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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The board of directors (the “Board”) of Chinese Estates Holdings Limited (the “Company”) would like to announce the audited consolidated results of the Company and its subsidiaries (together, the “Group”) for the financial year ended 31 December 2025 (the “Year”) pursuant to paragraph 45 of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). The Group’s consolidated statement of comprehensive income and consolidated statement of financial position, all of which have been reviewed by the Audit Committee, together with the comparative figures of the corresponding year ended 31 December 2024 are set out as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	3	301,080	336,812
Cost of goods and services provided		(43,041)	(56,586)
Gross profit		258,039	280,226
Other income	5	80,695	25,801
Investment income, net	6	138,285	20,710
Administrative expenses		(272,224)	(348,203)
Gain on disposals of equipment and intangible asset, net		4,311	64,366
Fair value changes on investment properties		(358,423)	(1,731,776)
Finance costs	7	(88,873)	(213,425)
Other gains and losses	8	(2,113)	(110,489)
Share of results of investments accounted for using the equity method		(131,374)	(111,174)
Loss before tax		(371,677)	(2,123,964)
Income tax (expense) credit	9	(16,543)	16,044
Loss for the year	10	(388,220)	(2,107,920)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)**For the year ended 31 December 2025*

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Other comprehensive income (expenses)			
<i>Items that will not be reclassified to profit or loss</i>			
Gains and losses on investments in equity instruments measured at fair value through other comprehensive income		(15,770)	(57,158)
Share of other comprehensive expenses of investments accounted for using the equity method		(39)	(323)
Surplus on revaluation of property		-	5,862
		<u>(15,809)</u>	<u>(51,619)</u>
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		317,119	(77,747)
Share of other comprehensive income (expenses) of investments accounted for using the equity method		7,272	(5,318)
Reclassification adjustment related to foreign operation disposed of		-	98,247
		<u>324,391</u>	<u>15,182</u>
Other comprehensive income (expenses) for the year (net of tax)		<u>308,582</u>	<u>(36,437)</u>
Total comprehensive expenses for the year		<u>(79,638)</u>	<u>(2,144,357)</u>
(Loss) profit for the year attributable to:			
Owners of the Company		(388,499)	(2,108,331)
Non-controlling interests		279	411
		<u>(388,220)</u>	<u>(2,107,920)</u>
Total comprehensive (expenses) income for the year attributable to:			
Owners of the Company		(79,917)	(2,144,768)
Non-controlling interests		279	411
		<u>(79,638)</u>	<u>(2,144,357)</u>
Loss per share (HK\$)	12		
Basic and diluted		<u>(0.204)</u>	<u>(1.105)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investment properties		9,888,156	9,719,164
Property, plant and equipment		18,965	52,811
Right-of-use assets		90,036	39,293
Intangible assets		-	-
Investments accounted for using the equity method		1,691,825	1,862,087
Advances to associates		59,864	59,332
Financial assets measured at fair value through profit or loss		51,740	54,315
Financial assets measured at fair value through other comprehensive income		122,752	138,522
Advance to an investee company		407,572	345,690
Pledged deposit		12,420	28,980
		<u>12,343,330</u>	<u>12,300,194</u>
Current assets			
Stock of properties		23,316	23,316
Financial assets measured at fair value through profit or loss		417,487	365,643
Advances to investee companies		8,205	64,017
Inventories		2,401	4,650
Debtors, deposits, other receivables and prepayments	13	142,237	164,977
Securities trading receivables and deposits		505	18,062
Tax recoverable		6,117	9,939
Pledged deposits		1,506,687	1,008,194
Time deposits, bank balances and cash		321,120	1,742,313
		<u>2,428,075</u>	<u>3,401,111</u>
Current liabilities			
Creditors and accruals	14	207,043	499,919
Securities trading and margin payable		245	10,923
Deposits and receipts in advance		59,947	62,205
Lease liabilities		30,392	36,890
Tax liabilities		25,310	15,644
Borrowings		2,008,127	1,655,774
Derivative financial instruments		146	-
		<u>2,331,210</u>	<u>2,281,355</u>
Net current assets		<u>96,865</u>	<u>1,119,756</u>
Total assets less current liabilities		<u>12,440,195</u>	<u>13,419,950</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
At 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Equity attributable to owners of the Company		
Share capital	190,762	190,762
Property revaluation reserve	5,862	5,862
Financial assets measured at fair value through other comprehensive income reserve	122,551	138,360
Contribution reserve	206,627	206,627
Statutory reserve	4,402	4,402
Special reserve	2,499,685	2,499,685
Capital redemption reserve	138,062	138,062
Translation reserve	(214,687)	(539,078)
Retained profits		
- proposed final dividend	-	57,229
- others	8,957,250	9,364,825
	<u>11,910,514</u>	<u>12,066,736</u>
Non-controlling interests	<u>24,287</u>	<u>24,008</u>
Total equity	<u>11,934,801</u>	<u>12,090,744</u>
Non-current liabilities		
Borrowings	380,880	1,272,684
Amounts due to associates	13,163	11,559
Amounts due to investee companies	28,443	13,885
Amounts due to non-controlling shareholders	275	275
Lease liabilities	56,000	1,795
Deferred tax liabilities	26,633	29,008
	<u>505,394</u>	<u>1,329,206</u>
	<u>12,440,195</u>	<u>13,419,950</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. Basis of Preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. In addition, these consolidated financial statements include applicable disclosures required by the Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

These consolidated financial statements have been prepared under the historical cost basis, except for certain properties and financial instruments, which are measured at their fair values.

2. Material Accounting Policies

The accounting policies adopted in these consolidated financial statements for the Year are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2024 except as described below.

In the current year, the Group has applied the following amendments to a HKFRS Accounting Standard (“Amendment”) issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of these consolidated financial statements:

HKAS 21 (Amendments)	Lack of Exchangeability
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The application of the Amendment had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early adopted the following new and amendments to HKFRS Accounting Standards (“New and Amended HKFRS Accounting Standards”) that have been issued but are not yet effective.

HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency ²
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments ¹
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 18	Presentation and Disclosure in Financial Statements ²
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹
HK Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

The directors of the Company (“Directors”) are in the process of assessing the potential impact of the New and Amended HKFRS Accounting Standards but are not yet in a position to determine whether the New and Amended HKFRS Accounting Standards will have a material impact on the Group’s performance and financial position and on the disclosures. The New and Amended HKFRS Accounting Standards may result in changes to how the Group’s performance and financial position are prepared and presented in the future.

3. Revenue

Revenue represents the aggregate amounts of commission from brokerage, settlement charges from brokerage, cosmetics goods sold less returns, building and property management services income, amounts received and receivable from property rental income, interest income from bonds, dividend income from listed and unlisted equity investments and gain on sales of investments held-for-trading. Revenue is analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers:		
<i>Recognised on a point in time basis</i>		
Brokerage and cosmetics income	10,417	13,528
<i>Recognised on over time basis</i>		
Building and property management services income	<u>51,336</u>	<u>51,986</u>
	<u>61,753</u>	<u>65,514</u>
Revenue from other sources:		
Property rental income	164,795	204,616
Interest income from bonds (<i>note (i)</i>)	16,694	10,308
Dividend income from		
- listed equity investments (<i>note (i)</i>)	2,776	2,486
- unlisted equity investments (<i>note (ii)</i>)	30,000	38,000
	32,776	40,486
Gain on sales of investments held-for-trading	<u>25,062</u>	<u>15,888</u>
	<u>239,327</u>	<u>271,298</u>
Total revenue	<u>301,080</u>	<u>336,812</u>

Notes:

- (i) *The interest income from bonds and dividend income from listed equity investments were derived from financial assets measured at fair value through profit or loss ("FVTPL").*
- (ii) *The dividend income from unlisted equity investments was derived from financial assets measured at fair value through other comprehensive income ("FVTOCI").*

4. Operating Segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has six reportable segments – (i) property development and trading; (ii) property leasing for retail; (iii) property leasing for non-retail; (iv) listed equity investments at FVTOCI; (v) investments and treasury products at FVTPL; and (vi) unlisted investments, investment holding and brokerage, and the remaining businesses of the Group grouped under all other segments. The segmentations are based on the information about the operations of the Group that management of the Group uses to make decisions.

