

Link Holdings Limited 華星控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8237

* For identification purposes only

2025 | ANNUAL REPORT



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Link Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONTENTS

Corporate Information	2
Chairman's Statement	4
Management Discussion and Analysis	6
Corporate Governance Report	15
Biographical Details of Directors and Senior Management	26
Report of the Directors	31
Independent Auditor's Report	44
Consolidated Statement of Comprehensive Income	48
Consolidated Statement of Financial Position	50
Consolidated Statement of Changes in Equity	52
Consolidated Statement of Cash Flows	54
Notes to the Consolidated Financial Statements	56
Particulars of Properties	131
Financial Summary	132

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Lui Tin Shun

Non-executive Directors

Mr. Chiu Kung Chik

Mr. Wong Chun Hung Hanson (*Chairman*)

Mr. Gao Zhaoyuan

Mr. Yuen Lai Him (appointed on 6 January 2025)

Mr. He Dingding (*Vice-chairman*)

(re-designated from executive Director and resigned as Chief Executive Officer with effect from 1 March 2026)

Independent non-executive Directors

Ms. Chan Wai Ki Joffee

Mr. Chan So Kuen (resigned on 6 January 2025)

Ms. Tam Mei Chu (resigned on 6 January 2025)

Mr. Ho Sing Wai

Mr. Tang Chiu Ming Jeremy (appointed on 6 January 2025)

COMPANY SECRETARY

Ms. Lam Hoi Ki, HKICPA

AUDIT COMMITTEE

Ms. Tam Mei Chu (*Chairman*) (ceased on 6 January 2025)

Mr. Tang Chiu Ming Jeremy (*Chairman*)

(appointed on 6 January 2025)

Ms. Chan Wai Ki Joffee

Mr. Chan So Kuen (ceased on 6 January 2025)

Mr. Ho Sing Wai

REMUNERATION COMMITTEE

Ms. Chan Wai Ki Joffee (*Chairman*)

Ms. Tam Mei Chu (ceased on 6 January 2025)

Mr. Chan So Kuen (ceased on 6 January 2025)

Mr. Ho Sing Wai

Mr. Tang Chiu Ming Jeremy (appointed on 6 January 2025)

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Wong Chun Hung Hanson (*Chairman*)

Ms. Chan Wai Ki Joffee

Mr. Chan So Kuen (ceased on 6 January 2025)

Ms. Tam Mei Chu (ceased on 6 January 2025)

Mr. Tang Chiu Ming Jeremy (appointed on 6 January 2025)

AUTHORISED REPRESENTATIVES

Ms. Lam Hoi Ki

Mr. Lui Tin Shun (appointed with effect from 1 March 2026)

Mr. He Dingding (ceased with effect from 1 March 2026)

REGISTERED OFFICE

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

CORPORATE INFORMATION

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat I, 16th Floor (Room 1609)
Kai Tak Commercial Building
Nos. 317 & 319 Des Voeux Road Central
Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited
11/F
The Center
99 Queen's Road Central
Central
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

STOCK CODE

8237

COMPANY'S WEBSITE

www.irasia.com/listco/hk/linkholdings

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Link Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the results of the Company for the year ended 31 December 2025 (the "Year").

BUSINESS AND FINANCIAL REVIEW

The Group is principally engaged in the operation of hotel services. The Group operates its spa hotel, namely Hanatsubaki Spa Hotel, in Japan since 2019. The Group also ran its hotel business in Singapore from 2007 until the liquidation ("Liquidation") of its subsidiary, Silverine Pacific Ltd. ("Silverine") in 2025.

Silverine is an investment holding company and holds the Singapore hotel operations through two subsidiaries. As disclosed in the announcement of the Company dated 31 October 2025, as a result of the Liquidation, the results of the Singapore hotel operations have ceased to be consolidated into the Group's consolidated financial statements, since the Company has effectively lost control over the operations of Silverine and its subsidiaries. Immediately upon the Liquidation, the results of the Singapore hotel operations have been classified as discontinued operations based on the applicable accounting principles.

For the Year, the Group recorded a total revenue from hotel operation on the continuing operations of approximately HK\$13.3 million (2024: approximately HK\$11.6 million). Such increase was mainly attributable to the increase in revenue from the Group's Hanatsubaki Spa Hotel in Japan, which was driven by the opening of Komatsu Airport in April 2025. For the Year, profit attributable to owners of the Company on the continuing operations was approximately HK\$178.3 million (2024: loss attributable to owners of the Company of approximately HK\$146.5 million), representing a decrease in loss by approximately HK\$324.8 million as compared with that for the last financial year. The turnaround from loss to profit for the Year was primarily due to the net effect of the following non-cash items: (i) the one-off gain from the Liquidation of approximately HK\$323.1 million, (ii) the decrease in provision for impairment loss on non-current assets of approximately HK\$30.6 million, and (iii) the increase in loss on changes in fair value of investment properties of approximately HK\$35.5 million.

PROSPECTS

The Group will continue to maintain a clear strategic focus on the operation and enhancement of its hotel business in Japan, which remains a core pillar of its long-term development. Following the Liquidation and the resulting deconsolidation of the results of the Singapore operations, a significant portion of the Group's previously incurred high finance costs and related liabilities have been eliminated, substantially improving its financial position and operational flexibility.

Looking ahead, the Company is committed to optimising the performance of its existing assets, with a strong emphasis on maximising return on assets and enhancing overall corporate value. In parallel, the Group will continue to identify and pursue quality property investment opportunities to further strengthen its business portfolio and enhance overall performance. Through disciplined management, targeted investments, and operational improvements, the Group aims to strengthen profitability and deliver sustainable growth.

The Group will continue to adopt a proactive and resilient approach in navigating market challenges, while remaining well-positioned to capture emerging opportunities within the hospitality sector. With improving fundamentals and a more streamlined financial structure, the Company remains confident and optimistic about its future growth outlook.

CHAIRMAN'S STATEMENT

APPRECIATIONS

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere appreciation to the management and staff of the Group for their dedication, commitment and professionalism in striving to achieve our goals. Our sincere gratitude also goes to all of our shareholders, investors, business partners and stakeholders of the Group for their continued and strong support to the Group. I deeply thank them for their recognition of our vision and strategies towards future development.

Wong Chun Hung Hanson

Chairman and Non-executive Director

31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group operated its hotel business in Singapore between 2007 and 2025, and commenced its distressed debt assets management business in 2017. The Group also opened a spa hotel, namely Hanatsubaki Spa Hotel, in Japan in 2019.

Silverine Pacific Ltd. ("Silverine") is an investment holding company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of the Company. It holds the Singapore hotel operations through Hang Huo Investment Pte. Ltd. and Link Hotels International Pte. Ltd. As disclosed in the announcement of the Company dated 31 October 2025, as a result of the liquidation (the "Liquidation") of Silverine, the results of the Singapore operations have ceased to be consolidated into the Group's consolidated financial statements, since the Company has effectively lost control over the operations of Silverine and its subsidiaries. Immediately upon the Liquidation, the results of the Singapore operations have been classified as discontinued operations based on the applicable accounting principles.

Regarding the Group's Hanatsubaki Spa Hotel in Japan, the revenue increased in 2025. This improvement was driven by the opening of Komatsu Airport in April 2025, which has significantly enhanced accessibility and raised Kaga's profile as a premier onsen holiday destination. The Group has been committed to enhancing competitiveness and yield of Hanatsubaki Spa Hotel with improvement works and positioning it as a family-friendly onsen and holiday destination.

The development of the resort hotel situated in Bintan, Indonesia pursuant to the master plan of the development of the Bintan Assets (as defined in the prospectus of the Company dated 30 June 2014 (the "Prospectus")) has been suspended since the outbreak of the COVID-19 pandemic in early 2020. Save as disclosed in this report, there is no material change in the Group's businesses during the Year.

FINANCIAL REVIEW

Immediately upon the Liquidation, the results of the Singapore operations have been classified as discontinued operations based on the applicable accounting principles. The information in this section of Financial Review thus only focus on the continuing operations of the Group.

For the Year, the Group recorded a total revenue from hotel operation of approximately HK\$13.3 million (2024: approximately HK\$11.6 million). Such increase was mainly attributable to the increase in revenue from the Group's Hanatsubaki Spa Hotel in Japan, which was driven by the opening of Komatsu Airport in April 2025. For the Year, profit attributable to owners of the Company was approximately HK\$178.3 million (2024: loss attributable to owners of the Company of approximately HK\$146.5 million), representing a decrease in loss by approximately HK\$324.8 million as compared with that for the last financial year. The turnaround from loss to profit for the Year was primarily due to the net effect of the following non-cash items: (i) the one-off gain from the Liquidation of approximately HK\$323.1 million, (ii) the decrease in provision for impairment loss on non-current assets of approximately HK\$30.6 million, and (iii) the increase in loss on changes in fair value of investment properties of approximately HK\$35.5 million.

Basic loss per share for the Year was approximately HK cents 45.29 (2024: approximately HK cents 43.95).

Hotel operation

For the Year, room revenue amounted to approximately HK\$7.6 million (2024: approximately HK\$7.6 million), accounting for approximately 57.5% (2024: approximately 65.4%) of the Group's total revenue from hotel operation. Room revenue represents revenue generated from spa hotel in Japan.

For the Year, food and beverage ("F&B") revenue was approximately HK\$5.3 million (2024: approximately HK\$3.7 million), representing approximately 39.6% (2024: approximately 32.0%) of the total revenue from hotel operation. F&B revenue represents the sale of F&B in the restaurants, bars, room services and meeting spaces of the Group's hotel.

MANAGEMENT DISCUSSION AND ANALYSIS

Bintan Assets

The construction contract for the first stage of the first phase of the Bintan Development Plan (as defined in the Prospectus) was signed in September 2016 (details were disclosed in the Company's announcement dated 29 September 2016). Since 2020 and up to the Year, due to the tight financial resources and the COVID-19 pandemic in previous years, the construction progress was suspended. The Group currently is considering to seek potential investor(s) for capital injection for completion or an outright buyout of the Bintan Assets.

Distressed debt assets management business

During the Year, the Group did not record loss from distressed debts assets (net of modification loss) (2024: Nil) but recorded loss allowance for expected credit loss of approximately HK\$19.7 million (2024: approximately HK\$9.9 million). As at the date of this report, management is not aware of any issues regarding the ownership and collectability of the distressed debts assets.

Liquidity, financial resources and capital structure

During the Year, the Group mainly financed its operations with its own working capital and bank and other loans. As at 31 December 2025, the Group had net current liabilities of approximately HK\$100.3 million (2024: approximately HK\$499.6 million), including short-term interest-bearing bank and other borrowings of approximately HK\$7.9 million (2024: approximately HK\$427.9 million). As at 31 December 2025, the Group did not have any non-current interest-bearing bank and other borrowings (2024: approximately HK\$4.3 million).

The Directors have been closely monitoring the working capital of the Group and considered appropriate funding such as internal operating fund, unutilised facilities, shareholder fund and seeking new external funding. The Directors will manage the capital of the Group and ensure that the Group will have sufficient financial resources to finance its working capital requirements.

Breach of the Facility Agreement and Liquidation of Silverine

Reference is made to the announcement of the Company dated 12 December 2024. On 30 October 2024, Hang Huo Investment Pte. Ltd. ("HHI"), as borrower, Link Hotels International Pte. Ltd. ("LHI"), as operating company, and the Company entered into a facility agreement (the "Facility Agreement") with an independent third party (the "Lender"), as lender. Under the Facility Agreement, the Lender shall make available a term loan facility (the "Loan Facility") to HHI in an amount of S\$75 million bearing a fixed interest rate of 9% per annum from the initial utilisation date to (but excluding) the date falling six months from the initial utilisation date (the "Midterm Date") and a rate of (9%+A%) per annum from the Midterm Date (where A shall be 1% as at the Midterm Date and shall increase by 1% on each date falling monthly after the Midterm Date). The Loan Facility was secured by (i) a charge over the operating account of LHI executed by LHI, (ii) a legal mortgage over Link Hotel executed by HHI, (iii) a fixed and floating charge over all assets and undertaking of HHI executed by HHI and (iv) a charge over the shares of HHI executed by Silverine, all in favour of the Lender. The Loan Facility together with all interest accrued thereon shall become payable on the date falling 12 months from the initial utilisation date. Each of HHI, LHI and Silverine was a wholly-owned subsidiary of the Company at the material time. The Lender is a third party independent of the Company and its connected persons (as defined in the GEM Listing Rules).

As disclosed in the announcement of the Company dated 5 August 2025, in June 2025, the Group failed to pay interest accrued pursuant to the terms of the Facility Agreement when due, and HHI therefore requested the Lender to extend the interest payment deadline to 25 July 2025 (the "Extended Payment Deadline"). On 24 July 2025, in consideration of the Lender agreeing to the extension request, HHI (as borrower), LHI (as operating company and guarantor), the Company (as guarantor), Silverine (as parent company and acceding as guarantor) and the Lender entered into an amendment and restatement agreement to amend and restate the terms of the Facility Agreement.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group failed to pay the aforesaid interest accrued and such default interest accruing thereon on or before the Extended Payment Deadline (the "Breach"). On 1 August 2025, the Group received a letter from the Lender, notifying (among other things) that an event of default has occurred as a result of the Breach. On and at any time after the occurrence of an event of default which is continuing, the Lender may declare that all or part of the loans, together with the accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable, whereupon they shall become immediately due and payable.

As HHI (being the borrower) failed or continued to fail to remedy the Breach, on 15 August 2025, the Lender issued a notice of demand to Silverine (being the guarantor), demanding payment of approximately S\$5,391,000 (the "Relevant Sum"), being the overdue interest and default interest accruing thereon under the amended and restated Facility Agreement as at the date of the notice, from Silverine pursuant to the guarantee under the amended and restated Facility Agreement immediately within three business days.

Having considered, among other things, (i) the Breach of the terms of the amended and restated Facility Agreement; (ii) the imminent funding needs of the Group, in particular, the notice of demand received by Silverine from the Lender, (iii) the Silverine's inability to pay the Relevant Sum when due having regard to its latest financial position, and (iv) the advice from BVI legal advisers on directors' duties and actions to be taken during Silverine's insolvency, as resolved by its board of directors, on 4 September 2025 (BVI time), Silverine filed an originating application with the Eastern Caribbean Supreme Court in the High Court of Justice Territory of the Virgin Islands (the "BVI Court") for an order that the joint and several liquidators of Silverine be appointed on the ground that Silverine was insolvent.

On 22 October 2025 (BVI time), the BVI Court ordered that, among other things, Silverine be put into liquidation and the joint and several liquidators of Silverine (the "Joint Liquidators") be appointed ("BVI Court Order"). As a result of the Liquidation of Silverine, the results of the Singapore operations have ceased to be consolidated into the Group's consolidated financial statements, since the Company has effectively lost control over the operations of Silverine and its subsidiaries. Under the BVI Court Order, (i) the Joint Liquidators were granted all powers necessary to carry out the functions and duties of a liquidator under the Insolvency Act, 2003 (as amended), including, in particular, the power to sell or otherwise dispose of property of Silverine and the power to pay any class of creditors in full; and (ii) such powers (including the power of disposal) are exercisable without the sanction of the BVI Court.

FORCED SALE OF SHARES IN SUBSIDIARIES HELD BY SILVERINE (IN LIQUIDATION) PURSUANT TO BVI COURT ORDER

References are made to (i) the announcements of the Company dated 12 December 2024, 5 August 2025, 5 September 2025 and 31 October 2025 in relation to, among other things, the Breach of the amended and restated Facility Agreement and the appointment of joint and several liquidators over Silverine; and (ii) the announcements of the Company dated 20 June 2023, 18 July 2023, 10 May 2024 and 5 November 2025 in relation to, among other things, the 2023 Facility Agreement and the legal proceedings brought by the Claimant in Singapore against Silverine, HHI and LHI.

Following their appointment, the Joint Liquidators assumed control over Silverine and conducted a structured sale process in respect of its assets. Binding offers were received on 18 November 2025. Following the Joint Liquidators' evaluation of the multiple bids received, an offer for the acquisition of all shares in HHI and LHI held by Silverine ("Sale Shares") was accepted on 5 December 2025.

The Joint Liquidators, acting on behalf of Silverine (in liquidation), entered into a share purchase agreement dated 24 December 2025 (as supplemented on 29 December 2025 and 2 January 2026) with an independent third party in relation to Silverine's disposal of the Sale Shares for a consideration of S\$115 million (the "Forced Sale").

The Company has recently been informed by the Joint Liquidators that (i) completion of the Forced Sale took place on 2 January 2026, and (ii) subject to the outcome of the appeal of the Singapore proceedings in respect of the 2023 Facility Agreement, and the satisfaction of all liabilities and other amounts with statutory or other priorities, the net proceeds will ultimately accrue to the Company as shareholder.

MANAGEMENT DISCUSSION AND ANALYSIS

Authority of the Joint Liquidators

The decision to dispose of the Sale Shares, including the timing, structure and terms of the Forced Sale, was made by the Joint Liquidators in the exercise of their statutory powers under the BVI Court Order and did not require approval by the board of directors of each of Silverine and the Company. The Forced Sale was executed pursuant to the BVI Court Order by the Joint Liquidators and the Group had no discretion to act in an opposite manner. The Company has been informed that the Forced Sale forms part of the asset realisation process of Silverine conducted in accordance with the applicable liquidation framework.

Significant investments

The Group did not acquire or hold any significant investment during the Year (2024: Nil).

Material acquisitions and disposals

Save as disclosed in this report, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

Future plans for material investments and capital assets

Save as disclosed in this report, the Group did not have plans for material investments and capital assets as at the date of this report.

Gearing ratio

The gearing ratio is calculated on the basis of total liabilities over shareholders' equity. As at 31 December 2025, the Group's gearing ratio was approximately 68.4%, based on debt of approximately HK\$68.0 million and equity of approximately HK\$99.4 million (31 December 2024: not applicable, since the Group recorded a deficit attributable to owners of the Company as at 31 December 2024).

Contingent liabilities

As at 31 December 2025, the management of the Group was not aware of any material claim which was threatened against the Group (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Employees and remuneration policies

As at 31 December 2025, the Group engaged a total of 52 employees (2024: 60 employees). Total staff costs excluding Directors' remuneration for the Year amounted to approximately HK\$6.0 million (2024: approximately HK\$5.5 million). The staff costs increased mainly because of the increase in staff costs of the Group's Hanatsubaki Spa Hotel in Japan. The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees. The Group provides retirement benefits in accordance with the relevant laws and regulations in the place where the staff is employed.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate. Trainings are provided to the employees to equip them with practical knowledge and skills.

Foreign currency exposure

Substantially all the transactions of the Group's subsidiaries in Singapore, Indonesia, Japan and the PRC are carried out in Singapore dollar, Indonesia Rupiah, Japanese Yen and Renminbi, respectively, which are the functional currencies of the subsidiaries. Therefore, foreign currency risk for the respective currencies above are minimal. However, the translation of functional currencies for respective subsidiaries above to presentation currency in Hong Kong dollar might be exposed to foreign currency risk. During the Year, the Group had not used any financial instruments for foreign currency risk hedging purposes.

Charges on group assets

As at 31 December 2025, there was no property, plant and equipment of the Group pledged to secure for any banking facilities (2024: approximately HK\$121.9 million).

Dividends

The Directors do not recommend the payment of final dividend for the Year (2024: Nil). No interim dividend was paid or declared during the Year.

ENVIRONMENTAL POLICIES

During the Year, the Group has complied with all applicable laws and regulations in relation to environmental protections in all material respects. Details of the Group's environmental, social and governance performance for the Year are issued on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/linkholdings) on 30 April 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has implemented certain risk management practices to mitigate the risks that are present in our operations and financial position.

Risk Name	Description	Control Measures
Strategic and Business Risk		
Competition	Newly opened hotels, competitors' renovation/facilities upgrade or promotional campaign of competitors might decrease the attractiveness of our hotel business.	<ol style="list-style-type: none"> 1. Continuously monitor pricing, renovation or promotional campaign of our competitors and take necessary actions to reduce the impact on our performance; 2. Collect guest satisfactory rating to understand the needs of our guests; and 3. Reinvestments into our hotel to ensure competitiveness.
Macroeconomic and business environment	Economic downturn which has led to a decrease in the number of tourists, corporate travelling budget and their sentiment on consumption could impact the occupancy rate, the competitions among the hotels and the profitability.	<ol style="list-style-type: none"> 1. Keep updated with the macroeconomic and business environment, adjust business activities promptly to adapt to changes; and 2. Closely monitor operating costs and budget.
Brand Name	Any negative impact on the Group's brand name might affect the Group's market share, ability to maintain profitable room rate and occupancy rate.	<ol style="list-style-type: none"> 1. Provide clear procedural guidelines to staff to ensure the service level is maintained; 2. Revenue team will closely monitor responses from hotel guests on social media; and 3. Provide code of conduct and training to all staff to increase their awareness of the Company's requirements.
Political and Regulatory	Adverse changes in government policy or regulatory requirement to the hotel industry might affect the Group's business model, incur extra operating cost or affect the Group's competitiveness.	<ol style="list-style-type: none"> 1. Continuously monitor the macroeconomic, political and regulatory landscape in the Group's key markets to anticipate issues for possible adjustment of any business activities promptly; and 2. Closely monitor operating costs and savings measures when required.

MANAGEMENT DISCUSSION AND ANALYSIS

Risk Name	Description	Control Measures
Operational risk		
Service Quality	Poor service delivered to guests might cause complaint which might lead to a bad rating and negative impact to our brand name, image and market share.	<ol style="list-style-type: none"> 1. Provide clear procedural guidelines to staff to ensure the service level is maintained; 2. Provide sufficient trainings to staff to ensure high-quality service can be provided; and 3. Local knowledge and cases are shared to enhance staff skill levels to ensure guest satisfaction.
Human Resources	The hotel industry is a people-intensive business. Insufficient competent staff could affect the ability to deliver quality service to the guests and achieve the Group's strategies.	<ol style="list-style-type: none"> 1. Maintain a competitive remuneration package to attract competent employees; 2. Provide comprehensive training to staff, especially new staff, to maintain and improve their knowledge and skill; and 3. Share local knowledge and cases to enhance staff skill levels to ensure guest satisfaction.
Natural Disaster/Terrorist Attacks	<p>Continued terrorist incidents around the globe bring tragic damages to people and negative impacts on travellers. Terrorist attacks could occur at our business location, which could bring fatalities and injuries to our guests and employees, as well as damages to our properties.</p> <p>Major disasters, such as fire, extreme weather conditions and contagious diseases, could bring damage to our assets, adversely impact the Group's business operations and earnings and affect the health and safety of the Group's guests and employees.</p>	<ol style="list-style-type: none"> 1. Conduct ongoing risk surveys by external risk engineering consultant on selected properties focusing on insurable risks; 2. Organise security threat awareness training sessions in particular to the staff based in the Group's hotels and the locations in which the Group operates; and 3. Establish emergency plans.

Financial Risk

An analysis of the Group's financial risk management (including foreign currency risk, credit risk, interest rate risk and liquidity risk) are set out in note 42 of the notes to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

On 17 January 2025, the Board proposed that (amongst others): (i) every twenty-five (25) issued and unissued ordinary shares of HK\$0.001 each in the then existing share capital of the Company shall be consolidated into one (1) ordinary share of HK\$0.025 each in the share capital of the Company (the "Share Consolidation"); and (ii) the board lot size for trading on the Stock Exchange shall be changed from 2,000 then existing Shares to 6,000 consolidated Shares (the "Change in Board Lot Size") subject to and upon the Share Consolidation becoming effective. The Share Consolidation and Change in Board Lot Size were approved by the Shareholders at the EGM on 3 March 2025. The Share Consolidation and Change in Board Lot Size became effective on 5 March 2025 and 19 March 2025, respectively. As at the date of this report, the authorized share capital of the Company is HK\$50,000,000 divided into 2,000,000,000 consolidated Shares of par value of HK\$0.025 each, of which 201,024,000 Shares are in issue which and fully paid or credited as fully paid. For details of the Share Consolidation and Change in Board Lot Size, please refer to the Company's circular dated 14 February 2025 and announcements dated 17 January 2025 and 3 March 2025.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 3 June 2025, the Company and the placing agent entered into a placing agreement, pursuant to which the Company conditionally agreed to place through the placing agent, on a best effort basis, up to 33,504,000 ordinary shares at the placing price of HK\$0.120 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties.

