NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2026

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Nan Fung International Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 4 to 97, comprise:

- the consolidated balance sheet as at 31st March 2026;
- the consolidated income 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 statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of Directors and the Audit and Risk Management 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 IFRS Accounting Standards, 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 and Risk Management 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 our agreed terms of engagement 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 ISAs 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 ISAs, we exercise professional judgement 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.

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF NAN FUNG INTERNATIONAL HOLDINGS LIMITED (CONTINUED)
(incorporated in the British Virgin Islands with limited liability)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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 and Risk Management 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 7th July 2026

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2026 HK$'000	2025 HK$'000
Revenue	5, 6	4,458,400	4,134,340
Cost of sales		(1,793,462)	(1,836,693)
Gross profit		2,664,938	2,297,647
Net gain on financial investments	7	6,978,918	558,560
Other income and gains, net	8	70,977	139,214
Net change in fair values of investment properties	14	(2,032,256)	(1,375,054)
Other operating expenses		(2,350,071)	(2,379,474)
Operating profit/(loss)	9	5,332,506	(759,107)
Finance income		466,104	726,599
Finance expenses		(868,616)	(1,034,662)
Other finance charges and net exchange difference on financing activities		(182,807)	6,361
Finance expenses, net	11	(585,319)	(301,702)
Share of results of			
- Joint ventures	5, 16	345,855	(182,125)
- Associates	5, 17	(203,720)	(491,782)
Profit/(loss) before income tax		4,889,322	(1,734,716)
Income tax expense	12	(160,287)	(111,456)
Profit/(loss) for the year		4,729,035	(1,846,172)
Profit/(loss) for the year attributable to:			
- Owners of the Company		4,444,434	(1,910,116)
- Holders of perpetual capital securities		195,175	194,811
- Non-controlling interests		89,426	(130,867)
		4,729,035	(1,846,172)

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2026

	2026 HK$'000	2025 HK$'000
Profit/(loss) for the year	4,729,035	(1,846,172)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income/(loss) of joint ventures and associates	109,597	(79,110)
Release of exchange reserves upon disposal of subsidiaries/ liquidation of subsidiaries	(2,969)	(92,661)
Cash flow hedges:		
Fair value change	-	73,002
Cost of hedging	-	3,847
Hedging loss reclassified to profit or loss	-	(44,485)
Exchange translation differences	1,475,232	(361,409)
Other comprehensive income/(loss) for the year	1,581,860	(500,816)
Total comprehensive income/(loss) for the year	6,310,895	(2,346,988)
Total comprehensive income/(loss) attributable to:		
- Owners of the Company	5,969,935	(2,395,925)
- Holders of perpetual capital securities	195,175	194,811
- Non-controlling interests	145,785	(145,874)
	6,310,895	(2,346,988)

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2026

	Note	2026 HK$'000	2025 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	13	1,765,785	1,834,180
Investment properties	14	80,839,384	80,440,720
Right-of-use assets	15	403,923	420,552
Joint ventures	16	3,182,064	4,172,647
Associates	17	2,891,649	2,750,328
Financial assets at fair value through profit or loss	22	20,884,282	16,504,678
Loans and other receivables	18	3,210,096	3,757,933
Amounts due from investee companies	19	35,883	37,357
Deferred income tax assets	27	1,086,023	912,709
		114,299,089	110,831,104
Current assets			
Properties for sale	20	9,281,405	9,688,129
Trade and other receivables, deposits and prepayments	21	3,607,705	3,856,610
Financial assets at fair value through profit or loss	22	14,083,854	12,464,464
Prepaid tax		172,033	144,166
Cash and bank balances	23	14,699,214	10,722,302
		41,844,211	36,875,671
Assets classified as held-for-sale	24	51,904	-
		41,896,115	36,875,671
Total assets		156,195,204	147,706,775
Equity			
Equity attributable to the owners of the Company			
Share capital	25	62,743,532	62,743,532
Reserves	26	47,074,316	41,104,381
		109,817,848	103,847,913
Perpetual capital securities	25	3,886,777	3,886,693
		113,704,625	107,734,606
Non-controlling interests		546,417	322,973
Total equity		114,251,042	108,057,579

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31ST MARCH 2026

	Note	2026 HK$'000	2025 HK$'000
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	27	3,426,418	3,378,541
Bank and other borrowings	28	28,052,419	24,678,084
Lease liabilities		81,348	77,915
Other long-term liabilities		20,184	22,728
		31,580,369	28,157,268
Current liabilities			
Trade and other payables, deposits and accruals	29	7,726,817	8,985,426
Contract liabilities	30	62,884	34,416
Financial liabilities at fair value through profit or loss	22	626,189	286,647
Lease liabilities		10,672	10,829
Bank and other borrowings	28	1,644,600	2,146,583
Tax payable		292,631	28,027
		10,363,793	11,491,928
Total liabilities		41,944,162	39,649,196
Total equity and liabilities		156,195,204	147,706,775

On behalf of the Board

Leung Kam Chung Director	**Cheung Pui Kuen** Director

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2026

	Attributable to owners of the Company							
	Share capital HK$'000	Retained earnings HK$'000	Merger reserve HK$'000	Other reserves HK$'000	Total HK$'000	Perpetual capital securities HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1st April 2025	62,743,532	77,178,798	(33,060,444)	(3,013,973)	103,847,913	3,886,693	322,973	108,057,579
Comprehensive income								
Profit for the year	-	4,444,434	-	-	4,444,434	195,175	89,426	4,729,035
Other comprehensive income	-	-	-	1,525,501	1,525,501	-	56,359	1,581,860
Total comprehensive income	-	4,444,434	-	1,525,501	5,969,935	195,175	145,785	6,310,895
Dividend paid to non-controlling interest	-	-	-	-	-	-	(22,921)	(22,921)
Capital injection of non-controlling interests	-	-	-	-	-	-	100,606	100,606
Acquisition of non-controlling interests	-	-	-	-	-	-	(26)	(26)
Transfer of statutory reserve of an associate and a subsidiary	-	(6,288)	-	6,288	-	-	-	-
Distribution paid to holders of perpetual capital securities	-	-	-	-	-	(195,091)	-	(195,091)
At 31st March 2026	62,743,532	81,616,944	(33,060,444)	(1,482,184)	109,817,848	3,886,777	546,417	114,251,042

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2026

	Attributable to owners of the Company							
	Share capital HK$'000	Retained earnings HK$'000	Merger reserve HK$'000	Other reserves HK$'000	Total HK$'000	Perpetual capital securities HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1st April 2024	62,743,532	79,098,383	(33,060,444)	(2,531,293)	106,250,178	3,886,762	476,336	110,613,276
Comprehensive loss								
Loss for the year	-	(1,910,116)	-	-	(1,910,116)	194,811	(130,867)	(1,846,172)
Other comprehensive loss	-	-	-	(485,809)	(485,809)	-	(15,007)	(500,816)
Total comprehensive loss	-	(1,910,116)	-	(485,809)	(2,395,925)	194,811	(145,874)	(2,346,988)
Dividend paid to non-controlling interest	-	-	-	-	-	-	(74,676)	(74,676)
Capital injection of non-controlling interests	-	-	-	-	-	-	73,236	73,236
Acquisition of non-controlling interests	-	-	-	(6,340)	(6,340)	-	(6,049)	(12,389)
Transfer of statutory reserve of an associate and a subsidiary	-	(9,469)	-	9,469	-	-	-	-
Distribution paid to holders of perpetual capital securities	-	-	-	-	-	(194,880)	-	(194,880)
At 31st March 2025	62,743,532	77,178,798	(33,060,444)	(3,013,973)	103,847,913	3,886,693	322,973	108,057,579

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2026 HK$'000	2025 HK$'000
Cash flows from operating activities			
Net cash generated from operations	31(a)	2,608,323	590,904
Profits tax paid		(91,457)	(660,166)
Net cash generated from/(used in) operating activities		2,516,866	(69,262)
Cash flows from investing activities			
Interest received		384,030	725,398
Purchase of property, plant and equipment		(17,808)	(171,570)
Proceeds from disposal of property, plant and equipment		454	1,432
Additions/acquisition of investment properties		(897,400)	(766,804)
Decrease in amounts due from investee companies		1,474	2,323
Decrease in amounts due to investee companies		-	(40)
Increase in investment in joint ventures		(528,409)	(111,224)
Increase in amounts due from joint ventures		(28,846)	(186,027)
Dividends received from joint ventures		834,625	35,000
Increase in amounts due to joint ventures		3,425	527,250
Decrease in investment in associates		36,408	36,446
Decrease/(increase) in amounts due from associates		17,764	(51,689)
Dividends received from associates		2,500	3,000
Decrease in amounts due to associates		-	(64)
Net proceeds from disposal of interests in subsidiaries	31(b)	-	950,384
Decrease in loans and other receivables		71,712	18,613
Decrease/(increase) in amounts due from fellow subsidiary companies		159	(603)
Decrease in amounts due from related companies		337	10
Increase in amount due from ultimate holding company		(222)	(224)
Acquisition of interest in a subsidiary		-	(80,862)
Increase in short term bank deposits with original maturities more than three months		(1,844,385)	(155,484)
Net cash (used in)/generated from investing activities		(1,964,182)	775,265

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2026

	Note	2026 HK$'000	2025 HK$'000
Cash flows from financing activities	31(d)		
Interest paid		(954,689)	(1,156,552)
Increase in amounts due to related companies and individuals		5,882	62,289
Increase in amount due to immediate holding company		39,358	54,349
(Decrease)/increase in amount due to ultimate holding company		(25,556)	120,158
Capital injection from non-controlling interests		100,606	73,236
Decrease in amounts due to non-controlling interests		(467)	(374,921)
Repayment of medium term notes		(228,143)	(2,389,473)
Distribution paid to holders of perpetual capital securities		(195,091)	(194,880)
Principal elements of lease payments		(14,122)	(15,040)
Drawdown of bank and other borrowings		21,596,722	9,709,236
Repayment of bank and other borrowings		(18,843,278)	(9,289,093)
Dividend paid to non-controlling interest		(22,921)	(74,676)
Acquisition of non-controlling interests		(26)	(12,389)
Net cash generated/(used in) financing activities		1,458,275	(3,487,756)
Net increase/(decrease) in cash and cash equivalents		2,010,959	(2,781,753)
Cash and cash equivalents at beginning of year		10,553,052	13,397,392
Currency translation differences		121,568	(62,587)
Cash and cash equivalents at end of year	23	12,685,579	10,553,052

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Nan Fung International Holdings Limited (the "Company") is a limited liability company incorporated in the British Virgin Islands on 8th August 2011 and is wholly and beneficially owned by Dr. Chen Din Hwa ("Dr. Chen"). In June 2012, Dr. Chen deceased.

The Company and its subsidiaries are collectively referred to as the "Group". The ultimate holding company of the Company is Chen's Group International Limited ("CGIL"). CGIL is wholly owned by Dr. Chen's Estates.

The address of the Company's registered office is Vistra Corporate Services Centre, Wickhams Cay, Road Town, Tortola, VG1110, British Virgin Islands.

The Company's principal activity is investment holding. The principal activities of the Group are property investment and development, hotel operation, investment holding and trading, building management, provision of construction contracting services and provision of properties related services.

The consolidated financial statements are presented in thousands of Hong Kong dollar ("HK$'000") unless otherwise stated. The consolidated financial statements were approved for issue by the Board of Directors on 7th July 2026.

2 Summary of material accounting policies

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

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss, which are carried at fair values.

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

2 Summary of material accounting policies (Continued)

(a) Basis of preparation (Continued)

(i) Amendments to standards adopted by the Group

The Group has adopted the following amendments to standards which are mandatory for the financial year beginning 1st April 2025 and are relevant to its operation.

IFRS 1 and IAS 21 (Amendments)	Lack of Exchangeability

The Group has assessed the impact of the adoption of these amendments to standards, there is neither significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the financial statements.

(ii) New standards and amendments to standards which are not yet effective for this financial year and have not been early adopted by the Group

The Group has not early adopted the following new standards and amendments to standards that have been issued but are not yet effective for the year ended 31st March 2026:

		Effective for accounting periods beginning on or after
IFRS 9 and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1st April 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (Amendments)	Annual Improvement to IFRS Accounting Standards – Volume 11	1st April 2026
IFRS 9 and IFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1st April 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1st April 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1st April 2027
IAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1st April 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1st April 2029
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new standards and amendments to standards and is in the process of assessing the impact on the consolidated financial statements. Except for IFRS 18, these other new standards and amendments to standards would not be expected to have a material impact to the results of the Group.

2 Summary of material accounting policies (Continued)

(b) Consolidation

(i) Subsidiaries

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

The Group applies the acquisition method to account for business combinations. 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated unless the transaction provides evidence of an impairment of the transferred asset. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. 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 the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified or permitted by applicable IFRS.

(ii) Transactions with non-controlling interests

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

(iii) Joint arrangements

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has both joint operations and joint ventures.

2 Summary of material accounting policies (Continued)

(b) Consolidation (Continued)

(iii) Joint arrangements (Continued)

(a) Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 37(a).

(b) Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. 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 of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures, 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 joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount adjacent to 'share of results of joint ventures' in the consolidated income statement.

2 Summary of material accounting policies (Continued)

(b) Consolidation (Continued)

(iv) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, interests in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, 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 associate.

The financial statements of the associates used for this purpose cover a year end of not more than three months before the Group's year end and serve as the most recent available financial information. Where a significant event occurs between the associates' year end and that of the Group, adjustments are made in the consolidated financial statements for the effect of the event.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of results of associates' in the consolidated income statement.

(v) Venture capital organisation

The Group formed an investment committee constitute key management personnel of the Group with policies on managing certain existing and future investments on a fair value basis for a medium-term for capital growth and would seek to exit upon expiration of the investment period, in accordance with the new risk management strategy and on which the information is reported to the directors of the Group on the same basis.

IAS 28 provides an exemption from applying the equity method of accounting if an investment in a joint venture or an associate is held by or indirectly through an entity that is a venture capital organisation ("VCO"). A joint venture or an associate that held by an entity that qualifies for the VCO exemption is exempted from equity method and measured at fair value under IFRS 9 as the equity investments are:

- managed on a fair value basis as part of a portfolio, and this is the basis on which information is reported to key management personnel;
- acquired for medium growth in fair value; and
- unrelated to the principal operations of the reporting entity.