Principal activities are as follows:

Property development and trading	–	Property development and sales of trading properties
Property leasing		
- Retail	–	Property leasing from retail properties
- Non-retail	–	Property leasing from non-retail properties
Listed equity investments at FVTOCI	–	Listed equity securities at FVTOCI
Investments and treasury products at FVTPL	–	Securities investments in investments held-for-trading, over-the-counter trading and structured products
Unlisted investments, investment holding and brokerage	–	Unlisted securities investments, trading and brokerage
All other segments	–	Cosmetics distribution and trading, provision of building and property management services and others

The Group evaluates performance on the basis of profit or loss from operations after tax expense and non-controlling interests but not including the major non-cash items. The major non-cash items are unrealised fair value changes on investment properties and other properties together with, if applicable, their respective deferred tax.

No operating segments have been aggregated in arriving at the six reportable segments described above.

Unallocated corporate assets mainly comprised right-of-use assets and tax recoverable.

Unallocated corporate liabilities mainly comprised tax liabilities, borrowings, amounts due to associates, amounts due to investee companies, amounts due to non-controlling shareholders, lease liabilities and deferred tax liabilities.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business unit has different markets and requires different marketing strategies.

Further, the business units are also managed to operate in different countries separately. Revenue and results are attributed to countries on the basis of the property or asset location.

There was one (2024: no) major customer who individually accounted for 10% or more of the Group's revenue. Revenue of approximately HK\$33,320,000 was derived from a customer in property leasing for retail segment in the United Kingdom.

4. Operating Segments (continued)

Operating segment information is presented below:

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Major cash items excluding in revenue								
- Hong Kong	-	-	-	-	136,110	-	-	136,110
- Other countries	-	-	-	-	73,817	-	-	73,817
	-	-	-	-	209,927	-	-	209,927
Revenue								
Dividend and interest income and gain on sales of investments held-for-trading								
- Hong Kong	16,750	-	-	-	27,193	-	13,250	57,193
- Other countries	-	-	-	-	17,339	-	-	17,339
Revenue from external customers								
- Hong Kong	-	31,259	87,089	-	-	962	60,791	180,101
- United Kingdom	-	33,320	12,503	-	-	-	-	45,823
- Mainland China	-	-	624	-	-	-	-	624
	16,750	64,579	100,216	-	44,532	962	74,041	301,080
Revenue (excluding dividend income from segments of property development and trading and property leasing)								
	-	64,579	100,216	-	44,532	962	74,041	284,330
Attributable property sales from an investee company								
- Hong Kong	288	-	-	-	-	-	-	288
Attributable rental revenue from associates/investee companies								
- Hong Kong	-	14,241	46,771	-	-	-	-	61,012
- Mainland China	-	49,867	5,537	-	-	-	-	55,404
	288	128,687	152,524	-	44,532	962	74,041	401,034
Results								
Segment results								
- Hong Kong	24,016	28,575	80,725	-	49,306	85,957	48,639	317,218
- United Kingdom	-	28,412	10,662	-	-	4,816	-	43,890
- Mainland China	-	-	450	-	-	3,016	-	3,466
- Other countries	-	-	-	-	31,750	-	-	31,750
	24,016	56,987	91,837	-	81,056	93,789	48,639	396,324
Share of results of investments accounted for using the equity method								
- Attributable gross income								
- Hong Kong	-	13,689	46,444	-	-	-	2,369	62,502
- Mainland China	-	49,867	5,537	-	-	-	-	55,404
- Attributable operating cost								
- Hong Kong	-	(1,964)	(7,352)	-	-	-	-	(9,316)
- Mainland China	-	(18,820)	(3,273)	-	-	-	-	(22,093)
	24,016	99,759	133,193	-	81,056	93,789	51,008	482,821
Other income								
-	-	-	1,649	-	-	-	-	1,649
Share of results of investments accounted for using the equity method								
- Income tax and others								
	-	(23,430)	(4,289)	-	-	-	(357)	(28,076)
	24,016	76,329	130,553	-	81,056	93,789	50,651	456,394
Unallocated items								
Unallocated corporate expenses, net								(189,802)
Finance costs								(88,873)
Loss on disposal of a subsidiary								(1,178)
Income tax expense								(16,543)
Non-controlling interests								(279)
Operating profit for the year attributable to owners of the Company								159,719
Share of realised fair value changes on disposals of investment properties of an associate recognised in current year								(628)
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of investments accounted for using the equity method)								(547,590)
Loss for the year attributable to owners of the Company								(388,499)

4. Operating Segments (continued)

Consolidated Statement of Comprehensive Income (continued)

For the year ended 31 December 2025

	HK\$'000
Core profit (excluding major non-cash items)	
Operating profit for the year attributable to owners of the Company	159,719
Share of accumulated realised fair value changes on disposals of investment properties of an associate	
- Recognised in current year	(628)
- Recognised in prior years	5,655
Core profit for the year attributable to owners of the Company	<u>164,746</u>

Consolidated Statement of Financial Position

At 31 December 2025

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
	HK\$'000	Retail HK\$'000	Non-retail HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets								
Segment assets								
- Hong Kong	528,342	871,460	5,062,234	-	349,775	1,530,614	81,782	8,424,207
- United Kingdom	-	872,398	3,414,377	-	-	-	-	4,286,775
- Mainland China	98,148	-	39,237	-	-	-	-	137,385
- Other countries	-	-	-	-	75,196	-	-	75,196
Investments accounted for using the equity method								
- Hong Kong	53,519	302,483	1,162,272	-	-	1,223	4,692	1,524,189
- Mainland China	-	80,032	87,604	-	-	-	-	167,636
Advances to associates								
- Hong Kong	1,930	-	101	-	-	1	2	2,034
- Mainland China	-	27,609	30,221	-	-	-	-	57,830
Reportable segment assets	<u>681,939</u>	<u>2,153,982</u>	<u>9,796,046</u>	<u>-</u>	<u>424,971</u>	<u>1,531,838</u>	<u>86,476</u>	<u>14,675,252</u>
Unallocated corporate assets								<u>96,153</u>
Consolidated total assets								<u>14,771,405</u>
Liabilities								
Segment liabilities								
- Hong Kong	23,219	11,836	175,408	-	725	409	9,464	221,061
- United Kingdom	-	19,075	26,972	-	-	-	-	46,047
- Mainland China	35	-	237	-	-	-	-	272
- Other countries	-	-	-	-	1	-	-	1
Reportable segment liabilities	<u>23,254</u>	<u>30,911</u>	<u>202,617</u>	<u>-</u>	<u>726</u>	<u>409</u>	<u>9,464</u>	<u>267,381</u>
Unallocated corporate liabilities								<u>2,569,223</u>
Consolidated total liabilities								<u>2,836,604</u>
Additions to non-current assets (other than financial instruments)	<u>-</u>	<u>4,648</u>	<u>230,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,162</u>	

4. Operating Segments (continued)
Other Material Items
For the year ended 31 December 2025

	Reportable segments HK\$'000	Adjustments for unallocated items HK\$'000	Adjustment for realised fair value changes HK\$'000	Adjustments for major non-cash items HK\$'000	Consolidated statement of comprehensive income HK\$'000
Interest income	93,465	-	-	-	93,465
Finance costs	-	(88,873)	-	-	(88,873)
Net income (expenses)	93,465	(88,873)	-	-	4,592
Depreciation of:					
- Property, plant and equipment	-	(36,798)	-	-	(36,798)
- Right-of-use assets	-	(42,385)	-	-	(42,385)
Fair value changes on investment properties	-	-	-	(358,423)	(358,423)
Share of results of investments accounted for using the equity method	58,421	-	(628)	(189,167)	(131,374)
Income tax expense	-	(16,543)	-	-	(16,543)
Non-controlling interests	-	(279)	-	-	(279)