Completion of the placing took place on 18 June 2025. An aggregate of 33,504,000 placing shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the placing shares immediately after completion of the placing, were successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.120 per placing share under general mandate. The placing shares were allotted and issued under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company on 30 May 2025. The aggregate nominal value of the placing shares under the placing is HK\$837,600. The placing price of HK\$0.120 per placing share represents (i) a discount of approximately 16.08% to the closing price of HK\$0.143 per Share as quoted on the Stock Exchange on the date of the placing agreement; and (ii) a discount of approximately 18.37% to the average closing price of HK\$0.147 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the placing agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the placees and where appropriate, their respective ultimate beneficial owners, are independent institutional, professional and/or individual investors and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries and their respective associates. None of the placees or their respective associates becomes a substantial Shareholder upon completion of the placing.

The gross and net proceeds from the placing are approximately HK\$4,020,000 and HK\$3,824,000, respectively. On such basis, the net price raised per placing share upon completion of the placing is approximately HK\$0.114. All net proceeds from the placing were intended to be used for the general working capital of the Group. As at 31 December 2025, the net proceeds have been fully utilised as intended.

Reasons for placing

The Directors were of the view that the placing could strengthen the financial position of the Group, provide funding to the Group for the general working capital of the Group. The placing also represented good opportunity to broaden the Shareholders' base and the capital base of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

The Directors had also considered other ways of fund raising such as debt financing, bank borrowing, rights issue or open offer. As regards to debt financing and bank borrowing, having considered that it would increase the gearing level of the Group and the interest expenses and finance costs would impose additional financial burden to the Group's future cash flow, the Board considered that such fund raising method was not the most appropriate method to the Group. As regards to the viability of a rights issue or an open offer, the Directors considered that the rights issue or open offer would incur higher legal cost and the cost for the preparation of the documents and the process would be relatively time consuming. In light of the above, the Board was of the view that the placing was the most appropriate fund raising method and were beneficial to the Company.

For further details, please refer to the announcements of the Company dated 3 June 2025 and 18 June 2025.

OUTLOOK

The Company remains cautiously optimistic about its future prospects. It is well-positioned and committed to delivering exceptional guest experiences, while actively pursuing refinancing to further strengthen its financial foundation.

The Company has an established track record of investing in non-performing loans and special assets, and will continue to review its portfolio and consider divestments where appropriate, with a view to sharpening its focus on its core hotel business.

As part of its ongoing business strategy, the Company regularly reviews its hotel portfolio and evaluates opportunities for expansion or optimisation in response to prevailing market conditions. This disciplined approach enables the Company to remain agile and responsive, thereby driving sustainable value for its stakeholders.

The Group's Hanatsubaki Spa Hotel in Japan continues to demonstrate promising performance. Following the opening of Komatsu Airport in April 2025, occupancy levels improved significantly, and the Group plans to further enhance the property's competitiveness through targeted improvement works, positioning it as a family-friendly onsen and holiday destination.

The proposed Bintan resort development represents a strategic opportunity to expand the Company's regional footprint. Located on a popular Indonesian island, the project has the potential to capture growing demand for premium resort experiences. Notwithstanding the current constraints in financial resources to complete the project, the Group will continue to explore alternative financing options with the aim of preserving and realising the project's long-term potential.

Following the Liquidation and the resulting deconsolidation of the results of the Singapore operations, a significant portion of the Group's previously incurred high finance costs and related liabilities have been eliminated, thereby improving its financial position and operational flexibility. In pursuing financing options for the Bintan project, the Group will remain prudent, seeking to maintain liquidity at a healthy level while creating a balanced outcome for the shareholders and the Company as a whole.

Looking ahead, the Company will continue to prioritise operational excellence, portfolio optimisation and disciplined growth. With a clear strategic direction and ongoing refinancing efforts, the Company aims to further strengthen its position as a leading hospitality provider in the region.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE OF 31 DECEMBER 2025

Save as disclosed in this annual report (in particular, the section headed "Forced Sale of Shares in Subsidiaries held by Silverine (In Liquidation) pursuant to BVI Court Order", the Board is not aware of any important events affecting the Group that have occurred since the end of the Year and up to the date of this report.

CORPORATE GOVERNANCE REPORT

The Group is committed to high standards of corporate governance in the interest of its shareholders. It has continued and will continue to identify and adopt the best corporate governance practices appropriate to the Company.

CORPORATE GOVERNANCE CODE

Save as disclosed in the Corporate Governance Report, during the Year, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code then in force ^(Note) (the “CG Code”) contained in the Appendix C1 to the GEM Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding transactions in securities of the Company by the Directors. Having made specified enquiry with the Directors, all the Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding directors’ securities transactions during the Year.

BOARD OF DIRECTORS

The Board is responsible for the formulation of strategies and policies, including an oversight of the management. The management of the Company is responsible for the day-to-day operations of the Company.

As at 1 January 2025, the Board comprised nine Directors, including two executive Directors (namely Mr. He Dingding and Mr. Lui Tin Shun), three non-executive Directors (namely Mr. Wong Chun Hung Hanson, Mr. Chiu Kung Chik and Mr. Gao Zhaoyuan) and four independent non-executive Directors (each an “INED”) (namely Ms. Tam Mei Chu, Ms. Chan Wai Ki Joffee, Mr. Chan So Kuen and Mr. Ho Sing Wai). With effect from 6 January 2025, (i) each of Ms. Tam Mei Chu and Mr. Chan So Kuen resigned as an INED, (ii) Mr. Tang Chiu Ming Jeremy has been appointed as an INED, and (iii) Mr. Yuen Lai Him has been appointed as a non-executive Director. As at 31 December 2025, the Board consisted of nine Directors, including two executive Directors, namely Mr. He Dingding and Mr. Lui Tin Shun, four non-executive Directors, namely Mr. Chiu Kung Chik, Mr. Wong Chun Hung Hanson, Mr. Gao Zhaoyuan and Mr. Yuan Lai Him, and three INEDs, namely Ms. Chan Wai Ki Joffee, Mr. Ho Sing Wai and Mr. Tang Chiu Ming Jeremy. With effect from 1 March 2026, Mr. He Dingding has also been redesignated as a non-executive Director. The list of Directors is set out below:

Executive Director

Mr. Lui Tin Shun

Non-executive Directors

Mr. Chiu Kung Chik

Mr. Wong Chun Hung Hanson (*Chairman*)

Mr. Gao Zhaoyuan

Mr. Yuen Lai Him (appointed on 6 January 2025)

Mr. He Dingding (*Vice-Chairman*)

(redesignated from executive Director and resigned as Chief Executive Officer with effect from 1 March 2026)

Independent non-executive Directors

Ms. Chan Wai Ki Joffee

Mr. Chan So Kuen (resigned on 6 January 2025)

Ms. Tam Mei Chu (resigned on 6 January 2025)

Mr. Ho Sing Wai

Mr. Tang Chiu Ming Jeremy (appointed on 6 January 2025)

Note: The amendments to the CG Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of the Company for financial years commencing after 1 July 2025.

CORPORATE GOVERNANCE REPORT

Each of the existing INEDs, namely Ms. Chan Wai Ki Joffee, Mr. Ho Sing Wai and Mr. Tang Chiu Ming Jeremy has appropriate professional qualifications, or accounting or legal or related financial management expertise.

In determining the independence of INEDs, the Board has followed the requirements set out in the GEM Listing Rules. The Company has received from each of the INEDs an annual confirmation of independence as regards the factors referred to in Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Company is of the view that all the INEDs have met the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and considers that they are independent.

Each of Mr. Yuen Lai Him and Mr. Tang Chiu Ming Jeremy, who were both appointed as a Director on 6 January 2025, obtained the legal advice referred to in Rule 5.02D of the GEM Listing Rules on 3 January 2025, and has confirmed he understood his obligations as a Director of a listed issuer.

Pursuant to the articles of association of the Company (the "Articles"), at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election. A circular which includes the biographical details of the retiring Directors who stand for re-election together with the notice of annual general meeting of the Company will be despatched to the shareholders of the Company in due course.

The Board meets regularly, and at least four times a year at approximately quarterly intervals. Between scheduled meetings, senior management of the Company from time to time meets with the Directors to discuss the businesses of the Company. In addition, the Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

During the Year, the Company held two general meetings and the Board held 14 meetings. The attendance records of general meetings and board meetings are set out below:

	Attendance (for general meetings) [^]		Attendance (for Board meetings)
	EGM	AGM	
Executive Director			
Mr. Lui Tin Shun	1/1	1/1	14/14
Non-executive Directors			
Mr. Chiu Kung Chik	0/1	0/1	8/14
Mr. Wong Chun Hung Hanson (<i>Chairman</i>)	1/1	1/1	10/14
Mr. Gao Zhaoyuan	1/1	1/1	11/14
Mr. Yuen Lai Him (appointed on 6 January 2025)	0/1	1/1	8/14
Mr. He Dingding (<i>Vice-Chairman</i>) (re-designated from Executive Director and resigned as Chief Executive Officer with effect from 1 March 2026)	1/1	1/1	13/14
Independent non-executive Directors			
Ms. Chan Wai Ki Joffee	1/1	1/1	14/14
Mr. Chan So Kuen (resigned on 6 January 2025)	N/A	N/A	N/A
Ms. Tam Mei Chu (resigned on 6 January 2025)	N/A	N/A	N/A
Mr. Ho Sing Wai	0/1	1/1	10/14
Mr. Tang Chiu Ming Jeremy (appointed on 6 January 2025)	1/1	1/1	13/14

[^] The general meetings were held on 3 March 2025 and 30 May 2025.

The extraordinary general meeting of the Company was held on 3 March 2025. Mr. He Dingding, Mr. Lui Tin Shun, Mr. Wong Chun Hung Hanson, Mr. Gao Zhaoyuan, Ms. Chan Wai Ki Joffee and Mr. Tang Chiu Ming Jeremy attended the meeting in person or by way of electronic means. The other Directors, namely Mr. Chiu Kung Chik, Mr. Yuen Lai Him and Mr. Ho Sing Wai, did not attend the meeting due to their respective business commitments.

CORPORATE GOVERNANCE REPORT

The annual general meeting of the Company was held on 30 May 2025. Mr. He Dingding, Mr. Lui Tin Shun, Mr. Wong Chun Hung Hanson, Mr. Gao Zhaoyuan, Mr. Yuen Lai Him, Ms. Chan Wai Ki Joffee, Mr. Ho Sing Wai and Mr. Tang Chiu Ming Jeremy attended the meeting in person or by way of electronic means. Mr. Chiu Kung Chik was unable to attend due to prior business commitments.

Biographical details of the Directors are set out in the section of “Biographical Details of Directors and Senior Management” on pages 26 to 29. Save as disclosed in this annual report, there are no relationship (including financial, business, family or other material/relevant relationships) among members of the Board and in particular, between the chairman and the chief executive.

DIRECTORS’ SERVICE CONTRACTS

For details, please refer to the section headed “Directors’ Service Contracts” in the “Report of the Directors” in this annual report.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Company is headed by the Board which is responsible for the leadership, control and promotion of success of the Group in the interest of the shareholders (“Shareholders”) of the Company by formulating overall strategies of the Group, setting management targets, and supervising management performance.

DELEGATION BY THE BOARD

The overall management and control of the Company’s business are vested in its Board, which assumes responsibility for its leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs.

Management is responsible for the day-to-day management of the Group’s businesses and the implementation of the strategies and policies as determined by the Board. Where the Board delegates aspects of its management and administrative functions to the management, it gives clear directions as to the powers of management and periodically reviews the delegations to the management to ensure that they are appropriate and continue to be beneficial to the Group as a whole.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy (the “Board Diversity Policy”) in December 2018, which sets out the approach to achieve diversity on the Board. The Company considered diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, integrity, management experience, technical skills, industry or professional knowledge and experience. All Board appointments are based on meritocracy, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

GENDER DIVERSITY

As at 31 December 2025, the Group’s workforce (including senior management) was approximately 50% female and 50% male. The table below summarises the share of male and female at different position levels across the Group as at 31 December 2025.

Gender	Executive Directors	Non-executive Directors	Independent non-executive Directors	Managers	Employees	Total
Male	2	4	2	0	18	26
Female	0	0	1	1	24	26
Total	2	4	3	1	42	52

CORPORATE GOVERNANCE REPORT

The Company considers that it has met the objective in gender diversity to achieve gender balance in key roles. As at the date of this report, there are nine Directors, among which one is female. The Company intends that it shall achieve and maintain at least one of Board members to be held by female. As regards Board's succession, the Company may engage independent professional search firm(s) to help identify potential candidates to achieve gender diversity as and when appropriate.

NOMINATION POLICY

The Board adopted a nomination policy (the "Nomination Policy") in December 2018, which sets out the approach to determine the nomination of Directors, the procedure, process and criteria to be adopted for the purposes of selecting and recommending candidates for directorship, and shall make recommendations to the Board on the appointment or re-appointment of Directors.

The Company considered that, in assessing the suitability of a proposed candidate, the nomination and corporate governance committee (the "Nomination and Corporate Governance Committee") of the Company may make reference to certain criteria, including but not limited to experience in the Company's principal business and/or the industry in which the Company operates, balance of skills, knowledge and experience on the Board, and various aspects set out in the Board Diversity Policy.

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

In compliance with the code provision C.1.4 of the CG Code, all Directors participated in continuous professional development to develop and refresh their knowledge and skills so as to ensure their contribution to the Board remains informed and relevant.

The Company is responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Director.

During the Year and up to the date of this report, the Company has arranged in-house seminar(s) for all Directors on updates of the GEM Listing Rules and the CG Code. Directors are also encouraged to keep up-to-date their knowledge of directors' duties and responsibilities by reading relevant materials or attending relevant training courses.

AUDIT COMMITTEE

The Company has established the Audit Committee on 20 June 2014 with written terms of reference in compliance with the requirements as set out in Rule 5.28 of the GEM Listing Rules and the CG Code. The primary duties of the Audit Committee are set out in its terms of reference which are posted on the websites of the Company and the Stock Exchange.

During the Year and up to the date of this report, there were changes in the composition of the Audit Committee. As at 1 January 2025, the Audit Committee consisted of four then INEDs, namely Mr. Chan So Kuen, Ms. Tam Mei Chu, Ms. Chan Wai Ki Joffee and Mr. Ho Sing Wai; and Ms. Tam Mei Chu was the chairman of the Audit Committee. As at 31 December 2025, the Audit Committee comprised of three INEDs, namely Ms. Chan Wai Ki Joffee, Mr. Ho Sing Wai and Mr. Tang Chiu Ming Jeremy; and Mr. Tang Chiu Ming Jeremy is the chairman of the Audit Committee. The Audit Committee has met the external auditor of the Group to review the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters including the review of this report and financial statements of the Group for the Year. During the Year, the Audit Committee held two meetings. The attendance record of the Audit Committee meetings during the Year are set out below:

During the Year:	Attendance
Ms. Tam Mei Chu (<i>Chairman</i>) (ceased on 6 January 2025)	N/A
Ms. Chan Wai Ki Joffee	2/2
Mr. Chan So Kuen (ceased on 6 January 2025)	N/A
Mr. Ho Sing Wai	2/2
Mr. Tang Chiu Ming Jeremy (<i>Chairman</i>) (appointed on 6 January 2025)	2/2

CORPORATE GOVERNANCE REPORT

During the Year, the Audit Committee reviewed with the management or the auditors of the Company, among other things, (i) the audit findings; (ii) the accounting principles and practices adopted by the Company; (iii) financial reporting matters (including interim and annual results); and recommended to the Board the re-appointment of the external auditor at the annual general meeting of the Company. The audited consolidated results of the Group for the Year have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 20 June 2014 in compliance with Rule 5.34 of the GEM Listing Rules. The primary duties of the Remuneration Committee are set out in its terms of reference which are posted on the websites of the Company and the Stock Exchange.

During the Year and up to the date of this report, there were changes in the composition of the Remuneration Committee. As at 1 January 2025, the Remuneration Committee consisted of four then INEDs, namely Ms. Tam Mei Chu, Ms. Chan Wai Ki Joffee, Mr. Chan So Kuen and Mr. Ho Sing Wai; and Ms. Chan Wai Ki Joffee was the chairman of the Remuneration Committee. As at 31 December 2025, the Remuneration Committee comprised three INEDs, namely Ms. Chan Wai Ki Joffee, Mr. Ho Sing Wai and Mr. Tang Chiu Ming Jeremy; and Ms. Chan Wai Ki Joffee remains as the chairman of the Remuneration Committee.

During the Year, the Remuneration Committee held one meeting. Details of the attendance of the Remuneration Committee meeting during the Year are set out below:

During the Year:	Attendance
Ms. Chan Wai Ki Joffee (<i>Chairman</i>)	1/1
Ms. Tam Mei Chu (ceased on 6 January 2025)	N/A
Mr. Chan So Kuen (ceased on 6 January 2025)	N/A
Mr. Ho Sing Wai	1/1
Mr. Tang Chiu Ming Jeremy (appointed on 6 January 2025)	1/1

During the Year, the Remuneration Committee, among other things, (i) considered and reviewed the existing terms of appointment of the Directors, which were considered fair and reasonable, as well as the policy for the remuneration of executive Directors; (ii) assessed performance of executive Directors; and (iii) made recommendations to the Board of the remuneration of Mr. Yuen Lai Him (being a non-executive Director) and Mr. Tang Chiu Ming Jeremy (being an INED), who were appointed on 6 January 2025. The Remuneration Committee has also determined, with delegated responsibility, the remuneration packages of individual executive Directors and senior management.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

The Company established the Nomination and Corporate Governance Committee on 20 June 2014. The primary duties of the Nomination and Corporate Governance Committee are set out in its terms of reference which are posted on the websites of the Company and the Stock Exchange.

During the Year and up to the date of this report, there were changes in the composition of the Nomination and Corporate Governance Committee. As at 1 January 2025, the Nomination and Corporate Governance Committee consisted of one non-executive Director cum Chairman of the Board, namely Mr. Wong Chun Hung Hanson, and three then INEDs, namely Mr. Chan So Kuen, Ms. Tam Mei Chu and Ms. Chan Wai Ki Joffee; and Mr. Wong Chun Hung Hanson was the chairman of the Nomination and Corporate Governance Committee. As at 31 December 2025, the Nomination and Corporate Governance Committee comprised one non-executive Director cum Chairman of the Board, namely Mr. Wong Chun Hung Hanson, and two INEDs, namely Ms. Chan Wai Ki Joffee and Mr. Tang Chiu Ming Jeremy; and Mr. Wong Chun Hung Hanson remains as the chairman of the Nomination and Corporate Governance Committee.

CORPORATE GOVERNANCE REPORT

During the Year, the Nomination and Corporate Governance Committee held one meeting. Details of the attendance of the Nomination and Corporate Governance Committee meeting are set out below:

During the Year:	Attendance
Ms. Chan Wai Ki Joffee	1/1
Mr. Chan So Kuen (ceased 6 January 2025)	N/A
Ms. Tam Mei Chu (ceased 6 January 2025)	N/A
Mr. Wong Chun Hung Hanson (<i>Chairman</i>)	1/1
Mr. Tang Chiu Ming Jeremy (appointed on 6 January 2025)	1/1

During the Year, the Nomination and Corporate Governance Committee, among other things, (i) considered and reviewed the Nomination Policy, the Board Diversity Policy, the Company's policies and practices on corporate governance, the process and criteria to select and recommend candidates for directorship; (ii) recommended the Board on the appointment of Directors and members to the Board committees; and (iii) recommended the Board to approve the proposed sequence for re-election of retiring Directors in the annual general meeting of the Company. The Nomination and Corporate Governance Committee considers that the Nomination Policy, the Board Diversity Policy and the existing policies and practices of corporate governance of the Company are suitable. A brief summary of the Board Diversity Policy and Nomination Policy can be found in the paragraph headed "Board Diversity Policy" and "Nomination Policy" of this report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the Year, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements of the Group on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The statement of auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report.

The Directors continue to adopt the going concern approach in preparing the consolidated financial statements. Save as disclosed in the section "Material Uncertainty Related To Going Concern" in the Independent Auditor's Report, the Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective risk management and internal control system, in order to protect the interests of the Company and its shareholders. The risk management and internal control systems are designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives, and can only provide reasonable, but not absolute assurance against material misstatements or losses.

The Company has established an Enterprise Risk Management Framework (the "ERM Framework") in order to implement risk management effectively. Our ERM Framework comprises two key elements: risk management structure and risk management process.

CORPORATE GOVERNANCE REPORT

Risk Management Structure

Board of Directors

The Board has a duty to ensure the effectiveness of the risk management and internal control systems of the Group (the “ERM system”). The Board oversees the ERM system, assesses and evaluates the Group’s business strategies and risk tolerance. The Board monitors the ERM system in an on-going manner, and with assistance from the Audit Committee, reviews at least annually the effectiveness of the ERM system.

Audit Committee

The Audit Committee has the second highest responsibility to risk management and internal control. The Audit Committee assists the Board in overseeing the Group’s ERM system by providing support and advice, including on-going monitoring of the execution of risk management processes, reviewing the Group’s risk register, reviewing and approving the internal control review plan and results.

Management

The management, comprising the Board and senior managers, (the “Management”) is responsible for identifying and monitoring the risks relevant to daily operations of the Group. The Management reports to the Board and the Audit Committee on the risks identified including strategic, operational, financial, reporting and compliance risks and its changes during the Year. The Management is also responsible to develop appropriate internal control measures to mitigate the risk, identify and resolve material internal control defects.

Independent internal control consultant and auditors

To ensure the independence of the internal control review, the Group has outsourced the internal audit function to an independent internal control consultant (the “IC consultant”) whose scope of work includes reviewing the effectiveness of the Group’s risk management and internal control systems. The scope of the internal control review is risk-based and is reviewed by the Audit Committee, and the IC consultant communicates with the Audit Committee directly regarding the results of their review. The Auditor communicates with the internal control issues they noticed during their audit to Audit Committee directly.

Risk Management Process

Our ERM Framework defines the procedures for identifying, assessing, responding and monitoring risks and their changes. Through regular discussions with each operating functions, the Group can strengthen the understanding of risk management such that all employees will understand and report various risks identified to the Management in a timely manner. It enhances the Group’s ability to identify and manage risks.



To identify and prioritise material risks throughout the Group, the Management will communicate with each operating functions, collect significant risk factors that affect the Group from bottom to top, including strategic, operational, financial, reporting and compliance risks. After identifying all relevant risks, the Management will assess the potential impact and possibilities of the risks and prioritize the risks. Appropriate internal control measures are then developed to mitigate the risks identified and the changes of risks in an on-going manner.

CORPORATE GOVERNANCE REPORT

Main features of our risk management and internal control systems

Maintain an effective internal control system (operational level)

- Establish clear internal control policies and procedures, clearly define the responsibilities, authorities and accountabilities of each key positions;
- Establish code of conduct, explain the Group's requirements on integrity and ethical value to all staffs;
- Establish whistle blowing mechanism, encourage employees to report incidents of misconduct or fraud;
- Establish appropriate level of information technology access rights, avoid leakage of price sensitive information;
- Establish insider information disclosure policy, including reporting channel and responsible person of disclosure, unified response to external enquiries and obtain advice from professionals or the Stock Exchange, if necessary.

