The Hongkong and Shanghai Hotels, Limited

Annual Report 2025

In this year's annual report, we continue to adopt the principles of integrated reporting, which is to bring together material information about an organisation's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates. It provides a clear and concise representation of how an organisation demonstrates stewardship and how it creates and sustains value. The objective of our approach is to provide a connected view of the different aspects of our financial as well as our environmental, social and governance performance by publishing this annual report, and a separate Corporate Responsibility and Sustainability Report to demonstrate our sustainability vision, strategy and achievements in detail. Alongside our company website, the two reports enable our stakeholders to have a more informed assessment of our company. As we aspire to go beyond compliance and continue to enhance our integrated reporting approach and disclosure, your feedback is welcome. Please share your views with us by post or email.

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Company at a Glance

HOTELS

THE PENINSULA HONG KONG
Established: 1928 Number of Rooms: **300**
Ownership: **100%**

THE PENINSULA SHANGHAI
Established: 2009 Number of Rooms: **235**
Ownership: **50%**

THE PENINSULA BEIJING
Acquired: 1989 Number of Rooms: **230**
Ownership: **76.6%**

THE PENINSULA LONDON
Established: 2023 Number of Rooms: **190**
Ownership: **100%**

THE PENINSULA PARIS
Established: 2014 Number of Rooms: **200**
Ownership: **20%**

THE PENINSULA ISTANBUL
Established: 2023 Number of Rooms: **177**
Ownership: **50%**

THE PENINSULA NEW YORK
Acquired: 1988 Number of Rooms: **219**
Ownership: **100%**

THE PENINSULA CHICAGO
Established: 2001 Number of Rooms: **337**
Ownership: **100%**

THE PENINSULA BEVERLY HILLS
Established: 1991 Number of Rooms: **195**
Ownership: **20%**

THE PENINSULA TOKYO
Established: 2007 Number of Rooms: **302**
Ownership: **100%**

THE PENINSULA BANGKOK
Established: 1998 Number of Rooms: **370**
Ownership: **100%**

THE PENINSULA MANILA
Acquired: 1976 Number of Rooms: **351**
Ownership: **77.4%**

Company at a Glance

COMMERCIAL PROPERTIES

THE PENINSULA OFFICE TOWER
HONG KONG
Established: 1994
GFA (sq.ft.): **79,651** Ownership: **100%**

THE REPULSE BAY
HONG KONG (residential and arcade)
Established: 1976 & 1989
GFA (sq.ft.): **1,057,352** Ownership: **100%**

THE PEAK TOWER
HONG KONG (retail)
Established: 1996
GFA (sq.ft.): **118,207** Ownership: **100%**

21 AVENUE KLÉBER
PARIS, FRANCE (office and retail)

Acquired: 2013
GFA (sq.ft.): **44,218** Ownership: **100%**

ST. JOHN'S BUILDING
HONG KONG (office)

Established: 1983
GFA (sq.ft.): **104,050** Ownership: **100%**

THE LANDMARK*
HO CHI MINH CITY, VIETNAM
(office and residential)

Established: 1994
GFA (sq.ft.): **176,808** Ownership: **70%**

* As of 15 January 2026, HSH has ceased ownership and operations of The Landmark Vietnam.

PEAK TRAM, RETAIL AND OTHERS

THE PEAK TRAM
HONG KONG
Established: 1888 Ownership: **100%**

THE QUAIL
CARMEL, USA
Acquired: 1997 Ownership: **100%**

PENINSULA CLUBS AND CONSULTANCY SERVICES
Established: 1977 Ownership: **100%**

PENINSULA MERCHANDISING
Established: 2003 Ownership: **100%**

TAI PAN LAUNDRY
HONG KONG
Established: 1980 Ownership: **100%**

THE PENINSULA RETAIL ARCADES

THE PENINSULA HONG KONG
GFA (sq.ft.): **77,654** Ownership: **100%**

THE PENINSULA SHANGHAI
GFA (sq.ft.): **90,005** Ownership: **50%**

THE PENINSULA BEIJING
GFA (sq.ft.): **96,404** Ownership: **76.6%**

2025 Highlights

3 March – **Benjamin Vuchot** was appointed as Chief Executive Officer at The Hongkong and Shanghai Hotels (HSH).

March to May – The Peninsula Hong Kong launched its 2025 "**Art in Resonance**" programme.