4. Operating Segments (continued)
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Major cash items excluding in revenue								
- Hong Kong	-	-	-	-	141,803	-	-	141,803
- Other countries	-	-	-	-	52,527	-	-	52,527
	-	-	-	-	194,330	-	-	194,330
Revenue								
Dividend and interest income and gain on sales of investments held-for-trading								
- Hong Kong	38,000	-	-	-	21,144	-	-	59,144
- Other countries	-	-	-	-	7,538	-	-	7,538
Revenue from external customers								
- Hong Kong	-	33,859	100,682	-	-	2,864	62,650	200,055
- United Kingdom	-	32,494	37,104	-	-	-	-	69,598
- Mainland China	-	-	477	-	-	-	-	477
	38,000	66,353	138,263	-	28,682	2,864	62,650	336,812
Revenue (excluding dividend income from segments of property development and trading and property leasing)	-	66,353	138,263	-	28,682	2,864	62,650	298,812
Attributable property sales from an investee company								
- Hong Kong	12,390	-	-	-	-	-	-	12,390
Attributable rental revenue from associates/investee companies								
- Hong Kong	-	15,461	50,524	-	-	-	-	65,985
- Mainland China	-	50,066	5,343	-	-	-	-	55,409
	12,390	131,880	194,130	-	28,682	2,864	62,650	432,596
Results								
Segment results								
- Hong Kong	44,925	30,845	94,550	-	11,023	36,999	37,248	255,590
- United Kingdom	-	29,849	20,748	-	-	6,547	-	57,144
- Mainland China	-	-	277	-	-	3,388	-	3,665
- Other countries	-	-	-	-	(15,463)	-	-	(15,463)
	44,925	60,694	115,575	-	(4,440)	46,934	37,248	300,936
Share of results of investments accounted for using the equity method								
- Attributable gross income								
- Hong Kong	-	14,960	50,177	-	-	-	2,399	67,536
- Mainland China	-	50,066	5,343	-	-	-	-	55,409
- Attributable operating cost								
- Hong Kong	-	(1,919)	(4,169)	-	-	-	-	(6,088)
- Mainland China	-	(18,349)	(3,133)	-	-	-	-	(21,482)
	44,925	105,452	163,793	-	(4,440)	46,934	39,647	396,311
Other income	-	-	12,292	-	-	-	-	12,292
Share of results of investments accounted for using the equity method								
- Income tax and others	-	(23,835)	(2,806)	-	-	-	(228)	(26,869)
	44,925	81,617	173,279	-	(4,440)	46,934	39,419	381,734
Unallocated items								
Unallocated corporate expenses, net								(280,675)
Finance costs								(213,425)
Loss on disposal of a subsidiary								(100,142)
Income tax credit								16,044
Non-controlling interests								(411)
Operating loss for the year attributable to owners of the Company								(196,875)
Realised fair value changes on disposals of investment properties (including share of results of investments accounted for using the equity method) recognised in current year								(76,913)
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of investments accounted for using the equity method)								(1,834,543)
Loss for the year attributable to owners of the Company								(2,108,331)
Core loss (excluding major non-cash items)								
Operating loss for the year attributable to owners of the Company								(196,875)
Accumulated realised fair value changes on disposals of investment properties (including share of results of investments accounted for using the equity method)								
- Recognised in current year								(76,913)
- Recognised in prior years								(215,502)
Core loss for the year attributable to owners of the Company								(489,290)

4. Operating Segments (continued)
Consolidated Statement of Financial Position
At 31 December 2024

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Assets								
Segment assets								
- Hong Kong	484,010	1,855,858	5,211,133	-	299,202	1,263,363	147,384	9,260,950
- United Kingdom	-	786,905	3,475,528	-	-	-	-	4,262,433
- Mainland China	105,482	-	27,156	-	-	-	-	132,638
- Other countries	-	-	-	-	74,586	47	-	74,633
Investments accounted for using the equity method								
- Hong Kong	49,751	349,507	1,300,725	-	-	1,339	3,764	1,705,086
- Mainland China	-	73,153	83,848	-	-	-	-	157,001
Advances to associates								
- Hong Kong	1,959	-	152	-	-	2	3	2,116
- Mainland China	-	26,659	30,557	-	-	-	-	57,216
Reportable segment assets	<u>641,202</u>	<u>3,092,082</u>	<u>10,129,099</u>	<u>-</u>	<u>373,788</u>	<u>1,264,751</u>	<u>151,151</u>	<u>15,652,073</u>
Unallocated corporate assets								<u>49,232</u>
Consolidated total assets								<u><u>15,701,305</u></u>
Liabilities								
Segment liabilities								
- Hong Kong	33,370	12,971	128,727	-	1,073	12,670	14,520	203,331
- United Kingdom	-	16,990	352,465	-	-	-	-	369,455
- Mainland China	34	-	227	-	-	-	-	261
Reportable segment liabilities	<u>33,404</u>	<u>29,961</u>	<u>481,419</u>	<u>-</u>	<u>1,073</u>	<u>12,670</u>	<u>14,520</u>	<u>573,047</u>
Unallocated corporate liabilities								<u>3,037,514</u>
Consolidated total liabilities								<u><u>3,610,561</u></u>
Additions to non-current assets (other than financial instruments and deferred tax assets)								
	<u>4</u>	<u>107</u>	<u>379,274</u>	<u>-</u>	<u>-</u>	<u>61</u>	<u>7,072</u>	

Other Material Items

For the year ended 31 December 2024

	Reportable segments HK\$'000	Adjustments for unallocated items HK\$'000	Adjustments for realised fair value changes HK\$'000	Adjustments for major non-cash items HK\$'000	Consolidated statement of comprehensive income HK\$'000
Interest income	68,121	-	-	-	68,121
Finance costs	-	(213,425)	-	-	(213,425)
Net income (expenses)	68,121	(213,425)	-	-	(145,304)
Depreciation of:					
- Property, plant and equipment	-	(60,718)	-	-	(60,718)
- Right-of-use assets	-	(45,763)	-	-	(45,763)
Fair value changes on investment properties	-	-	(77,092)	(1,654,684)	(1,731,776)
Share of results of investments accounted for using the equity method	68,506	-	179	(179,859)	(111,174)
Income tax credit	-	16,044	-	-	16,044
Non-controlling interests	-	(411)	-	-	(411)

5. Other Income

	2025 HK\$'000	2024 HK\$'000
Included in other income are:		
Rental services income	1,606	3,033
Leasing administration services and property administration services income	4,473	4,881
Advisory and consultancy services income	41	45
Dilapidations settlement and surrender premium received from tenants in respect of properties in the United Kingdom	1,649	12,292
Exchange gain, net	65,406	-

6. Investment Income, Net

	2025 HK\$'000	2024 HK\$'000
Financial assets/liabilities measured at fair value through profit or loss:		
Unrealised gain (loss) arising from change in fair value of bonds	20,703	(12,609)
Realised gain arising from change in fair value of bonds		
- Change in fair value	1,059	867
- Exchange component of change	693	616
Net gain (loss) arising from change in fair value of bonds	22,455	(11,126)
Unrealised (loss) gain arising from change in fair value of derivative financial instruments	(108)	127
Realised gain (loss) arising from change in fair value of derivative financial instruments	3	(1,773)
Net loss arising from change in fair value of derivative financial instruments	(105)	(1,646)
Unrealised gain (loss) arising from change in fair value of investments held-for-trading	14,323	(20,508)
Unrealised loss arising from change in fair value of club and corporate debentures	(590)	(2,890)
Realised gain arising from change in fair value of a club debenture	25,630	-
Net gain (loss) arising from change in fair value of club and corporate debentures	25,040	(2,890)
Other investment (expenses) income, net	(149)	158
Interest income from other financial assets	76,721	56,722
	138,285	20,710

7. Finance Costs

	2025 HK\$'000	2024 HK\$'000
Interest on:		
Bank borrowings	68,032	216,480
Other borrowing	28,355	7,935
Lease liabilities	1,408	2,764
Total interest	<u>97,795</u>	<u>227,179</u>
Other finance costs	1,028	7,792
	<u>98,823</u>	<u>234,971</u>
Less: Interest capitalised to investment properties under construction	<u>(9,950)</u>	<u>(21,546)</u>
	<u>88,873</u>	<u>213,425</u>

During the Year, the Group has capitalised borrowing costs at a rate of 4.29% (2024: 5.68%) per annum, amounting to approximately HK\$9,950,000 (2024: HK\$21,546,000) on qualifying assets.