2 Summary of material accounting policies (Continued)

(b) Consolidation (Continued)

(v) Venture capital organisation (Continued)

As the business objective is similar to that of a VCO in respect of an investment entity, the Group applied an exemption from applying the equity method in accounting for its investment in a joint venture or an associate and designated such investment at fair value through profit or loss in accordance with IFRS 9 as the investments are part of a business model.

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) 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 consolidated income statement. They are deferred in equity if they relate to qualifying hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within 'finance expenses, net'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other income and gains, net'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss ("FVTPL") are recognised in consolidated income statement as part of the fair value gain or loss.

2 Summary of material accounting policies (Continued)

(c) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on disposal.

(d) Property, plant and equipment

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

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

Depreciation on 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:

Freehold land	Not depreciated
Building and hotel properties	The shorter of the lease term of 40 years or estimated useful lives
Furniture, fixtures and equipment	Initial charge of 30% on cost in the year of acquisition and 10% per annum thereafter on cost
Hotel furniture, fixtures and equipment	5% - 10% per annum on cost
Motor vehicles	25% per annum on cost

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2 (i)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income and gains, net' in the consolidated income statement.

2 Summary of material accounting policies (Continued)

(e) Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. They also include properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred. Investment properties that are being redeveloped for continuing use as investment properties continue to be measured at fair value. Fair value measurement on properties under construction is applied unless the fair value is considered not to be reliably measurable.

Investment properties are derecognised either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of an investment property, the transaction price less the carrying value immediately prior to the sale is treated as gain/loss on disposal of investment property and is recorded in consolidated income statement within 'other income and gains, net'.

For a transfer from properties for sale to investment properties that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in the consolidated income statement. Transfers to investment properties shall be made when, and only when, there is a change in use. The inception of a lease to another party is generally an evidence of a change in use. A change in use has occurred is based on an assessment of all relevant facts and circumstances. The relevant facts include but not limited to the Group's business plan, financial resources and legal requirements.

(f) Properties under development and properties for sale

Properties under development are investments in land and buildings on which construction work and development have not been completed, and are stated at the lower of cost and net realisable value. Net realisable value takes into account the proceeds ultimately expected to be realised, less applicable variable selling expenses and the anticipated cost to complete (if any). Borrowing costs incurred during the construction period and up to the date of completion of construction are capitalised as development costs. On completion, the properties are reclassified to properties for sale at the then carrying amount.

Properties for sale are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2 Summary of material accounting policies (Continued)

(g) Leases

A lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

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

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

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

2 Summary of material accounting policies (Continued)

(h) Financial assets

(i) Classification of financial assets

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. The classification of debt financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes. 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").

(ii) Measurement of financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL 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.

(1) 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 rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'net gain on financial investments', together with foreign exchange gains and losses and impairment losses.

- 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 OCI, except for the recognition of impairment 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 'net gain on financial investments'. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented in 'net gain on financial investments'.

2 Summary of material accounting policies (Continued)

(h) Financial assets (Continued)

(ii) Measurement of financial assets (Continued)

(1) Debt instruments (Continued)

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A fair value gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated income statement within "net gain on financial investments" in the period in which it arises. Interest income and dividend income are recognised in the profit or loss and presented as part of revenue in the consolidated income statement.

(2) Equity instruments

The Group subsequently measures all equity investments at FVTPL. Dividends from such investments continue to be recognised in the consolidated income statement as part of revenue when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in 'net gain on financial investments' in the consolidated income statement as applicable.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") 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 since initial recognition.

For trade receivables, the Group applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

Impairment on other debt instruments at amortised cost and FVOCI are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated 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.

2 Summary of material accounting policies (Continued)

(i) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs 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 reporting date.

(j) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged. The Group designated a cross currency interest rate swap as hedge of foreign currency risk associated with the cash flows of a foreign currency-denominated borrowing.

At the inception of the hedging, the Group documents the economic relationship between hedging instrument and hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flow of hedges item. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Movements in the hedging reserve in shareholders' equity are shown in note 26. The full fair value of a hedging derivative is classified as non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedge that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised through other comprehensive income in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within 'finance expenses, net'.

When cross currency interest rate swap is used to hedge foreign currency-denominated borrowing, the Group designates the change in the fair value of the contract (including forward points) as the hedging instrument. Gains or losses relating to the effective portion of the change in fair value of the hedging instrument are recognised in the cash flow hedge reserve within equity.

2 Summary of material accounting policies (Continued)

(j) Derivatives and hedging activities (Continued)

(i) Cash flow hedge that qualify for hedge accounting (Continued)

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. The movement in spot rate is recycled from equity to profit or loss to offset the foreign exchange gain or loss arising from translation of the hedged foreign currency-denominated borrowing. Such reclassification from equity will offset the effect on profit or loss of the corresponding hedged item to achieve the overall hedging result.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

(ii) Costs of hedging

The Group excludes foreign currency basis spread of the cross currency interest rate swap from the designated hedging instrument. In such case, the Group treats the excluded element as costs of hedging. The change in fair value of the foreign currency basis spread (to the extent it relates to the hedged item) is recognised in other comprehensive income and is accumulated in the costs of hedging reserve under equity. This element at the date of designation (to the extent that it relates to the hedged item) are amortised on a systematic and rational basis to profit or loss over the period.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in ‘net gain on financial investments’.

(k) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Trade receivable are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For other receivables, the Group assesses on a forward looking basis the ECL under 12 months expected losses method. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

2 Summary of material accounting policies (Continued)

(l) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

(m) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual 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.

(ii) Pension obligations

The Group operates several defined contribution retirement schemes and mandatory provident fund schemes which are available to all employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group's contributions under the schemes are expensed as incurred. The amount of the Group's contributions is based on specified percentages of the basic salaries of employees. Any contributions forfeited by employees who leave the Group, relating to unvested benefits, are used to reduce the Group's ongoing contributions otherwise payable.

(iii) Bonus entitlements

The expected cost of bonus payments is recognised as liability 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.

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income 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 prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

2 Summary of material accounting policies (Continued)

(o) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(p) Current and deferred income tax

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

(i) Current income tax

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

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liabilities in relation to investment properties in the United Kingdoms, Singapore, Malaysia and the United States that are measured at fair value are determined assuming the properties will be recovered entirely through sale. While deferred tax liabilities in relation to investment properties in Chinese Mainland are determined assuming the properties will be recovered entirely through use.

2 Summary of material accounting policies (Continued)

(p) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, joint ventures and associates, except for 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 income tax 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.

(iii) Offsetting

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

(q) Provisions

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

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

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

(r) Financial guarantee contract

Financial guarantee contracts are recognised as a financial liability at the time when the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised.

The fair value of financial guarantees on initial recognition equals the present value of the premium in an arm’s length transaction.

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

2 Summary of material accounting policies (Continued)

(r) Financial guarantee contract (Continued)

The Group regards its financial guarantees provided to its subsidiaries, associates, joint ventures and related companies as insurance contracts. The Group assesses at each balance sheet date the liabilities under its insurance contracts using current estimates of future cash flows. Changes in carrying amount of these insurance liabilities are recognised in the consolidated income statement.

(s) Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when it satisfies the identified performance obligation by transfer the promised good or service to the customer; and when specific criteria have been met for each of the Group's activities, as described below. Goods and services are transferred when or as the customer obtain control of them. The Group bases its estimate on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group's performance:

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

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.

2 Summary of material accounting policies (Continued)

(s) Revenue and income recognition (Continued)

(i) Revenue from contract with customers

(1) Sale of properties

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

Certain costs incurred for obtaining a pre-sale property contract would be eligible for capitalisation under IFRS 15 and match with revenue recognition pattern of related contract.

(2) Construction revenue

Revenue from construction service contract is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation using input method.

(3) Hotel revenue

Hotel revenue comprises amounts earned in respect of services, facilities and goods supplied by the hotel. Revenue from room rental is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage sales and other ancillary services is generally recognised at a point in time when services are rendered.

(4) Others

Property management fee income is recognised over time when the services are rendered.

(ii) Revenue and income from other sources

(1) Rental income

Rental income is recognised on a straight-line basis over the period of the lease.

(2) Dividend income

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

(3) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.

2 Summary of material accounting policies (Continued)

(t) Contract related assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net contract asset or a net contract liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the cumulative revenue recognised in profit or loss exceeds cumulative payments made by customers. Conversely, the contract is a liability and recognised as contract liabilities if the cumulative payments made by customers exceeds the revenue recognised in profit or loss.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost. Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfies its performance obligation.

The incremental costs of obtaining a contract with a customer are capitalised and presented as contract related assets under “contract cost assets” within “trade and other receivables, deposits and prepayments”, if the Group expects to recover those costs, and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. The Group recognises an impairment loss in the consolidated income statement to the extent that the carrying amount of the contract related assets recognised exceeds the remaining amounts of consideration that the Group expects to receive less the costs that directly relate to those goods or services and have not been recognised as expenses.

(u) Share capital

Ordinary shares are classified as equity.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the consolidated income statement in the year in which they are incurred.

2 Summary of material accounting policies (Continued)

(w) Segment reporting

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

(x) Contingent liabilities

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

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

(y) Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(z) 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 or loss over the period necessary to match them with the costs that they are intended to compensate.

(aa) Perpetual capital securities

Perpetual capital securities with no contractual obligation to repay it principal or to pay any distribution are classified as part of equity.

(ab) Assets held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, financial assets and investment properties that are carried at fair value, which are specifically exempt from this requirement.

3 Financial risk management

The Group holds the following financial instruments:

	2026 HK$'000	2025 HK$'000
Financial assets		
Financial assets at amortised cost		
Non-current assets		
- Amount due from joint ventures	713,331	904,030
- Amount due from associates	1,974,807	2,248,940
- Loans and other receivables from third parties	119,147	117,757
- Amounts due from investee companies	35,883	37,357
Current assets		
- Trade and other receivables and deposits	3,396,932	3,564,972
- Cash and bank balances	14,699,214	10,722,302
Financial assets at fair value through profit or loss		
Non-current assets		
- Financial assets at fair value through profit or loss	20,884,282	16,504,678
- Amount due from joint ventures at fair value through profit or loss	109,552	140,447
- Loans receivables at fair value through profit or loss	293,259	346,759
Current assets		
- Loans receivable at fair value through profit or loss	23,718	102,119
- Financial assets at fair value through profit or loss	14,083,854	12,464,464
Financial liabilities		
Liabilities at amortised cost		
Non-current liabilities		
- Bank and other borrowings	28,052,419	24,678,084
- Lease liabilities	81,348	77,915
- Other long-term liabilities	20,184	22,728
Current liabilities		
- Trade and other payables, deposits and accruals	6,997,807	8,401,595
- Bank and other borrowings	1,644,600	2,146,583
- Lease liabilities	10,672	10,829
Financial liabilities at fair value through profit or loss		
Current liabilities		
- Financial liabilities at fair value through profit or loss	626,189	286,647
- Amounts due to non-controlling interests at fair value through profit or loss	723,745	575,846

3 Financial risk management (Continued)

(a) Financial risk factors

The Group's activities expose it to various types of financial risk which include price risk, credit risk, interest rate risk, foreign exchange risk and liquidity risk. The Group's overall risk management programme seeks to minimise the potential adverse effects it may have on the Group's financial performance.

(i) Price risk

The Group is exposed to price changes arising from investments classified as financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by senior management on a case by case basis.

As at 31st March 2026, if the market values of the Group's financial assets and liabilities at fair value through profit or loss increase/decrease by 10%, with all other variables held constant, the Group's post-tax profit (2025: loss) and total equity would respectively increase/decrease (2025: decrease/increase) and increase/decrease by approximately HK$3,418,752,000 (2025: HK$2,811,272,000).

(ii) Credit risk

At each balance sheet date, the Group's maximum exposure to credit risk in the event of the counterparties failure to discharge their obligations are in relation to each class of recognised financial assets as stated in the consolidated balance sheet.

The Group's financial assets which are potentially subject to credit risk consist of financial assets at amortised cost, including cash and bank balances, trade and other receivables and deposits, loans and other receivables and amounts due from fellow subsidiary companies, investee companies, related companies, non-controlling interests, ultimate holding company, joint ventures and associates. The exposures to these credit risks are closely monitored on an ongoing basis by established credit control procedures in each of its core businesses.

Credit risk of cash and bank balances

With respect to credit risk arising on cash and bank balances, the Group has limited its credit exposure by restricting their selection of financial institutions and banks with good credit rating as at 31st March 2026 ranging from AA- to BBB- issued by Standard and Poor's or Moody's as follows:

	2026 HK$'000	2025 HK$'000
AA-	72,064	129,572
A- to A+	14,242,636	9,894,371
BBB- to BBB+	382,567	672,407
Below BBB-/unrated [1]	1,947	25,952
	14,699,214	10,722,302

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

Credit risk of cash and bank balances (Continued)

1 The directors monitor the exposure on low-rated/unrated assets and considered that the risk of default is minimal as these balances were mainly placed in banks located in Hong Kong.

There has been no recent history of default in relation to these banks and financial institutions. The ECL is close to zero.

Credit risk of trade receivables

Trade receivables mainly include receivables from lease of properties, trading of securities, and other services. To manage this risk, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. In addition, the Group has policies in place to ensure that rental deposits are required from tenants prior to commencement of leases, sales proceeds are received before the assignment of properties are executed. The Group has a large number of customers and there is no concentration of credit risk.

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. In view of the collection history of receivables due from these counterparties and insignificant risk of default, to measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. A default on trade receivable is when the counterparty fails to make contractual payments within credit period when they fall due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced, adjusted with current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan within the Group, and its failure to make contractual payments for a period. Impairment losses on trade receivables are presented as net impairment losses within “other income and gains, net”. Subsequent recoveries of amounts previously written off are credited against the same item.

Management assessed the ECL of trade receivables, detail was disclosed in note 21, and the credit risk inherent in the Group’s outstanding trade receivables balances due from these counterparties is not significant.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

Credit risk of loans and other receivables

Loans and other receivables at the end of each of the reporting period are mainly comprised of deposits, interest receivable, stakeholder's account, loans receivables at amortised cost, amounts due from fellow subsidiary companies, investee companies, non-controlling interests, related companies, ultimate holding company, joint ventures and associates.

