18 Shing Fung Road, Kai Tak	Residential	84,200	10	2069	Completed	Existing
Villa Garda 1 Lohas Park Road, Tseung Kwan O	Residential	11,900	30	2052	Completed	Existing
La Mirabelle 1 Lohas Park Road, Tseung Kwan O	Residential	144,000	25	2052	Construction	2027
Mainland						
Site XHPO-0001, D1-2&D5B-1, Huajing Town, Xuhui District, Shanghai	Residential/Office	136,500	60	2073 to 2093	Residential: Completed Others: Construction	Residential: Existing Others: 2027 or beyond
Cavendish 68 Nonghua Road, Jiangning District, Nanjing	Residential	12,100	100	2087	Completed	Existing
Site 2020G72, Hexi New Town, Jianye District, Nanjing	Residential/ Apartment/ Office	Residential: 24,000 Others: 118,000	100	2061 to 2091	Residential: Completed Apartment/Office (Phase I): Completed Others: Construction	Residential: Existing Apartment/Office (Phase I): Existing Others: 2028 or beyond
Avanti National Hi-Tech District, Suzhou	Residential	52,100	100	2088	Completed	Existing
VETTA 42 Qinglonggang Road, Xiangcheng District, Suzhou	Residential	7,300	100	2089	Completed	Existing
Phases III&IV of K. Wah Plaza Huadu District, Guangzhou	Apartment	6,000	100	2039	Completed	Existing
Cosmo Xinhuazhen West Site, Huadu District, Guangzhou	Residential	Phase I: 84,300 Others: 369,000	99.99	2068	Phase I: Completed Others: Construction	Phase I: Existing Others: 2027 or beyond
Bayview Songsshan Lake District, Dongguan	Residential/ Commercial	69,300	100	2058 to 2088	Completed	Existing
J City 33 Xinyuan Road/38 Zhanqianyi Road, Jianghai District, Jiangmen	Residential/ Commercial	106,200	100	2057 to 2088	Completed	Existing

Note: For certain properties, the floor area represents Saleable Floor Area.

The information, drawings (including design concept drawings) and/or photos of the developments in Hong Kong (inclusive of the developments under construction) as provided in this Annual Report are for the purpose of the Annual Report of K. Wah International Holdings Limited ("KWIH") (please refer to the sales brochures for details of the respective developments) and are not and do not form part of any advertisement purporting to promote the sale of any residential property, and do not constitute and shall not be construed as constituting any offer, representation, warranty, covenant or contractual term whether expressed or implied (whether related to the development, any residential property in the development, the standard provisions, fittings, finishes and appliances, etc. of any residential property, appearance, view, surrounding environment and facilities, and clubhouse facilities, etc. or not). No publishing or transfer to any third party is allowed without the prior written consent of KWIH and the respective vendors as stated in the sales brochures of the respective developments (each a "Vendor"). For some of such developments, permission for promotional activities and/or pre-sale consent is/are not yet applied for and/or issued and the time of issue of such permissions and pre-sale consents are not certain. All time schedule of sales launch set out herein are of the tentative sale schemes and are for reference only. KWIH and the respective Vendors do not represent or warrant the time of issue of such permissions and/or consents. KWIH and the respective Vendors shall not be liable for any reliance of these information, drawings and/or photos by any party for his/her decision on purchase of any residential property in the respective developments or otherwise.

All photos, images, drawings or sketches in this Annual Report represent artists' impressions of the respective developments or the part of the respective developments concerned only. They are not drawn to scale and/or may have been edited and processed with computerized imaging techniques. In respect of any design concept drawings of the respective residential developments contained in this Annual Report, they are products of computer renderings. Pipes, conduits, air-conditioners, grilles etc. which might exist on the external walls, flat roofs or roofs, etc. of the respective developments, and the surrounding environment and buildings of the respective developments have been simplified or omitted. The respective renderings do not simulate or reflect the actual appearance and the surrounding environment of the respective developments. The respective design concept drawings do not simulate or reflect the view from any part of the respective developments and the present or future condition of the surrounding environment and buildings of the respective developments. The layout, partition, specifications, dimensions, colour, materials, fittings, finishes, appliances, equipment, furniture, household accessories, display, decorations, signs, clubhouse facilities, sculptures, models, artwork, plant, trees, landscape design, lighting features and lightings, etc. shown in the respective design concept drawings might be different from those, if any, to be actually provided in the respective developments and that they might not appear in the part of the developments concerned. The respective Vendors reserve the right to alter, increase and reduce the above items and clubhouse and recreational facilities, which are subject to the agreements for sale and purchase. The respective Vendors reserve the right to alter the building plans and other plans from time to time, which are subject to the final approvals of the relevant Government authorities. The provision of clubhouses and recreational facilities are subject to the terms and conditions of the agreements of sale and purchase and the final approvals of the relevant Government authorities. The opening time and use of different clubhouses and recreational facilities are subject to the relevant laws, land grant conditions, terms of the deed of mutual covenant and the actual conditions of the facilities. The use and operations of some parts of the facilities and/or services may be subject to the consents or permits to be issued by the relevant Government authorities. The respective Vendors reserve the right to amend the use of the facilities and/or services which are shown or not shown or not specified in the design concept drawings. Such facilities (including clubhouse and ancillary recreational facilities, etc.) may not be in operation when the respective developments can be occupied. The respective Vendors reserve the rights to alter the clubhouse and recreational facilities and the partition, design, layout and use thereof. Fees may be separately charged on the use of the clubhouse(s) and different recreational facilities. The existing, future or proposed buildings and facilities, etc as shown in this Annual Report (if any) are subject to changes from time to time, and may not be completed or ready for operation when the relevant developments can be occupied, and their physical state after completion may be different from those as stated or shown in this Annual Report, and are for reference only.