8. Other Gains and Losses

	2025 HK\$'000	2024 HK\$'000
Included in other gains and losses are:		
Loss on disposal of a subsidiary (<i>note</i>)	(1,178)	(100,142)
Allowance for credit losses recognised in respect of advances to associates	(47)	(7)
Impairment loss of land and building	-	(4,234)
	<u>-</u>	<u>(104,383)</u>

Note: During the Year, loss on disposal of a subsidiary arose from the disposal of the entire issued share capital of Success Nice Investment Limited ("Success Nice"), an indirect wholly-owned subsidiary of the Company on 16 April 2025 ("Success Nice Disposal"). At the time of disposal, Success Nice held a club debenture in Hong Kong. Details of the Success Nice Disposal are set out in Note 15(a).

During the year ended 31 December 2024, loss on disposal of a subsidiary arose from the disposal of the entire issued share capital of State Smart Limited ("State Smart"), an indirect wholly-owned subsidiary of the Company on 14 August 2024 ("State Smart Disposal"). At the time of disposal, State Smart held the property located at 14 St George Street, London, United Kingdom. Details of the State Smart Disposal are set out in Note 15(b).

9. Income Tax Expense (Credit)

	2025 HK\$'000	2024 HK\$'000
The charge (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	1,285	1,934
Other than Hong Kong	26,598	17,280
	<u>27,883</u>	<u>19,214</u>
Overprovision in prior years:		
Hong Kong Profits Tax	(571)	(37)
Other than Hong Kong	(7,113)	(5,490)
	<u>(7,684)</u>	<u>(5,527)</u>
Deferred tax:		
Current year credit	(3,656)	(29,731)
	<u>16,543</u>	<u>(16,044)</u>

9. Income Tax Expense (Credit) (continued)

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5% (2024: 16.5%). The People's Republic of China ("PRC") Enterprise Income Tax for the PRC subsidiaries are calculated at the PRC Enterprise Income Tax rate of 25% (2024: 25%). The Group is subject to tax rate in the United Kingdom at 25% (2024: 25%). Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. Loss for the Year

	2025 HK\$'000	2024 HK\$'000
Loss for the year has been arrived at after (charging) crediting:		
Total staff costs:		
Staff costs, including Directors' emoluments	(115,216)	(131,532)
Retirement benefit scheme contributions, net of forfeited contributions of approximately HK\$325,000 (2024: HK\$205,000)	(6,887)	(7,778)
	(122,103)	(139,310)
Auditors' remuneration for audit services:		
Auditors of the Company		
- Current year	(2,008)	(2,050)
Other auditors		
- Current year	(463)	(667)
- Underprovision in prior years	(79)	-
	(2,550)	(2,717)
Auditors' remuneration for non-audit services:		
Auditors of the Company	(108)	(645)
Depreciation of:		
- Property, plant and equipment	(36,798)	(60,718)
- Right-of-use assets	(42,385)	(45,763)
	(79,183)	(106,481)
Impairment loss of land and building	-	(4,234)
Exchange loss, net	-	(39,438)
Rental expenses from short-term leases	(3,255)	(3,258)
Cost of cosmetics products sold	(4,384)	(4,959)
Share of tax of investments accounted for using the equity method (included in share of results of investments accounted for using the equity method)		
- Share of tax expense of associates	(8,832)	(11,293)
Gross proceeds on sales of investments held-for-trading	151,363	118,308
Carrying amount of investments held-for-trading disposed of	(126,009)	(102,252)
Transaction costs on sales of investments held-for-trading	(292)	(168)
Gain on sales of investments held-for-trading included in revenue	25,062	15,888
Gross rental income from investment properties	164,795	204,616
Less: Direct operating expenses from investment properties that generated rental income during the year	(12,691)	(13,949)
Direct operating expenses from investment properties that did not generate rental income during the year	(3,280)	(14,398)
	148,824	176,269
Allowance for credit losses recognised, net in respect of:		
- Advances to associates	(47)	(7)
- Trade receivables	(29)	(19)
- Other receivable	-	(20)

11. Dividends

	2025 HK\$'000	2024 HK\$'000
(a) Final dividend for 2024 paid on 10 June 2025 of HK3 cents (2023: nil) per share	57,229	-
(b) Interim dividend for 2025 paid on 9 September 2025 of HK1 cent (2024: nil) per share	19,076	-
Total dividends paid	<u>76,305</u>	<u>-</u>

No final dividend for the Year (2024: HK3 cents per share) has been recommended by the Board.

12. Loss per Share

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

	2025 HK\$'000	2024 HK\$'000
Loss:		
Loss for the purposes of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	<u>(388,499)</u>	<u>(2,108,331)</u>
	Number of shares	
	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>1,907,619,079</u>	<u>1,907,619,079</u>

Diluted loss per share for the years ended 31 December 2025 and 2024 were the same as the basic loss per share as there were no potential ordinary shares of the Company in issue during both years.

13. Debtors, Deposits, Other Receivables and Prepayments

	2025 HK\$'000	2024 HK\$'000
Trade receivables (net of allowance for credit losses)	10,181	11,324
Deposits and prepayments	41,751	40,762
Interest receivables from bonds (net of allowance for credit losses)	4,610	4,964
Other receivables	85,695	107,927
	<u>142,237</u>	<u>164,977</u>

Included in debtors, deposits, other receivables and prepayments are trade receivables of approximately HK\$10,181,000 (2024: HK\$11,324,000), which comprised rental and building management fee receivables billed in advance and settlements from tenants which are expected upon receipts of billings and receivables from property management services and cosmetics business.

The carrying amounts of trade receivables (net of allowance for credit losses) of the Group's major businesses are as follows:

	2025 HK\$'000	2024 HK\$'000
Rental receivables from property leasing	2,954	5,128
Receivables from building and property management services	5,481	4,368
Receivables from cosmetics business	1,746	1,828
	<u>10,181</u>	<u>11,324</u>

The following is the aged analysis of trade receivables (net of allowance for credit losses), presented based on the respective revenue recognition dates, at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0 - 30 days	3,688	5,666
31 - 60 days	2,764	1,752
61 - 90 days	466	821
Over 90 days	3,263	3,085
	<u>10,181</u>	<u>11,324</u>

14. Creditors and Accruals

Included in creditors and accruals are trade payables of approximately HK\$523,000 (2024: HK\$632,000).

The following is the aged analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0 - 90 days	298	183
Over 90 days	225	449
	<u>523</u>	<u>632</u>

15. Disposal of a Subsidiary

(a) Success Nice Disposal

On 7 April 2025, the Group entered into a sale and purchase agreement with an independent third party in relation to disposal of the entire issued share capital of Success Nice.

The Success Nice Disposal was completed on 16 April 2025 at an aggregate consideration of approximately HK\$27,588,000, which included sale of the entire issued share capital of Success Nice and assignment of the amount due to the Group of approximately HK\$22,081,000 and approximately HK\$5,507,000 respectively.

The transfer of control over Success Nice has been completed on 16 April 2025.

Upon completion, Success Nice ceased to be a subsidiary of the Company and its financial results and assets were ceased to be consolidated with those of the Group.

	2025 HK\$'000
The net assets of Success Nice as at the date of disposal were as follows:	
Financial asset measured at fair value through profit or loss	27,580
Prepayment	8
Amount due to the Group	(5,507)
Net assets disposed of	<u>22,081</u>
Sale of amount due to the Group	5,507
Loss on disposal of a subsidiary	(1,178)
	<u><u>26,410</u></u>
Satisfied by:	
Cash consideration	27,588
Expenses incurred for disposal	(1,178)
	<u><u>26,410</u></u>
Net cash inflow arising from disposal:	
Cash consideration	27,588
Expenses incurred for disposal	(1,178)
	<u><u>26,410</u></u>

The loss on the Success Nice Disposal was included in other gains and losses (Note 8) in the consolidated statement of comprehensive income.

15. Disposal of a Subsidiary (continued)

(b) State Smart Disposal

On 14 August 2024, Capital Castle Global Limited (“Capital Castle”), an indirect wholly-owned subsidiary of the Company; and Oval Gymkhana Holdco Limited (“Oval”), which is an independent third party, entered into a sale and purchase agreement, pursuant to which Capital Castle agreed to sell and Oval agreed to acquire the entire issued share capital of State Smart.