The directors consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the year. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at the end of the reporting period with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the company's or individual's ability to meet its obligations;
- actual or expected significant changes in the operating results of the company; and
- significant changes in the expected performance and behavior of the company or individual, including changes in the payment status of the third party.

Over the term of the loans, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers corresponding historical credit losses of the debtors experienced, adjusted with current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables.

Apart from the loans and other receivables with loss allowances fully provided, management considers the credit risk of loans and other receivables is insignificant when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term, and the loss allowance recognised is therefore limited to 12 months expected losses. In view of insignificant risk of default and credit risk since initial recognition, management believes that the ECL of these loans and other receivables under the 12 months expected losses method is immaterial.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Interest rate risk

The Group's main exposure to interest rate risk relates principally to the Group's bank deposits, bank borrowings, loans and other receivables, amounts due from joint ventures, associates and investee companies and amounts due to non-controlling interests.

Interest rates of bank deposits, bank borrowings, loans and other receivables, amounts due from joint ventures, associates and investee companies and amounts due to non-controlling interests are determined based on prevailing market rates and expose the Group to cash flow interest rate risk. The Group manages its interest rate exposure by monitoring of interest rate movements, replacing and entering into new banking facilities when favourable pricing opportunities arise and would consider using interest rate swap when appropriate.

As at 31st March 2026, if interest rates increase/decrease by 50 basis points with all other variables held constant, the Group's pre-tax profit (2025: loss), before taking into account the impact of interest capitalisation, would decrease/increase by approximately HK$26,758,000 (2025: increase/decrease by approximately HK$28,144,000), resulting from the change in the borrowing costs of bank borrowings and interest bearing financial liabilities, and change in interest income from the interest bearing financial assets.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iv) Foreign exchange risk

The Group operates mainly in Hong Kong, Chinese Mainland, the United States and United Kingdoms, and is exposed to foreign exchange risk arising from various currency exposures in the financial investment portfolio, primarily with respect to the United States dollar ("US dollar"), Renminbi ("RMB"), Korean Won ("KRW") and Great British Pound ("GBP"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The Group's foreign currency exposures primarily arise from monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency, where these assets and liabilities are mainly denominated in US dollar, RMB, and GBP.

In view of the fact that HK dollar is pegged to US dollar, the foreign currency exposure of operating units with functional currency as HK dollar on US dollar transactions and balances is minimal.

As at 31st March 2026, if US dollar/HK dollar had weakened/strengthened 1% against RMB and KRW with all other variables held constant, the Group's pre-tax profit would increase/decrease by HK$3,840,000 (2025: HK$3,730,000) and HK$12,220,000 (2025: HK$4,183,000) respectively as a result of foreign exchange gains/losses.

As at 31st March 2026, if US dollar/HK dollar had weakened/strengthened 1% against GBP with all other variables held constant, the Group's pre-tax profit would decrease/increase by HK$15,927,000 (2025: HK$11,402,000) as a result of foreign exchange losses/gains.

The Group has entered into a cross currency interest rate swap contract to hedge its foreign currency exposure in respect of bank borrowings denominated in Australian dollar with principal amount equivalent to HK$450,000,000. Under the Group's policy, the critical terms of the cross currency interest rate swap must align with the hedged item. The cross currency interest rate swap was matured on 18th February 2025.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(v) Liquidity risk

The Group's cash flow management is to regularly monitor its current and expected liquidity positions to ensure adequate funds are available for its short term and long term requirements. In order to maintain sufficient liquidity, the Group monitors and maintains a level of cash and cash equivalents in addition to committed credit facilities available, which are deemed adequate by the management from time to time.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year or repayable on demand HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000
At 31st March 2026				
Trade and other payables and accruals	3,199,956	-	-	-
Amounts due to joint ventures, associates and investee companies	242,872	-	-	-
Amounts due to related companies and individuals	633,725	-	-	-
Amount due to immediate holding company	184,964	-	-	-
Amount due to ultimate holding company	122,982	-	-	-
Amounts due to non-controlling interests	3,337,054	-	-	-
Financial liabilities at fair value through profit or loss	626,189	-	-	-
Lease liabilities	16,758	10,921	31,915	61,149
Bank and other borrowings	2,702,911	12,730,304	16,693,392	651,586
	11,067,411	12,741,225	16,725,307	712,735

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(v) Liquidity risk (Continued)

	Less than 1 year or repayable on demand HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000
At 31st March 2025				
Trade and other payables and accruals	3,459,838	-	-	-
Amounts due to joint ventures, associates and investee companies	1,444,447	-	-	-
Amounts due to related companies and individuals	602,072	-	-	-
Amount due to immediate holding company	145,606	-	-	-
Amount due to ultimate holding company	148,538	-	-	-
Amounts due to non-controlling interests	3,176,939	-	-	-
Financial liabilities at fair value through profit or loss	286,647	-	-	-
Lease liabilities	16,618	13,868	24,101	60,760
Bank and other borrowings	3,231,508	5,379,674	17,096,598	4,395,774
	12,512,213	5,393,542	17,120,699	4,456,534

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and to maintain an optimal capital structure to reduce the cost of capital. The Group obtains its financing from its related companies and individuals, immediate holding company, ultimate holding company, non-controlling interests, banks, issuance of medium term notes and issuance of perpetual capital securities.

3 Financial risk management (Continued)

(b) Capital risk management (Continued)

The Group monitors its capital on the basis of the net debt to equity ratio. Net debt is calculated as total bank and other borrowings (including "current and non-current bank borrowings" and "medium term notes") less cash and bank balances. The net debt to equity ratio as at 31st March 2026 and 31st March 2025 is as follows:

	2026 HK$'000	2025 HK$'000
Bank and other borrowings	19,858,687	16,844,652
Medium term notes	9,838,332	9,980,015
Total debts - interest bearing bank and other borrowings	29,697,019	26,824,667
Less: Cash and bank balances	(14,699,214)	(10,722,302)
Net debt	14,997,805	16,102,365
Equity attributable to owners of the Company and holders of perpetual capital securities	113,704,625	107,734,606
Net debt to equity ratio	13.19%	14.95%

(c) Fair value estimation

(i) Financial instruments carried at fair value

The financial instruments are measured in the consolidated balance sheet at fair value in accordance with IFRS 13. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

(i) Financial instruments carried at fair value (Continued)

The following table represents the Group's financial instruments measured at fair value:

	Valuation Hierarchy			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 31st March 2026				
Assets				
Amounts due from joint ventures at fair value through profit or loss	-	-	109,552	109,552
Loans receivable at fair value through profit or loss	-	-	316,977	316,977
Financial assets at fair value through profit or loss				
- listed	16,543,133	-	-	16,543,133
- unlisted	-	610,148	17,814,855	18,425,003
Total	16,543,133	610,148	18,241,384	35,394,665
Liabilities				
Amounts due to non-controlling interests at fair value through profit or loss	-	(723,745)	-	(723,745)
Financial liabilities at fair value through profit or loss				
- unlisted	-	(626,189)	-	(626,189)
Total	-	(1,349,934)	-	(1,349,934)

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

(i) Financial instruments carried at fair value (Continued)

The following table represents the Group's financial instruments measured at fair value: (Continued)

	Valuation Hierarchy			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 31st March 2025				
Assets				
Amounts due from joint ventures at fair value through profit or loss	-	-	140,447	140,447
Loans receivable at fair value through profit or loss	-	-	448,878	448,878
Financial assets at fair value through profit or loss				
- listed	12,736,212	-	-	12,736,212
- unlisted	-	1,034,228	15,198,702	16,232,930
Total	12,736,212	1,034,228	15,788,027	29,558,467
Liabilities				
Amounts due to non-controlling interests at fair value through profit or loss	-	(575,846)	-	(575,846)
Financial liabilities at fair value through profit or loss				
- listed	(4,255)	-	-	(4,255)
- unlisted	-	(282,392)	-	(282,392)
Total	(4,255)	(858,238)	-	(862,493)

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. 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.

Unlisted investments are stated at fair values which are estimated using other prices observed in recent transactions or valuation techniques when the market price is not readily available. If all significant inputs required to estimate the fair value of 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.

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

(i) Financial instruments carried at fair value (Continued)

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.
- Regression model by benchmarking the movement of market index to the unlisted funds portfolio are used for the valuation of unlisted funds.
- Other techniques, such as multiple approach, discounted cash flow analysis and option pricing models, are used to determine fair value for the remaining financial instruments.

As at 31st March 2026, financial assets at fair value through profit or loss of HK$17,814,855,000 (2025: HK$15,198,702,000) are measured with valuation techniques using significant unobservable inputs (level 3). It included private equity funds, unquoted direct investments, fixed income fund, venture capital fund and others which represent approximate 20%, 40%, 3%, 24% and 13% (2025: 20%, 40%, 2%, 25% and 13%) of those level 3 investments respectively.

Fair values of the unlisted funds are mainly determined based on the net asset values of the unlisted funds from fund statements, representing the fair values of the funds reported by respective fund administrators. The higher the net assets value of underlying investments, the higher the fair values of the unlisted fund.

Fair values of unquoted direct investment are determined by the Group using various valuation techniques with the support of independent professional valuers. Such valuation techniques may consider market multiple of comparable type of investments, original transaction price and take into account relevant developments since the acquisition of the investments and other factor pertinent to the valuation of the investments such as preferential rights of the shares held, market volatility and initial public offering probability, with reference to recent third party transactions of comparable type of instruments and reliable indicative offers from potential buyers. The higher the market multiples and comparable transaction prices, the higher the fair values of unquoted direct investment.

The determination of fair value is subject to the valuation policies and procedures formulated by the Group's Investment Department and the oversight of senior management committees. These policies and procedures facilitate the exercise of judgement in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process. Judgement may also be applied in adjusting prices of less readily observable external parameters. The management considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally accepted within the industry.

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

(i) Financial instruments carried at fair value (Continued)

Details on sensitivity analysis of the Group's financial assets at fair value through profit or loss are set out on note 3(a)(i) to the consolidated financial statements. There is no transfer between level 1, level 2 and 3 during the year. The following represents the changes in level 3 instruments for the year ended 31st March 2026:

	Amounts due from joint ventures at fair value through profit or loss HK$'000	Financial assets at fair value through profit or loss HK$'000	Loans receivable at fair value through profit or loss HK$'000
At 1st April 2025	140,447	15,198,702	448,878
Additions	606	2,782,264	237,299
Repayment	(31,501)	-	(378,901)
Disposal	-	(99,965)	-
Transfer to level 1	-	(796,045)	-
Return of capital	-	(695,929)	-
Net realised gains recognised in income statement	-	92,833	1,306
Net unrealised gains recognised in income statement	-	1,210,845	8,395
Exchange translation differences	-	122,150	-
At 31st March 2026	109,552	17,814,855	316,977
At 1st April 2024	181,354	15,328,195	469,816
Additions	950	1,835,412	77,700
Repayment	(41,857)	-	(98,321)
Disposal	-	(114,734)	-
Transfer to level 1	-	(247,188)	-
Return of capital	-	(690,616)	-
Net realised gains recognised in income statement	-	97,902	473
Net unrealised losses recognised in income statement	-	(919,388)	(790)
Exchange translation differences	-	(90,881)	-
At 31st March 2025	140,447	15,198,702	448,878

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

(ii) Financial instruments carried at other than fair value

Except for fair value disclosed in note 28(b), the fair values of loans and other receivables at amortised cost, trade and other receivables, deposits, cash and bank balances, bank and other borrowings, trade and other payables, and the amounts due from/to associates, joint ventures, investee companies, related companies and individuals, fellow subsidiary companies, immediate holding company, ultimate holding company and non-controlling interests are assumed to approximate their carrying amounts.

4 Critical accounting estimates and judgements

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

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

(i) Estimate of fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in note 14.

(ii) Estimate of fair value of financial assets at fair value through profit or loss

The fair values of unlisted derivatives are based on brokers' quote and statements. The fair value of investments in unlisted funds that are not quoted in an active market is determined primarily by reference to the latest available net asset values for each fund from the fund statements as determined by the fund administrator of such fund. The fair value of other financial instruments that are not traded in an active market is estimated using other prices observed in recent transactions or valuation techniques when the market price is not readily available. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period, as detailed in note 3(c)(i).

(iii) Estimate of impairment and net realisable values of properties for sale

Management reviews the net realisable value of properties for sale at each reporting date. For properties for sale, the net realisable value are the estimated selling price of the properties less costs to sell. Management makes estimates by taking into consideration the current market environment and the estimated market value (i.e. the estimated selling price, less estimated costs of selling expenses). In considering the net realisable values of properties under development, the Group takes into account estimated costs to completion based on past experience and committed contracts and estimated net sales based on prevailing market conditions.

4 Critical accounting estimates and judgements (Continued)

(iii) Estimate of impairment and net realisable values of properties for sale (Continued)

Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates. Any changes to the estimated net realisable value may cause a material adjustment to the carrying amount and result in future financial year if the actual net realisable value of the properties for sales or properties under development is different than expected as a result of change in market condition.

(iv) Income taxes

Significant estimates are required in determining provision for income taxes of the Group. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions.

Recognition of deferred income tax asset, which principally relates to tax losses of certain subsidiaries, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

(v) Classification of properties

The Group determines whether a property qualifies as an investment property or property for sale. In making the judgement, the Group considers the intention of holding the property (land or building). Property held to earn rental or for capital appreciation is considered as investment property whereas property held for sale in the ordinary course of business is considered as property for sale. The Group considers each property separately in making its judgement.

4 Critical accounting estimates and judgements (Continued)

(vi) Venture capital organisation

In deciding classification and measurement of unlisted equity investments where the Group has joint control or significant influence over the investee, significant judgment is required in determining whether the Group's entity is a VCO under IAS 28 "Investment in Associates and Joint Venture". IAS 28 allows the Group elects to measure its investment at fair value instead of accounting under equity method if the Group's entity is a VCO. The Group's entity considers it is a VCO as one of its business activities is investing in unlisted investments and it aims to hold these investments for a medium-term for capital growth and would seek to exit upon expiration of the investment period. Consequently, the Group elects to measure this unlisted equity investment on a fair value basis in accordance with IFRS 9.