During the Year, the Board has reviewed the effectiveness of internal control policies and procedures, including those related to financial reporting and GEM Listing Rules compliance. The Board has considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting and financial reporting functions during the evaluation of the effectiveness of risk management and internal control systems.

On-going risk monitoring (risk management level)

Based on the ERM Framework and risk management policies established by the Board, the Management communicates with each operating functions, collects significant risk factors that affect the Group from bottom to top. The Group has established a risk register to record the risks identified, and the Management assesses the potential impact and possibilities of the risks and develop appropriate internal control measures to mitigate the risks identified.

During the Year, the Management conducted evaluation of risk management structure and procedures and submitted a risk assessment report to the Board and the Audit Committee, including a 3-year internal control review plan, to enable the Board and Audit Committee to effectively monitor and mitigate the major risks of the Group.

Independent review

The Group has appointed the IC consultant to conduct the annual internal control review and the scope of review has covered the period from 1 January 2025 to 31 December 2025. An internal control review report has been provided to the Audit Committee.

The Management has established a remediation and improvement plan for internal control weaknesses identified for the Year. The risk management and internal control systems are reviewed at least annually. Nothing has come to the Audit Committee's or the Board's attention that causes them to believe that the risk management and internal control systems of the Group are inadequate or ineffective.

INSIDE INFORMATION

The Company is aware of and strictly complies with the requirements of the currently applicable laws, regulations and guidelines, including the obligations to disclose inside information under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong ("SFO") and the GEM Listing Rules, at the time when the relevant businesses are transacted. The Group has established the authority and accountability, as well as the handling and dissemination procedures in relation to inside information, and has communicated to all relevant personnel and provided them with specific trainings in respect of the implementation of the continuous disclosure policy.

The Board considers that the Company's handling and dissemination procedures and measures in relation to inside information are effective.

CORPORATE GOVERNANCE REPORT

COMPETING BUSINESS

Each of the Directors or the controlling Shareholders and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interest in any company that competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the Year and up to the date of this report.

EXTERNAL AUDITOR'S REMUNERATION

During the Year, the remuneration paid or payable to the Group's auditor was as follows:

Services rendered	HK\$'000
Annual audit service for the Year	1,280
Non-audit service for the Year	–
Total	1,280

COMPANY SECRETARY

All Directors have access to the advice and services of the company secretary of the Company (the "Company Secretary"). The Company Secretary reports to the chairman on board governance matters, and is responsible for ensuring that the Board and Board committees procedures are followed, and for facilitating communications among Directors, senior management as well as with shareholders of the Company.

The Company Secretary, Ms. Lam Hoi Ki, has assisted on company secretarial matters of the Company and closely communicated during the Year with Mr. He Dingding and Mr. Lui Tin Shun, who were the then executive Directors and her primary corporate contact persons of the Company. Ms. Lam is a member of the Hong Kong Institute of Certified Public Accountants and has taken not less than 15 hours of relevant professional training in the Year. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations are followed.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company has adopted a policy on payment of dividends in compliance with code provision F.1.1 of the CG Code, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company. The Company will declare and/or recommend the payment of dividends to Shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its actual and expected financial results, cash flow, general business conditions and strategies, current and future operations, statutory, contractual and regulatory restrictions. The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends. The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

SHAREHOLDERS' RIGHTS

(a) Shareholders' rights to convene an extraordinary general meeting

Pursuant to article 58 of the Articles, subject to the GEM Listing Rules, any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene such meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. In the event that any shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company would like to call for an extraordinary general meeting, please make a written requisition to the principal office of the Company in Hong Kong from time to time, making attention to "The Board of Directors and the company secretary".

(b) Procedures for Shareholders to propose a person for election as a Director

Pursuant to article 85 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

(c) Putting forward proposals at general meetings

Shareholders who wish to put forward a resolution may request the Company to convene a general meeting in accordance with the procedures mentioned above.

(d) Procedures for directing Shareholders' enquiries to the Board

For any enquiries, Shareholders are welcome to contact the Company by post to the principal office of the Company in Hong Kong, by phone at (852) 3520 3024 or by fax at (852) 2180 7460. Shareholders' enquiries will be forwarded to the Board and/or relevant Board committees, where appropriate, to answer the Shareholders' questions.

CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS

(a) Communications with Shareholders and investors

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public. The Company updates its Shareholders on its latest business developments and financial performance through its annual and interim reports. All corporate communication materials published on the Stock Exchange's website (www.hkexnews.hk) are posted on the Company's corporate website (www.irasia.com/listco/hk/linkholdings) as soon as practicable after their release.

General meetings of the Company provide a platform for communication between the Directors, senior management and the Shareholders. Directors and senior management of the Company are available to answer enquiries raised by the Shareholders at such meetings. The external auditor of the Company is also invited to attend the annual general meetings of the Company to answer questions about the conduct of audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

The Company held an extraordinary general meeting on 3 March 2025. Notice of the meeting was sent to the Shareholders on 14 February 2025. Save for Mr. Chiu Kung Chik, Mr. Yuen Lai Him and Mr. Ho Sing Wai, all Directors, namely Mr. He Dingding, Mr. Lui Tin Shun, Mr. Wong Chun Hung Hanson, Mr. Gao Zhaoyuan, Ms. Chan Wai Ki, Joffee and Mr. Tang Chiu Ming Jeremy, attended the meeting in person or by way of electronic means.

The Company held an annual general meeting on 30 May 2025. Notice of the meeting was sent to the Shareholders on 7 April 2025. Save for Mr. Chiu Kung Chik, all Directors, namely, Mr. He Dingding, Mr. Lui Tin Shun, Mr. Wong Chun Hung Hanson, Mr. Gao Zhaoyuan, Mr. Yuen Lai Him, Ms. Chan Wai Ki Joffee, Mr. Ho Sing Wai and Mr. Tang Chiu Ming Jeremy, attended the annual general meeting in person or by way of electronic means.

Any Shareholders' enquiries regarding their shareholding, including transfer of shares, change of address, report of lost share certificates, can be directed to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, as follows:

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Contact: (852) 2980 1333

Shareholder's communication policy was adopted by the Company to comply with the CG Code. The Company has reviewed the Company's shareholders engagement and communication activities conducted during the Year and was satisfied with the implementation and effectiveness of the shareholders' communication of the Company. The Company will continue to enhance communications and relationships with its Shareholders and investors.

(b) Change in Company's constitutional documents

The Company adopted the second amended and restated memorandum of association and the amended and restated articles of association on 28 June 2022. During the Year, no change has been made to the said constitutional documents, which are available on the websites of the Company and the Stock Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. Lui Tin Shun (呂天舜先生) (“Mr. Lui”), aged 44, was appointed as an executive Director on 2 May 2023 and one of the authorised representatives of the Company with effect from 1 March 2026. Mr. Lui has over 15 years of experience in the corporate finance and investment industry. Mr. Lui was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in 2009.

From August 2007 to February 2009, Mr. Lui served as an executive at Guotai Junan Capital Limited. From March 2009 to February 2012, Mr. Lui served as a vice president at Biocarbon Capital Limited. From February 2012 to July 2015, Mr. Lui worked at Celestial Capital Limited with his last position as a senior vice president. From September 2015 to August 2019, Mr. Lui served as a director at South China Capital Limited. Mr. Lui is currently a director of Delight City Management Limited and a senior consultant of Merrytime Capital Limited. Since December 2025, he also acts as an independent non-executive director of Feishang Anthracite Resources Limited, a company listed on the Main Board of the Stock Exchange (stock code 1738).

NON-EXECUTIVE DIRECTORS

Mr. He Dingding (賀丁丁先生) (“Mr. He”), aged 49, was an executive Director, the chief executive officer and one of the authorised representatives of the Company from May 2023 to February 2026. He has been re-designated as a non-executive Director and appointed as the vice-chairman of the Board with effect from 1 March 2026. Mr. He graduated from Nanyang Technological University, Singapore with a bachelor’s degree in civil engineering in 1999. Mr. He was awarded the CFA Charter by the CFA Institute in September 2006. Mr. He has more than 20 years of extensive experiences in capital markets, corporate finance, investment and finance, and corporate management through working in investment banks, advisory firms and listed companies in Singapore and Hong Kong since 2005.

Mr. He worked with Ta Yang Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code 1991) from October 2018 to November 2022 and his last position was chief executive officer cum chief financial officer.

He currently serves as an independent non-executive director of (i) Sino Harbour Holdings Group Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1663) since August 2018, (ii) China New Consumption Group Limited, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8275) since May 2021, and (iii) Vin’s Holdings Ltd, the issued shares of which are listed on the Catalist board of the Singapore Exchange Securities Trading Limited (stock code: VIN.SG) since February 2025. From January 2025 to March 2025, Mr. He served as an independent non-executive director of Toppoint Holdings Inc., the issued shares of which are listed on NYSE American LLC (stock code: TOPP.US). From March 2023 to August 2024, Mr. He was an independent non-executive director of Mobile Internet (China) Holdings Limited, the issued shares of which were listed on the Main Board of the Stock Exchange (former stock code: 1439).

Mr. Wong Chun Hung Hanson (黃俊雄先生) (“Mr. Wong”), aged 52, was appointed as a non-executive Director on 2 May 2023 and the chairman of the Board on 9 May 2023. He is also the chairman of the Nomination and Corporate Governance Committee with effect from 1 March 2024.

Mr. Wong has over 21 years of experience in the finance industry. He was a licensed representative in carrying out Type 2 (dealing in futures contracts) regulated activity from April 2003 to November 2013, Type 5 (advising on futures contracts) regulated activity from April 2003 to March 2004, and Type 9 (asset management) regulated activity from April 2003 to March 2004 under the SFO. Mr. Wong completed his secondary school education at Munsang College in Hong Kong in July 1990.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Wong previously served as a sales manager at CSC Securities (HK) Limited from May 2001 to February 2010, as the chief operation officer at New Trend Futures Limited from March 2010 to December 2011, as a director at Well Smart Asia Investment Limited from March 2010 to November 2013, as a futures broker at Stockwell Commodities Limited from December 2011 to September 2013, and as a director of SFG Management Limited from May 2012 to March 2015.

Mr. Wong was a non-executive director of Asia Grocery Distribution Limited (stock code: 8413), the shares of which are listed on GEM of the Stock Exchange, from September 2016 to February 2024. He was also a non-executive director and latterly an executive director of Global Mastermind Holdings Limited (former stock code: 8063), the shares of which were listed on GEM of the Stock Exchange, from June 2023 to June 2024 and from June 2024 to November 2024, respectively.

Mr. Chiu Kung Chik (趙公直先生) (“Mr. Chiu”), aged 41, was appointed as a non-executive Director on 2 May 2023. Mr. Chiu was also the chairman of the Nomination and Corporate Governance Committee from 9 May 2023 to 1 March 2024. Mr. Chiu graduated from the University of Chicago with a bachelor’s degree in economics in 2008. Mr. Chiu has approximately 15 years of experience in investment banking, capital financing, corporate restructuring, merger and acquisition and complex transaction structuring.

From 2008 to 2015, Mr. Chiu worked with UBS AG in the investment banking department in its Hong Kong office, primarily focusing on advising large scale corporate clients on their capital market activities. During the aforesaid period, he had completed a number of capital market transactions, merger and acquisition transactions as well as debt financing transactions.

Mr. Chiu currently serves as an independent non-executive director of Shandong Hi-Speed New Energy Group Limited (a company listed on the Stock Exchange with stock code 1250) since July 2016 and GoFintech Quantum Innovation Limited (formerly known as GoFintech Innovation Limited) (a company listed on the Stock Exchange with stock code 290) since March 2017.

Mr. Gao Zhaoyuan (高兆元先生) (“Mr. Gao”), aged 42, was appointed as a non-executive Director on 1 March 2024. Mr. Gao graduated from the Shanghai University of Finance and Economics with a Bachelor’s Degree in Economics in 2005 and graduated from the Shanghai Jiao Tong University Shanghai Advanced Institute of Finance with a Master’s Degree in Business Administration in 2010. Mr. Gao joined CMIG Assets Management Corporation (Beijing) Co. Ltd*. (北京中民資產管理有限公司), a wholly-owned subsidiary of China Minsheng Investment Group Co., Ltd*. (中國民生投資股份有限公司), since April 2017. Now he serves as Department Head of strategic investment department of CMIG Asset Management Co., Ltd*. (中民投資資產管理有限公司) and the director of CMI Financial Holding Company Limited. Mr. Gao also serves as a non-executive director of Tian An Medicare Limited (formerly known as China Medical & HealthCare Group Limited) (stock code: 383) since 27 October 2022.

Mr. Gao served as a vice president of the Institute Business Group II of DBS Bank (China) Co., Ltd. from October 2015 to April 2017. He also worked as the department head of corporate banking department of Shanghai Branch of The Bank of East Asia (China) Co., Ltd. from June 2010 to October 2015. He worked at Ningbo Branch of HSBC Bank (China) Co., Ltd. from July 2007 to June 2010 with his last position being senior trade finance manager. He was also the relationship manager of credit department of Shanghai Xuhui Subbranch of Bank of Communications from September 2005 to July 2007.

Mr. Yuen Lai Him (袁禮謙先生) (“Mr. Yuen”), aged 54, was appointed as a non-executive Director on 6 January 2025. Mr. Yuen obtained his Bachelor of Electrical Engineering at the University of Sydney, Australia in 1997. From 1997 to 2003, Mr. Yuen served as regional manager at VMT Instruments Limited, a company specialising in the manufacture of hard-disk testing equipment. In this role, he was responsible for international sales and marketing. In 2004, Mr. Yuen founded Galaxy Optics Limited (now known as Galaxy Technology Limited), a company specialising in the manufacturing and sales of electronic products. Mr. Yuen is currently a director of Galaxy Technology Limited.

From September 2015 to October 2021, Mr. Yuen served as an executive director of Bortex Global Limited, whose shares are listed on GEM of the Stock Exchange (stock code: 8118). From March 2019 to January 2022, Mr. Yuen also served as a non-executive director of Dowway Holdings Limited, whose shares are listed on GEM of the Stock Exchange (stock code: 8403).

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Tam Mei Chu (譚美珠女士) (“Ms. Tam”), aged 38, was appointed as an independent non-executive Director on 2 May 2023. With effect from 6 January 2025, Ms. Tam resigned as an independent non-executive Director and ceased to be the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination and Corporate Governance Committee. Ms. Tam graduated from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) with a bachelor’s degree in accounting in 2012. Ms. Tam was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in 2019. Ms. Tam has over 9 years of experience in auditing and the provision of company secretarial services.

From February 2012 to January 2014, Ms. Tam worked at F. L. Chim & Co. Certified Public Accountants as an audit junior. From January 2014 to August 2018, Ms. Tam worked at HLB Hodgson Impey Cheng Limited with her last position as a senior accountant III. From November 2020 to November 2021, Ms. Tam worked at Nortex (HK) CPA Limited as a senior manager. Ms. Tam has been serving as a company secretary of Link-Asia International MedTech Group Limited and Bortex Global Limited since August 2021 and September 2021, respectively.

Ms. Tam currently serves as an independent non-executive director of each of (i) Minerva Group Holding Limited (formerly known as Power Financial Group Limited), a company listed on the Main Board of the Stock Exchange (stock code 397) since March 2022, (ii) Founder Holdings Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 418) since December 2025, and (iii) Zhong Ji Longevity Science Group Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 767) since February 2026.

Ms. Chan Wai Ki, Joffe (陳慧琪女士) (“Ms. Chan”), aged 49, was appointed as an independent non-executive Director on 2 May 2023. Ms. Chan is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination and Corporate Governance Committee. Ms. Chan graduated from Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) with an honours diploma in the department of journalism & communication in 2000. Ms. Chan has over 7 years of experience in the corporate communications field.

From 2016 to 2017, Ms. Chan served as a chief marketing and business development officer at Overseas Premium Properties Limited. From 2017 to 2018, Ms. Chan served as MICs for “Compliance” at RaffAello Securities (HK) Ltd. Ms. Chan founded P.A.D. Videographer+, a multimedia production company dedicated to serve non-profit organisations and social enterprises, in 2017 and has been responsible for organising the majority of its rebranding projects and sourcing new clients.

Mr. Ho Sing Wai (何升偉先生) (“Mr. Ho”), aged 54, was appointed as an independent non-executive Director on 1 March 2024. Mr. Ho is also a member of each of the Audit Committee and the Remuneration Committee.

Mr. Ho obtained his bachelor degree in Electrical and Electronic Engineering from the University of Hong Kong in 1994. He obtained his Bachelor of Laws degree from Manchester Metropolitan University in 2000. He obtained a Postgraduate Certificate in Law from the University of Hong Kong in 2001. Mr. Ho was admitted as a Solicitor of High Court of Hong Kong in 2003. He established his own law firm, namely, AH Lawyers (formerly known as “Alex Ho & Co, Solicitors”) in 2007. He is a member of the Law Society of Hong Kong.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Tang Chiu Ming Jeremy (鄧照明先生) (“Mr. Tang”), aged 52, was appointed as an independent non-executive Director on 6 January 2025. Mr. Tang is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination and Corporate Governance Committee.

Mr. Tang graduated with a bachelor of science degree in Economics and Accounting from the University of Bristol in the United Kingdom in 1995. He has been a member and a fellow member of the Association of Chartered Certified Accountants since September 1999 and November 2004, respectively, and has also been a member of the Hong Kong Institute of Certified Public Accountants since February 2002.

Mr. Tang has been involved in the accounting and finance industry for more than 20 years, having started his career at an international accounting firm as an auditor. Thereafter, he shifted into the commercial sector and worked for some multi-national companies as a regional accountant. In October 1999, Mr. Tang joined a sizeable securities company as a research analyst to develop his career in the finance industry. From September 2000 to September 2006, he focused more on the retail sales and dealing of securities in the same securities company with his last position as a sales and marketing manager. Since September 2006, he has been an associate director in China-based securities companies, engaging in the duties of institutional sales relating to the dealing of securities for institutional clients, share placement, and underwriting of shares for new initial public offering.

Since September 2020, Mr. Tang has served as an independent non-executive director of Top Standard Corporation, whose shares are listed on GEM of the Stock Exchange (stock code: 8510), and is currently the chairman of its audit and risk management committee and remuneration committee as well as a member of its nomination committee.

Mr. Chan So Kuen (陳素權先生) (“Mr. Chan”), aged 47, was appointed as an independent non-executive Director on 16 October 2014. With effect from 6 January 2025, Mr. Chan resigned as an independent non-executive Director and ceased to be a member of each of the Audit Committee, Remuneration Committee and the Nomination and Corporate Governance Committee. He obtained his Bachelor of Arts degree in accounting from the Hong Kong Polytechnic University in November 2001. He is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has over 20 years of experience in accounting, auditing, and financial industry. From June 2001 to October 2003 and from January 2004 to July 2009, he last served as a semi-senior audit clerk in Ho and Ho & Company (何錫麟會計師行) and a manager in KPMG. From November 2009 to October 2012, he was the chief financial officer and company secretary of China Great Wall Electric Holdings Limited (中國長城電氣控股有限公司). From February 2014 to December 2022, Mr. Chan has been the chief financial officer of Huazhang Technology Holding Limited (“Huazhang Technology”) (stock code: 1673), a company listed on the Main Board of the Stock Exchange. He was also the company secretary of Huazhang Technology from February 2014 to November 2021. From January 2015 to January 2024, Mr. Chan was an independent non-executive director of Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (stock code: 1915), a joint stock limited liability company established in the PRC whose H shares are currently listed on the Main Board of the Stock Exchange. Since January 2023, he has been an independent non-executive director of Beijing SinoHytec Co., Ltd (stock code: 2402), a joint stock limited liability company established in the PRC whose H shares are listed on the Main Board of the Stock Exchange. Since September 2024, he has also become an independent non-executive director of Top Spring International Holdings Limited (stock code: 3688), the issued shares of which are listed on the Main Board of the Stock Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Ms. Lam Hoi Ki (林海琪女士) (“Ms. Lam”), aged 39, was appointed as the Company Secretary on 3 May 2023. She is also one of the authorised representatives of the Company. She has accumulated over 15 years of auditing, accounting, corporate governance and company secretarial experience. Ms. Lam has been engaged in various accounting and company secretarial tasks since August 2015. Early in her career, Ms. Lam was employed by Ernst & Young, and thereafter she joined Hysan Development Company Limited (stock code: 0014) as a financial analyst. Since 2015, she has been engaged in handling corporate governance matters regarding Hong Kong listed companies. Currently she is also the company secretary and authorised representative of MBV International Limited (stock code: 1957), LVGEM (China) Real Estate Investment Company Limited (stock code: 0095), Huajin International Holdings Limited (stock code: 2738) and Feishang Anthracite Resources Limited (stock code: 1738).

Ms. Lam holds a bachelor degree of Business Administration (Honours) in Managerial Statistics from the City University of Hong Kong and is also a member of Hong Kong Institute of Certified Public Accountants.

REPORT OF THE DIRECTORS

The Directors are pleased to present this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025 (the “Year”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its subsidiaries are set out in note 39 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the state of affairs of the Group as at 31 December 2025 are set out in the consolidated financial statements on pages 48 to 132.

The Board does not recommend the payment of a final dividend for the Year. As at the date of this report, there is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the sections headed “Chairman’s Statement” and “Management Discussion & Analysis” on pages 4 and 6 to 14 of this annual report respectively.

The Group recognises the importance of and is committed to environmental conservation. During the Year, the Group has ensured compliance with applicable environmental laws and regulations, as well as the effective implementation of various policies, initiatives and practices. For details on the environmental policies and performance of the Group and further discussion on other environmental, social and governance aspects of its operation, please refer to the Environmental, Social and Governance Report.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the “AGM”) will be held on Friday, 29 May 2026. The notice of the AGM will be published and dispatched to the Shareholders in due course in the manner as required by the GEM Listing Rules.

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be qualified to attend and vote at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 22 May 2026.

RESERVES

Movements in the reserves for the Year are set out in the consolidated statement of changes in equity on pages 52 to 53 of this report.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2025 calculated under the Companies Act (Act 3 of 1961, as consolidated and revised) of the Cayman Islands, was nil.

SHARE CAPITAL

Details of the movement in share capital of the Company during the Year is set out in note 32 to the consolidated financial statements.

REPORT OF THE DIRECTORS

PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Details of the movements in property, plant and equipment and right-of-use assets during the Year are set out in notes 17 and 18 to the consolidated financial statements respectively.

INVESTMENT PROPERTIES

The Group has revalued its investment properties as at 31 December 2025. Details of movements during the Year are set out in note 19 to the consolidated financial statements.

INTEREST-BEARING BANK AND OTHER BORROWINGS

Details of the borrowings as at 31 December 2025 are set out in note 28 to the consolidated financial statements.

CHARITABLE CONTRIBUTIONS

During the Year, the Group did not make any charitable contributions.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 134 of this report.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the Group's revenue from the largest customer and the five largest customers combined accounted for approximately 9.46% and 43.79% of the Group's total revenue (not including income/loss from distressed debt assets at amortised cost) respectively. For the Year, the Group's purchases from the largest supplier and the five largest suppliers combined accounted for approximately 7.93% and 20.78% of the Group's total purchases respectively.