Completion of the State Smart Disposal took place immediately after signing of the sale and purchase agreement. At completion, Oval repaid on behalf of State Smart its bank debt (including principal, interest and related fees) (“Bank Debt”) of approximately Pound Sterling (“GBP”) 22,920,000 (equivalent to approximately HK\$229,964,000) and amount due to the Group of approximately GBP96,415,000 (equivalent to approximately HK\$967,360,000) to its respective creditors. The consideration for sale share amounted to approximately GBP6,198,000 (equivalent to approximately HK\$62,191,000).

The transfer of control over State Smart was completed on 14 August 2024.

Upon completion, State Smart ceased to be a subsidiary of the Company and its financial results, assets and liabilities were ceased to be consolidated with those of the Group.

Details of the State Smart Disposal were set out in the announcement of the Company dated 15 August 2024 and the circular of the Company dated 17 September 2024.

	2024 HK\$'000
The net assets of State Smart as at the date of disposal were as follows:	
Investment properties	1,254,162
Other receivables and prepayment	7,918
Creditors and accruals	(2,366)
Receipts in advance	(5,103)
Tax liabilities	(862)
Net assets disposed of	<u>1,253,749</u>
Release of translation reserve upon disposal	98,247
Loss on disposal of a subsidiary	<u>(100,142)</u>
	<u><u>1,251,854</u></u>
Satisfied by:	
Cash consideration	50,653
Consideration receivable	11,538
Sale share consideration	62,191
Settlement of Bank Debt by Oval	229,964
Settlement of amount due to the Group by Oval	967,360
Expenses incurred for disposal	(7,661)
	<u><u>1,251,854</u></u>
Net cash inflow arising from disposal:	
Cash consideration	50,653
Settlement of amount due to the Group by Oval	967,360
Expenses incurred for disposal	(7,661)
	<u><u>1,010,352</u></u>

The loss on the State Smart Disposal was included in other gains and losses (Note 8) in the consolidated statement of comprehensive income.

16. Capital Commitments

	2025 HK\$'000	2024 HK\$'000
Authorised and contracted for:		
Redevelopment expenditure of properties	113,676	344,813
Refurbishment of a property	432	-
	<u>114,108</u>	<u>344,813</u>

17. Contingent Liabilities

	2025 HK\$'000	2024 HK\$'000
Guarantee given to a bank in respect of banking facilities in lieu of the cash public utility deposit jointly utilised by subsidiaries	15,000	15,000
Guarantee(s) given to bank(s) in respect of banking facility(ies) utilised by investee company(ies)/indemnity given to a third party in relation to an investee company	814,000	827,830
	<u>829,000</u>	<u>842,830</u>

No provision for financial guarantee contracts and/or deed of indemnity have been made as at 31 December 2025 and 2024 as the Directors considered the default risk is low.

DIVIDENDS

The Board has not recommended the payment of final dividend for the Year (2024: HK3 cents per share (the “2024 Final Dividend”)).

The Company had paid the 2024 Final Dividend on 10 June 2025 and an interim dividend of HK1 cent per share on 9 September 2025 (2024: nil). Having considered the Company’s dividend policy and there was no significant disposal transaction during the Year, to preserve more cash for the Group’s future financial, property investment or securities investment opportunities, the Board has not recommended the payment of final dividend for the Year (2024: HK3 cents per share).

Under the Company’s dividend policy, there is no predetermined dividend payout ratio. Dividend distribution will be made in the interests of the Company and its shareholders as a whole. In considering any declaration or recommendation of dividends, the Board will take into account factors, including but not limited to, business condition and strategy, capital requirement, earnings, financial and cash flow position, distributable reserves, and such other factors that the Board considers relevant.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members’ eligibility to attend and vote at the forthcoming annual general meeting of the Company to be held on 22 May 2026 (the “2026 AGM”), the register of members will be closed from 19 May 2026 to 22 May 2026, both days inclusive. In order to be eligible to attend and vote at the 2026 AGM, all properly completed share transfers documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Branch Registrar and Transfer Office in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 18 May 2026.

FINANCIAL OPERATION REVIEW

Results

Revenue

Revenue for the Year amounted to HK\$301.1 million (2024: HK\$336.8 million), a decrease of 10.6% over last year and comprised gross rental income of HK\$164.8 million (2024: HK\$204.6 million), gain on sales of investments held-for-trading on a net basis of HK\$25.1 million (2024: HK\$15.9 million), dividend income from listed and unlisted equity investments of HK\$32.8 million (2024: HK\$40.5 million), interest income from bonds of HK\$16.7 million (2024: HK\$10.3 million), building and property management services income of HK\$51.3 million (2024: HK\$52.0 million) and others of HK\$10.4 million (2024: HK\$13.5 million). The decrease in revenue was mainly due to decrease in gross rental income of HK\$39.8 million for the Year.

Gross Profit

Gross profit for the Year amounted to HK\$258.0 million (2024: HK\$280.2 million), a decrease of 7.9% as compared with last year which was also mainly due to decrease in net rental income for the Year.

Property Leasing

For property leasing, the rental revenue in non-retail section declined by 27.5% to HK\$100.2 million and retail section declined by 2.6% to HK\$64.6 million during the Year. The total rental income in revenue for the Year recorded a decrease of 19.5% to HK\$164.8 million as compared with last year of HK\$204.6 million.

Together with the attributable rental revenue generated from associates and investee companies of HK\$116.4 million (2024: HK\$121.4 million), the total attributable rental revenue to the Group amounted to HK\$281.2 million (2024: HK\$326.0 million), which represents a decrease of 13.7% over last year.

Attributable net rental income for the Year showed HK\$233.0 million, a decrease of 13.4% over HK\$269.2 million in last year.

The decline in attributable rental revenue and net rental income was mainly due to (a) disposal of a subsidiary holding 14 St George Street, London, United Kingdom in August 2024; (b) disposal of the property located at 11 and 12 St James's Square and 14 to 17 Ormond Yard, London, United Kingdom in December 2024; and (c) drop in rental income from office portion in Hong Kong.

Property Development and Trading

During the Year, the Group did not dispose of any trading property (2024: no disposal).

The Group received a dividend income of HK\$16.8 million (2024: HK\$38.0 million) from an investee company that engages in property development and trading which contributed to the Group's revenue and results during the Year.

Securities Investments

The Group has in the ordinary and usual course of business conducted its securities investment activities, as at 31 December 2025, comprised listed equity investments, bonds and treasury products. During the Year, the net profit (excluding gain/loss recognised in financial assets measured at FVTOCI reserve) recognised from securities investments and treasury products representing net profit on investments and treasury products at FVTPL of HK\$81.1 million (2024: net loss of HK\$4.4 million).

Investments and Treasury Products at Fair Value Through Profit or Loss

During the Year, the Group disposed of listed investments held-for-trading and recognised a realised gain of HK\$25.1 million (2024: HK\$15.9 million) (the gains/losses of which was included in revenue) with gross proceeds of HK\$151.4 million (2024: HK\$118.3 million). In addition, realised gain on bonds of HK\$1.8 million (2024: HK\$1.5 million) and minimal realised gain on derivative financial instruments (2024: realised loss of HK\$1.8 million) were recorded during the Year.

During the Year, the Group recorded an unrealised gain of HK\$34.9 million (2024: unrealised loss of HK\$33.0 million) representing the changes in fair value of listed equity investments, bonds and derivative financial instruments, comprised unrealised gain on listed investments held-for-trading of HK\$14.3 million (2024: unrealised loss of HK\$20.5 million), unrealised gain on bonds of HK\$20.7 million (2024: unrealised loss of HK\$12.6 million) and unrealised loss on derivative financial instruments of HK\$0.1 million (2024: unrealised gain of HK\$0.1 million), which had no effect on the cash flow of the Group.

During the Year, interest income from bonds (which were included in revenue) was HK\$16.7 million (2024: HK\$10.3 million). Together with dividend income from listed equity investments at FVTPL (which were included in revenue) of HK\$2.8 million (2024: HK\$2.5 million), the Group recognised interest/dividend income from investments and treasury products at FVTPL of HK\$19.5 million (2024: HK\$12.8 million) for the Year.