5 Segment reporting

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

Management has determined the operating segments based on these reports and analysed from a business perspective including subsidiaries, joint ventures and associates:

- Hong Kong properties (including construction services)
- Chinese Mainland and overseas properties
- Financial investment (including investments exempt for equity accounting)
- Corporate, treasury and others

Segment assets consist primarily of property, plant and equipment, investment properties, right-of-use assets, joint ventures, associates, financial assets at fair value through profit or loss, loans and other receivables, amounts due from investee companies, properties for sale, trade and other receivables, deposits and prepayments and cash and bank balances. Other assets comprise mainly prepaid tax and deferred income tax assets.

Segment liabilities comprise operating liabilities. Other liabilities include amount due to immediate holding company and ultimate holding company, tax payable, bank and other borrowings and deferred income tax liabilities.

The chief operating decision maker consider dividend income and interest income from debt and convertible securities included in "Net gain on financial investments" as "Revenue" under financial investment segment for making strategic decision. Therefore, dividend income of HK$1,403,180,000 (2025: HK$910,395,000) and interest income from debt and convertible securities of HK$45,509,000 (2025: HK$82,606,000) are grouped under "Revenue" under financial investment segment for segment results presentation.

Capital expenditure comprises additions to non-current assets other than the financial instruments and deferred income tax assets.

5 Segment reporting (Continued)

The segment results for the year ended 31st March 2026 are as follows:

	The Company and its subsidiaries		Joint ventures		Associates		Total	
	Revenue	Results	Share of revenue	Share of results	Share of revenue	Share of results	Segment revenue	Segment results
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Hong Kong properties	2,989,633	(13,241)	344,002	40,758	207,465	(270,149)	3,541,100	(242,632)
Chinese Mainland properties	913,340	(534,771)	-	-	147,684	66,429	1,061,024	(468,342)
Overseas properties	567,122	(157,267)	229,946	305,097	-	-	797,068	147,830
Financial investment	1,436,994	6,395,757	-	-	-	-	1,436,994	6,395,757
Corporate, treasury and others	-	(357,972)	-	-	-	-	-	(357,972)
	5,907,089	5,332,506	573,948	345,855	355,149	(203,720)	6,836,186	5,474,641

Segment results	5,474,641
Finance expenses, net	(585,319)
Profit before income tax	4,889,322
Income tax expense	(160,287)
Profit for the year	4,729,035

NAN FUNG INTERNATIONAL HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Segment reporting (Continued)

The segment results for the year ended 31st March 2025 are as follows:

	The Company and its subsidiaries		Joint ventures		Associates		Total	
	Revenue	Results	Share of revenue	Share of results	Share of revenue	Share of results	Segment revenue	Segment results
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Hong Kong properties	2,541,555	(242,613)	37,393	(38,543)	298,315	(510,671)	2,877,263	(791,827)
Chinese Mainland properties	997,374	(108,456)	-	-	151,769	18,889	1,149,143	(89,567)
Overseas properties	595,411	(70,414)	278,568	(143,582)	-	-	873,979	(213,996)
Financial investment	993,001	(230,950)	-	-	-	-	993,001	(230,950)
Corporate, treasury and others	-	(106,674)	-	-	-	-	-	(106,674)
	5,127,341	(759,107)	315,961	(182,125)	450,084	(491,782)	5,893,386	(1,433,014)

Segment results	(1,433,014)
Finance expenses, net	(301,702)
Loss before income tax	(1,734,716)
Income tax expense	(111,456)
Loss for the year	(1,846,172)

5 Segment reporting (Continued)

The segment assets and liabilities as at 31st March 2026 are as follows:

	The Company and its subsidiaries HK$'000	Joint ventures HK$'000	Associates HK$'000	Total assets HK$'000	Total liabilities HK$'000
Hong Kong properties	59,122,653	2,898,511	2,833,124	64,854,288	(4,135,788)
Chinese Mainland properties	21,794,669	-	2,460,760	24,255,429	(1,761,423)
Overseas properties	15,857,401	1,309,920	-	17,167,321	(414,123)
Financial investment	41,617,493	-	-	41,617,493	(1,206,755)
Corporate, treasury and others	6,904,184	138,433	-	7,042,617	(702,059)
	145,296,400	4,346,864	5,293,884	154,937,148	(8,220,148)
Deferred income tax assets				1,086,023	-
Prepaid tax				172,033	-
Bank and other borrowings				-	(29,697,019)
Amount due to immediate holding company				-	(184,964)
Amount due to ultimate holding company				-	(122,982)
Deferred income tax liabilities				-	(3,426,418)
Tax payable				-	(292,631)
Consolidated total assets/(liabilities)				156,195,204	(41,944,162)

5 Segment reporting (Continued)

The segment assets and liabilities as at 31st March 2025 are as follows:

	The Company and its subsidiaries HK$'000	Joint ventures HK$'000	Associates HK$'000	Total assets HK$'000	Total liabilities HK$'000
Hong Kong properties	61,019,344	5,007,257	3,123,471	69,150,072	(5,612,956)
Chinese Mainland properties	21,786,711	-	2,321,059	24,107,770	(1,761,848)
Overseas properties	14,514,368	467,913	-	14,982,281	(465,787)
Financial investment	33,606,373	-	-	33,606,373	(943,144)
Corporate, treasury and others	4,803,404	-	-	4,803,404	(340,082)
	135,730,200	5,475,170	5,444,530	146,649,900	(9,123,817)
Deferred income tax assets				912,709	-
Prepaid tax				144,166	-
Bank and other borrowings				-	(26,824,667)
Amount due to immediate holding company				-	(145,606)
Amount due to ultimate holding company				-	(148,538)
Deferred income tax liabilities				-	(3,378,541)
Tax payable				-	(28,027)
Consolidated total assets/(liabilities)				147,706,775	(39,649,196)

5 Segment reporting (Continued)

The Group's depreciation and amortisation and additions to non-current assets other than financial instruments and deferred income tax assets are as follows:

	Depreciation and amortisation		Additions to non-current assets	
	For the year ended 31st March		For the year ended 31st March	
	2026	2025	2026	2025
	HK$'000	HK$'000	HK$'000	HK$'000
Hong Kong properties	78,703	92,779	19,709	376,072
Chinese Mainland properties	4,869	26,372	101,645	323,415
Overseas properties	3,165	1,050	1,878,266	639,434
Financial investment	12,548	11,822	13,053	14,200
Corporate, treasury and others	14,582	12,734	15,628	138,478
	113,867	144,757	2,028,301	1,491,599

The following is an analysis of the Group's revenue by geographical areas in which the customer/operations are located, irrespective of the origin of the goods/services:

	For the year ended 31st March 2026 HK$'000	For the year ended 31st March 2025 HK$'000
Hong Kong	4,426,627	3,534,556
Chinese Mainland	913,340	997,374
Overseas	567,122	595,411
	5,907,089	5,127,341

The following is an analysis of the Group's non-current assets other than financial instruments and deferred income tax assets by areas in which the business operations/assets are located.

	As at 31st March 2026 HK$'000	As at 31st March 2025 HK$'000
Hong Kong	49,228,920	52,356,769
Chinese Mainland	23,595,557	23,181,442
Overseas	16,258,328	14,080,217
	89,082,805	89,618,428

6 Revenue

	2026 HK$'000	2025 HK$'000
Recognised at a point in time		
- sale of properties	1,078,754	598,597
- hotel revenue - food and beverage sales	70,789	95,174
Recognised over time		
- construction revenue	367,945	496,386
- hotel revenue - room rental	162,717	199,109
- property management fee income	503,197	454,796
From other sources		
- gross rental income	2,251,421	2,256,346
- interest income from loans receivable classified as financial assets at fair value through profit or loss	23,577	33,932
	4,458,400	4,134,340

7 Net gain on financial investments

	2026 HK$'000	2025 HK$'000
Dividend income (note (a))	1,403,180	910,395
Interest income from debt and convertible securities	45,509	82,606
Net gain/(loss) on financial assets at fair value through profit or loss (note (b))	5,615,156	(542,714)
Net (loss)/gain on derivatives (note (c))	(84,927)	108,273
	6,978,918	558,560

Notes:

(a) Amounts mainly included cash distribution and share distribution in kind (of the underlying investment held by the fund) from fund investments during the year.

(b) The amount comprised realised gain of HK$2,821,320,000 (2025: HK$1,389,882,000) and unrealised gain of HK$2,793,836,000 (2025: unrealised loss of HK$1,932,596,000) on financial assets at fair value through profit or loss.

(c) The amount comprised realised gain of HK$240,680,000 (2025: HK$226,833,000) and unrealised loss of HK$325,607,000 (2025: HK$118,560,000) on derivatives.

8 Other income and gains, net

	2026 HK$'000	2025 HK$'000
Unrealised gains/(loss) on loans receivable at fair value through profit or loss (note 18(b))	8,395	(790)
Net gain on disposal of loans receivable at fair value through profit or loss	1,306	473
Unrealised loss on amount due to non-controlling interest at fair value through profit or loss	(118,524)	(70,818)
Net loss on disposal of interest in/liquidation of subsidiaries (note 31(b))	-	(65,231)
Net gain/(loss) on disposal of property, plant and equipment	454	(363)
Net loss on disposal of investment properties	(717)	-
Net provision for loss allowances of financial assets (note)	(9,737)	(6,849)
Net exchange gain/(loss)	43,894	(51,608)
Management fee income	26,509	23,844
Ancillary income of leasing	95,675	139,505
Net gain on repurchase of medium term notes	8,482	46,708
Others	15,240	124,343
	70,977	139,214

Note:

The amount comprised net provision for loss allowances of trade receivables of HK$7,420,000 (2025: net provision for loss allowances of trade receivables of HK$1,405,000). The amount also comprised a net provision for loss allowances of other receivable of HK$2,317,000 (2025: HK$5,444,000).

9 Operating profit/(loss)

Operating profit/(loss) is arrived at after charging:

	2026 HK$'000	2025 HK$'000
Cost of properties sold	580,258	454,214
Hotel direct costs (note)	115,226	139,807
Outgoings in respect of rental income	768,772	774,854
Depreciation and amortisation of		
- property, plant and equipment (note 13)	87,046	112,654
- right-of-use assets - leasehold land and land use right	8,250	8,538
- right-of-use assets - buildings	18,571	23,565
Staff costs (note 10)	1,351,066	1,434,397
Marketing and selling expenses	125,368	131,628
Short-term and low-value leases expenses	1,953	1,120

Note:

The amount comprised staff cost of HK$61,345,000 (2025: HK$61,041,000).

10 Staff costs and key management compensation

	2026 HK$'000	2025 HK$'000
Staff costs		
- wages, salaries and allowances and benefits in kind	1,350,803	1,448,658
- retirement benefit costs - defined contribution schemes	39,181	38,031
Total staff costs incurred for the year	1,389,984	1,486,689
Less: amount capitalised to investment properties and properties for sale under development	(38,918)	(52,292)
Amount directly charged to the consolidated income statement	1,351,066	1,434,397
Including:		
Key management compensation		
- wages, salaries and allowances and benefits in kind	227,961	247,838
- retirement benefit costs - defined contribution schemes	5,875	5,157
Total key management compensation incurred for the year	233,836	252,995

11 Finance income/(expenses), net

	2026 HK$'000	2025 HK$'000
Interest income on		
- amount due from		
- joint ventures	27,172	31,918
- associates	68,083	145,991
- investee company	1,176	1,776
- bank deposits	327,192	518,405
- loans and other receivables	42,127	28,205
- others	354	304
	466,104	726,599
Interest expenses on		
- bank borrowings	(576,610)	(716,569)
- medium term notes	(378,965)	(433,360)
- amounts due to related companies and individuals	(25,771)	(18,470)
- amount due to non-controlling interest	(42,058)	(42,058)
- lease liabilities	(3,072)	(3,155)
Total finance costs incurred	(1,026,476)	(1,213,612)
Less: amount capitalised to investment properties and properties for sale under development	157,860	178,950
Total finance costs expensed during the year	(868,616)	(1,034,662)
Interest expenses, net	(402,512)	(308,063)
Other finance charges	(33,870)	(26,787)
Net exchange (loss)/gain on financing activities	(148,937)	33,148
Finance expenses, net	(585,319)	(301,702)

The weighted average capitalised interest rate applied to general borrowings used for the investment properties and properties for sale under development is 3.88% (2025: 4.60%) per annum.

12 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the year. Subsidiaries established and operated in Chinese Mainland are subject to corporate income tax at the rate of 25% (2025: 25%). Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

Withholding tax is levied on profit distribution or dividend income upon declaration or remittance at the rates of taxation prevailing in Chinese Mainland and overseas countries.

12 Income tax expense (Continued)

The amount of income tax charged to the consolidated income statement represents:

	2026 HK$'000	2025 HK$'000
Current income tax		
Hong Kong profits tax	166,776	39,216
Chinese Mainland income tax	4,948	21,417
Overseas profits tax	49,977	33,183
Pillar Two income tax	157,192	-
Withholding tax	88,993	89,334
Deferred income tax (note 27)	(307,599)	(71,694)
	160,287	111,456

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong, the principal place where the Group operates, as follows:

	2026 HK$'000	2025 HK$'000
Profit/(loss) before income tax	4,889,322	(1,734,716)
(Less)/add: share of results of		
- joint ventures	(345,855)	182,125
- associates	203,720	491,782
	4,747,187	(1,060,809)
Calculated at a tax rate of 16.5% (2025: 16.5%)	783,286	(175,033)
Effect of different tax rates in other countries	(82,283)	(51,728)
Income not subject to tax	(1,404,990)	(568,503)
Expenses not deductible for tax purposes	575,606	870,450
Pillar Two income tax	157,192	-
Over provision in prior years	7,350	(31,846)
Withholding tax	88,993	89,334
Tax losses not recognised	93,251	125,097
Others	(58,118)	(146,315)
Income tax expense	160,287	111,456

The Group's share of income tax expense of joint ventures and associates for the year ended 31st March 2026 totalling HK$133,873,000 (2025: HK$71,666,000) is included in the consolidated income statement as share of results of joint ventures and associates.