None of the Directors or any of their close associates or any shareholders of the Company (the "Shareholders") (which, to the knowledge of the Directors, own more than 5% of the number of issued Shares of the Company) had any beneficial interest in the Group's five largest customers and suppliers.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Director

Mr. Lui Tin Shun

Non-executive Directors

Mr. Chiu Kung Chik

Mr. Wong Chun Hung Hanson (*Chairman*)

Mr. Gao Zhaoyuan

Mr. Yuen Lai Him (appointed on 6 January 2025)

Mr. He Dingding (*Vice-Chairman*) (re-designated from Executive Director and resigned as Chief Executive Officer with effect from 1 March 2026)

Independent Non-executive Directors

Ms. Chan Wai Ki Joffee

Ms. Tam Mei Chu (resigned on 6 January 2025)

Mr. Chan So Kuen (resigned on 6 January 2025)

Mr. Ho Sing Wai

Mr. Tang Chiu Ming Jeremy (appointed on 6 January 2025)

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company with a term of three years which shall be terminated by either party by serving no less than three months' notice in writing subject to the terms and conditions of such service contract.

Each of the non-executive Directors, including the INEDs, has signed an appointment letter with a fixed appointment term of three years.

The emoluments of the Directors are determined with reference to their qualifications, experience, duties and responsibilities as well as the prevailing market conditions. Details of the emoluments of each Director are set out in note 13 to the consolidated financial statements.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting of the Company has an unexpired service contract with the Group which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONTRACTS, TRANSACTIONS AND ARRANGEMENTS OF SIGNIFICANCE

Save as disclosed in this annual report, no Director nor an entity connected with a Director was materially interested, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Year.

Save as disclosed in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries during the Year.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling Shareholders of the Company or any of its subsidiaries was entered into during the Year and as at the date of this report.

REPORT OF THE DIRECTORS

UPDATE ON LITIGATION

Separately, in relation to the facility agreement dated on or around 10 March 2023 (the “2023 Facility Agreement”) involving Silverine (as borrower), HHI and LHI (as guarantors), TAIGOF Credit Opportunities Limited (the “Claimant”, as Lender) filed legal proceedings against Silverine, HHI and LHI (collectively, the “Defendants”) for alleged breaches, including misrepresentations related to the then 2020 Convertible Bonds. On 3 November 2025, the High Court of Singapore ordered, among other things, damages, interest, and costs totaling approximately S\$11.72 million (the “Judgment Sum”) against the Defendants on a joint and several basis. Following the court order, on 4 November 2025, the Claimant issued statutory demands for judgment debt against HHI and LHI, demanding payment of the Judgment Sum and stating that failure to pay, secure, or compound the debt to the Claimant’s satisfaction within three weeks could result in HHI and LHI being deemed unable to pay their debts and becoming liable to compulsory winding-up. This litigation is distinct from the breach of the Facility Agreement disclosed in the section headed “Breach of the Facility Agreement and Liquidation of Silverine” in this annual report, which relates to a separate financing arrangement originally utilised to repay the Swettenham loan associated with the 2015 convertible bonds.

As at the date of this report, the Judgment Sum is fully settled.

For further details, please refer to the Company’s announcement dated 20 June 2023, 18 July 2023, 10 May 2024 and 5 November 2025.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and Senior Management are set out on pages 26 to 30 of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders unless otherwise required by the Stock Exchange.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Details of the Company’s issued share capital is set out in note 32 to the consolidated financial statements contained herein. As at 31 December 2025, the Company has one class of shares in issue, which ranks pari passu with each other in all respects.

The applicable public float threshold for the Company is the initial prescribed threshold of at least 25% of the total number of issued shares of the Company (excluding treasury shares, if any) held by the public.

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date prior to the publication of this annual report, (i) the Company has complied with the requirements under Rule 17.37B of the GEM Listing Rules and maintained a sufficient public float as required under the GEM Listing Rules for the Year and up to the date of this report; and (ii) approximately 37.66% of the total issued shares of the Company (excluding treasury shares, if any) were held by the public as at 31 December 2025. For information on the composition of ownership of the Company’s ordinary shares listed on the Stock Exchange, please refer to section headed “Directors’ Interests in Shares and Underlying Shares of the Company and Associated Corporations” and “Substantial Shareholders’ Interests and Short Positions in Shares and Underlying Shares of the Company”.

REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole and any part of the Company's business were entered into or existed during the Year.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Save as disclosed in this annual report, as far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects for the Year.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests or short positions of the Directors in the shares, underlying shares or debentures of the Company and associated corporations (within the meaning of Part XV of the SFO as recorded in the register to be kept under which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which is required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long positions in Shares

Name	Capacity	Total number of shares held	Approximate percentage of shareholding (Note 1)
Mr. Lui Tin Shun ("Mr. Lui")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%
Mr. Wong Chun Hung Hanson ("Mr. Wong")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%
Mr. Yuen Lai Him ("Mr. Yuen")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%

Notes:

- As at 31 December 2025, the total number of issued shares of the Company was 201,024,000.
- As at 31 December 2025, (i) Ace Kingdom is a company owned as to 36% by Boomerang Investment Limited, 35% by Mr. Kwok Yi Chit, 20% by Billion Supreme Holdings Limited and 9% by Mr. Yuen Lai Him (being a non-executive Director); (ii) Boomerang Investment Limited is ultimately owned as to 50% by Mr. Wong Chun Hung Hanson (being a non-executive Director), 25% by Mr. Wong Hoi Cheung and 25% by Mr. Lui Tin Shun (being an executive Director); (iii) Billion Supreme Holdings Limited is ultimately owned as to 75% by Mr. Hui Ngai and 25% by Mr. Ng Tin Wai; and (iv) Mr. Yuen Lai Him, Mr. Wong Hoi Cheung, Mr. Lui Tin Shun and Mr. Chiu Kung Chik (being a non-executive Director) are the directors of Ace Kingdom. Mr. Lui, Mr. Wong and Mr. Yuen are deemed to be interested in the shares of the Company held by Ace Kingdom under Part XV of the SFO.

Save as those disclosed above, as at 31 December 2025, none of the Directors had any interests or short positions in the shares, underlying shares, or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.45 to 5.67 of the GEM Listing Rules.

REPORT OF THE DIRECTORS

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

As at 31 December 2025, so far as any Directors are aware, the following persons (other than the interests disclosed above in respect of certain Directors of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in Shares

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of shareholding (Note 1)
Ace Kingdom Enterprises Corporation ("Ace Kingdom")	Beneficial owner	97,725,600 (Note 2)	48.61%
Boomerang Investment Limited ("Boomerang")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%
Mr. Kwok Yi Chit ("Mr. Kwok")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%
Billion Supreme Holdings Limited ("Billion")	Interest in controlled corporation	97,725,600 (Note 2)	48.61%
CMI Financial Holding Company Limited ("CMI Hong Kong")	Beneficial owner	27,600,000 (Note 3)	13.73%
China Minsheng Asia Asset Management Company Limited* (Formerly known as "Minsheng (Shanghai) Asset Management Company Limited"*) 中民投亞洲資產管理有限公司 (前稱民生(上海)資產管理有限公司) ("CMI Asia")	Interest of controlled corporation	27,600,000 (Note 3)	13.73%
China Minsheng Investment Group Corporation Limited# (中國民生投資股份有限公司) ("China Minsheng Investment")	Interest of controlled corporation	27,600,000 (Note 3)	13.73%
China Orient Asset Management Corporation ("China Orient")	Beneficial owner	12,400,000 (Note 4)	6.17%

* The English translation of the names is for identification purpose only

REPORT OF THE DIRECTORS

Notes:

1. As at 31 December 2025, the total number of issued shares of the Company was 201,024,000.
2. As at 31 December 2025, (i) Ace Kingdom is a company owned as to 36% by Boomerang Investment Limited, 35% by Mr. Kwok Yi Chit, 20% by Billion Supreme Holdings Limited and 9% by Mr. Yuen Lai Him (being a non-executive Director); (ii) Boomerang Investment Limited is ultimately owned as to 50% by Mr. Wong Chun Hung Hanson (being a non-executive Director), 25% by Mr. Wong Hoi Cheung and 25% by Mr. Lui Tin Shun (being an executive Director); (iii) Billion Supreme Holdings Limited is ultimately owned as to 75% by Mr. Hui Ngai and 25% by Mr. Ng Tin Wai; and (iv) Mr. Yuen Lai Him, Mr. Wong Hoi Cheung, Mr. Lui Tin Shun and Mr. Chiu Kung Chik (being a non-executive Director) are the directors of Ace Kingdom.
3. Such shares are held by CMI Hong Kong, which is wholly-owned by CMI Asia, which is in turn wholly-owned by China Minsheng Investment.
4. Pursuant to the disclosure of interest form filed by China Orient in February 2023, it had a deemed interest in 310,000,000 shares held by its controlled corporation. Accordingly, following share consolidation effective on 5 March 2025, based on the said disclosure of interest form, China Orient had a deemed interest in 12,400,000 Shares held by its controlled corporation.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

COMPETING INTEREST

None of the Directors is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Year and up to and including the date of this report.

SHARE OPTION SCHEME

2024 Share Option Scheme

In light of the expiry of the share option scheme adopted on 20 June 2014 (the "2014 Share Option Scheme") and the amendments to Chapter 23 of the GEM Listing Rules, which took effect on 1 January 2023, the Company has adopted a new share option scheme (the "2024 Share Option Scheme"), which is valid for 10 years from 31 May 2024, pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 31 May 2024. The following is a summary of the principal terms of the 2024 Share Option Scheme:

(a) Purpose

The purpose of the 2024 Share Option Scheme is to (a) allow the Company to grant share options to the eligible participants as rewards or incentives for their contributions to the Group; (b) enable the Group to attract and retain the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group; and (c) motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group.

REPORT OF THE DIRECTORS

(b) Participants

Participants include (i) employee participant(s), being director(s) and employee(s) (whether full-time or part-time) of any member of the Group, including persons who are granted share options under the 2024 Share Option Scheme as inducement to enter into employment contracts with any member of the Group; (ii) related entity participant(s), being director(s) and employee(s) (whether full-time or part-time) of any holding company, fellow subsidiary or associated company of the Company; and (iii) service provider(s), being any person(s) (natural person or corporate entity) who provide(s) services to any member of the Group on a continuing or recurring basis in their respective ordinary and usual course of business, which are in the interests of the long-term growth of the Group, including but not limited to, (I) independent contractor(s), agent(s) or supplier(s) of services to any member of the Group; and (II) advisor(s) (professional or otherwise) or consultant(s) to any area of business or business development of the Group, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

(c) Grant of share options

An offer shall remain open for acceptance by the participant concerned for a period of 28 days from the date of grant. An offer shall be deemed to have been accepted when the Company receives from the grantee the duplicate offer letter comprising acceptance of the share option(s) duly signed by the grantee specifying the number of Shares in respect of which the offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of share option.

(d) Exercise price

The exercise price shall be determined by the Board in its absolute discretion but in any event must be at least the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares, provided that the exercise price may be subject to adjustment in accordance with the terms of the 2024 Share Option Scheme.

(e) Time of exercise of share options

Subject to the terms of the 2024 Share Option Scheme, a share option may be exercised in whole or in part by the grantee (or, as the case may be, his/her personal representative(s)) at any time during the period to be determined and notified by the Board to the grantee at the time of making an offer which shall not expire later than 10 years from the date of grant but subject to the provisions for early termination of the 2024 Share Option Scheme.

REPORT OF THE DIRECTORS

(f) Vesting period

Save for the circumstances set out in the 2024 Share Option Scheme, a share option must be held by the grantee for at least twelve (12) months before it can be exercised.

The Board may at its discretion grant a shorter vesting period to an employee participant in the following circumstances: (a) grants of “make-whole” Option(s) to new employee participants to replace the share option(s) or award(s) they forfeited when leaving their previous employers; (b) grants to an employee participant whose employment is terminated due to death or occurrence of any event out of his/her control; (c) grants that are made in batches during a year for administrative and compliance reasons, which include share options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the share options would have been granted; (d) grants of share options with a mixed or accelerated vesting schedule such as where the share options may vest evenly over a period of twelve (12) months; or (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant.

(g) Maximum number of shares available for issue

- (i) Subject to the GEM Listing Rules, the maximum number of Shares which may be issued upon the exercise of all share options which may be granted under the 2024 Share Option Scheme together with all options and awards which may be granted under any other share schemes of the Company shall not, in the absence of Shareholders’ approval, in aggregate exceed 10% of the total number of Shares in issue on the adoption date (the “Scheme Mandate Limit”). Share options lapsed in accordance with the terms of the 2024 Share Option Scheme and (as the case may be) such other share schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).
- (ii) Subject to paragraph (i) above, within the Scheme Mandate Limit, the maximum number of Shares which may be issued to the service providers upon the exercise of all share options which may be granted under the 2024 Share Option Scheme together with all options and awards which may be granted under any other share schemes of the Company shall not, in the absence of Shareholders’ approval, in aggregate exceed 1% of the total number of Shares in issue on the adoption date (the “Service Provider Sublimit”).
- (iii) The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit under the 2024 Share Option Scheme after three (3) years from the adoption date (or the date of Shareholders’ approval for the last refreshment) provided that (I) the maximum number of Shares which may be issued upon exercise of all share options which may be granted under the 2024 Share Option Scheme under the Scheme Mandate Limit as refreshed together with all options and awards which may be granted under any other share schemes of the Company must not exceed 10% of the total number of Shares in issue as at the date of the Shareholders’ approval of the refreshed Scheme Mandate Limit; (II) the maximum number of Shares which may be issued upon exercise of all share options which may be granted under the 2024 Share Option Scheme under the Service Provider Sublimit as refreshed must not exceed 1% of the total number of Shares in issue as at the date of the Shareholders’ approval of the refreshed Service Provider Sublimit; and (III) any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit shall be subject to such Shareholders’ approval and circular requirements as may be required by the GEM Listing Rules from time to time. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three (3) years from the adoption date (or the date of Shareholders’ approval for the last refreshment) shall be subject to independent Shareholders’ approval pursuant to Rule 23.03C(1) of the GEM Listing Rules.

REPORT OF THE DIRECTORS

- (iv) The Company may grant share options beyond the Scheme Mandate Limit to participant(s) if (I) separate Shareholders' approval in general meeting has been obtained for granting share options beyond the Scheme Mandate Limit to participant(s) specifically identified by the Company before such Shareholders' approval is sought; (II) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to the Shareholders containing such information as may be required by the GEM Listing Rules then prevailing to be included in such circular; and (III) the number and terms of the share options to be granted to such participant(s) shall be fixed before the approval of the Shareholders (and the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price).

(h) Maximum entitlement of each participant

Where any grant of share options to a participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the relevant share scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the Participant is a connected person) abstaining from voting, and the following provisions shall apply: (i) the grant is only to a participant specifically identified by the Company before the Shareholders' approval is sought; (ii) a circular, which must disclose the identity of the participant in question, the number and terms of the share options to be granted (and those options and awards previously granted to such Participant in the 12-month period), the purpose of granting share options to the participant and an explanation as to how the terms of the share options serve such purpose, shall be despatched to the Shareholders; and (iii) the number and terms of the share options to be granted to such participant must be fixed before the approval of the Shareholders (and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price).

(i) Life of 2024 Share Option Scheme

The 2024 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date (i.e. 31 May 2024). As at the date of this report, the 2024 Share Option Scheme has a remaining life of approximately 8.1 years.

(j) Termination

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the 2024 Share Option Scheme before the end of its life, and in such event, no further share option(s) may be granted but in all other respects the provisions of the 2024 Share Option Scheme shall remain in full force and effect in respect of share options which are granted during the life of the 2024 Share Option Scheme and which remain unexpired immediately prior to the termination of the operation of the 2024 Share Option Scheme. Share options granted prior to such termination but not exercised, or in respect of which Shares are not yet issued to the Grantee, shall continue to be valid and exercisable in accordance with the 2024 Share Option Scheme.

REPORT OF THE DIRECTORS

As disclosed in the announcement of the Company dated 26 January 2024, during the term of the 2014 Share Option Scheme, a total of 52,350,000 options were granted on 26 January 2024 thereunder to subscribe for an aggregate of up to 52,350,000 ordinary shares of HK\$0.001 each in the share capital of the Company. No performance target nor clawback mechanism was attached to such options. Upon the expiry of the 2014 Share Option Scheme, no further option was granted. A table showing the summary of the share options granted under the 2014 Share Option Scheme during the Year is set out as follows:

Name or category of participant	Date of grant of share options	Number of share options outstanding at 1 January 2025	Number of share options granted/ exercised during the Year	Number of share options lapsed or cancelled during the Year	Number of share options outstanding at 31 December 2025	Exercise period of share options	Exercise price of share options (HK\$ per then existing share)
Employees							
Mr. Chen Chang Zheng	26/01/2024	41,880,000	-	(1,675,200) <i>(after adjustment)</i> <i>(Note 1)</i>	-	26/01/2025– 25/01/2034	1.00 <i>(after adjustment)</i>
Ms. Dong Han Kun	26/01/2024	10,470,000	-	(10,470,000) <i>(Note 2)</i>	-	26/01/2025– 25/01/2034	0.04 <i>(Note 3)</i>
		52,350,000	-	-	-		

Notes:

- With effect from 23 April 2025, following share consolidation effective on 5 March 2025, 1,675,200 adjusted share options, which were held by Mr. Chen Chang Zheng, lapsed as he ceased to be an employee and therefore ceased to be a participant in accordance with the terms of the 2014 Share Option Scheme.
- With effect from 1 February 2025, prior to share consolidation effective on 5 March 2025, 10,470,000 share options, which were held by Ms. Dong Han Kun, lapsed as she resigned and therefore ceased to be a participant in accordance with the terms of the 2014 Share Option Scheme.
- The exercise price represented a premium of approximately 17.65% over the higher of (i) the closing price of HK\$0.034 per then existing Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant and immediately before the date of grant; (ii) the average closing price of HK\$0.0328 per then existing Share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a then existing Share of HK\$0.001.

Following the resolutions passed by the Shareholders at the annual general meeting held on 31 May 2024, the number of options available for grant under the scheme mandate and the service provider sublimit as at 1 January 2025 were 418,800,000 and 41,880,000, respectively. As the share consolidation became effective on 5 March 2025, as at 31 December 2025, the total number of options available for grant under the scheme mandate and the service provider sublimit were 16,752,000 and 1,675,200, representing approximately 8.33% and 0.83% of the issued Shares as at the date of this report, respectively.

The total number of shares available for issue under the 2024 Share Option Scheme is 16,752,000, representing approximately 8.33% as at the date of this annual report.

No share option has been granted under the 2024 Share Option Scheme since its adoption.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the Year or at the end of the Year.

EQUITY-LINKED AGREEMENTS

Save for the 2024 Share Option Scheme as set out in this section, no equity-linked agreements were entered into by the Group, or existed during the Year.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are disclosed in note 34 to the consolidated financial statements. During the Year, there were no connected transactions or continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules. None of these related party transactions falls under the definition of "connected transaction" or "continuing connected transaction" (as the case may be) in Chapter 20 of the GEM Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

According to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance cover for the directors and officers of the Company and its subsidiaries.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

CORPORATE GOVERNANCE

In the opinion of the Directors, save as disclosed elsewhere in the Corporate Governance Report, the Company has complied with the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules then in force for the Year. The Corporate Governance Report is set out on pages 15 to 25 of this report.

AUDIT COMMITTEE

The Audit Committee, together with the management and the external auditor, have discussed and reviewed the accounting policies and practices adopted by the Group as well as the internal control matters.

The Audit Committee has also reviewed the consolidated financial statements of the Company for the year ended 31 December 2025, and considers that the consolidated financial statements of the Company for the year ended 31 December 2025 are prepared in accordance with the applicable accounting standards, laws and regulations and appropriate disclosures have been made.

REPORT OF THE DIRECTORS

AUDITOR

The financial statements for the Year have been audited by BDO Limited which retires, and being eligible, offers itself for re-appointment at the forthcoming annual general meeting of the Company. A resolution to re-appoint BDO Limited and to authorise the Directors to fix its remuneration will be proposed at the forthcoming annual general meeting of the Company. There has been no change in auditors of the Company in any of the preceding three years.

On behalf of the Board

Wong Chun Hung Hanson

Chairman and Non-executive Director

31 March 2026

- * In this report, translated English names of Chinese entities for which no official English translation exist are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.

INDEPENDENT AUDITOR'S REPORT



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF LINK HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Link Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 49 to 132, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw your attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a loss of HK\$88.14 million from its continuing operations for the year ended 31 December 2025, and, as of that date, the Group had net current liabilities of HK\$100.26 million. As of 31 December 2025, the Group had a total interest-bearing bank and other borrowings of HK\$7.94 million that is repayable within one year after the end of the reporting period. In addition, as at 31 December 2025, the Group had other financial liabilities of HK\$98.75 million in total which are repayable on demand, including (i) construction payable amounting to HK\$40.54 million included in trade and other payables, (ii) an amount due to ex-directors amounting to HK\$11.63 million, (iii) an amount due to a non-controlling shareholder of subsidiaries amounting to HK\$7.24 million and (iv) an amount due to controlling shareholder amounting to HK\$39.34 million, but only had cash and cash equivalents of HK\$1.99 million as at the same date. As stated in Note 3, these conditions along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of Bintan cash generating units

Refer to notes 4 and 17 to the consolidated financial statements.

The Group's Bintan cash-generating unit ("Bintan CGU") mainly consisted of construction in progress (hotel resort) and right-of-use assets (the land parcels on which the hotel resort is erected), with carrying amounts of HK\$70,825,000 and HK\$2,843,000 respectively as at 31 December 2025.

Construction of the hotel resort project in Bintan has been suspended due to the tight financial resources of the Group, which have resulted from the deteriorating performance of the Group since the outbreak of the COVID-19 pandemic in 2019. Management considered that indicators of impairment existed for the assets attributable to the Bintan CGU as at the reporting date.

The Group had engaged an independent valuer to assist the management of the Company in estimating the recoverable amount of the Bintan CGU which requires significant judgment to be made by the management of the Company.

The recoverable amount of the Bintan CGU was determined based on its fair value less costs of disposal, using a mixed approach. The depreciated replacement cost approach was adopted for the construction in progress, while the direct comparison approach was used for the land parcels. Both approaches are dependent on certain key assumptions and estimations that require significant management judgement.

Impairment losses of approximately HK\$13,594,000 and HK\$721,000 were recognised for the construction in progress and right-of-use assets respectively during the year to reduce their carrying amounts to their recoverable amounts.

The impairment assessment of the Bintan CGU is an area of focus for us, as it involves significant management judgement and estimation, which are inherently subjective.