Summing up the realised and unrealised gain/loss and adding the net income from net dividend income, interest income and other investment income/expenses of HK\$19.3 million (2024: HK\$13.0 million), the net profit recognised from investments and treasury products at FVTPL was HK\$81.1 million (2024: net loss of HK\$4.4 million) for the Year.

Other Income and Expenses

During the Year, other income increased to HK\$80.7 million (2024: HK\$25.8 million), an increase of 2.1 times over last year. The increase in other income was derived from net exchange gain of HK\$65.4 million as a result of appreciation of GBP during the Year.

During the Year, administrative expenses decreased by 21.8% to HK\$272.2 million (2024: HK\$348.2 million). The decrease in administrative expenses was mainly due to decrease in depreciation expenses and no exchange loss (2024: HK\$39.4 million) was recorded. Finance costs decreased by 58.3% to HK\$88.9 million (2024: HK\$213.4 million) during the Year. The decrease in finance costs was mainly due to decrease in interest expenses as a result of decrease in average interest rate and average total borrowings during the Year.

Other gains and losses recorded a net loss of HK\$2.1 million (2024: HK\$110.5 million) mainly comprised loss on disposal of a subsidiary of HK\$1.2 million (2024: loss on the State Smart Disposal of HK\$100.1 million) for the Year.

Investments Accounted for Using the Equity Method

The share of results of investments accounted for using the equity method for the Year recorded a loss from the share of results of associates of HK\$131.4 million (2024: HK\$111.2 million). The loss from the share of results of associates mainly comprised loss on fair value changes of investment properties held by associates.

Fair Value Changes on Investment Properties

Investment properties of the Group in Hong Kong and Mainland China were revalued at 31 December 2025 by Peak Vision Appraisals Limited (“Peak Vision Appraisals”) whereas investment properties in the United Kingdom were revalued by LCH (Asia-Pacific) Surveyors Limited (“LCH (Asia-Pacific)”). Peak Vision Appraisals and LCH (Asia-Pacific) are independent qualified professional property valuers. An unrealised loss on fair value changes of investment properties of HK\$358.4 million (2024: unrealised loss of HK\$1,654.7 million and realised loss of HK\$77.1 million) was recorded during the Year. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

Loss, Core Profit/Loss, Dividends, Repurchase and Total Comprehensive Expenses

Loss

Loss for the Year attributable to owners of the Company was HK\$388.5 million as compared to HK\$2,108.3 million for last year. The reduction in loss for the Year was mainly due to decrease in loss on fair value changes of investment properties. Loss per share for the Year was HK\$0.20 (2024: HK\$1.11).

Core Profit/Loss

Core profit/loss is a non-HKFRS Accounting Standards measure, is arrived at by adding (i) reported profit/loss excluding unrealised fair value changes of investment properties and other properties together with their respective deferred tax (if applicable) during the Year; and (ii) accumulated realised fair value changes of investment properties and other properties together with their respective deferred tax (if applicable) recognised in prior years. The Group believes that the presentation of non-HKFRS Accounting Standards measure facilitates comparisons of operating performance from period to period by eliminating potential impact of certain items.

If the net loss on the major non-cash items of HK\$547.6 million (2024: HK\$1,834.5 million) is excluded, but the share of accumulated realised fair value gain recognised in prior years on disposals of investment properties of an associate of HK\$5.6 million (2024: accumulated realised fair value loss recognised in prior years on disposals of investment properties of HK\$215.5 million) is included, the Group will have a core profit for the Year attributable to owners of the Company of HK\$164.7 million (2024: core loss of HK\$489.3 million) and a core profit of HK\$0.09 (2024: core loss of HK\$0.26) per share.

The major non-cash items represented the attributable net unrealised fair value loss on investment properties together with their respective deferred tax (if applicable) from the Group and its associates of HK\$547.6 million (2024: HK\$1,834.5 million).

Dividends

Final dividend for the year ended 31 December 2024 of HK3 cents (year ended 31 December 2023: nil) per share in total amount of HK\$57.2 million was paid in cash on 10 June 2025.

Interim dividend for the half year ended 30 June 2025 of HK1 cent (half year ended 30 June 2024: nil) per share in total amount of HK\$19.1 million was paid in cash on 9 September 2025.

Total dividends of HK\$76.3 million were paid in cash during the Year.

Repurchase

During the Year, the Company had not repurchased any of the Company’s share.

Total Comprehensive Expenses

Total comprehensive expenses for the Year attributable to owners of the Company was HK\$79.9 million (2024: HK\$2,144.8 million) or HK\$0.04 (2024: HK\$1.12) per share, which comprised (a) loss for the Year attributable to owners of the Company of HK\$388.5 million (2024: HK\$2,108.3 million); and (b) other comprehensive income for the Year attributable to owners of the Company of HK\$308.6 million (2024: other comprehensive expenses of HK\$36.5 million) included GBP exchange gain of foreign operations of HK\$311.4 million (2024: exchange loss of HK\$73.4 million offset by a reclassification adjustment related to foreign operation disposed of recognised as other comprehensive income of HK\$98.2 million).

Net Asset Value

As at 31 December 2025, the Group's net asset value attributable to owners of the Company amounted to HK\$11,910.5 million (2024: HK\$12,066.7 million), representing a decrease of HK\$156.2 million. With the total number of ordinary shares in issue of 1,907,619,079 as at 31 December 2025 and 2024, the net asset value per share attributable to owners of the Company was HK\$6.24 (2024: HK\$6.33). The movement in net asset value comprised (a) total comprehensive expenses for the Year attributable to owners of the Company of HK\$79.9 million; and (b) final and interim dividends recognised as distribution during the Year totaling HK\$76.3 million.

In view of the redevelopment plan of "120 Fleet Street" in London, United Kingdom, certain redevelopment expenditures which have been authorised and contracted for have been disclosed in "Capital Commitments" in Note 16 to the consolidated financial statements. Going forward, further investment in capital expenditures for the redevelopment property is planned.

Other than the existing projects and those disclosed in the final results, the Group did not have material acquisition or disposal of assets and any future plans for material investment or capital assets.

Securities Investments

The Group's strategy is to maintain securities investment portfolio for treasury management and invest in securities investments and treasury products with attractive yield and good prospect in order to bring stable and satisfactory realised return in long run.

Securities Investments and Treasury Products

As at 31 December 2025, the portfolio of securities investments and treasury products of HK\$417.3 million (2024: HK\$365.7 million) comprised listed investments held-for-trading, bonds and derivative financial instruments (presented as financial assets/liabilities measured at FVTPL), representing 2.8% (2024: 2.3%) of total assets.

Risk Management

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

Equity

The number of issued ordinary shares as at 31 December 2025 and 2024 were 1,907,619,079.

Debt and Gearing

As at 31 December 2025, the Group had a strong financial position, the Group had cash and deposits at banks of HK\$1,840.2 million (2024: HK\$2,779.5 million), comprised unpledged cash and deposits HK\$321.1 million (2024: HK\$1,742.3 million) and pledged deposits of HK\$1,519.1 million (2024: HK\$1,037.2 million). After netting off the total debt of HK\$2,475.4 million (2024: HK\$2,967.2 million), comprised bank and other borrowings of HK\$2,389.0 million (2024: HK\$2,928.5 million) and lease liabilities of HK\$86.4 million (2024: HK\$38.7 million), the net debt (including lease liabilities) amounted to HK\$635.2 million (2024: HK\$187.7 million).

Total debt to equity ratio (including lease liabilities) was 20.7% (2024: 24.5%) and net debt to equity ratio (including lease liabilities) was 5.3% (2024: 1.6%), which are expressed as a percentage of total debt, and net debt, respectively, over the total equity of HK\$11,934.8 million (2024: HK\$12,090.7 million).

If the securities investments and treasury products of HK\$417.3 million (2024: HK\$365.7 million) are included, the net debt and net debt to equity ratio would be HK\$217.9 million and 1.8% respectively (2024: net cash position of HK\$178.0 million).