Deferred income tax assets are recognised for tax loss carried forwards and deductible temporary differences to the extent that realisation of the related tax benefit through future taxable profits is probable. As at 31st March 2026, the Group has unrecognised tax losses of HK$4,882,533,000 (2025: HK$4,716,997,000) to carry forward against future taxable profits. Unrecognised tax losses of HK$4,611,631,000 as at 31st March 2026 (2025: HK$4,509,481,000) have no expiry date and the remaining losses will expire at various dates up to and including 2030 (2025: 2029).

12 Income tax expense (Continued)

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules ("Pillar Two"). Pillar Two legislation has been enacted in certain jurisdictions where the Group operates, effective from 1st January 2024 or subsequently.

For the year ended 31st March 2026, based on the Group's assessment of the applicable legislation, the Group has recognised a current income tax expense of HK$157,192,000 in respect of Pillar Two. This amount is included within income tax expense in the consolidated income statement.

For other jurisdictions that the Pillar Two was not effective from the beginning of the financial year, the Group is in process of assessing its exposure when it comes into effect.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

13 Property, plant and equipment

	Land and building HK$'000	Furniture, fixture, equipment and motor vehicles HK$'000	Total HK$'000
At 31st March 2024			
Cost	3,385,494	851,436	4,236,930
Accumulated depreciation	(715,502)	(661,406)	(1,376,908)
Net book amount	2,669,992	190,030	2,860,022
Year ended 31st March 2025			
Opening net book amount	2,669,992	190,030	2,860,022
Additions	-	171,570	171,570
Disposal of interests in subsidiaries (note 31(b)(ii))	(959,382)	(113,264)	(1,072,646)
Disposal	-	(3,197)	(3,197)
Charge for the year	(65,668)	(46,986)	(112,654)
Exchange difference	(7,488)	(1,427)	(8,915)
Closing net book amount	1,637,454	196,726	1,834,180
At 31st March 2025			
Cost	2,004,512	645,184	2,649,696
Accumulated depreciation	(367,058)	(448,458)	(815,516)
Net book amount	1,637,454	196,726	1,834,180

13 Property, plant and equipment (Continued)

	Land and building HK$'000	Furniture, fixture, equipment and motor vehicles HK$'000	Total HK$'000
Year ended 31st March 2026			
Opening net book amount	1,637,454	196,726	1,834,180
Additions	-	26,991	26,991
Disposal	-	(9,442)	(9,442)
Charge for the year	(52,045)	(35,001)	(87,046)
Exchange difference	11	1,091	1,102
Closing net book amount	1,585,420	180,365	1,765,785
At 31st March 2026			
Cost	2,004,976	662,989	2,667,965
Accumulated depreciation	(419,556)	(482,624)	(902,180)
Net book amount	1,585,420	180,365	1,765,785

14 Investment properties

	2026 HK$'000	2025 HK$'000
Completed investment properties	79,795,676	79,257,569
Investment properties under development	1,043,708	1,183,151
Total	80,839,384	80,440,720

14 Investment properties (Continued)

	Hong Kong residential HK$'000	Overseas residential HK$'000	Hong Kong commercial HK$'000	Overseas commercial HK$'000	Chinese Mainland commercial HK$'000	Total HK$'000
At 1st April 2025	5,691,500	488,947	40,308,750	13,106,846	20,844,677	80,440,720
Additions and cost adjustments	7,574	6,283	6,910	1,342,303	99,739	1,462,809
Reclassification	-	(92,899)	-	92,899	-	-
Transfer from properties for sale	16,336	-	-	-	-	16,336
Transfer to assets classified as held-for-sale	(51,904)	-	-	-	-	(51,904)
Net change in fair values	15,031	4,299	(719,510)	(319,996)	(1,012,080)	(2,032,256)
Disposal	(446,445)	-	(43,800)	-	-	(490,245)
Exchange differences	-	33,156	-	271,869	1,188,899	1,493,924
At 31st March 2026	5,232,092	439,786	39,552,350	14,493,921	21,121,235	80,839,384
At 1st April 2024	5,959,900	466,925	41,068,700	12,667,946	21,621,540	81,785,011
Acquisition of interest in a subsidiary	-	-	-	-	108,817	108,817
Additions and cost adjustments	(52)	5,658	(3,867)	650,333	255,335	907,407
Net change in fair values	(268,348)	3,114	(246,083)	(326,327)	(537,410)	(1,375,054)
Disposal of interests in subsidiaries (note 31(b) (i) and (ii))	-	-	(510,000)	-	(270,842)	(780,842)
Exchange differences	-	13,250	-	114,894	(332,763)	(204,619)
At 31st March 2025	5,691,500	488,947	40,308,750	13,106,846	20,844,677	80,440,720

The Group's investment properties at their carrying amounts are analysed as follows:

	2026 HK$'000	2025 HK$'000
In Hong Kong, held on leases of		
between 10 to 50 years	34,082,400	34,690,100
over 50 years	10,702,042	11,310,150
	44,784,442	46,000,250
In Chinese Mainland and overseas		
Freehold	14,892,123	13,564,094
Leases of between 10 to 50 years	21,162,819	20,876,376
	36,054,942	34,440,470
	80,839,384	80,440,720

14 Investment properties (Continued)

Leasing arrangements

The investment properties are leased to tenants under operating leases.

Risk management strategy on leases of investment properties are set out in note 3(a)(ii).

Minimum lease payments receivable on leases of investment properties are set out in note 33. None of the leases include significant variable rentals.

Valuation processes of the Group

As at 31st March 2026, the Group's investment properties were valued by independent professional valuers – Knight Frank, Savills, Joseph J. Blake and Associates Inc. and Cushman & Wakefield.

Fair value of the Group's investment properties are categorised as level 3 measurement in the three-level fair value hierarchy. During the year, there is no transfer between level 1, level 2 and level 3.

The Group's finance department reviews the valuations performed by the independent valuers and report directly to senior management of the Group. Discussion 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 report dates. At each financial year end, the Finance and Project Development Departments:

- verify all major inputs to the independent valuation report;
- assess property valuation movements when compared to the prior year valuation report; and
- hold discussions with the independent valuer.

Valuation techniques

Fair values of investment properties in Hong Kong, Chinese Mainland and overseas are generally derived using the income capitalisation method, the discounted cash flow method and wherever appropriate, by direct comparison method.

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 have reference to recent lettings, within the subject properties and other comparable properties.

Discounted cash flow method is based on the net present value of the income stream estimated by applying an appropriate discount rate which reflects the risk profile.

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

14 Investment properties (Continued)

Valuation techniques (Continued)

Fair values of properties under development in Hong Kong and Chinese Mainland and properties under redevelopment in overseas are generally derived using the residual method. This valuation method is essentially a means of valuing the completed properties by reference to its development potential by deducting estimated development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

Significant unobservable inputs used to determine fair value

Capitalisation rates are estimated by valuers based on the risk profile of the investment properties being valued. The higher the rates, the lower the fair value. As at 31st March 2026, capitalisation rates of 2.3% to 4.8% (2025: 2.2% to 4.8%), 3.5% to 5.8% (2025: 3.5% to 5.8%) and 4.5% to 6.5% (2025: 4.5% to 6.5%) are used for investment properties in Hong Kong, Chinese Mainland and overseas respectively in the income capitalisation method.

Discount rates are estimated by valuers based on the risk profile of the investment properties being valued. The higher the rates, the lower the fair value. As at 31st March 2026, discount rates of 6.5% to 7.8% (2025: of 6.5% to 7.8%) are used for investment properties in overseas in the discounted cash flow method.

Prevailing market rents are estimated based on valuers' view of recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value. As at 31st March 2026, rental value of HK$10 to HK$137 (2025: HK$10 to HK$137) per square feet per month, HK$5 to HK$101 (2025: HK$5 to HK$104) per square feet per month and HK$22 to HK$76 (2025: HK$24 to HK$90) per square feet per month are used for Hong Kong, Chinese Mainland and overseas respectively.

Estimated costs to completion, developer's profit and risk margins of 15% (2025: 2% to 15%) required are estimated by valuers based on market conditions as at 31st March 2026 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 and the margins, the lower the fair value.

15 Right-of-use assets

	2026 HK$'000	2025 HK$'000
Leasehold land and land-use right	390,477	409,047
Buildings	13,446	11,505
	403,923	420,552

15 Right-of-use assets (Continued)

The Group obtains right to control the use of land-use right and various land and buildings for a period of time through lease arrangements. Lease arrangements for buildings are negotiated on an individual basis and obtain a wide range of different terms and conditions including lease payments and lease terms ranging from 3 to 8 years. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

During the year ended 31st March 2026, additions to the right-of-use assets and lease liabilities were HK$10,092,000 (2025: HK$nil) and HK$9,904,000 (2025: HK$nil) respectively. The total cash outflow for leases was HK$16,075,000 (2025: HK$16,160,000) for the year ended 31st March 2026.

16 Joint ventures

	2026 HK$'000	2025 HK$'000
Share of net assets	3,182,064	4,172,647
Amounts due to joint ventures (note 29)	(233,735)	(1,435,310)

Details of the principal joint ventures as at 31st March 2026 and 2025 are shown in note 37(b) to the consolidated financial statements.

The financial information below, after making adjustments to conform to the Group's material accounting policies, represents the Group's interest in respective joint ventures. Management considers there are no material joint ventures to the Group.

	Non-current assets HK$'000	Current assets HK$'000	Non-current liabilities HK$'000	Current liabilities HK$'000	Revenue HK$'000	Profit/ (loss) after income tax HK$'000
2026	5,264,613	2,190,357	(3,455,151)	(817,755)	855,721	345,855
2025	4,916,065	3,877,222	(3,971,541)	(649,099)	315,961	(182,125)

Certain amounts due from joint ventures disclosed in note 18 form part of net investments in joint ventures. As at 31st March 2026, amounts due from joint ventures included share of losses of joint ventures of HK$318,736,000 (2025: HK$152,402,000).

As at 31st March 2026 and 2025, the Company provided financial guarantee to certain joint ventures (proportionate to the Group's effective interest in the joint ventures) for bank loans related to Hong Kong property development projects. Those underlying bank loans are secured by other assets of the respective joint ventures, which mainly includes investment properties and cash and bank balances held under the joint ventures.

17 Associates

	2026 HK$'000	2025 HK$'000
Share of net assets	2,891,649	2,750,328
Amounts due to associates (note 29)	(19)	(19)

Details of the principal associates as at 31st March 2026 and 2025 are shown in note 37(c) to the consolidated financial statements.

The financial information below, after making adjustments to conform to the Group's material accounting policies, represents the Group's interest in respective associates. Management considers there are no material associates to the Group.

	Non-current assets HK$'000	Current assets HK$'000	Non-current liabilities HK$'000	Current liabilities HK$'000	Revenue HK$'000	Loss after income tax HK$'000
2026	5,700,391	1,109,894	(3,449,957)	(468,679)	355,150	(203,720)
2025	5,770,312	1,170,590	(3,545,505)	(645,069)	450,084	(491,782)

Certain amounts due from associates disclosed in note 18 form part of net investments in associates. As at 31st March 2026, amounts due from associates included share of losses of associates of HK$665,519,000 (2025: HK$391,167,000).

18 Loans and other receivables

	2026 HK$'000	2025 HK$'000
Loans receivable at amortised cost		
- secured loans	1,611	1,081
- unsecured loans (note (a))	199,499	128,900
Loans receivable at fair value through profit or loss (note (b))	316,977	448,878
Amounts due from joint ventures		
- at amortised cost (note (c))	1,055,248	1,162,076
- at fair value through profit or loss (note (d))	109,552	140,447
Amounts due from associates at amortised cost (note (e))	2,402,234	2,694,201
Amounts due from non-controlling interests at amortised cost (note (f))	42,145	42,145
	4,127,266	4,617,728
Less: current portion of loans receivable		
- at amortised cost (note 21)	(81,963)	(12,224)
- at fair value through profit or loss (note 21)	(23,718)	(102,119)
amounts due from joint venture (note (c) and note 21)	(341,917)	(258,046)
amounts due from associates (note 21)	(427,427)	(445,261)
amounts due from non-controlling interests at amortised cost (note (f) and note 21)	(42,145)	(42,145)
	3,210,096	3,757,933

Notes:

(a) As at 31st March 2026, the balance includes an amount of HK$117,536,000 (2025: HK$116,676,000) which carries interest at 12% (2025: 12%) per annum and is repayable in July 2029; and an amount of HK$$81,963,000 (2025: HK$12,224,000) which carries interest at 20% (2025: 20%) per annum and is repayable in June 2026. The balances are denominated in US dollar.

(b) As at 31st March 2026, loans receivable at fair value through profit or loss are secured by mortgages over the related properties and are denominated in HK dollar. These loans are interest free for the initial two or three years and subsequently bear interest at variable interest rate. The fair value is calculated based on cash flows discounted using prevailing market rates and the repayment date estimated by the Group. Interest income from the loans receivable at fair value through profit or loss of HK$23,577,000 (31st March 2025: HK$33,932,000) and unrealised gain on loans receivable of HK$8,395,000 (31st March 2025: HK$790,000) (note 8) are recognised in the consolidated income statement.

18 Loans and other receivables (Continued)

Notes: (Continued)

(c) As at 31st March 2026, except for HK$699,175,000 (2025: HK$258,046,000) which is interest free, an amount of HK$138,433,000 (2025: HK$nil) carries interest at 5.28% (2025: nil) per annum and an amount of HK$536,376,000 (2025: HK$536,376,000) carries interest at 2% (2025: 2%) per annum. As at 31st March 2025, the balance also included an amount of HK$520,056,000 which carried interest at 4.25% per annum.

The balances are unsecured and repayable on demand. The balances are denominated in US dollar of HK$138,491,000 and denominated in HK dollar of HK$916,757,000. The balance also includes share of losses of joint ventures of HK$318,736,000 (2025: HK$152,402,000).

(d) The fair value of amounts due from joint ventures at fair value through profit or loss is determined based on cash flows discounted using prevailing market rates and the repayment date estimated by the Group.

The balance includes an amount of HK$50,703,000 (2025: HK$61,154,000) which carries interest at prevailing market rates and an amount of HK$58,849,000 (2025: HK$79,293,000) which carries interest at fixed rate ranged from 3.0% to 4.5% (2025: 2.9% to 2.95%) per annum.