Our response

Our procedures in relation to management's impairment assessment included:

- Assessing the reasonableness of the key assumptions and appropriateness of valuation methodology in estimating the recoverable amounts of those assets;
- Assessing the competence, objectivity, capabilities and results of the work of the independent professional valuer that was appointed by the management to assist management in determining the recoverable amount of relevant CGU;
- Challenging the independent professional valuer the methodologies and judgements used in valuing the recoverable amount of CGU;
- Engaging auditor's expert to assist us in assessing the reasonableness of assumptions and judgements used by management and the independent professional valuer appointed by the management; and
- Assessing the competence, objectivity, capabilities and results of the work of the auditor's expert.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our 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 HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism 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

- 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 group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

BDO Limited

Certified Public Accountants

Lam Tsz Ka

Practising Certificate Number P06838

Hong Kong, 31 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 HK\$'000	2024 HK\$'000
Continuing operations			
Revenue	7	13,291	11,602
Cost of sales		(10,767)	(7,691)
Gross profit		2,524	3,911
Other income	8	777	620
Other gains and (losses)	9	(13,435)	8,568
Selling expenses		(576)	(256)
Administrative expenses		(22,711)	(23,768)
Finance costs	10	(4,320)	(12,630)
Loss on changes in fair value of investment properties	19	(48,092)	(12,639)
Impairment loss on non-current assets	12	(14,315)	(44,921)
Loss before income tax expense	12	(100,148)	(81,115)
Income tax credit	14	12,013	3,037
Loss for the year from continuing operations		(88,135)	(78,078)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	11	262,365	(72,830)
Profit/(loss) for the year		174,230	(150,908)
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of properties		1,964	2,083
Tax expenses related to gain on revaluation of properties		(334)	(354)
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		(8,004)	(6,295)
Reserves released upon deregistration of a subsidiary		–	938
Reserves released upon deconsolidation of subsidiaries		8,911	–
Other comprehensive income for the year, net of tax		2,537	(3,628)
Total comprehensive income for the year		176,767	(154,536)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 HK\$'000	2024 HK\$'000
Profit/(loss) attributable to:			
Owners of the Company		178,310	(146,461)
Non-controlling interests		(4,080)	(4,447)
		174,230	(150,908)
Total comprehensive income attributable to:			
Owners of the Company		180,700	(150,123)
Non-controlling interests		(3,933)	(4,413)
		176,767	(154,536)
Earnings/(losses) per share			
	15		
From continuing and discontinued operations			
— Basic (HK cents per share)		96.07	(87.43)
— Diluted (HK cents per share)		96.07	(87.43)
From continuing operations			
— Basic (HK cents per share)		(45.29)	(43.95)
— Diluted (HK cents per share)		(45.29)	(43.95)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	At 31 December	
		2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	17	96,057	236,875
Right-of-use assets	18	3,033	66,527
Investment properties	19	102,070	153,149
Prepayments for construction	20	732	753
Deferred tax assets	30	6,768	–
Total non-current assets		208,660	457,304
Current assets			
Hotel inventories	21	486	522
Distressed debt assets at amortised cost	23	–	19,343
Trade and other receivables	24	4,022	6,136
Equity investment at fair value through profit or loss	22	13,892	–
Cash and cash equivalents	25	1,988	13,225
Total current assets		20,388	39,226
Current liabilities			
Trade and other payables	26	65,978	79,162
Amount due to a non-controlling shareholder of subsidiaries	27	7,237	7,458
Amount due to controlling shareholder	27	39,339	23,455
Interest-bearing bank and other borrowings	28	7,939	427,857
Lease liabilities	29	157	448
Provision for taxation		–	446
Total current liabilities		120,650	538,826
Net current liabilities		(100,262)	(499,600)
Total assets less current liabilities		108,398	(42,296)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		At 31 December	
	Notes	2025	2024
		HK\$'000	HK\$'000
Non-current liabilities			
Other payables	26	7,313	7,526
Interest-bearing bank and other borrowings	28	–	4,312
Amount due to controlling shareholder	27	1,621	12,289
Lease liabilities	29	40	–
Deferred tax liabilities	30	–	14,861
Total non-current liabilities		8,974	38,988
Net assets/(liabilities)		99,424	(81,284)
Equity			
Share capital	32	5,026	4,188
Reserves		101,345	(82,458)
Equity attributable to owners of the Company		106,371	(78,270)
Non-controlling interests		(6,947)	(3,014)
Total equity/(deficit)		99,424	(81,284)

On behalf of the Board

Wong Chun Hung Hanson

Lui Tin Shun

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital	Share premium	Hotel properties revaluation reserve	Other reserve	Translation reserve	Convertible bonds reserve	Share option reserve	Accumulated losses	Total	Non-controlling interests	Total (deficit)/ equity
	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000 (Note c)	HK\$'000 (Note d)	HK\$'000 (Note e)	HK\$'000 (note 31)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	4,188	363,352	71,927	2,014	(79,560)	10,698	-	(301,415)	71,204	1,399	72,603
Loss for the year	-	-	-	-	-	-	-	(146,461)	(146,461)	(4,447)	(150,908)
Other comprehensive income											
— Gain on revaluation of properties	-	-	2,083	-	-	-	-	-	2,083	-	2,083
— Tax expense related to gain on revaluation of properties	-	-	(354)	-	-	-	-	-	(354)	-	(354)
— Exchange differences arising on translation of foreign operations	-	-	-	-	(6,329)	-	-	-	(6,329)	34	(6,295)
— Release of exchange reserve to profit or loss upon deregistration of a subsidiary	-	-	-	-	938	-	-	-	938	-	938
Total comprehensive income for the year	-	-	1,729	-	(5,391)	-	-	(146,461)	(150,123)	(4,413)	(154,536)
— Equity-settled share options	-	-	-	-	-	-	649	-	649	-	649
— Redemption of convertible bonds	-	-	-	-	-	(10,698)	-	10,698	-	-	-
At 31 December 2024 and 1 January 2025	4,188	363,352	73,656	2,014	(84,951)	-	649	(437,178)	(78,270)	(3,014)	(81,284)
Profit for the year	-	-	-	-	-	-	-	178,310	178,310	(4,080)	174,230
Other comprehensive income											
— Gain on revaluation of properties	-	-	1,964	-	-	-	-	-	1,964	-	1,964
— Tax expense related to gain on revaluation of properties	-	-	(334)	-	-	-	-	-	(334)	-	(334)
— Release of revaluation reserve of hotel properties	-	-	(75,286)	-	-	-	-	75,286	-	-	-
— Exchange differences arising on translation of foreign operations	-	-	-	-	(8,151)	-	-	-	(8,151)	147	(8,004)
— Release of exchange reserve to profit or loss upon deconsolidation of subsidiaries	-	-	-	-	8,911	-	-	-	8,911	-	8,911
Total comprehensive income for the year	-	-	(73,656)	-	760	-	-	253,596	180,700	(3,933)	176,767
— Release of share option reserve upon the forfeit of share options	-	-	-	-	-	-	(649)	649	-	-	-
— Issue of new shares	838	3,103	-	-	-	-	-	-	3,941	-	3,941
At 31 December 2025	5,026	366,455	-	2,014	(84,191)	-	-	(182,933)	106,371	(6,947)	99,424

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Notes:

- a. The share premium account of the Group represents the premium arising from the issuance of shares at premium.
- b. The hotel properties revaluation reserve represents the gains arising on the revaluation of hotel buildings of the Group (other than investment properties).
- c. The other reserve of the Group represents the difference between the nominal value of the shares issued by the Company and the aggregate nominal value of the issued share capital of subsidiaries acquired pursuant to a group reorganisation which became effective on 20 June 2014. The other reserve also resulted from the acquisition of additional interest in a subsidiary which represents the difference between the fair value of the consideration and the carrying amount of the net assets attributable to the additional interest in the subsidiary acquired.
- d. The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
- e. The convertible bonds reserve represents the amount of proceeds on issue of convertible bonds, net of issue expenses, relating to the equity component (i.e. option to convert the debt into share capital).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Profit/(loss) before income tax expense			
Continuing operations		(100,148)	(81,115)
Discontinued operation		261,988	(72,158)
		161,840	(153,273)
Adjustments for:			
Interest income	8	(2)	(1)
Gain on deconsolidation of subsidiaries	11	(323,084)	–
Gain on changes in fair value of financial assets at fair value through profit or loss	9	(5,978)	–
Loss allowance for ECLs of distressed debt assets	9	19,716	9,877
Gain on convertible bond modification	9	–	(7,344)
Gain on revaluation of properties	9	(192)	(184)
Finance costs	10	44,544	57,841
Depreciation of property, plant and equipment and right-of-use assets	12	12,984	14,405
Impairment on property, plant and equipment	17	13,594	44,921
Impairment on right-of-use assets	18	721	–
Loss on changes in fair value of investment properties	19	48,092	12,639
Share-based payment		–	649
Operating loss before working capital changes		(27,765)	(20,470)
Increase in hotel inventories		(60)	(229)
(Increase)/decrease in trade and other receivables		(1,860)	3,203
Increase in trade and other payables		22,825	2,538
Cash used in operations		(6,860)	(14,958)
Income taxes paid		(98)	(2,566)
Net cash flows used in operating activities		(6,958)	(17,524)
Cash flows from investing activities			
Interest received		2	1
Payments for purchases of property, plant and equipment		(10,130)	(775)
Loss from deconsolidation of subsidiaries		(1,860)	–
Net cash used in from investing activities		(11,988)	(774)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from financing activities			
Advance from controlling shareholder		3,381	11,155
Proceeds from bank borrowings		4,574	458,225
Repayment of bank loans		(2,105)	(339,087)
Repayments of lease liabilities		(765)	(974)
Repayment on convertible bond interest		–	(31,802)
Repayment on convertible bond		–	(25,517)
Issue of new shares		838	–
Proceeds from placing		3,103	–
Interest paid		(2,478)	(65,848)
Net cash generated from financing activities	38	6,548	6,152
Net decrease in cash and cash equivalents		(12,398)	(12,146)
Cash and cash equivalents at beginning of year		13,225	26,041
Effect of exchange rate changes on cash and cash equivalents		1,161	(670)
Cash and cash equivalents at end of year		1,988	13,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Link Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 15 May 2012 under the Companies Law, Cap 22 of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Flat I, 16th Floor (Room 1609), Kai Tak Commercial Building, Nos. 317 & 319 Des Voeux Road Central, Sheung Wan, Hong Kong.

The ordinary shares of the Company (the "Shares") are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The immediate and ultimate holding company is Ace Kingdom Enterprises Corporation, a company incorporated in the British Virgin Islands.

The principal activity of the Company is investment holding. Details of the principal activities of the Company's principal subsidiaries are set out in note 39 to the consolidated financial statements.

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2026.

2. ADOPTION OF IFRS ACCOUNTING STANDARDS

(a) Adoption of revised IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards to these consolidated financial statements for the current accounting period:

Amendment to IAS 21	Lack of Exchangeability
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosure about Uncertainties in the Financial Statement

None of these amended IFRS Accounting Standards has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any amended IFRS Accounting Standards that is not yet effective for the current accounting period. Impact on the applications of these amended IFRS Accounting Standards are summarised below.

Amendment to IAS 21 — Lack of exchangeability

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. ADOPTION OF IFRS ACCOUNTING STANDARDS *(Continued)*

(a) Adoption of revised IFRS Accounting Standards *(Continued)*

Amendments to IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Illustrative examples on reporting uncertainties in financial statements

On 28 November 2025, the IASB issued Disclosures about Uncertainties in the Financial Statements — Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The Group has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

(b) New/revised IFRS Accounting Standards that have been issued but are not yet effective

The following new or amended IFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²

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

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

Other than IFRS 18 for which the directors of the Company are still evaluating the impact to the presentation and disclosure in the consolidated financial statements, the directors of the Company anticipate that the application of these new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 — Presentation and Disclosure in Financial Statements

It was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group does not expect to be eligible to apply IFRS 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, International Accounting Standards ("IASs") and Interpretations (hereinafter collectively referred to as "IFRS Accounting Standards") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

(b) Basis of measurement

The measurement basis used in preparation of the consolidated financial statement is the historical cost basis except for investment properties, hotel buildings and financial instruments, which are measured at fair values as explained in the accounting policies set out below.

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 5 to the consolidated financial statements.

(c) Going concern assumptions

The Group incurred a loss of HK\$88.14 million from its continuing operations for the year ended 31 December 2025, and as of that date, had net current liabilities of HK\$100.26 million. As of 31 December 2025, the Group had a total interest-bearing bank and other borrowings of HK\$7.94 million that is repayable within one year after the end of the reporting period (Note 28). In addition, as at 31 December 2025, the Group had other financial liabilities of HK\$98.75 million in total which are repayable on demand, including (i) construction payable amounting to HK\$40.54 million included in trade and other payables that are related to the Bintan CGU (as defined in note 17), (ii) an amount due to ex-directors amounting to HK\$11.63 million (Note 26), (iii) an amount due to a non-controlling shareholder of subsidiaries amounting to HK\$7.24 million (Note 27(a)), and (iv) an amount due to controlling shareholder amounting to HK\$39.34 million (Note 27), but only had cash and cash equivalents of HK\$1.99 million as at the same date.

In view of these circumstances, the directors of the Company have given careful consideration of the future liquidity and cash flows of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern. For this purpose, management has prepared a cash flow forecast covering a period of 18 months from the end of the reporting period up to 30 June 2027 (the "Forecast Period") and has taken into account the following:

- The hotel operation in Japan would generate net operating inflows;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. BASIS OF PREPARATION *(Continued)*

(c) Going concern assumptions *(Continued)*

- Undrawn amount of HK\$67.74 million under the loan facility from the controlling shareholder (Note 27(b)) as at the date of authorisation for issue for these consolidated financial statements. And the controlling shareholder has agreed not to demand repayment of amount due to them of HK\$39.34 million (Note 27(b)) from the Group until 30 June 2027;
- The main constructor of the Bintan CGU has submitted an arbitration application to Singapore International Arbitration Centre for a claim of construction payable due from the Group of IDR73,611 million. The directors are of the opinion that the arbitration process would not be completed within 12 months from the end of the reporting period and therefore the settlement of the construction payable would not occur in the foreseeable future; and
- Actively seek investors to realise the Bintan CGU (as defined in Note 17) and use the proceeds to settle the construction payable and repay the amount due to controlling shareholder.

Notwithstanding the above, whether the Group would be able to continue as a going concern is dependent upon the successful implementation of the above plans and measures for which the outcomes are subject to the inherent uncertainties that include whether:

- The economic conditions of Japan would not significantly deteriorate that might affect the performance of the hotel operations;
- The timing and outcomes for arbitration application by the main constructor of the Bintan CGU may affect the Group to seek for investor and realisation of the Bintan CGU. In addition, the arbitration would not prejudice the constructor from initiating any legal proceedings against the Group for the recovery of the construction payables, which include, by way of liquidating the subsidiary holding the Bintan CGU;
- The Group would be able to locate buyer and complete the disposal of the Bintan CGU to generate the sufficient cash flows as and when needed, including before the liquidation of the subsidiary holding the Bintan CGU should the constructor choose to liquidate that subsidiary to recover the construction payable;
- The controlling shareholder would be willing and able to extend the amount due from the Group upon the expiry of the loan facility on or before 30 June 2027.

Assuming the plans and measures in the forecast can be successfully implemented as planned, the directors are of the opinion that the Group would have sufficient working capital over the Forecast Period to finance its operations and fulfil its financial obligations as and when they fall due within the forecast period. Accordingly, the directors of the Group considered that it is appropriate to prepare the consolidated financial statements on a going concern basis. 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 and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group fail to achieve the plans and measures as scheduled, it might not be able to continue as a going concern, and adjustments would have to be made to reduce the value of assets to their net realisable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in these consolidated financial statements.

(d) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“the Group”). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest’s share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company’s statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Property, plant and equipment

Hotel buildings are stated at valuation less accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. Increases in value arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of hotel properties revaluation reserve. Decreases in value arising on revaluation are first offset against increases on earlier valuations in respect of the same property and thereafter recognised in profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged and thereafter to the hotel properties revaluation reserve.

Upon disposal, the relevant portion of the hotel properties revaluation reserve realised in respect of previous valuations is released from the hotel properties revaluation reserve to retained earnings.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(c) Property, plant and equipment *(Continued)*

The cost of property, plant and equipment includes its purchase price and the costs 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 recognised as an expense in profit or loss during the financial period in which they are incurred.

No depreciation is provided on freehold land. Other property, plant and equipment except for construction in progress and freehold lands are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of the reporting period. The useful lives are as follows:

Freehold land is stated at cost less any subsequent accumulated impairment loss.

Hotel buildings	60 years
Leasehold improvements	3–20 years
Computer equipment	3–5 years
Furniture, fixtures and equipment	3–15 years
Motor vehicles	3–6 years

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(d) Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Fair value is determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment properties. The carrying amounts recognised in the consolidated statement of financial position reflect the prevailing market conditions at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Leasing

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise leases which are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group as lessee — Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. For right-of-use asset that meets the definition of an investment property, they are carried at fair value and for right-of-use asset that meets the definition of a leasehold land and buildings held for own use, they are carried at fair value.

The Group as lessee — Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(f) Impairment of assets (other than financial assets)

At the end of the reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than hotel buildings);
- right-of-use asset;
- investments in subsidiaries; and
- prepayments for construction.

If the recoverable amount (i.e. the greater of the fair value less costs to disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another IFRS Accounting Standards, in which case the impairment loss is treated as a revaluation decrease under that IFRS Accounting Standards.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

(g) Financial Instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial Instruments *(Continued)*

(i) Financial assets *(Continued)*

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.

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. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial Instruments *(Continued)*

(ii) Impairment loss on financial assets *(Continued)*

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

For purchased credit-impaired financial assets, the Group only recognises the lifetime cumulative change in expected credit losses after initial recognition on the financial reporting date as impairment allowance. On each financial reporting date, the Group recognises the amount of the changes in expected credit losses in profit or loss.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of comprehensive income. The net fair value gain or loss recognised in the consolidated statement of comprehensive income does not include any interest charged on these financial liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial Instruments *(Continued)*

(iii) Financial liabilities *(Continued)*

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, interest-bearing bank and other borrowings, bank overdrafts, amounts due to non-controlling shareholder of subsidiaries and controlling shareholder and the debt element of convertible bonds issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Convertible bonds

Convertible bonds issued by the Company that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the fair value of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded option is exercised (in which case the balance stated in convertible bonds reserve will be transferred to share capital and share premium). Where the option remains unexercised at the expiry dates, the balance stated in convertible bonds reserve will be released to the accumulated losses. No gain or loss is recognised upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial Instruments *(Continued)*

(vi) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vii) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

(h) Cash and cash equivalents

Cash comprises cash at bank and on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including assets similar in nature to cash, which are not restricted as to use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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

Hotel room service

The contracts with hotel guests for the hotel room services may include the provision of hotel room services, provision of free breakfast, laundry and car park services. Each of these products and services represents an individual performance obligation. For the hotel room services, the Group has determined that the customers simultaneously receives and consumes the benefits of the Group's performance the service is recognised overtime on a daily basis when rooms are occupied. For the performance obligation related to the free breakfast, the Group determines that the customers obtain control of the breakfast when it was delivered to the customers. Revenue is thus recognised when the customers finished their breakfast. Invoices are issued with fixed amounts based on published rates or negotiated contracts when the hotel guests checked out and the payment was required to settle at the same time. Uninvoiced amounts and the amounts receipt in advance regarding the hotel room services are presented as contract assets and contract liabilities respectively.

Sales of food and beverage

The Group operates a restaurant selling food and beverages. Revenue from the sales of food and beverages is recognised when a group entity sells a product to the customer. There is generally only one performance obligation. Invoices are usually payable when the customers finished their meal and the payment of the transaction price is due immediately.

Rental income

Rental is recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Revenue recognition *(Continued)*

Income from distressed debt assets

It included interest income and disposal income arising on distressed debt assets at amortised cost. Interest income is recognised in profit or loss using the effective interest method.

Interest income

Interest is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

(j) Income tax

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under IAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of the reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as translation reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(l) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plans

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. In particular the Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are made based on a percentage of the employee's basic salaries and are recognised as an expense in the period in which the related service is performed. The Group's employer contributions vest fully with the employees when contributed into the Central Provident Fund scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit and loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independent administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(iv) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

(m) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Share-based payments

The Group operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial option pricing model, further details of which are given in note 31 to consolidated financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of losses per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reversed if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives for the property, plant and equipment of the Group. The estimate is based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which would affect the related amortisation and depreciation charges included in the consolidated statement of comprehensive income.

(b) Estimate of income and deferred tax provisions

Significant judgement is required in determining the amount of provision for taxation and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income and deferred tax provisions in the period in which such determination were made.

(c) Provision for impairment of trade receivables

The policy for the provision for impairment of trade receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

(d) Measurement of distressed debt assets at amortised cost

Distressed debt assets at amortised cost are recognised at fair value (generally the consideration paid) and subsequently measured at amortised cost using the effective interest rate method. The interest rate method is applied at the level of individual distressed debt by using an actuarially determined three-year cash collections forecast to determine an effective interest rate or implicit cash flow. This effective interest rate is used over the collection life cycle to apportion cash collections between the principal and interest components.

As a minimum, cash collections over the three-year collection life cycle are actuarially reforecast each accounting period and any consequent adjustment to the carrying value is recognised in profit or loss on a net basis across all distressed debt assets tranches.

The appropriateness of the carrying value of distressed debt assets at amortised cost is assessed by management and Directors by reviewing realised cash collections against ongoing forecasts and assessing cash flow generation more broadly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES *(Continued)*

(e) Fair value measurement

A number of assets and liability included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's non-financial assets and financial liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value:

- Hotel buildings (note 17);
- Investment properties (note 19); and
- Share option (note 31)

More detailed information in relation to the fair value measurement of the items above are set out in note 41(c) to the consolidated financial statements.

(f) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or assets arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties located in the Indonesia and People's Republic of China ("The PRC") in the aggregate carrying amounts of HK\$102,070,000 as at 31 December 2025 (2024: HK\$153,149,000) are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the Directors have determined that the presumption that the carrying amounts of such investment properties located in Indonesia and the PRC are recovered through sale is rebutted. As a result, the Group has recognised deferred tax assets of HK\$6,768,000 (2024: deferred tax liabilities of HK\$5,216,000) on changes in fair value of investment properties as the Group is subject to income tax in the respective jurisdictions, on the assumption that these investment properties will be recovered through use.

(g) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows.

(h) Going concern and liquidity

The assessment of the going concern assumptions involves making judgements by the Directors of Group, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors of Group consider that Group has ability to continue as a going concern and the major conditions that may cast doubt about the going concern assumptions are set out in note 3(c) above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATING SEGMENT INFORMATION

Management determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker considers the business primarily on the basis of the geographical locations. The Group is currently organised into four reportable segments. The operation of hotel business in Singapore was presented as discontinued operation in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", more details are set out in note 11. The following summary describes the operations in each of the Group's reportable and operating segments:

- Operation of hotel business in Singapore, Indonesia and Japan
- Distressed debt asset management in PRC

(a) Reportable segments

Management assesses the performance of the operating segments based on the measure of segment results which represents the net of revenues, incomes and gains, costs and expenditures directly attributable to each operating segment. Central corporate income, other gains and losses, administrative cost and finance cost are not allocated to the operating segments as they are not included in the measure of the segment results that are used by the chief operating decision-maker for assessment of segment performance.

The following is an analysis of the Group's revenue and results by reportable segments for the year:

Segment revenue and results

	Continuing operations			Discontinued Operation	Total HK\$'000
	Operation of hotel business Indonesia HK\$'000	Japan HK\$'000	Distressed debt asset management The PRC HK\$'000	Operation of hotel business Singapore HK\$'000	
For the year ended 31 December 2025					
External revenue	–	13,291	–	14,387	27,678
Segment loss	(69,186)	(7,149)	(19,855)	(61,096)	(157,286)
Corporate income, gains or losses					8,773
— Others					8,773
Central administrative cost and finance cost					(12,731)
Loss before income tax expense					(161,244)
Represented by:					
— from continuing operations					(100,148)
— from a discontinued operation					(61,096)
					(161,244)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

Segment revenue and results *(Continued)*

	Continuing operations			Discontinued Operation	Total HK\$'000
	Operation of hotel business Indonesia HK\$'000	Japan HK\$'000	Distressed debt asset management The PRC HK\$'000	Operation of hotel business Singapore HK\$'000	
For the year ended 31 December 2024					
External revenue	–	11,602	–	30,059	41,661
Segment loss	(57,976)	(3,220)	(3,928)	(72,158)	(137,282)
Corporate income, gains or losses — Others					9,228
Central administrative cost and finance cost					(25,219)
Loss before income tax expense					(153,273)
Represented by:					
— from continuing operations					(81,115)
— from a discontinued operation					(72,158)
					(153,273)

Segment results represents the profit/(loss) earned/(charged) by each segment without allocation of corporate income, corporate finance cost and central administrative cost. Central administrative cost mainly included legal and professional fees and corporate staff costs. This is the information reported to the chief operating decision-maker for the purpose of resource allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

Segment assets

All assets are allocated to reportable segments other than a corporate's other receivable, deposits and prepayments, corporate's property, plant and equipment, corporate's right-of-use assets and cash and cash equivalents.