As at 31 December 2025, the Group's bank and other borrowings of HK\$2,389.0 million, 84.1% and 15.9% were repayable on demand and/or within 1 year and more than 1 year but within 2 years respectively. Of which the Group's bank and other borrowings were denominated in HK\$ (78.6%) and GBP (21.4%). As at 31 December 2025, the Group's bank and other borrowings were carried at interest rates calculated with reference to cost of funds, Hong Kong Interbank Offered Rate or compounded reference rate and all the Group's bank and other borrowings were on floating rate basis. No hedging for interest rate is subsisted at the end of the reporting period.

Pledge of Assets

As at 31 December 2025, the Group had pledged the following assets with their respective carrying amounts:

- (a) The Group's investment properties of HK\$2,798.4 million (2024: HK\$4,054.5 million) and bank deposits of HK\$82.7 million (2024: HK\$112.3 million) were pledged to the banks to secure general banking facilities granted to the Group.
- (b) The Group's bonds and listed equity investments at FVTPL with carrying amounts of HK\$283.7 million (2024: HK\$231.7 million) and cash deposits of HK\$1,436.4 million (2024: HK\$924.9 million) were pledged to a financial institution to secure margin facility granted to the Group.
- (c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

Financial and Interest Income/Expenses

Interest income was included in revenue and investment income, net. Interest income for the Year increased to HK\$93.5 million (2024: HK\$68.1 million), representing an increase of 37.3% as compared with last year which was mainly due to increase in interest income from time deposits as a result of the increase in average total time deposits during the Year as compared to that of last year.

Finance costs included interest expenses on bank and other borrowings and lease liabilities; and arrangement fee and facility and commitment fee expenses. Interest expenses (excluding interest expenses on lease liabilities) for the Year amounted to HK\$86.4 million, representing a decrease of 57.4% over last year of HK\$202.9 million. The decrease in interest expenses was mainly due to decrease in average interest rate and average total borrowings during the Year. Interest capitalised for the Year was HK\$10.0 million (2024: HK\$21.5 million). The average interest rate over the year under review was 4.30% (2024: 6.09%), which was expressed as a percentage of total interest paid (excluding interest on lease liabilities) over the average total interest-bearing borrowings.

Remuneration Policies

As at 31 December 2025, the Group employed a total of 412 staff (2024: 476 staff) including about 212 staff (2024: 241 staff) employed under the estate management company in Hong Kong and 5 staff (2024: 8 staff) in the United Kingdom.

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The executive Directors continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance.

United Kingdom and Mainland China

As at 31 December 2025, the Group's investment properties in the United Kingdom with carrying amount of GBP400.2 million (equivalent to approximately HK\$4,194.3 million) (2024: GBP395.9 million (equivalent to approximately HK\$3,856.9 million)) contributed a net profit of HK\$10.6 million (2024: incurred a net loss of HK\$412.5 million) to the Group for the Year, the profit mainly included in gross profit, fair value changes on investment properties, administrative expenses, finance costs and taxation. Due to appreciation of GBP against HK\$ during the Year, GBP exchange gain of foreign operations included in other comprehensive income for the Year amounted to HK\$311.4 million (2024: exchange loss of HK\$73.4 million). As at 31 December 2025, the Group's net investment in the United Kingdom amounted to HK\$3,709.1 million (2024: HK\$3,401.8 million) representing 31.1% (2024: 28.1%) of the Group's total equity.

Loss incurred by the Group's investment in Mainland China (mainly included in gross profit, fair value changes on investment properties, administrative expenses, share of results of investments accounted for using the equity method and taxation) for the Year amounted to HK\$12.8 million (2024: HK\$3.6 million). Due to appreciation of Renminbi ("RMB") against HK\$ during the Year, RMB exchange gain of foreign operations included in other comprehensive income for the Year amounted to HK\$13.0 million (2024: exchange loss of HK\$9.7 million). The Group's net investment in Mainland China as at 31 December 2025 amounted to HK\$344.5 million (2024: HK\$345.0 million) representing 2.9% (2024: 2.9%) of the Group's total equity.

Property Valuation

As at 31 December 2025 and 2024, property valuations in respect of the Group's investment properties in Hong Kong and Mainland China were carried out by Peak Vision Appraisals, whereas the investment properties in the United Kingdom were carried out by LCH (Asia-Pacific), both are independent qualified professional property valuers. The valuations were based on investment method and/or direct comparison method and/or residual method as the valuation methodologies and were used in preparing 2025 final results.

The Group's investment properties were valued at HK\$9,888.2 million (2024: HK\$9,719.2 million), a decrease of 3.5% over 2024 after adjusted for the additions and exchange adjustments of investment properties during the Year. The unrealised fair value loss of HK\$358.4 million was recognised in the consolidated statement of comprehensive income for the Year. The Group also shared unrealised fair value loss of investment properties of associates of HK\$189.2 million for the Year.

The unrealised fair value loss of HK\$358.4 million was mainly derived from the decrease in fair value of properties located in Hong Kong. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

FINANCIAL INFORMATION

The financial information in this announcement does not constitute the Group's consolidated financial statements for the Year, but represents an extract from those consolidated financial statements. The final results of the Group for the Year have been reviewed by the Audit Committee of the Company.

Scope of work of HLB Hodgson Impey Cheng Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

BUSINESS REVIEW

Hong Kong Property Investment and Development

As at 31 December 2025, the occupancy rate of the shops of Causeway Place in Causeway Bay was approximately 98.22% (2024: 92.80%).

During the Year, the average occupancy rate of the office property, Harcourt House in Wanchai was approximately 68.31% (2024: 71.56%). Together with the retail portion, the average occupancy rate of Harcourt House was approximately 70.34% (2024: 73.39%) during the Year.

MATAKOK, located at No. 18 Ma Kok Street, Tsuen Wan, is a 25-storey redeveloped industrial building (including 2 basement levels for parking and loading/unloading facilities). Its total gross floor area is approximately 227,950 square feet. Superstructure works were completed, and occupation permit was issued in September 2025. As at 31 December 2025, the occupancy rate of the workshops was approximately 2.72% and the parking spaces were fully let.

Nos. 86 and 88 Apliu Street is a 25-storey residential-cum-commercial building in Sham Shui Po. During the Year and 2024, ground floor retail portion was fully let while other floors were let to a non-governmental organisation to operate a youth hostel in the name of Joseph's House under the "Youth Hostel Scheme – Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels" approved by the Government. Joseph's House consists a total of 42 rooms with up to 84 hostel places.

No. 1 Hung To Road (33.33% interest), a 33-storey industrial building in Kwun Tong, the occupancy rate was approximately 89.07% (2024: 99.44%) as at 31 December 2025. The decline in occupancy rate was primarily attributable to the departure of anchor tenants from two floors.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, the average occupancy rate was approximately 92.15% (2024: 94.15%) during the Year.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, was fully let (2024: 29.85%) as at 31 December 2025. The improvement in occupancy rate was attributable to the leasing of previous vacant areas to an anchor tenant commencing from November 2025.

Kai Tak Project (Kai Tak Area 2A Site 2 and Site 3) (10% interest) is a joint venture development project of the Group awarded by Government tender. Its total site area is approximately 145,303 square feet and its total gross floor area is around 992,279 square feet. It will be developed into a residential and retail development together with government, institution or community facilities. The development is expected to be completed by the fourth quarter of 2030. Site 2 and Site 3 were both undergoing foundation works.

Mainland China Property Investment

Hilton Beijing (50% interest), a five-star international hotel having 506 rooms. 198 rooms located on 5th to 14th floors of the hotel main tower were pending for renovation, relevant construction permits were being obtained in order to resume construction, with target resumption scheduled in early 2026. Therefore, as at 31 December 2025, there were 308 rooms available for rent and the occupancy rate was approximately 94.91% (2024: 91.60%).

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing. As at 31 December 2025, the occupancy rate was approximately 67.20% (2024: 84.28%). Decrease of occupancy rate was mainly due to the departure of major tenants from two floors.

Overseas Property Investment and Development

"120 Fleet Street" consists of a freehold office building known as River Court and the Grade II* listed Daily Express Building, situate at 116-129 Fleet Street, London, United Kingdom. River Court will be redeveloped into a 21-storey high rise Grade A office led, mixed use building with 2 basement levels, and is expected to comprise approximately 540,800 square feet of office space and approximately 18,600 square feet of retail space and will be renamed as Evergo Tower, while Daily Express Building will be retained and refurbished.