15 April – **The Peninsula Boutique** unveiled a newly transformed retail space at Hong Kong International Airport.

2025 Highlights

17-22 April – The Peninsula Signature Events launched **The Japan Driving Experience** with The Peninsula Tokyo.

29 April – **The Peninsula Hong Kong** expanded its luxury automotive fleet with six new Rolls-Royce Phantom Extended saloons.

26 June – **The Peak Complex** collaborated with Disney to present the first-ever "Mickey In Real Life" campaign in Hong Kong from 26 June onwards.

8 July – The Peninsula Istanbul introduced **PEN 1**, its elegant 16-metre private motor yacht.

23 September – **Primo Posto** was named "Best Italian Restaurant" in the 11th Annual Foodie Forks 2025 Awards.

2025 Highlights

1 October 2025 to 1 March 2026 – **The Repulse Bay** presented "Eileen Chang's The Repulse Bay: Love, Upheaval, and the Beauty of Fragility".

8 October – All 12 Peninsula hotels received a **MICHELIN Key** or Distinction in the 2025 ratings.

2025 Highlights

15 - 18 October – The Hongkong and Shanghai Hotels held the **HSH Leadership Conference** at The Peninsula Hong Kong, The Repulse Bay and The Peak.

12 November – **Julien Munoz** was appointed as Chief Commercial Officer of the group.

14 October - HSH won The Grand Awards in the **ARC Awards Competition 2025**, including Best of Traditional Annual Report, Best of Hong Kong and Best of Interior Design.

19 November – *The West Terrace* rooftop at **The Peninsula New York** has temporarily opened as ***Chesa***, a tribute to the Swiss restaurant at The Peninsula Hong Kong, which marked its 60th anniversary this year.

Financial Highlights

	2025	2024	2025 vs 2024
PROFIT OR LOSS HIGHLIGHTS (HK$m)			
Revenue	**7,978**	10,290	(22%)
Revenue from operations^	**7,583**	6,838	11%
EBITDA before non-recurring expenses	**1,731**	1,525	14%
Operating EBITDA ^^	**1,723**	1,207	43%
Profit/(loss) attributable to shareholders	**320**	(943)	n/a
Underlying profit/(loss) attributable to shareholders*	**105**	(176)	n/a
Profit/(loss) per share (HK$)	**0.19**	(0.57)	n/a
Dividend	**–**	–	–
Dividend per share (HK cents)	**–**	–	–
Cash interest cover (times)Δ	**2.7x**	1.9x	42%
Weighted average interest rate	**3.9%**	4.7%	(0.8pp)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (HK$m)			
Total assets	**55,051**	54,176	2%
Audited net assets attributable to shareholders	**36,110**	35,401	2%
Adjusted net assets attributable to shareholders #	**43,307**	40,033	8%
Audited net assets per share (HK$)	**21.66**	21.24	2%
Adjusted net assets per share (HK$) #	**25.98**	24.01	8%
Net external borrowings	**12,693**	12,494	2%
EBITDA to net external debt	**13%**	12%	1pp
Net external debt to equity attributable to shareholders	**35%**	35%	–
Net external debt to total assets	**23%**	23%	–
CONSOLIDATED STATEMENT OF CASH FLOWS (HK$m)			
Net cashflow from operations, before the proceeds from the sale of The Peninsula London Residences	**839**	496	69%
Net cash generated from operating activities before taxation	**2,039**	4,564	(55%)
Capital expenditure on operating assets	**(460)**	(360)	(28%)
Capital expenditure on new projects and investments	**(434)**	(922)	53%
SHARE INFORMATION (HK$)			
Highest share price	**6.37**	6.60	
Lowest share price	**5.18**	5.10	
Year end closing share price	**5.91**	6.22	

^ Excluding the result from the sale of The Peninsula London Residences

^^ Excluding the result from the sale of The Peninsula London Residences and other non-recurring expenses
Other non-recurring expenses are unrelated to the group's operating hotels and properties and are non-recurring in nature. In 2025, the expenses were mainly related to the winding down of the joint venture in Vietnam and closure of the merchandising business in Japan. In 2024, the amounts were primarily related to pre-opening expenses and project expenses for The Peninsula London and The Peninsula Istanbul. Pre-opening expenses represent the recruitment, payroll, marketing, and administrative expenses incurred by the pre-opening offices of the group's new hotels. Project expenses represent the specific expenses incurred by the group to support the development of new hotel projects. In 2024, whilst the two hotels had opened for operation, the project team was still required for follow up works, including snagging, rectification and accounts finalisation

* Underlying profit or (loss) attributable to shareholders is calculated by excluding the non-recurring expenses, the post-tax effect of net unrealised property revaluation movement and impairment provision

Δ Cash interest cover is calculated based on EBITDA less lease payments divided by net interest on bank loans paid

\# Adjusted net assets attributable to shareholders and adjusted net assets per share are calculated by adjusting the group's hotels and golf course to fair market value based on the valuation conducted by independent property valuers, net of tax

pp Denotes percentage points.