	2025 HK\$'000	2024 HK\$'000
Operation of hotel business		
Singapore	–	190,324
Indonesia	174,180	235,328
Japan	28,984	28,405
Distressed debt asset management		
The PRC	9,271	28,225
Total segment assets	212,435	482,282
Unallocated	16,613	14,248
Consolidated assets	229,048	496,530

Segment liabilities

All liabilities are allocated to reportable segments other than accruals of corporate expenses, amount due to a director, corporate's lease liabilities.

	2025 HK\$'000	2024 HK\$'000
Operation of hotel business		
Singapore	–	456,399
Indonesia	55,100	61,925
Japan	8,381	4,905
Distressed debt asset management		
The PRC	14,298	7,736
Total segment liabilities	77,779	530,965
Unallocated	51,845	46,849
Consolidated liabilities	129,624	577,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

Other segment information

Amounts included in the measure of segment loss or segment assets:

	Continuing operations				Total HK\$'000	Discontinued	Total HK\$'000
	Operation of hotel business		Distressed debt asset management	Unallocated		Operation	
	Indonesia HK\$'000	Japan HK\$'000	The PRC HK\$'000			of hotel business Singapore HK\$'000	
For the year ended 31 December 2025							
Additions to property, plant and equipment	-	163	-	6	169	9,961	10,130
Depreciation of property, plant and equipment	-	2,591	-	3	2,594	8,173	10,767
Amortisation of right-of-use assets	92	-	-	427	519	1,698	2,217
Loss on changes in fair value of investment properties	48,070	-	22	-	48,092	-	48,092
Impairment loss on non-current assets	14,315	-	-	-	14,315	-	14,315
Gain on revaluation of properties	-	192	-	-	192	-	192
Interest income	-	2	-	-	2	-	2
Interest expenses	-	770	-	3,550	4,320	40,224	44,544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

Other segment information *(Continued)*

Amounts included in the measure of segment loss or segment assets:

	Continuing operations				Discontinued operation		Total HK\$'000
	Operation of hotel business		Distressed debt asset management	Unallocated	Total	Operation of hotel business	
	Indonesia HK\$'000	Japan HK\$'000	The PRC HK\$'000			Singapore HK\$'000	
For the year ended 31 December 2024							
Additions to property, plant and equipment	-	222	-	5	227	548	775
Depreciation of property, plant and equipment	9	2,732	-	5	2,746	9,064	11,810
Amortisation of right-of-use assets	98	-	-	751	849	1,746	2,595
Loss on changes in fair value of investment properties	12,161	-	478	-	12,639	-	12,639
Impairment loss on non-current assets	44,921	-	-	-	44,921	-	44,921
Gain on revaluation of properties	-	184	-	-	184	-	184
Interest income	-	-	1	-	1	-	1
Interest expenses	-	90	-	12,540	12,630	45,211	57,841

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATING SEGMENT INFORMATION *(Continued)*

(b) Geographical information

The Group's revenue is derived from activities located in Singapore, Japan and the PRC. The following table provides an analysis of the Group's non-current assets.

	Non-current assets As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Continuing operations		
Operation of hotel business		
Indonesia	174,180	235,641
Japan	25,213	27,286
Distressed debt asset management		
The PRC	9,062	8,688
Unallocated	205	12
	208,660	271,627
Discontinued operations		
Operation of hotel business		
Singapore	–	185,677
	208,660	457,304

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATING SEGMENT INFORMATION *(Continued)*

(c) Disaggregation of revenue

	Hotel business 2025 HK\$'000	2024 HK\$'000
Primary geographical markets		
Japan — continuing operation	13,291	11,602
Singapore — discontinued operation	14,387	30,059
Total	27,678	41,661
Major services and timing of revenue recognition of contracts with customers:		
Japan — continuing operation		
At a point of time		
Sales of food and beverage	5,257	3,712
Others	395	302
Transferred over time		
Hotel room services	7,639	7,588
	13,291	11,602
Singapore — discontinued operation		
At a point of time		
Sales of food and beverage	790	3,041
Others	14	52
Transferred over time		
Hotel room services	11,506	21,624
Others	593	625
Other source of revenue:		
Rental income from hotel properties	1,484	4,717
	14,387	30,059
Total	27,678	41,661

(d) Information about major customers

For the year ended 31 December 2025 and 2024, no revenue from a single customer accounted for 10% or more of the total revenue of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. REVENUE

The Group's revenue mainly represents the aggregate amount of income from hotel operations. An analysis is as follows:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Hotel room	7,639	7,588
Food and beverage	5,257	3,712
Others	395	302
	13,291	11,602
Discontinued operations		
Hotel room	11,506	21,624
Food and beverage	790	3,041
Rental income from hotel properties	1,484	4,717
Others (note a)	607	677
	14,387	30,059
	27,678	41,661

Notes:

- The amount mainly represents laundry and car park services from hotel operations.
- The Group has applied the practical expedient in paragraph 121 of IFRS 15 "Revenue from Contracts with Customers" to its contracts with customers such that the Group does not disclose the amount of the transaction price allocated to the remaining performance obligations when the performance obligation is part of a contract that has an original expected duration of one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. OTHER INCOME

Other income is analysed as follows:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Continuing operations		
Interest income from bank deposits	2	1
Rental income	279	361
Others	496	258
	777	620
Discontinued operation		
Rental income	28	48
Advertising income	135	308
Others	79	404
	242	760
	1,019	1,380

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. OTHER GAINS AND (LOSSES)

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Gain on disposal of property, plant and equipment	111	–
Loss allowance for ECLs of distressed debt assets (note 42(a))	(19,716)	(9,877)
Gain on modification of convertible bond	–	7,344
Gain on changes in revaluation of property, plant and equipment (note 17)	192	184
Gain on changes in fair value of financial assets at fair value through profit or loss	5,978	–
Gain on deregistration of a subsidiary	–	10,917
	(13,435)	8,568
Discontinued operation		
Loss on deregistration of a subsidiary	–	(12,846)
Others	(742)	–
	(742)	(12,846)
	(14,177)	(4,278)

10. FINANCE COSTS

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Interest on bank borrowings	7	26
Interest on shareholder loan (note 27)	4,300	3,192
Interest expenses on lease liabilities	13	47
Penalty interest on convertible bonds	–	9,365
	4,320	12,630
Discontinued operation		
Interest on other borrowings	40,224	45,211
	44,544	57,841

Note:

- During the year ended 31 December 2025 and 2024, the construction in progress was substantially suspended and no borrowing costs were capitalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. DISCONTINUED OPERATIONS

Pursuant to the Company's announcement dated on 31 October 2025, the Company has assessed and concluded that it has lost the control of Silverine Pacific Ltd. ("Silverine"), and its subsidiaries, namely Hang Huo Investment Pte. Ltd. and Links Hotel International Pte. Ltd (collectively, the "Silverine Group") upon the appointment of joint and several liquidators (the "Joint liquidators"). Therefore, Silverine Group has been deconsolidated ("Deconsolidation") from the appointment date of the Joint liquidators on 22 October 2025 ("Deconsolidation Date"), and subsequently account for the Company's investment in Silverine as equity investment at fair value through profit or loss as the Company held retained interest in Silverine as at 31 December 2025.

Silverine Group represents the operation of hotel business in Singapore, which was a separate major line of business to the Group, with its operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group. In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, Silverine Group was presented as a discontinued operation resulting from the Deconsolidation. Accordingly, the post-tax profit or loss of the discontinued operation, and the post-tax gain or loss from the Deconsolidation were presented as "Discontinued Operation" in the Group's consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended 31 December 2025. The comparative figures in the consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended 31 December 2024 were re-presented to conform with current year's presentation and to reflect Silverine's Deconsolidation as if the business had been discontinued at the beginning of the comparative year.

	Ten months period from 1 January 2025 to 22 October 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
Revenue	14,387	30,059
Cost of sales	(11,363)	(16,109)
Gross profit	3,024	13,950
Other income	242	760
Other gains and (losses)	(742)	(12,846)
Selling expenses	(347)	(937)
Administrative expenses	(23,049)	(27,874)
Finance costs	(40,224)	(45,211)
Loss before income tax	(61,096)	(72,158)
Income tax credit/(expense)	377	(672)
Loss after income tax for the period/year from discontinued operation	(60,719)	(72,830)
Gain on deconsolidation of subsidiaries	323,084	–
Profit/(loss) for the period/year from discontinued operation	262,365	(72,830)
Operating cash inflows/(outflows)	13,121	(9,621)
Investing cash (outflows)/inflows	(119,901)	10,839
Financing cash inflows/(outflows)	100,375	(16,416)
Total cash outflows	(6,405)	(15,198)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. DISCONTINUED OPERATIONS *(Continued)*

The assets and liabilities of Silverine Group as at the date of loss of control were as follows:

	HK\$'000
Assets and liabilities deconsolidated:	
Property, plant and equipment	132,900
Right of use assets	64,449
Inventories	99
Trade receivables	182
Deposits, prepayments and other receivables	3,777
Contract assets	116
Cash and cash equivalents	1,860
Amounts due from the Group	248,752
Trade payables	(398)
Accruals and other payables	(25,637)
Contract liabilities	(27)
Other borrowings	(490,337)
Provision for income tax	(3)
Lease liabilities	(496)
Deferred taxation	(10,566)
	(75,329)
Add: Release of exchange reserve	8,911
Less: Amounts due from the Group	(248,752)
	(315,170)
Gain on deconsolidation of subsidiaries	323,084
	7,914

An analysis of the cash flows of cash and cash equivalents in respect of the Deconsolidation is as follows:

	HK\$'000
Cash and cash equivalents at the Deconsolidation Date	1,860
Net cash outflows of cash and cash equivalents from the deconsolidation of Silverine	1,860

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. LOSS BEFORE INCOME TAX EXPENSE

The Group's loss before income tax expense is arrived at after charging:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Staff costs (excluding directors' remuneration) (note 13 (a))		
Wages and salaries	5,826	4,224
Short-term non-monetary benefits	96	171
Contributions to defined contribution plans	62	454
Equity-settled share option expense	–	649
	5,984	5,498
Depreciation of property, plant and equipment (included in administrative expenses)		
— Owned (note 17)	2,594	2,746
— Right-of-use assets (note 18)	519	849
	3,113	3,595
Impairment loss on non-current assets		
— Property, plant and equipment	13,594	44,921
— Right-of-use assets	721	–
	14,315	44,921
Auditor's remuneration	1,280	1,850
Legal and professional fees	3,678	6,084
Minimum lease payments under operating leases		
— Short-term lease expenses	166	201
Property taxes	477	1,341

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. LOSS BEFORE INCOME TAX EXPENSE *(Continued)*

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Discontinued operation		
Staff costs (excluding directors' remuneration) <i>(note 13(a))</i>		
Wages and salaries	5,406	18,951
Short-term non-monetary benefits	283	975
Contributions to defined contribution plans	1,075	1,512
	6,764	21,438
Depreciation of property, plant and equipment (included in administrative expenses)		
— Owned <i>(note 17)</i>	8,173	9,064
— Right-of-use assets <i>(note 18)</i>	1,698	1,746
	9,871	10,810
Legal and professional fees	3,446	(1,302)
Property taxes	1,683	2,051

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

	Year ended 31 December 2025											Total HK\$'000
	He Dingding HK\$'000 (Note a)	Lui Tin Shun HK\$'000 (Note b)	Wong Chun Hung Hanson HK\$'000 (Note c)	Chiu Kung Chik HK\$'000 (Note d)	Gao Zhaoyuan HK\$'000 (Note e)	Yuan Lai Him HK\$'000 (Note f)	Chan Wai Ki Joffee HK\$'000 (Note g)	Ho Sing Wai HK\$'000 (Note h)	Tang Chiu Ming Jeremy HK\$'000 (Note i)	Tam Chu Mei HK\$'000 (Note k)	Chan So Kuen HK\$'000 (Note l)	
Fees	960	600	60	60	60	59	144	144	142	2	3	2,234
Salaries, allowances and benefits in kind	-	-	-	-	-	-	-	-	-	-	-	-
Contributions to defined contribution plans	-	-	-	-	-	-	-	-	-	-	-	-
Total	960	600	60	60	60	59	144	144	142	2	3	2,234

	Year ended 31 December 2024												Total HK\$'000	
	He Dingding HK\$'000 (Note a)	Lui Tin Shun HK\$'000 (Note b)	Wong Chun Hung Hanson HK\$'000 (Note c)	Chiu Kung Chik HK\$'000 (Note d)	Gao Zhaoyuan HK\$'000 (Note e)	Yuan Lai Him HK\$'000 (Note f)	Chan Wai Ki Joffee HK\$'000 (Note g)	Ho Sing Wai HK\$'000 (Note h)	Tang Chiu Ming Jeremy HK\$'000 (Note i)	Liu Lu HK\$'000 (Note j)	Tam Chu Mei HK\$'000 (Note k)	Chan So Kuen HK\$'000 (Note l)		Thing Bock Cheng John HK\$'000 (Note m)
Fees	960	540	60	60	50	-	144	120	-	24	144	180	27	2,309
Salaries, allowances and benefits in kind	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions to defined contribution plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	960	540	60	60	50	-	144	120	-	24	144	180	27	2,309

Notes:

- Mr. He Dingding was re-designated from an executive director to a non-executive director of the Company with effect from 1 March 2026.
- Mr. Lui Tin Shun was appointed as an executive director of the Company with effect from 2 May 2023.
- Mr. Wong Chun Hung Hanson was appointed as a non-executive director of the Company with effect from 2 May 2023.
- Mr. Chiu Kung Chik was appointed as a non-executive director of the Company with effect from 2 May 2023.
- Mr. Gao Zhaoyuan was appointed as a non-executive director of the Company with effect from 1 March 2024.
- Mr. Yuen Lai Him was appointed as a non-executive director of the Company with effect from 6 January 2025.
- Ms. Chan Wai Ki, Joffee was appointed as an independent non-executive director of the Company with effect from 2 May 2023.
- Mr. Ho Sing Wai was appointed as an independent non-executive director of the Company with effect from 1 March 2024.
- Mr. Tang Chiu Ming Jeremy was appointed as an independent non-executive director of the Company with effect from 6 January 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(Continued)

(a) Directors' remuneration (Continued)

Notes: (Continued)

- j. Ms. Liu Lu has resigned as an independent non-executive director of the Company with effect from 1 March 2024.
- k. Ms. Tam Mei Chu has resigned as an independent non-executive director of the Company with effect from 6 January 2025.
- l. Mr. Chan So Kuen has resigned as an independent non-executive director of the Company with effect from 6 January 2025.
- m. Mr. Thng Bock Cheng John has retired from an independent non-executive director of the Company with effect from 23 February 2024.

Salaries, allowance and benefits in kind paid to or for the executive directors are generally emoluments paid or payable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

(b) Five highest paid employees

The five highest paid individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 included 2 director (2024: 1 director) and their emoluments are reflected in note 13(a). The emoluments of the remaining 3 highest paid individuals (2024: 4) for the year ended 31 December 2025 are as follows:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	1,970	13,708
Contributions to defined contribution plans	303	330
Equity-settled share option expense	–	649
	2,273	14,687

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(Continued)

(b) Five highest paid employees (Continued)

The number of non-directors, highest paid employees whose remuneration fell within the bands is as follows:

	Year ended 31 December	
	2025	2024
Nil to HK\$1 million	3	2
HK\$1 million to HK\$1.5 million	–	–
HK\$2 million to HK\$2.5 million	–	1
HK\$11 million to HK\$11.5 million	–	1

During the year ended 31 December 2025, no remuneration was paid by the Group to the directors or any of the five highest paid employees of the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil). None of the directors, nor the five highest paid employees has waived or agreed to waive any emoluments during the year (2024: Nil).

During the year ended 31 December 2024, share options were granted to certain non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 31 to consolidated financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the consolidated financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

The remuneration paid or payable to members of senior management was within the following bands:

	Year ended 31 December	
	2025	2024
Nil to HK\$1 million	3	2
HK\$1 million to HK\$1.5 million	–	–
HK\$2 million to HK\$2.5 million	1	1
HK\$11 million to HK\$11.5 million	1	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. INCOME TAX CREDIT/(EXPENSE)

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil).

Singapore corporate income tax has been provided on the estimated assessable profit arising in Singapore at the rate of 17% (2024: 17%).

The subsidiaries in Indonesia are subject to 25% on their assessable profit as determined in accordance with the relevant Indonesia income tax rules and regulations (2024: 25%).

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits of a subsidiary operating in the PRC. (2024: 25%)

Subsidiary operating in Japan is subject to national corporate income tax, inhabitant tax, and enterprise tax (hereinafter collectively referred to as "Japan Profits Tax") in Japan, which, in aggregate, resulted in effective statutory income tax rates of approximately 33.59% for the year based on the existing legislation, interpretations and practices in respect thereof (2024: 33.59%). Japan profits tax has been provided on the estimated assessable profit arising in Japan.

Taxes on profits assessable in elsewhere have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The amount of taxation in the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Continuing operations		
Current — Japan Corporate Income Tax		
— Tax for the year	(4)	(4)
Deferred tax		
— Current year (<i>note 30</i>)	12,017	3,041
	12,013	3,037
Discontinued operations		
Current — Singapore Corporate Income Tax		
— Tax for the year	377	(672)
Total income tax credit	12,390	2,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. INCOME TAX CREDIT/(EXPENSE) *(Continued)*

The income tax credit/(expense) for the year can be reconciled to the loss before income tax expense per the consolidated statement of comprehensive income as follows:

	Year ended 31 December					
	2025 Continuing operations HK\$'000	2025 Discontinued operation HK\$'000	Total HK\$'000	2024 Continuing operations HK\$'000	2024 Discontinued operation HK\$'000	Total HK\$'000
Loss before income tax expense	(100,148)	(61,096)	(161,244)	(81,115)	(72,158)	(153,273)
Tax at Singapore Corporate Income Tax rate of 17%	17,025	10,386	27,411	13,789	12,267	26,056
Effect of different tax rate of subsidiaries operating in other jurisdictions	5,815	137	5,952	(7,380)	(8)	(7,388)
Tax effect of expense not deductible for tax purpose	(3,736)	(10,146)	(13,882)	762	(12,931)	(12,169)
Tax effect of income not taxable for tax purpose	2	-	2	111	-	111
Tax effect of tax loss not recognised	(7,093)	-	(7,093)	(4,245)	-	(4,245)
Income tax credit/(expense)	12,013	377	12,390	3,037	(672)	2,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. EARNINGS/(LOSSES) PER SHARE

The calculation of the basic and diluted earnings/(losses) per share attributable to the owners of the Company is based on the following data:

	2025	2024
	HK\$'000	HK\$'000
Profit/(losses)		
Profit/(loss) attributable to owners of the Company		
— Continuing operations	(84,055)	(73,631)
— Discontinued operation	262,365	(72,830)
	178,310	(146,461)
Number of shares (thousand)		
Weighted average number of ordinary shares for the purposes of basic losses per share	185,603	167,520
Effect of share options — Share Option Scheme (<i>note</i>)	N/A	N/A
Weighted average number of ordinary shares for the purposes of diluted losses per share	185,603	167,520

The weighted average number of ordinary shares for the purpose of basic and diluted earnings/(losses) per share has been adjusted for the share consolidation which became effective on 5 March 2025 and placing of shares on 18 June 2025 (details are disclosed in Note 32).

Note:

No adjustment has been made to the basic earnings per share amount presented for the year in respect of a dilution for the share options under the Share Option Scheme as the exercise prices were higher than the average market price of the Company during the year.

16. DIVIDEND

The Directors do not recommend payment of final dividend for the year ended 31 December 2025 (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold lands HK\$'000	Hotel buildings HK\$'000	Leasehold improvements HK\$'000	Computer equipment HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Year ended 31 December 2024								
Opening net carrying amount	9,566	115,274	23,950	253	1,465	9	86,358	236,875
Additions	-	49	9,943	21	117	-	-	10,130
Depreciation charge for the year	-	(2,159)	(7,884)	(52)	(663)	(9)	-	(10,767)
Written back on revaluation	-	1,964	-	-	-	-	-	1,964
Impairment loss	-	-	-	-	-	-	(13,594)	(13,594)
Gain on revaluation	-	192	-	-	-	-	-	192
Upon deconsolidation of subsidiaries	-	(110,355)	(21,669)	(103)	(773)	-	-	(132,900)
Exchange realignment	2	5,089	935	10	60	-	(1,939)	4,157
At 31 December 2025	9,568	10,054	5,275	129	206	-	70,825	96,057
At 31 December 2025								
Cost	9,568	10,054	36,760	439	1,946	367	163,578	222,712
Accumulated depreciation and impairment	-	-	(31,485)	(310)	(1,740)	(367)	(92,753)	(126,655)
Net carrying amount	9,568	10,054	5,275	129	206	-	70,825	96,057
Year ended 31 December 2023								
Opening net carrying amount	9,645	120,387	34,201	153	1,984	69	136,940	303,379
Additions	-	92	-	183	500	-	-	775
Depreciation charge for the year	-	(2,267)	(8,496)	(69)	(923)	(55)	-	(11,810)
Written back on revaluation	-	2,083	-	-	-	-	-	2,083
Impairment loss	-	-	-	-	-	-	(44,921)	(44,921)
Gain on revaluation	-	184	-	-	-	-	-	184
Exchange realignment	(79)	(5,205)	(1,755)	(14)	(96)	(5)	(5,661)	(12,815)
At 31 December 2024	9,566	115,274	23,950	253	1,465	9	86,358	236,875
At 31 December 2024								
Cost	9,566	115,274	121,874	4,510	19,250	766	168,044	439,284
Accumulated depreciation and impairment	-	-	(97,924)	(4,257)	(17,785)	(757)	(81,686)	202,409
Net carrying amount	9,566	115,274	23,950	253	1,465	9	86,358	236,875

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 31 December 2025 and 31 December 2024, construction in progress includes all costs related to the construction of the resorts and amenities in Indonesia. The accumulated costs will be transferred to the appropriate property and equipment upon completion.

The Group's hotel building was valued on 31 December 2025 by Masterpiece Valuation Advisory Limited ("MASTERPIECE"), a qualified professional valuer not connected to the Group, who holds a recognised and relevant professional qualification and has recent experience in the location and category of property, plant and equipment being valued. The revaluation surplus of HK\$1,964,000 (2024: HK\$2,083,000) net of applicable deferred income taxes of HK\$334,000 (2024: HK\$354,000) was credited to hotel properties revaluation reserve in the amount of approximately HK\$1,630,000 (2024: HK\$1,729,000) and HK\$192,000 (2024: HK\$184,000) was credited to the profit or loss and included in the gain on non-current assets. If the buildings had not been revalued, it would have been included in the consolidated financial statements at historical cost of HK\$59.5 million (2024: HK\$60.6 million) as at 31 December 2025.

In estimating the fair value of the Group's hotel buildings, the highest and best use of the hotel buildings is their current use. The following table gives information about how the fair values of these hotel buildings are determined (in particular, the valuation techniques and key inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised level 3 based on the degree to which the key inputs to the fair value measurements is observable.

Element	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Hotel buildings	Level 3	Discounted cash flow method <i>(note)</i> Key inputs: — Room rate; — Occupancy rate; — Discount rate; and — Annual growth	Room rate Occupancy rate Discount rate	The higher the occupancy rate and room rate, the higher the fair value The higher the discount rate, the lower the fair value

Note: The estimated fair values of the hotel properties (including the land, hotel buildings, leasehold improvements, furniture, fixtures and equipment) were determined using the discount cash flow method with the key inputs described in the table above. The estimated fair values of the land were then determined using market comparison method and leasehold improvements and furniture, fixtures and equipment components using depreciated replacement cost method respectively, and such fair values were then deducted from the estimated fair value of the hotel properties to arrive at the estimated fair value of the Group's hotel buildings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Group's hotel buildings are located (i) in the Republic of Singapore under long term lease which has been derecognised upon deconsolidation (note 11), and (ii) in Japan under freehold lands.