本年報中關於香港的發展項目(包括在建中的發展項目)的資訊、繪圖(包括設計概念圖)及/或相片乃嘉華國際集團有限公司(「嘉華國際」)為其年報而提供的(各該等發展項目的詳情請參閱各該等發展項目的售樓說明書),其本意並非亦不構成任何旨在促銷任何住宅物業的廣告的一部分,也不構成亦不得詮釋作構成任何不論明示或隱含之要約、陳述、保證、承諾或合約條款(不論與發展項目、發展項目內的住宅物業、其交樓標準、裝置、裝修物料及設備等、外觀、景觀、周邊地區環境及設施,及會所的設施等是否有關)。未得嘉華國際及各該等發展項目的售樓說明書中所列明的賣方(「賣方」)的書面同意不可向第三方發布或轉發。部分的該等發展項目未申請及/或未獲批出推廣許可書及/或預售樓花同意書,而該等許可書及/或同意書的發出時間尚未能確定。本年報所載的所有銷售時間表只是暫定的銷售計劃,僅供參考。嘉華國際及各相關賣方對該等許可書及/或同意書的發出時間不作陳述或保證。嘉華國際及各相關賣方對任何人士依賴本資訊、繪圖及/或相片而作出購買各該等發展項目中的任何住宅物業或其他的決定不承擔任何責任。

本年報中所有相片、圖像、繪圖及素描純屬畫家對各該等發展項目或各該等發展項目相關部分之想像。有關相片、圖像、繪圖或素描並非按照比例繪畫及/或可能經過電腦修飾處理。本年報所載的各該等住宅物業發展項目設計概念圖乃電腦模擬效果。各該等發展項目外牆、平台、天台等上可能存在之喉管、管線、冷氣機、格柵等及各該等發展項目周邊地區環境及建築物可能經簡化處理或並無顯示。各電腦模擬效果並非模擬亦不反映各該等發展項目內任何部分之實際外觀或各該等發展項目周邊地區環境。各設計概念圖並非模擬亦不反映各該等發展項目內任何部分之景觀及各該等發展項目現在或將來的周邊地區環境及建築物狀況。各設計概念圖所示之佈局、間隔、規格、尺寸、顏色、用料、裝置、裝修物料、設備、器材、家具、家居用品、擺設、裝飾、招牌、會所設施、望像、模型、美術作品、植物、樹木、園林設計、燈飾及照明裝置等可能會與各該等發展項目所實際提供的(如有)不同,亦未必會實際地在各該等發展項目的相關部分中出現,各相關賣方保留權利改動及增減任何上述項項及會所及康樂設施,一切以買賣合約為準。各相關賣方保留權利不時改動建築圖則及其他圖則,各該等發展項目之設計以有關政府部門最後批准之圖則為準。各會所及康樂設施之提供以買賣合約條款及條件及政府相關部門最後批准者為準。不同會所及康樂設施之開放時間及使用受相關法律、批地文件及公契條款及其實際環境狀況限制。部分設施及/或服務的使用或操作可能受制於政府相關部門發出之同意書或許可證。各相關賣方保留修改設計概念圖所顯示或未顯示或未列舉的設施及/或服務的用途之權利。各該等設施(包括會所、附屬康樂設施等)於各該等發展項目入伙時未必能即時使用。各相關賣方保留權利更改會所及康樂設施及其間隔、設計、佈局及用途。會所及不同康樂設施可能需要另行收費。本年報所顯示之現有、未來或擬建建築物及設施等(如有)可能不時更改,於有關發展項目入伙時亦可能尚未落成或可以啟用,其完成後之狀況與本年報所述或所顯示者可能不同,僅供參考。

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