Non-Financial Highlights

- All 12 of The Peninsula hotels are EarthCheck certified[1]
- Sustainability-linked and green loans totalling HK$8.3 billion

- Carbon intensity reduction of 56% compared to 2010 baseline, reaching our 2030 target
- Diverted 57.6% of our waste from landfill and incineration

- Employees voluntary turnover rate continued to improve at 13.7%, a 2.5 p.p. improvement from last year

- Total community contribution at HK$22.6 million and more than 11,300 volunteering hours
  - Completed the first phase of building 64 housing units in Hatay as part of *Hope for Türkiye*.
  - Provided immediate financial support to 25 families affected by the Los Angeles wildfire, via donations raised by *Hope for LA.*
  - Partnered with the Kadoorie Charitable Foundation, the Green Hub and The Kadoorie Centre to offer temporary housing and essential support to 58 families displaced by the Tai Po fire.

1 An international sustainability certification that recognises hotels with robust environmental management processes and commitment to continuous operational improvements on sustainability.

Financial Review Summary

❶ Earnings before interest, taxation, depreciation and amortisation ("EBITDA")*

The group achieved a consolidated EBITDA of HK$1,731 million and combined EBITDA, including the group's effective share of EBITDA of associates and joint ventures of HK$1,893 million in 2025. Excluding the EBITDA on sale of The Peninsula London Residences, the group's combined EBITDA amounted to HK$1,885 million compared to HK$1,325 million in 2024, representing an increase of 42% year-on-year.

The breakdown of EBITDA by business segment and by geographical segment is set out on pages 71 to 72 of the Financial Review

* Excluding non-recurring expenses

❷ Revenue

The Hotels Division is the largest contributor to the group's revenue. In 2025, the portfolio delivered notable improvements across most properties. In particular, the Division benefited from the post-renovation rebound of The Peninsula New York, the continued stabilisation and ramp-up of The Peninsula London, and an exceptional year at The Peninsula Tokyo. Overall, the division reported an increase in revenue of 13% to HK$5,630 million.

Revenue from the Commercial Properties Division totalled HK$1,324 million. Excluding revenue from the sale of The Peninsula London Residences, revenue increased 5% to HK$929 million (2024: HK$888 million). The Division was supported by increased occupancy at The Repulse Bay and an improved tenant mix at The Peak Tower, partially offset by a softer market for St. John's Building. Revenue from The Landmark Vietnam also decreased, as the joint venture approached its conclusion in mid-January 2026.

In 2025, the group sold one additional unit of The Peninsula London Residences (2024: seven).

Revenue from the Peak Tram, Retail and Others Division increased by 6% to HK$1,024 million (2024: HK$970 million), driven primarily by the strong performance of Peak Tram and The Quail.

Details of the operating performances of the group's individual operations are set out on pages 52 to 63 of the Operational Review.

Consolidated Statement of Financial Position at 1.1.2025

	HK$m
Net assets	
Fixed assets	47,864
Properties held for sale	1,472
Other long-term investments	2,685
Deferred tax assets	153
Derivative financial instruments	166
Cash at banks and in hand	895
Other current assets	941
	54,176
Interest-bearing borrowings	(13,389)
Deferred tax liabilities	(668)
Other liabilities	(2,061)
Lease liabilities	(2,612)
	35,446
Capital and reserves	
Share capital	5,947
Retained profits	29,403
Hedging, exchange and other reserves	51
	35,401
Non-controlling interests	45
	35,446