As at 31 December 2024, certain property, plant and equipment with net carrying amount of approximately HK\$121.9 million were pledged to the other borrowing of the Group (note 28).

In 2014, the Group leased several land parcels in Bintan Island in Indonesia and planned to develop a hotel resort and associated facilities. However, since the outbreak of the COVID-19 pandemic in 2019, the performance of the Group has severely been affected and that caused a disruption of the construction of the hotel resort due to the tight financial resources of the Group. At 31 December 2025, management identified impairment indicator of certain property, plant and equipment and right-of-used assets (note 18) located in Bintan due to the delay progress of the construction. The Group assessed the recoverable amounts of these property, plant and equipment and right-of-used assets allocated to the Bintan cash-generating unit ("Bintan CGU").

The management relied on the valuation carried out by MASTERPIECE to determine the recoverable amount of the Bintan CGU. The recoverable amount of Bintan CGU is determined based on the higher of fair value less cost to disposal and value in use calculation. The recoverable amount of the CGU related to the Bintan CGU has been determined based on fair value less cost to disposal.

Fair value arrived from the depreciated replacement cost approach is based on an estimate of the new replacement cost of the buildings and structures less allowance for key parameters including physical depreciation of 40%, discount for the potential obsolescence of design or technology of work of 5% and cost of disposal 5%. The fair value less costs of disposal of the Bintan CGU is classified as a level 3 measurement.

The recoverable amount of Bintan CGU amounted to HK\$73,561,000, which is less than its carrying amount by HK\$14,315,000. An impairment loss has been included in profit or loss in the impairment loss on non-current assets. The impairment loss has been allocated on a pro rata basis to construction in progress to the extent the carrying amount of these assets is not reduced below the highest of its fair value less cost of disposal, its value in use and zero.

Element	Fair value hierarchy	Valuation techniques and significant unobservable inputs	Range 2025	2024
Construction in progress and right-of-use assets <i>(note 18)</i>	Level 3	Depreciated replacement cost approach: Estimated replacement cost	HK\$2,599 (per square meter)	N/A
		Direct comparison approach: Market unit rate with adjustment for property location, size, time, accessibility, surrounding environment and other relevant factors	HK\$191 (per square meter)	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. RIGHT-OF-USE ASSETS

	Building HK\$'000 <i>(Note a)</i>	Motor Vehicles HK\$'000	Equipment HK\$'000	Prepaid lease payments HK\$'000 <i>(Note b)</i>	Total HK\$'000
At 1 January 2024	1,063	492	–	70,202	71,757
Amortisation	(751)	(259)	–	(1,585)	(2,595)
Exchange realignment	–	(12)	–	(2,623)	(2,635)
At 31 December 2024 and 1 January 2025	312	221	–	65,994	66,527
Addition	305	–	685	–	990
Amortisation	(427)	(220)	(211)	(1,359)	(2,217)
Upon deconsolidation of subsidiaries	–	(11)	(474)	(63,964)	(64,449)
Impairment loss	–	–	–	(721)	(721)
Exchange realignment	–	10	–	2,893	2,903
At 31 December 2025	190	–	–	2,843	3,033

Notes:

- a. The Group has obtained the right-of-use of properties as its office premise through tenancy agreement. The lease typically run for an initial period of 2 years. The lease does not include any option to renew the lease for an additional period after the end of the contract term.
- b. The Group holds several leasehold land in Singapore and Bintan Islands in Indonesia. The right-of-use of the leasehold lands in Singapore are subject to the expiry on 31 December 2066. The right-of-use of leasehold lands in Bintan Islands, Indonesia are subject to the expiry in June 2044 and the Group has the option to extend for another 20 years. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

19. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year (level 3 recurring fair value)	153,149	174,698
Change in fair value	(48,092)	(12,639)
Exchange realignment	(2,987)	(8,910)
At the end of the year (level 3 recurring fair value)	102,070	153,149

During the years ended 31 December 2025 and 2024, there was no direct operating expenses arising from investment properties. As at 31 December 2025 and 2024, the Group had no unprovided contractual obligations for future repairs and maintenance.

The fair value of the Group's investment properties as at 31 December 2025 has been arrived at on the basis of a valuation carried out by MASTERPIECE. They have relevant professional qualifications and recent experience in the location and category of the investment properties being valued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. INVESTMENT PROPERTIES *(Continued)*

The valuations of the vacant parcels of land and retail shops are determined based on direct comparison approach. Change in fair value of investment properties is recognised in line item "Loss on changes in fair value of investment properties" on the consolidated statement of comprehensive income.

In relation to direct comparison approach, the valuation is based on the market comparable approach that reflects recent transaction prices for similar properties. Prices of comparable properties in close proximity are adjusted for differences in key attributes regarding property location, size, time, accessibility, surrounding environment and other relevant factors.

Significant unobservable inputs	2025	2024
Direct comparison approach (Level 3):		
Land:		
Market unit rate with adjustment for property location, size, time, accessibility, surrounding environment and other relevant factors — per square meter	Range HK\$169–HK\$191	Range HK\$176–HK\$313
Retail shops		
Unit sale rate of similar properties in the relevant market after taking into account of area, floor, location and other relevant factors — per square meter	Range RMB351–RMB413	Range RMB374–RMB428

In estimating the fair value of the properties, the highest and best use of the properties is their current use. During the year ended 31 December 2025, there were no transfers amongst Level 1, Level 2 and Level 3 in the fair value hierarchy (2024: Nil). The Directors estimated that the effect on the fair value of investment properties in response to reasonably possible changes in key inputs would be insignificant for the year ended 31 December 2025 and 2024.

The investment properties comprising lands located in Bintan Islands, Indonesia which are held under medium-term lease and currently at undetermined future use, and retail shops located in the PRC which are being leased or vacant and held for capital appreciation purpose.

An analysis of the fair value of investment properties is set out below:

	2025	2024
	HK\$'000	HK\$'000
Land located in Bintan Islands	93,013	144,465
Retail shops located in the PRC	9,057	8,684
At the end of the year (level 3 recurring fair value)	102,070	153,149

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. PREPAYMENTS FOR CONSTRUCTION

As at 31 December 2025 and 31 December 2024, the prepayments for construction is related to advances made under the construction contract related to development in Bintan Islands, Indonesia.

21. HOTEL INVENTORIES

Hotel inventories comprise food and beverage and other consumables.

22. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	–	–
Initial recognition upon deconsolidation of Silverine Group (note 11)	7,914	–
Gain on changes in fair value (note 9)	5,978	–
At the end of the year (level 2 recurring fair value)	13,892	–

Element	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity investments	Level 2	Recent transaction price	N/A	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. DISTRESSED DEBT ASSETS AT AMORTISED COST

On 25 April 2017, a wholly-owned subsidiary of the Company, entered into a debt assignment agreement with Zhuhai Shi Kang Ming De Enterprise Management Service Limited (“Kang Ming De”), a former associate of the Group, pursuant to which Kang Ming De agreed to assign, and the wholly-owned subsidiary agreed to accept, the distressed debt assets and the enforcement right of the collaterals in connection with the non-performing debts, at the cash consideration of RMB108.9 million (equivalent to HK\$125.6 million). The transaction was completed on 29 September 2017.

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current	–	19,343

For distressed debt assets at amortised cost, it represented the receivables from the obligors of non-performing loans. The borrowers are obliged to settle the amount according to the terms set out in relevant loan. These receivables at amortised cost are measured at amortised cost using the effective interest method in accordance with IFRS 9 “Financial Instruments”. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the distressed debt assets.

When the original cash flows of the distressed debt assets are modified and the modification does not result in derecognition, the calculation of the modification gain or loss is the difference between the gross carrying amount of the asset before the modification and the recalculated gross carrying amount. The recalculated gross carrying amount is the present value of the estimated future cash payments or receipts through the expected life of the modified distressed debt assets discounted using the credit-adjusted effective interest rate before the modification. The movements during the year are as follows:

	2025	2024
	HK\$'000	HK\$'000
At the beginning of the year	47,900	49,649
Exchange realignment	2,185	(1,749)
Gross amount of distressed debt assets	50,085	47,900
Less: loss allowance for ECLs	(50,085)	(28,557)
At the end of the year	–	19,343

Loss allowance for ECLs of HK\$50.1 million (2024: HK\$28.6 million) is recognised as at 31 December 2025. Details of the loss allowance for ECLs are set out in note 42(a) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables (<i>note a</i>)	2,817	2,569
Contract assets (<i>note b</i>)	–	125
Prepayments	183	623
Deposits	599	2,330
Other receivables	423	489
	4,022	6,136

(a) Trade receivables

Trade receivables, which generally have credit terms of 30 days, are recognised and carried at their original invoiced amounts less impairment which is made when collection of the full amounts is no longer probable. The impairment analysis is performed at each reporting date using simplified approach to measure ECLs.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

The aged analysis as at the end of reporting period, based on the invoice date, is as follows:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current to 30 days	1,898	1,881
31 to 60 days	911	668
61 to 90 days	7	7
Over 90 days	1	13
	2,817	2,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. TRADE AND OTHER RECEIVABLES *(Continued)*

(b) Contract assets

The amount represents the uninvoiced revenue regarding the hotel room services.

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Contract assets arising from:		
Hotel business	–	125

The contract assets are expected to be recovered or settled within one months.

An impairment analysis is performed at the reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables appropriately grouped by similar loss pattern. The calculation reflects the probability weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. As at 31 December 2025 and 2024, the amount of ECLs for contract assets is not material, no provision is recorded. Further details on the Group's credit policy and credit risk arising from trade debtors and contract assets are set out in note 42(a) to the consolidated financial statements.

25. CASH AND CASH EQUIVALENTS

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Cash at bank and on hand	1,988	13,225

Cash at bank and on hand are mainly denominated in SG\$, IDR, Renminbi ("RMB"), Japanese Yen ("JPY") and HK\$.

Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

At as 31 December 2024, bank deposit with an amount of HK\$2,284,000 is pledged to Loan 2024 as stated in note 28(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. TRADE AND OTHER PAYABLES

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current liabilities		
Trade payables (<i>note a</i>)	785	957
Contract liabilities (<i>note b</i>)	–	3
Accruals and other payables	13,023	23,188
Construction payables	40,538	41,711
Interest payable of other borrowings	–	2,002
Amounts due to ex-directors (<i>note d</i>)	11,632	11,301
	65,978	79,162
Non-current liabilities		
Construction payables (<i>note c</i>)	7,313	7,526

(a) Trade payables

The Group normally obtains credit terms of up to 30 days from its suppliers. Trade payables are interest-free. The aged analysis of trade payables as at the end of reporting period, based on the invoice dates, is as follows:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current to 30 days	343	473
31 to 60 days	442	246
61 to 90 days	–	146
Over 90 days	–	92
	785	957

(b) Contract liabilities

The Group recognises contract liabilities when a customer pays consideration before the Group recognises the related revenue.

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Contract liabilities arising from:		
Hotel business	–	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. TRADE AND OTHER PAYABLES *(Continued)*

(b) Contract liabilities *(Continued)*

Movements in contract liabilities

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	3	219
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(3)	(219)
Increase in contract liabilities as a result of receipt in advance from hotel operating activities	–	3
At the end of the year	–	3

(c) Construction payables

The amount represents the retention payable for the construction in Bintan. It is payable one year after the date of completion.

(d) Amounts due to ex-directors

The amounts due to ex-directors are unsecured, interest-free and repayable on demand.

27. AMOUNTS DUE TO A NON-CONTROLLING SHAREHOLDER OF SUBSIDIARIES AND CONTROLLING SHAREHOLDER

	At 31 December	
	2025 HK\$'000	2024 HK\$'000
Current		
Unsecured		
Amount due to a non-controlling shareholder of subsidiaries <i>(note a)</i>	7,237	7,458
Amount due to controlling shareholder <i>(note b)</i>	39,339	23,455
Non-current		
Unsecured		
Amount due to controlling shareholder <i>(note b)</i>	1,621	12,289

Notes:

- Amount due to a non-controlling shareholder of subsidiaries is unsecured, interest-free and repayable on demand.
- In June 2023 and December 2023, the Group's controlling shareholder – Ace Kingdom Enterprises Corporation provided a loan facility with a total limit of HK\$110 million to the Group bearing a fixed interest of 10% p.a with repayment date of 2 years upon drawing of the loan. For the year ended 31 December 2025, accrued interest payable to Ace Kingdom Enterprises Corporation was HK\$3.8 million (2024: HK\$0.2 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. INTEREST-BEARING BANK AND OTHER BORROWINGS AND BANK OVERDRAFTS

	At 31 December	
	2025 HK\$'000	2024 HK\$'000
Current		
Unsecured		
— other borrowing due for repayment after one year	7,819	–
Secured		
— bank borrowings due for repayment within one year (<i>note a</i>)	–	247
— other borrowing due for repayment within one year (<i>note b, c and d</i>)	120	427,610
	7,939	427,857
Non-current		
Unsecured		
— other borrowing due for repayment after one year	–	2,660
Secured		
— bank borrowings due for repayment after one year (<i>note a</i>)	–	1,549
— other borrowing due for repayment after one year (<i>note d</i>)	–	103
	–	4,312
	7,939	432,169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. INTEREST-BEARING BANK AND OTHER BORROWINGS AND BANK OVERDRAFTS *(Continued)*

Notes:

- a. During the year ended 31 December 2022, the Group has been granted a 10 years installment loan from a bank in Japan with principal of JPY40 million (equivalent to approximately HK\$1.98 million). The loan bears fixed interest rate of 1% p.a. and guaranteed by the director of the subsidiary in Japan. The loan has been fully repaid by the Group during the year ended 31 December 2025.
- b. In June 2023, the Group entered into a one-year loan facility agreement with Swettenham Capital Pte. Ltd. an independent third party, for an amount of S\$55 million (equivalent to HK\$312.5 million) bearing a fixed interest rate of 11% p.a. and secured by a mortgage over the hotel buildings (note 17) and a corporate guarantees given by the Company and a subsidiary (the "Swettenham Loan A"). During the year ended 31 December 2024, the Group entered into additional loan facility agreement ("Swettenham Loan B") with Swettenham Capital Pte. Ltd for an amount of S\$3 million (equivalent to HK\$17.8 million) bearing a fixed interest rate of 14.5% p.a.. The Swettenham Loan A and Swettenham Loan B have been fully settled by the Group during the year ended 31 December 2024. The mortgage over the hotel building and the corporate guarantee were discharged.
- c. In October 2024, the Group entered into a one-year loan facility agreement with an independent third party for an amount of S\$75 million (equivalent to HK\$427.4 million) bearing a fixed interest rate of 9% p.a. from the initial utilisation date on 12 December 2024, to (but excluding) the date falling six months from the initial utilisation date (the "Midterm Date") and a rate of (9%+A%) per annum from the Midterm Date (where A shall be 1% as at the Midterm Date and shall increase by 1% on each date falling monthly after the Midterm Date) (the "Loan 2024"). The Loan 2024 is secured by a mortgage over the hotel buildings and a charge over a bank account (note 25), share of the Company's subsidiary in Singapore (note 39) and subject to a loan-to-valuation covenant. With the drawdown of the Loan 2024, the Group fully repaid the 2015 Convertible Bonds and the Swettenham Loan A+B. The Loan 2024 has been derecognised upon Deconsolidation of Silverine Group (note 11).
- d. During the year ended 31 December 2020, a business loan is granted from Japan Finance Corporation, an independent third party, a public corporation wholly owned by the Japanese government. The loan bears interest ranging from 0.46% to 1.36% (2023: 0.46% to 1.36%) per annum with a maturity date on 30 June 2026. Personal guarantee is provided from a director of the Company's subsidiary.
- e. In June 2024, the Group entered into a one-half year unsecured and interest-free loan agreement with an independent third party for an amount of RMB2,500,000 (equivalent to HK\$2,782,000) (2024: HK\$2,660,000).
- f. During the year ended 31 December 2025, the Group entered into four half year unsecured loan agreements with two independent third parties for an aggregate amount of HK\$4,600,000. These loans bear a fixed interest rate of 20% p.a..

At 31 December 2025 and 2024, total current and non-current bank borrowings, other than bank overdrafts, were scheduled to repay as follows:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
On demand or within one year	–	247
More than one year, but not exceeding two years	–	247
More than two years, but not exceeding five years	–	742
Over five years	–	560
	–	1,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. INTEREST-BEARING BANK AND OTHER BORROWINGS AND BANK OVERDRAFTS *(Continued)*

At 31 December 2025 and 2024, total current and non-current other borrowings, were scheduled to repay as follows:

	At 31 December	
	2025 HK\$'000	2024 HK\$'000
On demand or within one year	7,939	427,610
More than one year, but not exceeding two years	–	2,763
	7,939	430,373

Note: The amounts due are based on the scheduled repayment dates in the loan agreements and ignore the effect of repayment on demand clause.

Link Holdings Limited has complied with the financial covenants of its banks and other borrowings during both years ended presented.

29. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the financial years:

	Minimum lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
As at 31 December 2025			
Not later than one year	163	6	157
Later than one year and not later than two years	41	1	40
	204	7	197
As at 31 December 2024			
Not later than one year	468	20	448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. DEFERRED TAX ASSETS/(LIABILITIES)

Details of the deferred tax assets/(liabilities) recognised, and movements during the year are as follows:

	Hotel properties reevaluation HK\$'000	Revaluation of investment properties HK\$'000	Total HK\$'000
At 1 January 2024	(9,754)	(8,647)	(18,401)
Credit to profit or loss for the year (note 14)	–	3,041	3,041
Credit to other comprehensive income	(354)	–	(354)
Exchange realignment	463	390	853
At 31 December 2024 and 1 January 2025	(9,645)	(5,216)	(14,861)
Credit to profit or loss for the year (note 14)	–	12,017	12,017
Credit to other comprehensive income	(334)	–	(334)
Upon deconsolidation of subsidiaries	10,566	–	10,566
Exchange realignment	(587)	(33)	(620)
At 31 December 2025	–	6,768	6,768

Reconciliation to the consolidated statement of financial position

	At 31 December 2025 HK\$'000	2024 HK\$'000
Deferred tax assets/(liabilities)	6,768	(14,861)

As at 31 December 2025, no deferred tax asset has been recognised in respect of the unused tax losses of HK\$54,740,000 (2024: HK\$25,706,000) and HK\$27,519,000 (2024: HK\$14,832,000) due to the unpredictability of future profit streams of the PRC and Japan subsidiaries. The tax losses of the PRC subsidiary and Japan subsidiary will expire in five and ten years respectively. At 31 December 2025, no unused tax loss can be carried forward indefinitely (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was approved and adopted by the Company on 20 June 2014 (the “Date of Adoption”). It shall be valid and effective for a period of 10 years commencing on the Date of Adoption of the Share Option Scheme and expired on 20 June 2024.

Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from 20 June 2014. Under the Share Option Scheme, the directors may in its absolute discretion offer to grant to any qualified participant an option to subscribe for the number of shares at an exercise price determined by the directors, being at least the highest of (i) the closing price of shares of the Company on the date of the offer of grant; (ii) the average of the closing prices of the shares of the Company for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares of the Company on the date of the offer of grant. The offer of a grant of options may be accepted within 21 business days from the date of the offer. HK\$1.00 per option is payable by any qualified participant to the Company on acceptance of the option offer as consideration for the grant. Qualified participants include any director or employee (whether full time or part time) of the Company and its subsidiaries and any entity in which the Company and the subsidiaries holds any equity interest.

The options granted may be exercised in whole or in part by the grantees. The exercise period of the options granted shall be a period of time to be notified by the directors to grantees, which the directors may in its absolute discretion determine, save that such period shall not be more than 10 years commencing on the date of the offer of grant.

The total number of shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share options schemes of the Company to each participant in any 12-month period shall not exceed 1% of the shares of the Company then in issue. Any further grant of share options in excess of this limit is subject to the Company’s shareholders’ approval.

The total number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of shares in issue, without prior approval from the Company’s shareholders.

On 26 January 2024, the Company has granted an aggregate of 52,350,000 share options to the grantees, being the employees of the Group, to subscribe for an aggregate of 52,350,000 ordinary shares of HK\$0.001 each in the share capital of the Company.

(a) The terms and conditions of the grants are as follows:

Date of grant	Number of options granted	Vesting conditions	Contractual life of options
26 January 2024	52,350,000	One year from the date of grant	10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. SHARE OPTION SCHEME *(Continued)*

(b) The number and weighted average exercise prices of share options are as follows:

	2025		2024	
	Weighted average exercise price	Number	Weighted average exercise price	Number
Outstanding at beginning of the year	0.04	52,350,000	–	–
Granted during the year	–	–	0.04	52,350,000
Forfeited during the year	0.04	(52,350,000)	–	–
Outstanding at end of the year	–	–	0.04	52,350,000
Exercisable at end of the year	–	Nil	0.04	Nil

All share options were forfeited during the year.

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimation of the fair value of the share options granted is measured based on a binomial option pricing model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial option pricing model.

Share price (HK\$)	0.034
Exercise price (HK\$)	0.04
Expected volatility	30.03%
Expected option life	10 years
Expected dividend	0%
Risk-free rate	3.56%

The weighted average fair value of each option granted during the year ended 31 December 2024 was HK\$0.01.

The expected volatility is estimated based on daily stock prices of the comparable companies (calculated based on the expected remaining life of the share options). Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognized total expense of approximately HK\$649,000 (2023: Nil) for the year ended 31 December 2024 in relation to share award granted by the Company under the Share Option Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. SHARE CAPITAL

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Authorised:		
2,000,000,000 (2024: 50,000,000,000) ordinary shares of HK\$0.025 (2024: HK\$0.001) each	50,000	50,000
201,024,000 (2024: 4,188,000,000) ordinary shares of HK\$0.025 (2024: HK\$0.001) each	4,188	4,188
Issue of new shares (<i>note b</i>)	838	–
Total	5,026	4,188

The movements in issued share capital were as follows:

	Number of shares in issue (thousand)	Issued share capital HK\$'000
As at 1 January 2024 and 31 December 2024, 1 January 2025	4,188,000	4,188
Share consolidation (<i>note a</i>)	(4,020,480)	–
Issue of new shares (<i>note b</i>)	167,520	4,188
	33,504	838
As at 31 December 2025	201,024	5,026

Notes:

- (a) The share consolidation of the Company was approved by the shareholders at the extraordinary general meeting on 3 March 2025 and became effective on 5 March 2025. The Company's shares of every twenty-five issued and unissued existing shares of par value HK\$0.001 each have been consolidated into one consolidated share of par value HK\$0.025 each.
- (b) On 18 June 2025, the Company issued 33,504,000 ordinary shares upon completion of the placing. The placing shares have been successfully placed by the placing agent to not less than six places at the placing price of HK\$0.120 per placing share. The net proceeds after deducting related expenses of approximately HK\$80,000 were approximately HK\$3,941,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. RESERVES

Details of the movements in the reserves of the Company during the year are as follows:

	Share premium HK\$'000	Convertible bonds reserve HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	363,352	10,698	–	(314,568)	59,482
Loss and total comprehensive income for the year	–	–	–	(103,524)	(103,524)
Equity settled share option	–	–	649	–	649
Redemption of convertible bonds	–	(10,698)	–	10,698	–
At 31 December 2024 and 1 January 2025	363,352	–	649	(407,394)	(43,393)
Profit and total comprehensive income for the year	–	–	–	(8,168)	(8,168)
Release of share option reserve upon the forfeit of share options	–	–	(649)	649	–
Issue of new shares	3,103	–	–	–	3,103
At 31 December 2025	366,455	–	–	(414,913)	(48,458)

34. RELATED PARTY TRANSACTIONS

- (i) Compensation of key management personnel of the Group, including directors' remuneration as set out in note 13 to the consolidated financial statements is as follows:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	4,905	15,848
Contributions to defined contribution plans	470	330
Equity-settled share option expense	–	649
	5,375	16,827

- (ii) Details of the balances and transactions with related parties are disclosed in note 27 to the consolidated financial statements.
- (iii) As disclosed in note 28 to the consolidated financial statements, the other borrowing of the Group was guaranteed by a director of the Company's subsidiary who is also the key management personnel of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. OPERATING LEASE ARRANGEMENTS

As lessor

The Group leases certain retail space (2024: retail space and areas of its hotel properties) under operating lease arrangements, with leases negotiated for terms of 5 years (2024: ranging from 1 to 2 years). The terms of leases generally also require the tenants to pay security deposits and, in certain cases, provide for periodic rent adjustments according to the terms under the leases.