(e) As at 31st March 2026, except for HK$1,308,353,000 (2025: HK$1,326,368,000) which is interest free, HK$1,759,400,000 (2025: HK$1,759,000,000) carries interest at fixed rate of 4.11% (2025: 4.19%) per annum. The balances are unsecured, repayable on demand and denominated in HK dollar and RMB. The balance also includes share of losses of associates of HK$665,519,000 (2025: HK$391,167,000). The balances are unsecured and denominated in HK dollar.

(f) As at 31st March 2026, the balance includes an amount of HK$42,145,000 (2025: HK$42,145,000) which is unsecured, interest free and repayable on demand.

19 Amounts due from/(to) investee companies

	2026 HK$'000	2025 HK$'000
Amounts due from investee companies (note (a))	36,728	38,213
Amounts due within one year included in current assets (note 21)	(845)	(856)
	35,883	37,357
Amounts due to investee companies (note (b) and note 29)	(9,118)	(9,118)

Notes:

(a) As at 31st March 2026, the amounts due from investee companies of HK$33,096,000 (2025: HK$34,470,000) bear interest at prevailing market rates and repayable on demand. The remaining balance of HK$3,632,000 (2025: HK$3,743,000) net of provision for loss allowance of HK$234,007,000 (2025: HK$234,106,000) are interest free. The balances are unsecured and denominated in HK dollar.

(b) The amounts due to investee companies are unsecured, interest free and repayable on demand. The balances are denominated in HK dollar.

20 Properties for sale

	2026 HK$'000	2025 HK$'000
Completed properties	6,978,141	7,577,822
Under development	2,303,264	2,110,307
	9,281,405	9,688,129
The carrying value of properties for sale comprised:		
In Hong Kong		
- leases of between 10 to 50 years	5,302,368	5,835,091
- leases of over 50 years	3,979,037	3,853,038
	9,281,405	9,688,129

As at 31st March 2026, properties under development of HK$2,303,264,000 (2025: HK$2,110,307,000) are not expected to be recovered within 12 months.

21 Trade and other receivables, deposits and prepayments

	2026 HK$'000	2025 HK$'000
Trade receivables (note (a))	642,022	656,796
Less: Provision for loss allowance of trade receivables	(5,155)	(26,352)
Trade receivables, net of provision (note (b))	636,867	630,444
Other receivables and deposits (note (b))	1,451,397	1,875,245
Interest receivable (note (b))	220,615	138,541
Stakeholder's account	89,034	14,861
Prepayments	172,589	173,925
Contract cost assets	14,468	15,594
Contract assets (note (c))	83,438	125,792
Loans receivable at amortised cost (note 18)	81,963	12,224
Loans receivable at fair value through profit or loss (note 18)	23,718	102,119
Amounts due from fellow subsidiary companies (note (d))	8,385	8,892
Amounts due from joint ventures (note 18)	341,917	258,046
Amounts due from associates (note 18)	427,427	445,261
Amounts due from investee companies (note 19)	845	856
Amounts due from non-controlling interests (note 18)	42,145	42,145
Amounts due from related companies (note (e))	4,367	4,357
Amount due from ultimate holding company (note (f))	8,530	8,308
	3,607,705	3,856,610

Notes:

(a) The Group applies the IFRS 9 simplified approach to measure expected credit losses which use a lifetime expected credit loss allowance for all trade receivables.

The Group has different credit policies for different business operations depending on the requirements of the markets and business in which the subsidiaries operate. The analysis of trade receivables is as follows:

	2026 HK$'000	2025 HK$'000
Fully performing	636,867	630,444
Underperforming and non-performing	5,155	26,352
	642,022	656,796

21 Trade and other receivables, deposits and prepayments (Continued)

Notes: (Continued)

(a) (Continued)

Movement in the loss allowance for trade debtors during the year is as follows:

	2026 HK$'000	2025 HK$'000
As at the beginning of the year	26,352	33,793
Impairment loss recognised during the year, net	7,420	1,405
Uncollectible amount written off	(28,852)	(8,850)
Exchange differences	235	4
As at the end of the year	5,155	26,352

(b) Other classes within trade and other receivables, deposits and prepayments do not contain material impaired assets. There is no concentration of credit risk with respect to trade receivables as the customers bases are widely dispersed in different business operations.

The trade receivables, other receivables and deposits and interest receivable are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
HK dollar	1,512,199	1,811,163
US dollar	237,754	194,420
RMB	252,824	286,575
GBP	284,769	342,693
Others	21,333	9,379
	2,308,879	2,644,230

(c) The Group applies the IFRS 9 simplified approach to measure expected credit losses use a lifetime expected credit loss allowance for contract assets. The expected credit loss impact on contract assets is assessed to be immaterial.

(d) Amounts due from fellow subsidiary companies are unsecured, interest free and repayable on demand. The balances are denominated in HK dollar and US dollar.

(e) The balances are unsecured, interest free and repayable on demand. The balances are denominated in HK dollar.

(f) The balance is unsecured, interest free and repayable on demand. The balances is mainly denominated in HK dollar.

22 Financial assets/(liabilities) at fair value through profit or loss

	2026 HK$'000	2025 HK$'000
Non-current assets:		
- listed in Hong Kong	97,895	131,007
- listed overseas	2,983,132	1,186,566
- unlisted in Hong Kong	109,106	119,216
- unlisted overseas	17,694,149	15,067,889
	20,884,282	16,504,678
Current assets:		
- listed in Hong Kong	603,596	1,003,613
- listed overseas	12,858,510	10,415,026
- unlisted overseas	309,225	940,176
	13,771,331	12,358,815
	34,655,613	28,863,493

	2026 HK$'000	2025 HK$'000
<u>Derivative financial instruments</u>		
Current assets:		
- swap	235,577	76,098
- option	44,980	20,191
- warrant	-	2,132
- forward	31,966	7,228
	312,523	105,649

22 Financial assets/(liabilities) at fair value through profit or loss (Continued)

	2026 HK$'000	2025 HK$'000
Current liabilities:		
- swap	(617,977)	(259,251)
- option	(8,212)	-
- forward	-	(19,902)
- future	-	(4,255)
- target redemption product	-	(3,239)
	(626,189)	(286,647)
Representing:		
- non-current assets	20,884,282	16,504,678
- current assets	14,083,854	12,464,464
- current liabilities	(626,189)	(286,647)
Total	34,341,947	28,682,495

The financial assets/(liabilities) at fair value through profit or loss are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
HK dollar	307,928	1,171,595
US dollar	28,620,990	23,412,865
KRW	1,221,925	415,736
New Taiwan dollar	1,579,026	150,145
Japanese Yen	483,977	460,637
GBP	631,065	1,011,436
Euro	954,327	1,365,781
RMB	115,515	249,748
Others	427,194	444,552
	34,341,947	28,682,495

As at 31st March 2026 and 2025, the Group has joint control or significant influence on certain investments. However, the Group was exempted from applying equity method to these investments and they were recorded as financial assets at fair value through profit or loss.

23 Cash and bank balances

	2026 HK$'000	2025 HK$'000
Bank balances and cash	9,752,534	9,358,373
Short term bank deposits	4,946,680	1,363,929
	14,699,214	10,722,302
Representing:		
- unpledged	14,699,214	10,722,302

The effective interest rate on the bank deposits is 3.40% (2025: 4.96%) per annum. These deposits have an average maturity of 155 days (2025: 47 days).

Cash and bank balances are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
HK dollar	4,595,066	4,387,125
US dollar	9,260,708	5,344,727
RMB	690,015	777,595
Euro	61,496	11,094
GBP	77,544	186,197
Singapore dollar	3,829	10,467
Others	10,556	5,097
	14,699,214	10,722,302

The conversion of RMB denominated balances into foreign currencies and the remittances of such foreign currencies denominated bank balances and cash out of Chinese Mainland are subject to relevant rules and regulations of foreign exchange control promulgated by the Chinese Mainland government.

Cash and cash equivalents include the following for purpose of the consolidated statement of cash flows.

	2026 HK$'000	2025 HK$'000
Bank balances and cash	9,752,534	9,358,373
Short-term bank deposits	4,946,680	1,363,929
	14,699,214	10,722,302
Less: bank deposits with original maturities of more than three months	(2,013,635)	(169,250)
	12,685,579	10,553,052

24 Assets classified as held-for-sale

	2026 HK$'000	2025 HK$'000
Investment properties (note 14)	51,904	-

As at 31st March 2026, the Group entered into sale and purchase agreements with independent third parties to dispose the residential units held in Hong Kong at total consideration of HK$52 million. As a result, the respective investment properties of HK$52 million are re-classified as assets classified as held-for-sale in the consolidated financial statements. As at 31st March 2026, HK$5 million was received as deposit.

25 Share capital and perpetual capital securities

Share capital

	Number of shares (Thousands)	Amount HK$'000
Authorised:		
Ordinary shares of 1 Hong Kong dollar each		
At 1st April 2024, 31st March 2025 and 31st March 2026	1,000,000,000	1,000,000,000
Issued and fully paid:		
Ordinary shares of 1 US dollar each		
At 1st April 2024, 31st March 2025 and 31st March 2026	62,743,532	62,743,532

Perpetual capital securities

	2026 HK$'000	2025 HK$'000
USD500 million issued in 2020	3,886,777	3,886,693

On 10th September 2020, a wholly owned subsidiary of the Group (the "Issuer") issued 5% perpetual capital securities with an aggregate principal of USD500 million for cash. The perpetual capital securities are guaranteed by the Company.

These securities are perpetual and the coupon payment can be deferred at the discretion of the Issuer and there is no limit as to the number of times of deferral of coupon payment. When the Company or the Issuer elect to declare dividends to their ordinary shareholders, the Issuer shall make distribution to the holders of perpetual securities at the distribution rates as defined in the subscription agreement.

26 Reserves

	Exchange reserve HK$'000	Retained earnings HK$'000	Merger reserve HK$'000	Hedging reserve HK$'000	Other reserves (note) HK$'000	Total HK$'000
At 1st April 2025	(2,738,980)	77,178,798	(33,060,444)	-	(274,993)	41,104,381
Profit for the year	-	4,444,434	-	-	-	4,444,434
Exchange translation differences						
- Group	1,418,873	-	-	-	-	1,418,873
- Joint ventures and associates	109,597	-	-	-	-	109,597
Transfer of statutory reserve of an associate	-	(6,016)	-	-	6,016	-
Transfer of statutory reserve of a subsidiary	-	(272)	-	-	272	-
Release of exchange reserve upon disposal of subsidiaries	(2,969)	-	-	-	-	(2,969)
At 31st March 2026	(1,213,479)	81,616,944	(33,060,444)	-	(268,705)	47,074,316

26 Reserves (Continued)

	Exchange reserve HK$'000	Retained earnings HK$'000	Merger reserve HK$'000	Hedging reserve HK$'000	Other reserves (note) HK$'000	Total HK$'000
At 1st April 2024	(2,220,807)	79,098,383	(33,060,444)	(32,364)	(278,122)	43,506,646
Loss for the year	-	(1,910,116)	-	-	-	(1,910,116)
Acquisition of non-controlling interests	-	-	-	-	(6,340)	(6,340)
Exchange translation differences						
- Group	(346,402)	-	-	-	-	(346,402)
- Joint ventures and associates	(79,110)	-	-	-	-	(79,110)
Transfer of statutory reserve of an associate	-	(6,432)	-	-	6,432	-
Transfer of statutory reserve of a subsidiary	-	(3,037)	-	-	3,037	-
Release of exchange reserve upon disposal of subsidiaries	(92,661)	-	-	-	-	(92,661)
Fair value change on hedging instruments	-	-	-	73,002	-	73,002
Cost of hedging	-	-	-	(44,485)	-	(44,485)
Hedging gain reclassified to profit or loss	-	-	-	3,847	-	3,847
At 31st March 2025	(2,738,980)	77,178,798	(33,060,444)	-	(274,993)	41,104,381

Note: Other reserves mainly represent reserves arose from acquisition of additional interest in a subsidiary from non-controlling interests.

27 Deferred income tax

The movement on the net deferred income tax liabilities is as follows:

	2026 HK$'000	2025 HK$'000
At 1st April	(2,465,832)	(2,576,122)
Disposal of interests in subsidiaries (note 31(b)(ii))	-	9,626
Acquisition of interest in a subsidiary	-	(23,609)
Credited to the consolidated income statement (note 12)	307,599	71,694
Exchange difference	(182,162)	52,579
At 31st March	(2,340,395)	(2,465,832)

27 Deferred income tax (Continued)

The majority of deferred income tax assets and liabilities are to be recovered after more than 12 months. The gross movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred income tax liabilities

	Unrealised gains on investment securities HK$'000	Accelerated tax depreciation HK$'000	Fair value gains on properties (Note) HK$'000	Others HK$'000	Total HK$'000
At 1st April 2025	(44,182)	(339,412)	(3,241,976)	(42,865)	(3,668,435)
Credited/(charged) to consolidated income statement	18,651	(102,310)	129,043	1,008	46,392
Transfer to liabilities classified as held-for-sale	-	(574)	-		(574)
Exchange difference	(447)	(662)	(188,862)	-	(189,971)
At 31st March 2026	(25,978)	(442,958)	(3,301,795)	(41,857)	(3,812,588)
At 1st April 2024	(53,707)	(233,664)	(3,249,686)	(43,104)	(3,580,161)
Acquisition of interest in a subsidiary	-	-	(23,609)	-	(23,609)
Disposal of interests in subsidiaries (note 31(b)(ii))	-	9,626	-	-	9,626
Credited/(charged) to consolidated income statement	9,199	(115,008)	(16,221)	239	(121,791)
Exchange difference	326	(366)	47,540	-	47,500
At 31st March 2025	(44,182)	(339,412)	(3,241,976)	(42,865)	(3,668,435)

27 Deferred income tax (Continued)

Deferred income tax assets

	Tax losses HK$'000	Fair value losses on properties HK$'000	Unrealised intra-group profits HK$'000	Total HK$'000
At 1st April 2025	406,424	597,388	198,791	1,202,603
Credited/(charged) to consolidated income statement	182,108	82,657	(3,558)	261,207
Exchange difference	76	8,307	-	8,383
At 31st March 2026	588,608	688,352	195,233	1,472,193
At 1st April 2024	263,420	535,996	204,623	1,004,039
Credited/(charged) to consolidated income statement	143,148	56,169	(5,832)	193,485
Exchange difference	(144)	5,223	-	5,079
At 31st March 2025	406,424	597,388	198,791	1,202,603

Note:

The balances also include temporary difference arising from the tax depreciation of investment properties in Chinese Mainland.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2026 HK$'000	2025 HK$'000
Deferred income tax assets	1,086,023	912,709
Deferred income tax liabilities	(3,426,418)	(3,378,541)

28 Bank and other borrowings

	2026 HK$'000	2025 HK$'000
Long-term bank borrowings (note (a))		
- secured	3,325,473	3,424,315
- unsecured	15,148,386	11,576,090
Medium term notes (note (b))		
- listed	9,338,687	9,480,602
- unlisted	499,645	499,413
Less: current portion of long-term bank borrowings	(259,772)	(302,336)
	28,052,419	24,678,084
Current portion of long-term bank borrowings (note (a))		
- secured	259,772	302,336
Other short-term bank borrowings (note (a))		
- secured	119,886	169,180
- unsecured	1,264,942	1,675,067
	1,644,600	2,146,583
Total bank and other borrowings	29,697,019	26,824,667

28 Bank and other borrowings (Continued)

As at 31st March 2026 and 31st March 2025, the Group's bank and other borrowings are repayable as follows:

	2026 HK$'000	2025 HK$'000
Within one year	1,644,600	2,146,583
Between one and two years	11,845,022	4,476,459
Between two and three years	3,397,898	11,459,815
Between three and four years	1,084,699	3,402,713
Between four and five years	11,094,318	1,047,372
Over five years	630,482	4,291,725
	29,697,019	26,824,667

Notes:

(a) These bank borrowings are secured by investment properties and financial assets at fair value through profit or loss.