Consolidated Statement of Cash Flows for the Year Ended 31.12.2025

		HK$m
❶ **EBITDA before other non-recurring expenses**		1,731
Other non-recurring expenses		(56)
EBITDA		1,675
Costs of The Peninsula London Residences sold		378
Changes in other working capital		(14)
Tax payment		(156)
Capital expenditure on operating assets		(460)
Capital expenditure on new projects and investments		(434)
Net decrease in bank borrowings		(1,276)
Proceeds from issuance of bonds		869
Net financing charges paid		(558)
Lease rental paid		(189)
Other receipts from associates, joint ventures and non-controlling interests and dividends paid		8
Net deposit of interest-bearing bank deposits with maturity of more than three months		(82)
Net cash outflow for the year		(239)
Cash at banks and in hand	895	
Less: Bank deposits maturing more than 3 months	(185)	
Cash & cash equivalents at 1.1.2025		710
Effect of changes in exchange rates		25
Cash & cash equivalents at 31.12.2025*		496
*Representing:		
Cash at banks and in hand		762
Bank deposits maturing more than 3 months		(266)
		496

Consolidated Statement of Profit or Loss for the Year Ended 31.12.2025

	HK$m
❷ Revenue	7,978
Operating costs before depreciation and amortisation	(6,247)
EBITDA before other non-recurring expenses	1,731
Other non-recurring expenses	(56)
EBITDA	1,675
Depreciation and amortisation	(714)
Operating profit	961
Net financing charges	(676)
Profit after net financing charges	285
❸ Share of result of joint ventures	(84)
❹ Share of results of associates	10
❺ Increase in fair value of investment properties	287
Taxation	(183)
Non-controlling interests	5
Profit attributable to shareholders	320

Consolidated Retained Profits for the Year Ended 31.12.2025

	HK$m
Retained profits at 1.1.2025	29,403
Profit attributable to shareholders for the year	320
Dividend approved in respect of the previous year	–
Retained profits at 31.12.2025	29,723

Consolidated Statement of Financial Position at 31.12.2025

	HK$m
Net assets	
Fixed assets	49,065
Properties held for sale	1,229
Other long-term investments	2,848
Deferred tax assets	152
Derivative financial instruments	32
Cash at banks and in hand	762
Other current assets	963
	55,051
Interest-bearing borrowings	(13,455)
Deferred tax liabilities	(686)
Other liabilities	(2,081)
Lease liabilities	(2,671)
	36,158
Capital and reserves	
Share capital	5,947
Retained profits	29,723
Hedging, exchange and other reserves	440
	36,110
Non-controlling interests	48
	36,158

Underlying Profit Attributable to Shareholders for the Year Ended 31.12.2025

	HK$m
❻ Underlying profit attributable to shareholders	105
Revaluation gain on investment properties	288
Other non-recurring expenses	(73)
Profit attributable to shareholders	320

❸ Share of result of joint ventures

The group, through its joint venture The Peninsula Shanghai Waitan Hotel Company Limited (PSW), owns a 50% interest in The Peninsula Shanghai Complex which comprises The Peninsula Shanghai hotel and retail arcade and the adjoining Peninsula Residences apartment tower. During the year, no apartment was sold and at the end of 2025, PSW owned seven (2024: seven) remaining apartments which are held for sale.

The group also owns a 50% interest in The Peninsula Istanbul through PIT İstanbul Otel İşletmeciliği Anonim Şirketi (PIT), a joint venture incorporated in Türkiye.

The group's share of net loss from these hotels amounted to HK$84 million (2024: HK$92 million).

Details of the operating performances of The Peninsula Shanghai and The Peninsula Istanbul are set out in the Operational Review section on pages 53 and 54 respectively.

❹ Share of results of associates

The group has a 20% interest in each of The Peninsula Paris and The Peninsula Beverly Hills. The group's share of net profit from these hotels amounted to HK$10 million (2024: loss of HK$16 million).

Details of the operating performances of The Peninsula Paris and The Peninsula Beverly Hills are set out in the Operational Review section on pages 54 and 56 respectively.

❺ Increase in fair value of investment properties

The investment properties of the group were revalued as at 31 December 2025 by independent firms of valuers using the income capitalisation approach. The net revaluation surplus of HK$287 million (2024: deficit of HK$569 million) was principally attributable to the increase in the appraised market value of The Repulse Bay Complex and The Peak Tower.

❻ Underlying profit attributable to shareholders

To provide additional insight into the performance of its business operations, the group presents underlying profit by excluding non-operating items such as any change in fair value of investment properties and other non-recurring expenses. Details of the reconciliation from underlying profit to reported profit are set out on page 65 of the Financial Review.