“61-67 Oxford Street and 11-14 Soho Street” is a mixed use freehold building located in London, United Kingdom, comprising approximately 55,151 square feet in aggregate. The building provides retails, office and residential accommodation, occupying approximately 33,843 square feet, 13,694 square feet and 7,614 square feet respectively, over lower ground, ground and six upper floors. During the Year, the average occupancy rate was approximately 93.86% (2024: 99.90%), dropped by 6.04% when compared with 2024, as a result of the whole floor office tenant moved out in August 2025. The said office area will be renovated, alternation and upgrading works are expected to commence in July 2026.

Securities Investment

The Group’s strategy is to maintain a securities investment portfolio for treasury management. As at 31 December 2025, the Group’s securities investment portfolio comprised of listed equity investments, bonds and treasury products. The Group’s primary objectives when managing capital are to safeguard the abilities of the entities in the Group to continue as a going concern, so that it can continue to provide returns for shareholders of the Company (the “Shareholders”). The Group’s strategy for future investments is to invest in a diversified portfolio to minimise risks with attractive yield, good liquidity and issuers from reputable entities, so as to maintain a healthy financial status and grasp every good investment chance.

The net profit recognised from investments and treasury products at FVTPL for the Year was HK\$81.1 million (2024: net loss of HK\$4.4 million). More details of the performance of securities investments are disclosed in the “Financial Operation Review” of this announcement.

The Group will continue to closely monitor its portfolio of securities investment to achieve satisfactory returns.

OTHER INFORMATION AND EVENT AFTER THE REPORTING PERIOD

Change of Member of Nomination Committee

The Board appointed Ms. Chan, Hoi-wan, an Executive Director and the Chief Executive Officer of the Company, as a member of the Nomination Committee of the Company with effect from 30 June 2025. The Company had made relevant announcement on 30 June 2025.

Leasing of Windsor House – Connected Transactions and Continuing Connected Transactions

On 23 July 2025, the Group (as tenant) entered into tenancy agreements in relation to the renewal of the leasing of the whole of 19th to 21st and 39th floors of Chubb Tower, Windsor House (the “Premises”) with a company indirectly wholly owned by Ms. Chan, Hoi-wan (an Executive Director, the Chief Executive Officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children)) as trustee of her minor children (as landlord) (the “Transactions”), for the purpose of continuing to use the Premises as the headquarters of the Group. The Transactions constituted connected transactions and continuing connected transactions for the Company under the Listing Rules as more described in the Company’s announcement dated 23 July 2025.

Advances to, and Financial Assistance and Guarantee to an Entity

On 22 January 2026, the Company issued an announcement pursuant to Rule 13.13 of the Listing Rules, as (i) the loan advances together with accrued interest of HK\$414,585,743.93 made by the Group to an entity, and (ii) the guarantee given by the Company under a loan facility agreement entered into by that entity of up to HK\$800,000,000, in an aggregate amount of HK\$1,214,585,743.93, exceeded 8% under the assets ratio of the Group as defined under Rule 14.07(1) of the Listing Rules.

PROSPECTS

After an eventful year, the global economy entered 2026 with resilience but also new challenges. The escalation of the war in Iran has heightened uncertainties for the global economy. Although geopolitical, fiscal, and monetary risks persist, expectations of easing trade tensions, further interest rate reductions, and policy stimulus provide support for sustaining growth in 2026. Despite these risks, the outlook remains cautiously optimistic. In 2026, Mainland China’s economy is expected to deliver resilient yet modest growth of 4.5%, according to forecasts from the International Monetary Fund (IMF) and UBS (a global investment bank). As the 15th Five-Year Plan begins, policy priorities are shifting toward boosting domestic consumption and stabilizing the property sector to counter external challenges.

In Hong Kong, the stock market recorded solid gains over the past year, supported by robust Initial Public Offering (IPO) activity, easing borrowing costs, stable Hong Kong Interbank Offered Rate (HIBOR), and favorable government policies. These factors are expected to keep the equity market vibrant and lift sentiment in the residential property sector. The Group's newly redeveloped industrial property in Tsuen Wan presents both opportunities and challenges, and efforts will continue to drive occupancy and sales amid headwinds.

The retail sector regained stability in 2025, driven by rising tourist arrivals, stronger equity performance, and a steadier housing market. Consumer confidence improved, boosting local consumption, and retail sales are expected to strengthen further in 2026, supported by mega-events that sustain visitor inflows. While retail leasing conditions are projected to improve, office leasing remains under pressure, with overall rental levels likely to stay sluggish.

In the United Kingdom, labour market conditions have moderated and business investment remains fragile, constraining overall growth potential. Persistent macroeconomic uncertainty and muted demand outlook reinforce the Group's view that its asset-light strategy remains the most prudent approach. Accordingly, the Group will continue to manage its London properties with caution, focusing on preserving flexibility and maintaining financial resilience.

Looking ahead, the Group maintains a sense of cautious optimism amid divergent global forces. The Group will proactively reshape its strategy and portfolio mix to respond to evolving market conditions, with the aim of safeguarding financial resilience, enhancing returns for shareholders, and capturing opportunities in both Hong Kong and overseas markets.

CORPORATE GOVERNANCE

Throughout the Year, the Company had applied the principles and complied with the code provisions and certain recommended best practices set out in the then applicable Corporate Governance Code contained in Appendix C1 to the Listing Rules, except the following deviation(s):-

Chairman / Non-executive Director Attending General Meeting

Mr. Lau, Ming-wai, the Chairman of the Board and a Non-executive Director, was unable to attend the annual general meeting of the Company held on 23 May 2025 ("AGM") as he had business engagement. Mr. Chan, Kwok-wai, the chairman of the Audit Committee and Remuneration Committee, was elected as the chairman of the AGM to ensure effective communication with the Shareholders at the AGM. The chairman of the Nomination Committee, Mr. Ma, Tsz-chun had also attended the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms without deviation from the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code"). All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code and the said code of conduct during the Year.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees (the "Relevant Employees") who, because of office or employment, are likely to be in possession of unpublished inside information in relation to the Group's securities had been requested to follow such code when dealing in the securities of the Company. All Relevant Employees, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the said code during the Year.

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

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS AND ADOPTION OF THE NEW BYE-LAWS

The Board proposes to amend the existing bye-laws of the Company (the “Existing Bye-laws”) for the purposes of, among others, (i) bringing the Existing Bye-laws in line with the Listing Rules in relation to the hybrid general meetings and electronic voting requirements, and the electronic dissemination of corporate communications by listed issuers; (ii) allowing the Company to hold its repurchased shares as treasury shares and to sell or transfer such treasury shares; and (iii) making other consequential and housekeeping amendments (collectively, the “Proposed Amendments”). The Board also proposes to adopt the amended and restated bye-laws of the Company (the “New Bye-laws”) incorporating the Proposed Amendments in substitution for, and to the exclusion of, the Existing Bye-laws.

The Proposed Amendments and adoption of the New Bye-laws shall be subject to the passing of a special resolution by the Shareholders at the 2026 AGM, and, if approved, will become effective from the close of the 2026 AGM.

A circular containing, among others, details of the Proposed Amendments and adoption of the New Bye-laws, together with a notice convening the 2026 AGM, will be made available on the website of the Company (<https://www.chineseestates.com>) and the HKEXnews website (<https://www.hkexnews.hk>) and despatched to the Shareholders (if applicable) as soon as practicable.

APPRECIATION

We would like to take this opportunity to express our gratitude to the Shareholders for their continuing support. We would also like to express our sincere thanks to all staff members for their dedication and hard work.

On behalf of the Board
Lau, Ming-wai
Chairman

Hong Kong, 9 March 2026

As at the date of this announcement, the Board comprised Ms. Chan, Hoi-wan and Ms. Chan, Lok-wan as Executive Directors, Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai as Non-executive Directors, and Mr. Chan, Kwok-wai, Mr. Leung, Yun-fai and Mr. Ma, Tsz-chun as Independent Non-executive Directors.

Website: <https://www.chineseestates.com>

This results announcement is published on the website of the Company (<https://www.chineseestates.com>) and the HKEXnews website (<https://www.hkexnews.hk>).

Results Highlights will also be posted on the Company’s website on 9 March 2026.