The effective interest rate based on the prevailing market rates on the bank borrowings as at 31st March 2026 is 3.14% (2025: 4.26%) per annum.

Bank borrowings are approximated their fair values and denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
HK dollar	9,993,500	7,284,257
RMB	1,634,451	1,701,560
US dollar	4,299,152	3,583,786
GBP	3,931,461	4,273,917
Others	123	1,132
	19,858,687	16,844,652

28 Bank and other borrowings (Continued)

Notes: (Continued)

(b) Nan Fung Treasury Limited, a subsidiary of the Group has established a Medium Term Note Programme ("MTN"). The aggregate principal amount of US$3 billion. As at 31st March 2026 and 2025, the Group has drawdown of HK$500 million (2025: HK$500 million) which is unlisted and US$1,198.06 million (2025: US$1,227.35 million) which is listed on Singapore Exchange Securities Trading Limited. The details of the drawdown are as follows:

Issue dates	Principal loan drawdown amounts	Maturity date	Interest yield per annum	Interests in arrear
13th September 2017	HK$500 million	13th September 2027	3.65%	Quarterly
3rd October 2017	US$339.69 million (note 1)	3rd October 2027	3.875%	Semi-annually
5th September 2018	US$414.33 million (note 2)	5th September 2028	5%	Semi-annually
27th August 2020	US$444.04 million (note 3)	27th August 2030	3.625%	Semi-annually

The MTN is guaranteed unconditionally and irrevocably by the Company. As at 31st March 2026, the fair values of the MTN are HK$9,655,751,000 (2025: HK$9,583,066,000). Of which, US$1,169,246,000 equivalent to HK$9,161,861,000 (2025: US$1,169,947,000 equivalent to HK$9,100,316,000) is within level 1 of fair value hierarchy and the remaining HK$493,890,000 (2025: HK$482,750,000) is within level 2 of fair value hierarchy which is estimated using other comparable prices observed in the market. Total remaining capacity of the MTN amounted to US$1,738,124,000 (2025: US$1,708,360,000).

Notes:

(1) During the year ended 31st March 2026, the Group repurchased US$9.15 million MTN from third party and subsequently cancelled, resulting in a decrease in drawdown balance from US$348.84 million to US$339.69 million.

(2) During the year ended 31st March 2026, the Group repurchased US$6.4 million MTN from third party and subsequently cancelled, resulting in a decrease in drawdown balance from US$420.73 million to US$414.33 million.

(3) During the year ended 31st March 2026, the Group repurchased US$13.74 million MTN from third party and subsequently cancelled, resulting in a decrease in drawdown balance from US$457.78 million to US$444.04 million.

(c) As at 31st March 2026, the Group had HK$18,268,936,000 (2025: HK$16,087,458,000) undrawn banking facilities.

29 Trade and other payables, deposits and accruals

	2026 HK$'000	2025 HK$'000
Trade and other payables and accruals (note (a))	1,129,978	1,133,587
Accruals for construction work (note (a))	1,303,770	1,578,915
Rental and other deposits received (note (a))	766,208	747,336
Deferred income	5,264	7,986
Amounts due to joint ventures (note (b))	233,735	1,435,310
Amounts due to associates (note (c))	19	19
Amounts due to investee companies (note 19)	9,118	9,118
Amounts due to related companies and individuals (note (d))	633,725	602,072
Amount due to immediate holding company (note (e))	184,964	145,606
Amount due to ultimate holding company (note (e))	122,982	148,538
Amounts due to non-controlling interests at amortised cost (note (f))	2,613,309	2,601,093
Amounts due to non-controlling interests at fair value through profit or loss (note (g))	723,745	575,846
	7,726,817	8,985,426

Notes:

(a) Trade and other payables mainly include payables related to property development projects including construction and development cost payables. Trade and other payables, deposits and accruals are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
HK dollar	2,002,288	2,342,695
RMB	613,335	600,246
US dollar	483,817	417,999
GBP	98,931	97,522
Others	1,585	1,376
	3,199,956	3,459,838

(b) Amounts due to joint ventures are unsecured, interest free and repayable on demand. The balances are denominated in HK dollar.

Details of the principal joint ventures as at 31st March 2026 and 2025 are shown in note 37(b) to the consolidated financial statements.

29 Trade and other payables, deposits and accruals (Continued)

Notes: (Continued)

(c) Amounts due to associates are unsecured, interest free and repayable on demand. The balances are denominated in HK dollar.

(d) As at 31st March 2026, the balance includes an amount of HK$5,054,000 (2025: HK$5,017,000) bears interest at 1% per annum (2025: 1% per annum) and an amount of HK$563,855,000 (2025: HK$550,420,000) bears interest at 4.5% and remaining balances are interest free. The balances are unsecured and repayable on demand. The balances are denominated in HK dollar.

(e) Amounts due to immediate holding company and ultimate holding company are unsecured, interest free and repayable on demand. The balances are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
HK dollar	307,946	147,783
US dollar	-	146,361
	307,946	294,144

(f) As at 31st March 2026, amounts due to non-controlling interests at amortised cost of HK$839,153,000 (2025: HK$839,153,000) bear interest 5% per annum (2025: 5% per annum). The remaining balances are interest free. The balances are unsecured and repayable on demand. The balances are denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
HK dollar	2,373,448	2,355,474
GBP	239,861	245,619
	2,613,309	2,601,093

(g) The amounts due to non-controlling interests at fair value through profit or loss represented redeemable preference shares with par value of US$0.01 per share. The amount is redeemable at the net asset value of a subsidiary of the Group at any time by the holder. The fair value is estimated based on the net asset value of the subsidiary.

30 Contract liabilities

	2026 HK$'000	2025 HK$'000
Contract liabilities related to property sales (note (a))	62,884	34,416

Notes:

(a) The Group received payments from customers based on billing schedules as established in contracts. Payments are usually received in advance before the transfer of properties.

(b) The following table shows the amount of revenue recognised in the current year that was included in the contract liability balance at the beginning of the year:

	2026 HK$'000	2025 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year - Property sales	27,624	12,518

(c) The following table shows the aggregate amount of transaction price allocated to unsatisfied performance obligations resulting from fixed price contracts with an original expected duration of revenue recognition in one year or more:

	2026 HK$'000	2025 HK$'000
Expected to be recognised within one year	757,853	257,248

For all other contracts with an original expected duration of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

31 Notes to the consolidated statement of cash flows

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

	2026 HK$'000	2025 HK$'000
Profit/(loss) before income tax	4,889,322	(1,734,716)
Depreciation of property, plant and equipment	87,046	112,654
Depreciation of right-of-use assets	26,821	32,103
Net change in fair values of investment properties	2,032,256	1,375,054
Net (gain)/loss on disposal of property, plant and equipment	(454)	363
Write-off of property, plant and equipment	66	1,402
Net loss on disposal of investment property	717	-
Net loss on disposal of interests in/liquidation of subsidiaries	-	65,231
Net (gain)/loss on loans receivable at fair value through profit or loss	(9,701)	317
Unrealised (gain)/loss on financial assets at fair value through profit or loss and derivatives	(2,468,229)	2,051,156
Unrealised loss on amount due to non-controlling interest at fair value through profit or loss	118,524	70,818
Net provision for loss allowances of financial assets	9,737	6,849
Finance expenses, net	585,319	301,702
Share of results of joint ventures	(345,855)	182,125
Share of results of associates	203,720	491,782
Net cash generated from operating profit before working capital changes	5,129,289	2,956,840
Decrease/(increase) in:		
Properties for sale	488,907	19,402
Trade and other receivables, deposits and prepayments	378,347	153,831
Financial assets at fair value through profit or loss	(3,354,330)	(2,430,463)
Increase/(decrease) in:		
Trade and other payables, deposits and accruals	(401,900)	(139,807)
Contract liabilities	28,468	11,043
Financial liabilities at fair value through profit or loss	339,542	20,058
Net cash generated from operations	2,608,323	590,904

31 Notes to the consolidated statement of cash flows (Continued)

(b) Disposal of interests in subsidiaries

(i) Disposal of Capita Enterprises Limited ("Capita")

On 13th June 2024, the Group entered into a sale and purchase agreement with a 50% joint venture of the Group for sale of entire interests in Capita, a wholly owned subsidiary, and its subsidiary, which holds an investment property in Hong Kong at consideration of HK$510,145,000, settled through amounts due from joint ventures. The disposal was completed on the same day. Since the consideration was the same as the net assets disposed of as of the completion date, no gain or loss on disposal was recognised. Details of the disposal of Capita are as follows:

	HK$'000
Net assets disposed of:	
Investment properties	510,000
Cash and cash equivalents	226
Trade and other payables	(81)
Net assets disposed of	510,145
Net gain on disposal of interests in subsidiaries:	
Total consideration	510,145
Net assets disposed of	(510,145)
	-
Net cash outflow on disposal of interests in subsidiaries:	
Cash and cash equivalents disposed of	(226)

(ii) Disposal of 廣州市展豐房地產開發有限公司 ("廣州市展豐")

On 3rd July 2024, the Group entered into a sale and purchase agreement with an independent third party for sale of entire interests in 廣州市展豐, a wholly owned subsidiary, and its subsidiary, which holds an investment property and a hotel property in Chinese Mainland at consideration of RMB1,425 million (equivalent to HK$1,538 million). The Group had to settle the bank borrowings as at the completion date according to the sale and purchase agreement. The disposal was completed on 25th July 2024. Details of the disposal of 廣州市展豐 are as follows:

31 Notes to the consolidated statement of cash flows (Continued)

(b) Disposal of interests in subsidiaries (Continued)

(ii) Disposal of 廣州市展豐房地產開發有限公司 ("廣州市展豐") (Continued)

	HK$'000
Net assets disposed of:	
Property, plant and equipment	1,072,646
Right-of-use assets	364,787
Investment properties	270,842
Trade and other receivables	21,300
Cash and cash equivalents	51,272
Trade and other payables	(74,611)
Bank borrowings	(402,351)
Deferred income tax liabilities	(9,626)
Net assets disposed of	1,294,259
Net loss on disposal of interests in subsidiaries:	
Total consideration	1,538,100
Bank borrowings borne by the Group	(402,351)
Net assets disposed of	(1,294,259)
Release of exchange reserves	93,279
	(65,231)
Net cash inflow on disposal of interests in subsidiaries:	
Total consideration	1,538,100
Bank borrowings borne by the Group	(402,351)
Consideration receivable	(133,867)
Cash consideration received during the year	1,001,882
Cash and cash equivalents disposed of	(51,272)
	950,610

(c) Significant non-cash transactions

During the year ended 31st March 2026, dividends received from joint venture amounting to HK$1,205,000,000 (2025: HK$nil) were settled through amounts due to joint venture and share of losses of joint ventures and associates of HK$166,334,000 (2025: HK$152,402,000) and HK$274,352,000 (2025: HK$391,167,000) were settled through amounts due from joint ventures and amounts due from associates respectively.

31 Notes to the consolidated statement of cash flows (Continued)

(d) Reconciliation of liabilities arising from financing activities:

	Bank and other borrowings HK$'000	Interest payables HK$'000	Amounts due to related companies and individuals HK$'000	Amount due to immediate holding company HK$'000	Amount due to ultimate holding company HK$'000	Amounts due to non-controlling interests HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1st April 2025	26,824,667	94,591	602,072	145,606	148,538	3,176,939	88,744	31,081,157
Cash flows	2,525,301	(954,689)	5,882	39,358	(25,556)	(467)	(14,122)	1,575,707
Finance cost	-	955,575	25,771	-	-	42,058	3,072	1,026,476
Exchange differences	295,165	16,540	-	-	-	-	4,422	316,127
Other non-cash movement	51,886	(18,017)	-	-	-	118,524	9,904	162,297
At 31st March 2026	29,697,019	94,000	633,725	184,964	122,982	3,337,054	92,020	34,161,764
At 1st April 2024	29,198,768	128,006	521,363	91,257	28,380	3,438,985	101,985	33,508,744
Cash flows	(1,969,330)	(1,156,552)	62,289	54,349	120,158	(374,921)	(15,040)	(3,279,047)
Finance cost	-	1,149,929	18,420	-	-	42,058	3,155	1,213,562
Exchange differences	(56,050)	50	-	-	-	-	(1,356)	(57,356)
Other non-cash movement	(348,721)	(26,842)	-	-	-	70,817	-	(304,746)
At 31st March 2025	26,824,667	94,591	602,072	145,606	148,538	3,176,939	88,744	31,081,157

32 Commitments

Other than those disclosed elsewhere in the financial statements, the Group has significant commitments as follows:

	2026 HK$'000	2025 HK$'000
Contracted but not provided for		
Investment properties (note (a))	337,396	1,324,635
Other investments (note (b))	2,793,743	3,087,009
	3,131,139	4,411,644

Notes:

(a) As at 31st March 2026 and 31st March 2025, the Group had capital commitments for investment properties under development and completed investment properties.