Ten Year Operating Statistics

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
a) THE PENINSULA HOTELS (Note 1 & 2)										
Greater China										
Occupancy rate	**65%**	58%	53%	22%	39%	32%	60%	68%	68%	64%
Average room rate (HK$)	**4,053**	4,257	4,258	3,418	3,330	2,739	3,788	4,322	4,062	4,155
RevPAR (HK$)	**2,644**	2,448	2,243	742	1,295	872	2,277	2,919	2,765	2,666
Europe										
Occupancy rate	**57%**	52%	37%	39%	28%	38%	59%	56%	51%	54%
Average room rate (HK$)	**12,584**	12,122	13,369	12,012	9,616	7,392	7,962	8,565	8,185	7,212
RevPAR (HK$)	**7,151**	6,282	4,914	4,665	2,689	2,797	4,724	4,775	4,208	3,914
United States of America										
Occupancy rate	**68%**	65%	63%	62%	53%	33%	75%	77%	75%	75%
Average room rate (HK$)	**7,889**	7,353	7,194	7,202	6,041	5,256	5,468	5,510	5,449	5,328
RevPAR (HK$)	**5,394**	4,777	4,504	4,444	3,208	1,756	4,119	4,218	4,109	4,014
Asia (excluding Greater China)										
Occupancy rate	**66%**	59%	54%	43%	21%	33%	75%	76%	69%	70%
Average room rate (HK$)	**3,958**	3,757	3,491	2,179	2,422	3,219	2,790	2,483	2,448	2,409
RevPAR (HK$)	**2,624**	2,206	1,876	944	507	1,048	2,083	1,881	1,698	1,694
b) RESIDENTIAL (Note 1, 2, 3 & 4)										
Occupancy rate	**95%**	92%	82%	78%	80%	89%	96%	95%	94%	91%
Average monthly yield per square foot (HK$)	**47**	45	46	46	48	50	50	49	49	49
c) RETAIL ARCADES (Note 1, 2, 3 & 4)										
Occupancy rate	**89%**	87%	89%	92%	91%	84%	86%	87%	89%	93%
Average monthly yield per square foot (HK$)	**133**	135	139	134	141	160	192	194	195	199
d) OFFICES (Note 1, 2, 3 & 4)										
Occupancy rate	**79%**	86%	87%	93%	96%	96%	98%	99%	95%	100%
Average monthly yield per square foot (HK$)	**67**	66	64	64	65	68	64	63	58	56
e) PEAK TRAM										
Annual patronage ('000)	**7,059**	6,698	5,966	867	609	1,001	3,159	6,050	6,179	6,259
Average fare (HK$)	**48**	46	37	29	22	20	24	23	20	19
f) FULL-TIME HEADCOUNT (as at 31 December)										
Hotels	**6,529**	6,595	6,515	5,344	4,806	4,570	6,063	6,186	6,147	6,135
Commercial Properties	**349**	347	334	327	323	338	356	358	359	360
Peak Tram, Retail and Others	**890**	894	846	768	737	760	1,079	1,088	1,052	993
Total headcount	**7,768**	7,836	7,695	6,439	5,866	5,668	7,498	7,632	7,558	7,488

Notes:

1. Occupancy rates, average room rates, RevPAR and average monthly yield per square foot are weighted averages in each grouping
2. Occupancy rates for hotels are calculated based on the number of rooms sold divided by the number of rooms available for sale whereas occupancy rates for residential properties, retail arcades and offices are calculated based on net occupied area divided by net available area
3. Average monthly yield per square foot is calculated based on average monthly rent divided by the average number of square feet rented out
4. The operating statistics for residential, retail arcades and offices do not include information for operations that are not consolidated or whose results are not material in the group context: being The Landmark, Vietnam; The Peninsula Residences, Shanghai; and 21 avenue Kléber, Paris