At 31 December 2025, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Within one year	2,880	1,491
In the second to fifth years inclusive	10,800	–
	13,680	1,491

36. CAPITAL COMMITMENTS

At 31 December 2025, the Group had the following capital commitments:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Authorised, but not contracted for, in respect of Property, plant and equipment	49,695	51,148
Contracted, but not provided for, in respect of Property, plant and equipment	15,813	14,604

37. LITIGATION

On 15 June 2023, Silverine Pacific Ltd. (“Silverine”), a direct wholly-owned subsidiary of the Company, received a petition (the “Petition”) filed by Taigof Credit Opportunities Ltd. (the “Claimant”) for an order that Silverine may be wound up by the High Court of the Republic of Singapore. The Petition was filed against Silverine for failure to settle a sum of S\$1,800,000, which is the alleged outstanding amount owed by Silverine to the Claimant in relation to the provision of a proposed term loan facility of S\$60,000,000 by the Claimant to Silverine under a facility agreement dated on or around 10 March 2023, entered into among Silverine as borrower, the Claimant as lender, and Hang Huo Investment Pte. Ltd. (“Hang Huo Investment”) and Links Hotel International Pte. Ltd. (“Links Hotel International”) as guarantors. The Petition is scheduled to be heard on 7 July 2023.

On or around 9 May 2024, Silverine, Hang Huo Investment, and Links Hotel International (collectively, the “Defendants”), each being a wholly-owned subsidiary of the Company, received an originating claim filed in the High Court of the Republic of Singapore by the Claimant. The total amounts claimed by the Claimant against the Defendants are at least approximately S\$9 million, which comprise of (i) loss of profit of S\$9 million or interest at 15% per annum of the S\$60 million 12-month facility; and (ii) additional loss of profit or losses arising from the loss of chance to earn the profits to be assessed.

At the hearing on 3 November 2025, the High Court of Singapore made an order in favor of the Claimant and ordered Silverine, LHI and HHI, as the defendants to compensate the damages and losses suffered by the Claimant (the “Order”). The compensation has been settled meanwhile Hang Huo Investment and Links Hotel International have filed an appeal to the High Court of Singapore.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents comprise:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Cash and cash equivalents in the consolidated statement of cash flows	1,988	13,225

(b) Reconciliation of liabilities arising from financing activities:

	Lease liabilities (note 29) HK\$'000	Interest payable of other borrowings (note 26) HK\$'000	Amount due to a director (note 26) HK\$'000	Interest- bearing bank and other borrowings (note 28) HK\$'000	Amount due to controlling shareholder (note 27) HK\$'000	Share capital (note 32) HK\$'000	Share premium HK\$'000	Total HK\$'000
At 1 January 2025	448	2,002	11,301	432,169	35,744	4,188	363,352	849,204
Changes from cash flows:								
Advance from controlling shareholder	-	-	-	-	3,381	-	-	3,381
Proceeds from other borrowings	-	-	-	4,574	-	-	-	4,574
Repayment of bank borrowings	-	-	-	(2,105)	-	-	-	(2,105)
Repayments of lease liabilities	(765)	-	-	-	-	-	-	(765)
New share capital	-	-	-	-	-	838	-	838
Proceeds from placing	-	-	-	-	-	-	3,103	3,103
Interest paid	(13)	-	-	-	(2,465)	-	-	(2,478)
Total changes from financing cash flows:	(778)	-	-	2,469	916	838	3,103	6,548
Exchange realignment:	21	-	331	23,407	-	-	-	23,759
Other changes:								
Interest expenses	13	-	-	40,231	4,300	-	-	44,544
Recognition of new right-of-use assets	989	-	-	-	-	-	-	989
Upon deconsolidation of subsidiaries	(496)	-	-	(490,337)	-	-	-	(490,833)
Others	-	(2,002)	-	-	-	-	-	(2,002)
Total other changes	527	(2,002)	331	(426,699)	4,300	-	-	(423,543)
At 31 December 2025	197	-	11,632	7,939	40,960	5,026	366,455	432,209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Reconciliation of liabilities arising from financing activities: *(Continued)*

	Lease liabilities (note 29) HK\$'000	Interest payable of convertible bonds HK\$'000	Interest payable of other borrowings (note 26) HK\$'000	Amount due to a director (note 26) HK\$'000	Interest-bearing bank and other borrowings (note 28) HK\$'000	Convertible bonds HK\$'000	Amount due to controlling shareholder (note 27) HK\$'000	Total HK\$'000
At 1 January 2024	1,429	22,437	-	11,518	346,743	32,861	25,761	440,749
Changes from cash flows:								
Advance from controlling shareholder	-	-	-	-	-	-	11,155	11,155
Proceeds from bank borrowings	-	-	-	-	458,225	-	-	458,225
Repayment of bank borrowings	-	-	-	-	(339,087)	-	-	(339,087)
Repayments of lease liabilities	(974)	-	-	-	-	-	-	(974)
Repayment on convertible bond interest	-	(31,802)	-	-	-	-	-	(31,802)
Redemption of convertible notes	-	-	-	-	-	(25,517)	-	(25,517)
Interest paid	(47)	-	-	-	(61,437)	-	(4,364)	(65,848)
Total changes from financing cash flows:	(1,021)	(31,802)	-	-	57,701	(25,517)	6,791	6,152
Exchange realignment:	(7)	-	-	(217)	(15,510)	-	-	(15,734)
Other changes:								
Interest expenses	47	9,365	-	-	45,237	-	3,192	57,841
Gain on modification	-	-	-	-	-	(7,344)	-	(7,344)
Others	-	-	2,002	-	(2,002)	-	-	-
Total other changes	40	9,365	2,002	(217)	27,225	(7,344)	3,192	34,763
At 31 December 2024	448	-	2,002	11,301	432,169	-	35,744	481,664

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(c) Total cash outflow to leases

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	166	201
Within financing cash flows	778	1,021
	944	1,222

These amounts relate to the following:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Lease rentals paid	944	1,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. INTERESTS IN SUBSIDIARIES

Details of the principal subsidiaries are as follows:

Company name	Place, date of incorporation/ establishment and kind of legal entity	Particulars of issued and fully paid share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities and place of operation
			Direct %	Indirect %	
Subsidiaries					
Hang Huo Investment Pte. Ltd.	Republic of Singapore, 4 May 2004, limited liability company	3,000,000 shares of SG\$1 per share	–	100	Hotel ownership, Republic of Singapore
Link Hotels International Pte. Ltd.	Republic of Singapore, 21 May 2007, limited liability company	1,000,000 shares of SG\$1 per share	–	100	Operation of hotel services, Republic of Singapore
PT Hang Huo Investment	Republic of Indonesia, 27 July 2013, limited liability company	3,000,000 shares of United States dollar ("USD") 1 per share	–	92	Accommodation (hotel and cottage) and real estate, Indonesia
PT Hang Huo International	Republic of Indonesia, 29 May 2015, limited liability company	225,000 shares of USD1 per share	–	90	Property investment, Indonesia
Link Kaga Company Limited	Japan, 30 March 2016, limited liability company	40 shares of JPY50,000 each	–	100	Operation of hotel services, Japan
Chengde Heng He Zhi Da Asset Management Limited	The PRC, 15 December 2016, limited liability company	USD50,000,000	–	100	Provision of distressed debt assets management services, The PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. NON-CONTROLLING INTERESTS

The total non-controlling interests as at 31 December 2025 is HK\$(6.9) million (2024: HK\$(3.0) million), among which HK\$(7.4) million is attributable to PT Hang Huo Investment (2024: HK\$(3.5) million) and HK\$0.4 million is for PT Hang Huo International (2024: HK\$0.5 million).

Set out below are the summarised financial information for the subsidiaries including PT Hang Huo Investment and PT Hang Huo International that have non-controlling interests that are material to the Group, and the information below is the amount before inter-company elimination:

	PT Hang Huo Investment		PT Hang Huo International	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
For the year ended 31 December				
Revenue	-	-	-	-
Loss for the year	(50,913)	(52,109)	(72)	(2,805)
Total comprehensive income	(48,910)	(51,230)	(204)	(3,153)
Total comprehensive income allocated to non-controlling interests	(3,912)	(4,098)	(20)	(315)
For the year ended 31 December				
Cash flows used in operating activities	(86,167)	(45,659)	(303)	(687)
Cash flows generated from/(used in) investing activities	85,951	45,167	-	-
Cash flows generated from financing activities	215	315	-	-
Net cash outflows	(1)	(177)	(303)	(687)
As at 31 December				
Current assets	98	1,368	1,877	1,933
Non-current assets	151,251	210,665	13,248	13,732
Current liabilities	(236,402)	(244,056)	(9,610)	(9,890)
Non-current liabilities	(7,313)	(11,432)	(1,087)	(1,143)
Net (liabilities)/assets	(92,366)	(43,455)	4,428	4,632
Accumulated non-controlling interests	(7,389)	(3,476)	443	463

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

(a) Categories of financial instruments

	At 31 December	
	2025 HK\$'000	2024 HK\$'000
Financial assets		
Measured at amortised cost:		
Distressed debt assets at amortised cost	–	19,343
Trade receivables	2,817	2,569
Deposits and other receivable	1,022	2,819
Cash and cash equivalents	1,988	13,225
Measured at fair value:		
Equity instrument designated to FVTPL	13,892	–
Total	19,719	37,956
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade payables	785	957
Accruals and other payables	60,874	74,427
Amount due to a non-controlling shareholder of subsidiaries	7,237	7,458
Amounts due to ex-directors	11,632	11,301
Amount due to controlling shareholder	40,960	35,744
Interest-bearing bank and other borrowings	7,939	432,169
Lease liabilities	197	448
Total	129,624	562,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY *(Continued)*

(b) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, distressed debt assets, trade and other payables, interest-bearing bank and other borrowings, lease liabilities, amount due to a non-controlling shareholder of subsidiaries, controlling shareholder and ex-directors.

Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables and trade and other payables approximates fair value.

(c) Financial instruments measured at fair value

Fair value hierarchy

The fair value of interest rate swaps is the estimated amount that the present value of the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account current interest rates and the observable yield curves.

The derivative financial instruments in the consolidated statement of financial position in accordance with the fair value hierarchy are described below. The hierarchy groups financial liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial liabilities. The fair value hierarchy has the following levels:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

During the years ended 31 December 2025 and 2024, there were no transfers amongst Level 1, Level 2 and Level 3 in the fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below:

(a) Credit risk

The Group's credit risk is primarily attributable to its trade receivables, distressed debt assets at amortised cost, other receivables, cash and cash equivalents and contract assets. There was no history of default for other receivables. The bank deposits are placed in the banks with high credit-ratings.

Cash and cash equivalents

The Group expects that there is no significant credit risk associated with cash deposits since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

Trade receivables and contract assets

In respect of trade receivables, the Group monitors the receivable balances on an ongoing basis and on an individual basis. As at 31 December 2025, the Group did not have a significant degree of concentration of credit risk on trade receivables. As at 31 December 2025, the trade receivables from the five largest debtors represented 74% (2024: 52%) of the total trade receivables respectively, while the largest debtor represented 60% (2024: 20%) of the total trade receivables respectively. Given the credit worthiness and reputation of the major debtors, management believes the risk arising from concentration is manageable and not significant.

Individual credit evaluations are performed on major customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of billing. Normally, the group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Given the Group has not experienced any significant credit losses in the past, management considered that the allowance for ECLs is insignificant. As a result, no provision for impairment of trade receivables and contract assets is necessary for the year.

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Current	–	1,898	–
With 1 month past due	3%	911	27
1 to 3 months past due	3%	7	1
3 to 12 months past due	10%	2	1
Total		2,818	29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Credit risk *(Continued)*

Trade receivables and contract assets *(Continued)*

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Current	–	2,006	–
With 1 month past due	3%	59	2
1 to 3 months past due	3%	616	18
3 to 12 months past due	10%	13	1
Total		2,694	21

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables and contract assets.

Distressed debt asset at amortised cost

The Group has investments in distressed debt assets at amortised cost which contain certain elements of credit risk. Depending on the status of the obligor of distressed debt asset, the Group decide to pursue cash collections from disposing obligor's pledged assets, credit risk arises in such situation. To minimise the credit risk of distressed debt assets, the Group assesses the value of collateral which can fully covers the credit exposure before purchasing the distressed debt assets. The Group also timely evaluating the recoverability of the distressed debt assets and obtaining legal advice regarding the legal status of the distressed debt assets.

Specially, the risks to which distressed debt assets at amortised cost mainly comprise valuation risk, legal title risk and to extent credit risk. The management's estimated cash flow forecast would be adjusted up to the result of certain risks assessments.

(i) Valuation risk

Valuation risk is the risk of negative impact arising for the difference between actual results and value estimations that the Group would use in its management of distressed debt assets at amortised cost, due to variance in factors including future estimated cash flows, collection period, disposal cost and etc. Measures the Group takes to minimise the valuation risk include:

- Perform investigation on the parties involved in the transaction (including the debtors and the guarantors), pledged collateral and etc.; and
- Adopt conservative estimation on discount rate, and disposal cost when performing valuation and review the difference between actual results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Credit risk *(Continued)*

Distressed debt asset at amortised cost *(Continued)*

(ii) Legal title risk

Legal title risk is the risk of loss, arising from the decrease of recoverable amount when the legal rights to claim was partially or entirely lost due to unexpected circumstances such as the collaterals have been impounded by another plaintiff. Measures the Group takes to minimise the legal title risk include setting up reporting mechanism of significant event to ensure immediate recovery action be taken when certain risk elements emerge and enhance the communication with the counsel and the court to accelerate the legal processing.

The loss allowance for ECLs for distressed debt assets as at 31 December 2025 has been estimated on the basis of a valuation carried out by MASTERPIECE.

The following table provides information about the Group's exposure to credit risk and ECLs for distressed debt assets at amortised cost:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	28,557	19,563
Loss allowance for ECLs of distressed debt assets <i>(note 9)</i>	19,716	9,877
Exchange realignment	1,812	(883)
At the end of the year <i>(note 23)</i>	50,085	28,557

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

2025	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 5 years HK\$'000	More than 5 years HK\$'000
Non-derivatives					
Trade payables	785	785	785	-	-
Accruals and other payables	60,874	60,874	53,561	7,313	-
Amount due to a non-controlling shareholder of subsidiaries	7,237	7,237	7,237	-	-
Amounts due to ex-directors	11,632	11,632	11,632	-	-
Amount due to controlling shareholder	40,960	41,755	40,007	1,748	-
Interest-bearing bank and other borrowings	7,939	7,941	7,941	-	-
Lease liabilities	197	204	163	41	-
Total non-derivatives	129,624	130,428	121,326	9,102	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Liquidity risk *(Continued)*

2024	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 5 years HK\$'000	More than 5 years HK\$'000
Non-derivatives					
Trade payables	957	957	957	–	–
Accruals and other payables	74,427	74,427	66,901	7,526	–
Amount due to a non-controlling shareholder of subsidiaries	7,458	7,458	7,458	–	–
Amounts due to ex-directors	11,301	11,301	11,301	–	–
Amount due to controlling shareholder	35,744	38,536	25,742	12,794	–
Interest-bearing bank and other borrowings	432,169	478,181	473,821	3,794	566
Lease liabilities	448	468	468	–	–
Total non-derivatives	562,504	611,328	586,648	24,114	566

Specifically, for bank borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the above analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. The Group ensures that between its borrowings are effectively on a fixed rate basis, either through the contractual terms of the interest-bearing financial liabilities or through the use of interest rate swaps. The Group's interest rate profile as monitored by management is set out in (ii) below.

Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

	Year ended 31 December			
	2025		2024	
	Effective interest rate %	HK\$'000	Effective interest rate %	HK\$'000
Fixed rate borrowings:				
Interest-bearing bank borrowings	–	–	0.99	1,796
Other borrowing	1.36–20	7,939	1.36–9	430,373
Amount due to controlling shareholder	10	40,960	10	35,744
Lease liabilities	4.40	197	3.96–6.32	448
Total borrowings		49,096		468,361
Fixed rate borrowings as a percentage of total borrowings		100%		100%

(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through transactions that are denominated in currencies other than the functional currency of the group entities.

Substantially all the transactions of the Company's major subsidiaries are carried out in SG\$, IDR, JPY and RMB, which are the functional currencies of the major subsidiaries. Therefore, the risks on foreign currency risk are minimal.

The currencies giving rise to this risk are primarily SG\$, IDR, JPY and RMB at company level as the Company has amounts due from subsidiaries denominated in SG\$, IDR, JPY and RMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Foreign currency risk *(Continued)*

The following table indicates the sensitivity to a reasonably possible change in the exchange rate of currencies, with all other variables held constant, of the Group's other component of equity:

	Year ended 31 December	
	2025 Effect on other component of equity HK\$'000	2024 Effect on other component of equity HK\$'000
<hr/>		
SG\$ to HK\$:		
Appreciates by 4%	-	(4,050)
Depreciates by 4%	-	4,050
<hr/>		
IDR to HK\$:		
Appreciates by 6%	150	289
Depreciates by 6%	(150)	(289)
<hr/>		
JPY to HK\$:		
Appreciates by 12%	-	6,673
Depreciates by 12%	-	(6,673)
<hr/>		
RMB to HK\$:		
Appreciates by 4%	(4,835)	(433)
Depreciates by 4%	4,835	433
<hr/>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. CAPITAL MANAGEMENT

(a) Risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt to equity ratio. For this purpose net debt is defined as amounts due to a non-controlling shareholder of subsidiaries, controlling shareholder and ex-directors, interest-bearing bank and other borrowings, lease liabilities and convertible bonds less cash and cash equivalents. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The Group's net debt to equity ratio at the end of reporting period was:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Amount due to a non-controlling shareholder of subsidiaries	7,237	7,458
Amount due to controlling shareholder	40,960	35,744
Amounts due to ex-directors	11,632	11,301
Interest-bearing bank and other borrowings	7,939	432,169
Lease liabilities	197	448
Less: cash and cash equivalents	(1,988)	(13,225)
Net debts	65,977	473,895
Total equity/(deficit)	99,424	(81,284)
Net debt to equity ratio	66.36%	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		15	12
Right-of-use assets		190	313
Interests in subsidiaries		59,500	59,500
Total non-current assets		59,705	59,825
Current assets			
Deposits, prepayments and other receivable		529	698
Amounts due from subsidiaries		61,623	65,682
Fair value through profit or loss		13,892	–
Cash and cash equivalents		128	4,571
Total current assets		76,172	70,951
Current liabilities			
Amounts due to subsidiaries		127,472	123,142
Accruals and other payables		11,352	11,404
Lease liabilities		157	309
Amount due to controlling shareholder		38,667	22,837
Total current liabilities		177,648	157,692
Net current liabilities		(101,476)	(86,741)
Total assets less current liabilities		(41,771)	(26,916)
Non-current liabilities			
Lease liabilities		40	–
Amount due to controlling shareholder		1,621	12,289
Total non-current liabilities		1,661	12,289
Net liabilities		(43,432)	(39,205)
Equity			
Share capital		5,026	4,188
Reserves	33	(48,458)	(43,393)
Total deficit		(43,432)	(39,205)

On behalf of the Board

Wong Chun Hung Hanson

Lui Tin Shun

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45. SUBSEQUENT EVENTS

Following the year ended 31 December 2025, the joint liquidators have continued to carry out the liquidation procedures.

Subsequent to the reporting date, the entire equity interests in LHI and HHI held by Silverine have been disposed to an acquirer for a gross consideration of S\$115,000,000 (the "Transaction"). The Transaction was completed on 2 January 2026. LHI is engaged in the operation of hotel services in Singapore, while HHI is engaged in hotel ownership in Singapore.

As at 31 December 2025, the net consideration expected to be available to the Group, after repayment of borrowings and other liabilities and after deducting relevant professional fees, was estimated at S\$2,294,845.77. This net consideration is intended to be utilised to fund the necessary appeal procedures in connection with the ongoing litigation against Taigof Credit Opportunities Ltd (Note 37).

Upon completion of the Transaction, the boards of directors of LHI and HHI were changed accordingly on the same date.

PARTICULARS OF PROPERTIES

INVESTMENT PROPERTIES IN INDONESIA

Location	Use	Lease expiry	Approximate site area sq.m.	Group's interest %
Land located at Malang Rapat, Gunung Kijang, Bintan, Riau Island, Indonesia (held under medium term leasehold land)	Commercial	2044	417,089	92
Land located at Gunung Kijang Village, Gunung Kijang, Bintan, Riau Island, Indonesia (held under medium term leasehold land)	Commercial	2046	78,257	90

HOTEL PROPERTIES IN SINGAPORE

Link Hotel

- Location: Nos. 50 & 51, Tiong Bahru Road, Singapore
- Held under long term leasehold land (expiry: 2066)
- Group's interest: 100% before the Liquidation, Group's interest: 0% immediately upon the Liquidation
- Use of properties: hotel operation

HOTEL PROPERTIES IN JAPAN

Hanatsubaki Spa Hotel

- Location: 922-0138 Ishikawa, Kaga, Yamanaka-onsen Kayanomachi Ha 36, Japan
- Held under freehold land
- Group's interest: 100%
- Use of properties: hotel operation

PROPERTIES UNDER CONSTRUCTION IN INDONESIA

Usage: hotel and resort

- Location: Malang Rapat, Gunung Kijang, Bintan, Riau Island, Indonesia
- Held under medium term leasehold land (expiry: 2044)
- Site area: approximately 14,864 sq.m.
- Stage of completion as at 31 December 2025 and as at the date of this annual report: approximately 73%
- Expected completion date: early 2028
- Group's interest: 92%

FINANCIAL SUMMARY

A summary of the results and the financial position of Link Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) for the last five financial years, which are extracted from the published audited financial statements, is set out below:

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000 (restated)	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	13,291	11,602	58,332	33,332	49,719
Loss before income tax expense	(100,148)	(81,115)	(87,139)	(54,757)	(112,897)
Profit/(loss) for the year from discontinued operations	262,365	(72,830)	–	–	–
Profit/(loss) for the year	174,230	(150,908)	(88,564)	(55,070)	(115,769)
Total comprehensive income for the year	176,767	(154,536)	(92,255)	(72,429)	(121,934)

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	229,048	496,530	616,943	617,286	682,603
Total liabilities	(129,624)	(577,814)	(544,340)	(469,014)	(461,902)
Non-controlling interests	6,947	3,014	(1,399)	(1,694)	(2,660)
	106,371	(78,270)	71,204	146,578	218,041

Note:

The consolidated results of the Group for each of the two years ended 31 December 2024 and 2025 and the consolidated assets and liabilities of the Group as at 31 December 2024 and 2025 are those set out on pages 48 to 130 of this annual report.

The summary above does not form part of the audited financial statements.