(b) As at 31st March 2026 and 31st March 2025, the Group had uncalled capital commitments to invest in the funds and direct investments. The commitments are subject to certain conditions described in the contracts.

(c) The Group's share of capital commitment of joint ventures was HK$739 million as at 31st March 2026 (2025: HK$ 170 million).

The aggregate lease payments under short-term leases and low-value leases are as follows:

	2026 HK$'000	2025 HK$'000
Third parties		
- not later than one year	150	453
- later than one year and not later than five years	-	149
	150	602

33 Future operating lease receivables

As at 31st March 2026 and 31st March 2025, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of the Group's investment properties and properties for sale as follows:

	2026 HK$'000	2025 HK$'000
Within one year	1,969,124	1,875,025
Between one and two years	1,499,911	1,438,666
Between two and three years	1,184,976	1,042,401
Between three to four years	836,497	846,965
Between four to five years	553,878	636,253
Later than five years	942,442	719,438
	6,986,828	6,558,748

34 Pledge of assets

As at 31st March 2026 and 31st March 2025, the Group had pledged certain assets to secure borrowings of the Group. Their carrying values were as follows:

	2026 HK$'000	2025 HK$'000
Investment properties	16,594,344	17,374,759
Financial assets at fair value through profit or loss	257,044	250,764
	16,851,388	17,625,523

35 Significant related party transactions

Other than those disclosed elsewhere in the financial statements, significant related party transactions which were carried out in the normal course of the Group's business during the year were as follows:

	2026 HK$'000	2025 HK$'000
Income:		
From related companies which is held by a close family member of directors of the Company		
- construction revenue (note (a))	369,237	411,025
- rental income (note (b))	-	15,592

Notes:

(a) Construction revenue from a related company for construction service provided. The terms were determined by and agreed between both parties.

(b) Rental income from related companies for premises rented to related companies. The terms were determined by and agreed between both parties.

36 Subsequent events

(a) Issuance of guaranteed sustainability bonds due 2036

On 21st May 2026, a wholly owned subsidiary of the Group issued guaranteed sustainability bonds with an aggregate principal amount of US$500 million (equivalent to approximately HK$3,917.25 million) bearing interest at 5.75% per annum and maturing on 21st May 2036.

(b) Repurchase of medium term notes due 2027 and medium term notes due 2028

On 22nd May 2026, a wholly owned subsidiary of the Group completed the repurchase from third-party holders and cancellation of (i) US$193.60 million in aggregate principal amount of medium-term notes bearing interest at 3.875% per annum and maturing on 3rd October 2027, and (ii) US$235.16 million in aggregate principal amount of medium-term notes bearing interest at 5.0% per annum and maturing on 5th September 2028.

37 Particulars of principal subsidiaries, joint ventures and associates

(a) Subsidiaries

The Group had interests in the following principal subsidiaries:

Name	Place of incorporation	Principal activities	Issued share capital/ registered capital	Percentage of effective interest in ownership/voting power/profit sharing 2026	2025
Ace Aspect Limited	British Virgin Islands	Property development	US$1,000	100%	100%
Blooming Lotus Holdings Limited	British Virgin Islands	Property investment	US$1,000	100%	100%
Bordon Construction Company Limited	Hong Kong	Investment holding and building construction	HK$686,700,000	100%	100%
Capital Treasure Investments Limited [1]	British Virgin Islands	Property investment	US$1,000	80%	80%
Century Wealth Development Limited	Hong Kong	Property trading and financing	HK$2	100%	100%
Cheerwide Investment Limited [1]	Hong Kong	Property investment and property trading	HK$1	85%	85%
Chun Yip Construction Company Limited	Hong Kong	Building construction	HK$570,000,200 ordinary and HK$1,000,000 non-voting deferred	100%	100%
City Century Development Limited [2]	Hong Kong	Property trading	HK$1	100%	100%
Continental Discovery Sdn. Bhd.	Malaysia	Property investment	RM100,000	100%	100%
Cosmic City International Limited	British Virgin Islands	Property development	US$1,000	100%	100%
Crown Time Properties Limited	Hong Kong	Property trading	HK$2	100%	100%
Dynamic Century Global Limited	British Virgin Islands	Property investment	US$1,000	100%	100%
Emerald Place Limited	British Virgin Islands	Property development	US$1,000	100%	100%
Enormous Asset Limited [1]	Hong Kong	Property investment and property trading	HK$1	75%	75%

37 Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

The Group had interests in the following principal subsidiaries: (Continued)

Name	**Place of incorporation**	**Principal activities**	**Issued share capital/ registered capital**	**Percentage of effective interest in ownership/voting power/profit sharing** 2026	2025
Ever Crown Development Limited	Hong Kong	Property investment	HK$2	100%	100%
Ever Grand Enterprises Limited	Hong Kong	Property investment	HK$1	100%	100%
Gavast Estates Limited	Hong Kong	Investment holding	HK$2	100%	100%
Global Gain Investment Holdings Limited	Cayman Islands	Investment holding	US$1	100%	100%
Goodyear Investments Private Limited	Singapore	Property investment	SG$23,250,000	100%	100%
Great Team Development Limited [1,2]	Hong Kong	Property trading	HK$1	100%	100%
Greatco Finance Limited	Hong Kong	Financing	HK$1	100%	100%
Hing Fung Sendirian Berhad	Malaysia	Property investment	RM7,800,000	100%	100%
Hon Hing Enterprises Limited	Hong Kong	Building management	HK$10,000	100%	100%
Jubilee Charm Investments Limited	British Virgin Islands	Property investment	US$1,000	100%	100%
Jumbo Runner Limited	British Virgin Islands	Property development	US$1,000	100%	100%
Landsun International Limited	Hong Kong	Hotel operation and financing	HK$2	100%	100%
London George Unit Trust	Jersey	Property investment	GBP52,600,000	100%	100%
Longbrook Development Limited	Hong Kong	Property investment	HK$10,000	100%	100%

37 Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

The Group had interests in the following principal subsidiaries: (Continued)

Name	Place of incorporation	Principal activities	Issued share capital/ registered capital	Percentage of effective interest in ownership/voting power/profit sharing 2026	2025
Main Shine Development Limited	Hong Kong	Building management	HK$500,000	100%	100%
Nan Fung Development Limited	Hong Kong	Financing, investment holding and property investment	HK$900,000,002 ordinary and HK$100,000,000 non-voting deferred	100%	100%
Nan Fung Finance Limited	Hong Kong	Provision of mortgage financing	HK$1,000,000	100%	100%
Nan Fung International Finance Limited	Hong Kong	Financing	HK$1	100%	100%
Nan Fung Real Estate Agency Limited	Hong Kong	Provision of real estate agency service	HK$100,000	100%	100%
Nan Fung Textiles Limited	Hong Kong	Investment holding and property investment	HK$10,000,000	100%	100%
Nan Fung Textiles Second Mill Limited	Hong Kong	Property investment	HK$3,500,000	100%	100%
Nan Fung Treasury Consolidated Limited	Hong Kong	Provision of treasury services	HK$1	100%	100%
Nan Fung Treasury Limited	British Virgin Islands	Financing	US$1,000	100%	100%
Nan Fung Treasury (III) Limited	British Virgin Islands	Financing	US$1,000	100%	100%
Nan Fung Trinity (HK) Limited	Hong Kong	Financial asset management and investment advisory	HK$255,000,000	100%	100%

37 Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

The Group had interests in the following principal subsidiaries: (Continued)

Name	**Place of incorporation**	**Principal activities**	**Issued share capital/ registered capital**	**Percentage of effective interest in ownership/voting power/profit sharing** 2026	2025
Nan Wai Development Limited	Hong Kong	Property investment	HK$1	100%	100%
New Charm Management Limited	Hong Kong	Building management	HK$10,000	100%	100%
New Connect Investments Limited	British Virgin Islands	Property investment	US$1,000	100%	100%
New Excellent Development Limited	Hong Kong	Property investment	HK$1	100%	100%
New Zone Developments Limited	British Virgin Islands	Property investment	US$1,000	100%	100%
NF The Mills UK Ltd	United Kingdom	Gallery and event space	GBP1	100%	100%
NFLSRE 1 Winthrop LLC	Delaware	Property investment	US$28,257,300	100%	100%
NFLSRE 2 Financial LLC	Delaware	Property investment	US$nil	100%	100%
NFLSRE 51 Sleeper LLC	Delaware	Property investment	US$40,950,000	100%	100%
NFLSRE 470 Atlantic LLC	Delaware	Property investment	US$nil	100%	100%
Northern Green Ventures Sdn. Bhd.	Malaysia	Property investment	RM100 ordinary and RM44,095,420 redeemable preference	100%	100%
Permwell Management Limited	Cayman Islands	Investment holding	US$1	100%	100%
Poh Foong Sdn. Bhd.	Malaysia	Property investment	RM850,000	100%	100%
Portslade Global Limited	British Virgin Islands	Investment holding	US$1,000	100%	100%
Rich Union Development Limited	Hong Kong	Property investment	HK$1	100%	100%
The Mills Limited	Hong Kong	Event space and business planning	HK$1	100%	100%

37 Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

The Group had interests in the following principal subsidiaries: (Continued)

Name	**Place of incorporation**	**Principal activities**	**Issued share capital/ registered capital**	**Percentage of effective interest in ownership/voting power/profit sharing** 2026	2025
Timse Enterprises Limited	Hong Kong	Property trading	HK$1	100%	100%
Unishine Development Limited	Hong Kong	Property trading	HK$2	100%	100%
Vineberg Property Management Limited	Hong Kong	Building management	HK$100,000	100%	100%
Win Channel Development Limited[2]	Hong Kong	Property development	HK$1	100%	100%
上海華天房地產發展有限公司	Chinese Mainland	Property investment	RMB1,480,970,815	100%	100%
上海景信房地產開發有限公司	Chinese Mainland	Property investment	RMB108,880,055	100%	100%
上海寶禾置業有限公司	Chinese Mainland	Property investment	US$97,000,000	100%	100%
上海英旭置業有限公司	Chinese Mainland	Financing	RMB134,000,000	100%	100%
上海崇豐房地產發展有限公司 [1]	Chinese Mainland	Property investment	RMB2,531,793,280/ RMB2,600,000,000	60%	60%
南豐京華投資諮詢(北京)有限公司	Chinese Mainland	Consultancy service	US$1,000,000	100%	100%
廣州市展匯房地產開發有限公司	Chinese Mainland	Property investment	HK$1,029,000,000	100%	100%

1 Management regards there are no material non-controlling interests to the Group.

2 The companies have entered into joint operations with an independent third party on property development projects in Hong Kong. They will share any jointly held or incurred assets, liabilities, revenue and expenses up to its interests in accordance with the development agreements.

37 Particulars of principal subsidiaries, joint ventures and associates (Continued)

(b) Joint ventures

The Group had indirect interests in the following principal joint ventures:

Name	Place of incorporation	Principal activities	Issued share capital/ registered capital	Percentage of effective interest in ownership/voting power/profit sharing 2026	2025
Ace Glory Limited	Hong Kong	Property investment and trading	HK$1	30%	30%
Best Profit Limited	Hong Kong	Property investment and trading	HK$1	25%	25%
Brave Sky Investments Limited	Hong Kong	Property trading	HK$2	50%	50%
Brave Sky Mortgage Limited	Hong Kong	Money lending	HK$2	50%	50%
Century Rise Limited	Hong Kong	Property investment and trading	HK$1	30%	30%
Cheerful Aim Limited	Hong Kong	Property investment	HK$1	50%	50%
Everbeam Mortgage Limited	Hong Kong	Money lending	HK$1	50%	50%
Fortune Creation Developments Limited	British Virgin Islands	Property development	US$100	50%	50%
Gracious Cheer Limited	Hong Kong	Property investment	HK$1	50%	50%
IPG LIC 49th Ave Lot 22 JV LLC[1]	Delaware	Property investment	US$1,888,605	94%	94%
IPG LIC 49th Ave Lower Floor Units JV LLC[1]	Delaware	Property investment	US$67,738,427	94%	94%
IPG LIC 49th Ave Upper Floor Unit JV LLC[1]	Delaware	Property investment	US$24,272,921	94%	94%
Jubilant Century Limited	Hong Kong	Property investment	HK$10,000	50%	50%
Market Prospect Limited	Hong Kong	Property trading	HK$2	50%	50%
Pacific Bond Limited	Hong Kong	Property investment and trading	HK$1	30%	30%
Protic Limited	Hong Kong	Property development	HK$2	50%	50%
Sunshine Blossom Limited	Hong Kong	Property investment	HK$1	50%	50%

37 Particulars of principal subsidiaries, joint ventures and associates (Continued)

(b) Joint ventures (Continued)

Name	**Place of incorporation**	**Principal activities**	**Issued share capital/ registered capital**	**Percentage of effective interest in ownership/voting power/profit sharing**	
				2026	2025
Union King (Hong Kong) Limited	Hong Kong	Property investment and trading	HK$1	25%	25%
Vibrant Solution Limited	Hong Kong	Property investment	HK$1	50%	50%

1 The directors of the Company considered the Group does not have unilateral control over these joint ventures as the decisions about relevant activities require the unanimous consent of the parties sharing of control.

(c) Associates

The Group had indirect interests in the following principal associates:

Name	**Place of incorporation**	**Principal activities**	**Issued share capital/ registered capital**	**Percentage of effective interest in ownership/voting power/profit sharing**	
				2026	2025
Century Land Investment Limited	Hong Kong	Property investment	HK$2,198,749,996	40%	40%
Empresa de Fomento Industrial E Comercial Concórdia, S.A.[1]	Macau	Property development and investment	MOP100,000,000	17%	17%
上海世界貿易商城有限公司	Chinese Mainland	Property investment	US$100,000,000	49%	49%

1 The directors of the Company considered the Group has significant influence over this company through its representative on the board of directors of this company.