Ten Year Financial Summary

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Consolidated Statement of Profit or Loss (HK$m)										
Revenue from operations	**7,583**	6,838	5,814	4,198	3,461	2,710	5,874	6,214	5,782	5,631
Revenue	**7,978**	10,290	8,112	4,198	3,461	2,710	5,874	6,214	5,782	5,631
EBITDA	**1,675**	1,446	1,098	399	394	(61)	1,390	1,680	1,555	1,420
Operating profit/(loss)	**961**	760	578	(53)	(105)	(614)	801	1,079	988	894
Profit/(loss) attributable to shareholders	**320**	(943)	146	(488)	(120)	(1,940)	494	1,216	1,128	647
Earnings/(loss) per share (HK$)	**0.19**	(0.57)	0.09	(0.30)	(0.07)	(1.18)	0.30	0.76	0.71	0.42
Underlying profit/(loss) attributable to shareholders	**105**	(176)	277	(205)	(255)	(814)	480	738	774	618
Dividend	**–**	–	132	–	–	–	212	338	318	297
Dividend per share (HK cents)	**–**	–	8	–	–	–	13	21	20	19
Dividend cover (times)	**–**	–	2.1x	–	–	–	2.3x	2.2x	2.4x	2.1x
Cash interest cover (times)	**2.7x**	1.9x	1.3x	0.8x	1.6x	-1.2x	10.4x	12.8x	11.9x	13.8x
Weighted average interest rate	**3.9%**	4.7%	4.4%	2.2%	1.5%	1.9%	2.2%	2.3%	2.2%	2.1%
Consolidated Statement of Financial Position (HK$m)										
Total assets	**55,051**	54,176	57,869	56,581	55,685	53,679	53,061	51,724	51,254	48,499
Total liabilities	**(18,893)**	(18,730)	(21,490)	(20,461)	(18,820)	(16,527)	(13,332)	(12,524)	(12,801)	(12,143)
Non-controlling interests	**(48)**	(45)	(100)	(104)	(103)	(308)	(675)	(536)	(527)	(215)
Audited net assets attributable to shareholders	**36,110**	35,401	36,279	36,016	36,762	36,844	39,054	38,664	37,926	36,141
Adjusted net assets attributable to shareholders	**43,307**	40,033	41,091	40,341	40,871	40,607	42,808	42,411	41,476	39,493
Audited net assets per share (HK$)	**21.66**	21.24	22.00	21.84	22.29	22.34	23.90	23.97	23.86	23.06
Adjusted net assets per share (HK$)	**25.98**	24.01	24.92	24.46	24.79	24.63	26.20	26.29	26.10	25.20
Net external borrowings	**(12,693)**	(12,494)	(15,033)	(14,607)	(12,900)	(10,662)	(6,827)	(5,917)	(5,521)	(4,911)
EBITDA to net external debt	**13%**	12%	7%	3%	3%	-1%	20%	28%	28%	29%
Net external debt to equity attributable to shareholders	**35%**	35%	41%	41%	35%	29%	17%	15%	15%	14%
Net external debt to total assets	**23%**	23%	26%	26%	23%	20%	13%	11%	11%	10%
Consolidated Statement of Cash Flows (HK$m)										
Net cash generated from operating activities before taxation	**2,039**	4,564	3,435	488	388	(258)	1,017	1,564	1,502	1,444
Capital expenditure on existing assets	**(460)**	(360)	(314)	(361)	(334)	(399)	(564)	(426)	(601)	(1,000)
Capital expenditure on new projects and investments	**(434)**	(922)	(2,299)	(2,464)	(2,254)	(1,771)	(1,330)	(1,208)	(1,097)	(1,580)
Share Information (HK$)										
Highest share price	**6.37**	6.60	8.93	9.26	8.50	8.91	12.08	13.48	17.12	9.49
Lowest share price	**5.18**	5.10	5.65	6.05	6.67	5.62	7.35	10.00	8.27	7.15
Year end closing share price	**5.91**	6.22	5.84	8.12	6.83	6.90	8.35	11.10	11.60	8.60

The bases of calculation of the following items are disclosed in the Financial Highlights on page 18

1 Revenue from operations
2 Underlying profit/(loss)
3 Cash interest cover
4 Adjusted net assets attributable to shareholders and adjusted net assets per share

Letter from the Chairman

The Hon. Sir Michael Kadoorie
Chairman

Dear Shareholders,

The Hongkong and Shanghai Hotels reached its 160th year of continuous operation on 2 March 2026, marking a significant milestone in the unique heritage of our group. Today, our company is recognised as one of the world's leading hospitality brands, and the Board's focus remains on delivering long-term value for our shareholders.

Following a period of significant capital investment, our priority in 2025 has been the stabilisation of our financial position and the disciplined management of our asset portfolio. Our commitment to operational excellence, market leadership in luxury hospitality, and investment in our people remain our focus areas.

Against the backdrop of a significant leadership transition, and led by a new Chief Executive Officer (CEO) Benjamin Vuchot, the company completed a strategic review to define our growth priorities for the short, medium and long term. As detailed in the Operational Review, our business delivered strong performance across most key markets in 2025.

We remain confident in the long-term earning potential of our high-quality portfolio. Ensuring our existing properties maintain their positions at the forefront of luxury, and innovation remains a central strategic focus. Our financial performance and operational results significantly improved year on year. These results are a testament to the dedicated efforts of the team with their prudent cost management and an enhanced commercial mindset in driving new revenue opportunities.

2025 was a year of important leadership transitions. I am delighted that my son Philip Kadoorie was appointed as Deputy Chairman of the group on 1 January 2025. We extend our sincere appreciation to former CEO Clement Kwok, who retired from the Board in May after 23 years of exemplary service. We also thank Christobelle Liao for her leadership as Interim CEO from 1 November 2024 to 2 March 2025. In March, as I have mentioned, we were pleased to welcome Benjamin Vuchot as our new CEO. His strong experience, strategic clarity and fresh perspectives have already contributed positively to the group's performance during his first year.

As we work to strengthen our balance sheet, we continue to monitor and mitigate key risks, including geopolitical uncertainty, cybersecurity and the growing implications of climate change. The Board and the Group Risk Committee regularly evaluate and review these risks and support the resilience of our business throughout the year.

Our commitment to Environmental, Social and Governance (ESG) principles remains integral to our strategy. Climate-related risks, including sea-level rise, continue to be a material consideration in several markets. Through our *Sustainable Luxury Vision*, we remain focused on reducing our environmental impact, supporting our communities, and investing in our people. This vision is undergoing a review to align with the group's strategic vision to 2035.

Hong Kong has been our company's home for 160 years and my family's home for five generations. In November 2025, I was deeply saddened to hear of the tragic fire in the Tai Po district. On behalf of the family and our entire group, I would like to share our sincere condolences. We are committed to helping our local community recover. Further information on our community efforts, as well as our broader approach to corporate responsibility, is presented in the Corporate Responsibility and Sustainability Report on pages 40-45.

"We remain confident in the long-term earning potential of our high-quality portfolio. Ensuring our existing properties maintain their positions at the forefront of luxury, and innovation remains a central strategic focus."

Letter from the Chairman

As we look ahead to 2026, I remain confident in the strength of our heritage, the quality of our assets, the capability of our leadership team and the continued support of our shareholders. These fundamentals position us well to deliver long-term growth and value.

In March 2026 we relaunched an updated version of the "Tradition Well Served" documentary about our company and the Kadoorie Family's history. There is a quote in the film: "We should always remember that the future is built on the past, and we have a great legacy". I believe this provides the foundation for our success. I would like to sincerely thank each and every one of our shareholders for your support and contribution to that legacy.

The Hon. Sir Michael Kadoorie
18 March 2026

CEO Statement and Strategic Review

1. The Year in Review

I was delighted to join The Hongkong and Shanghai Hotels as CEO on 3 March 2025, and I would like to thank all our valued shareholders for your continued commitment and support. I would also like to share my thanks for the very warm welcome I have received from partners, shareholders, guests and colleagues during my visits to our properties around the world. My experience has truly exceeded my expectations.

As I reflect on my first full year as CEO, it is clear that 2025 marked an important year of progress and transition for our company. With the group’s major investment cycle largely completed, including the opening and ramp-up of The Peninsula London and The Peninsula Istanbul, management’s focus shifted increasingly from delivery and stabilisation to optimisation and value creation.

Against a backdrop of a significantly improved global travel environment, the group delivered a robust operational and financial performance in 2025. The improvement reflected a disciplined focus on driving operational efficiency and controlling costs across the organisation. In addition, it reflects the contribution of our two newest hotels as they continue to mature, as well as resilient demand across several of our established properties.

The past year also represented an opportunity to reflect on what we have done well and what needs to be improved. With new leadership in place, we initiated a comprehensive strategic review supported by external experts, with the aim of ensuring the group remains relevant, competitive and financially resilient in a rapidly evolving operating environment.

This review relied on detailed consumer research, market trends and the group's competitive position to ascertain our current standing and to identify short, medium and longer-term opportunities for growth. Following this review, we developed a strategic plan aimed at ensuring our continued leadership in luxury hospitality.

2. Our Culture and Strategic Direction

Our group's success over its long history has been built on a consistent set of values: conducting business with integrity, investing in and developing our people, maintaining and enhancing the quality of our assets, delivering exceptional service to our guests, and contributing positively to the cities in which we operate.

These values continue to guide the group as we enter the next phase of our development. HSH enters its next chapter from a position of strength, anchored by one of the world's most iconic luxury hospitality brands and a portfolio of irreplaceable assets. At the same time, the environment in which we operate is changing rapidly. The global luxury hospitality market is evolving, as guest expectations shift toward more personalised and experience-led offerings and competitive intensity continues to increase across geographies and formats.

CEO Statement and Strategic Review

In this context, preserving our leadership positioning in the market requires evolution. We face clear strategic constraints: a limited development pipeline and elevated leverage that restricts investment capacity, and we recognised that we have room for improvement in operational performance. Maintaining the status quo is not an option. To protect our brand and create sustainable long-term value for shareholders, we must act with conviction, discipline, and ambition.

Our strategy is guided by a clear objective: to elevate what HSH represents for our guests, our people, and our shareholders. For guests, we seek to put them at the centre of our efforts to deliver unparalleled luxury, defined by grandeur and personalisation. For our people, we aim to offer a distinctive culture and meaningful opportunities for growth in an increasingly competitive talent market. For shareholders, our priority is to deliver stronger growth and returns, supported by a more resilient and diversified business model.

To achieve this, we will structure our strategy around two distinct areas:

1. **PERFORM: Maximising the value of our existing portfolio.** We are accelerating efforts to align operating performance with best-in-class standards across global luxury brands. This includes enhancing revenue management, pricing, marketing and distribution, improving productivity at both property and group level, and continuing to differentiate our offering through service excellence, dining, wellness, and technology.

2. **TRANSFORM: Address our long-term growth and portfolio evolution.** We intend to grow deliberately, expanding into carefully selected urban, resort, and branded residential opportunities that enhance the brand and diversify earnings, while maintaining a disciplined approach to capital deployment.

CEO Statement and Strategic Review

Enhancing our flagship properties remains central to our strategy. The Peninsula Hong Kong is fast approaching its 100th anniversary in 2028. We are working on plans to enhance the physical asset of the *grande-dame* in Hong Kong. As we approach the historic milestone of the 100th anniversary of the brand as well, we are not just looking back at our history but actively shaping our future.

We are also exploring selective extensions of The Peninsula brand into adjacent experiences, recognising that the luxury traveller increasingly values unique, memorable journeys beyond traditional hotel stays. Any such initiatives will be pursued with discipline and a clear focus on brand fit and returns.

CEO Statement and Strategic Review

We are actively considering a shift towards an "asset-*right*"* growth model, characterised by more partnerships and less ownership. By associating with the right partners, we can accelerate expansion, share risk, and preserve financial discipline, while retaining appropriate control and safeguards to protect the brand.

We currently operate 75 restaurants (including our clubs and the independent standalone restaurant Primo Posto in Hong Kong), and we are putting a significant focus on enhancing our food and beverage offering across the group. We are also focusing on health and wellness to enhance the guest experience.

We are targeting a significant increase in group EBITDA by 2035, driven by improved performance of existing assets, contributions from new developments, and more efficient use of capital over time.

We are strengthening our capabilities in business development, asset and partner management, design, and – most importantly – people, culture, and ways of working. Transformation is not solely about where we grow, but about how we operate as an organisation.

This strategy is one that respects our heritage while positioning the group for long-term leadership in global luxury hospitality. Our immediate focus is on delivering our short-term priorities, which are to focus on operational efficiency, margin control, financial discipline, and technological enhancements. This will lay the foundation for sustained value creation in the years to come. I am confident that, with disciplined execution and a shared commitment to excellence, HSH will continue to create enduring value for its shareholders.

* asset-*right* is a hybrid business model combining an increased share of partnerships, while still taking equity stakes in certain projects.

3. Projects and Portfolio Developments

With the completion of the largest capital investment programme in the group's history, the near-term focus has shifted to optimisation and enhancement of our existing assets.

The Peninsula London and The Peninsula Istanbul continued their stabilisation during the year, while investment in existing assets remained selective and targeted at enhancing long-term quality and performance. The Peninsula New York has achieved significantly improved room rates and a diverse customer base since the upgrade of its rooms and public areas.

We are continually evaluating future development opportunities, prioritising balance sheet strength, return thresholds and strategic fit and will align our development with the new strategic vision.

4. Financial Results and Financial Planning

In 2025, the group's underlying financial performance strengthened materially. Excluding the sales of The Peninsula London Residences, combined revenue increased by 11% year on year, while full year total combined EBITDA increased by HK$560 million, or 42% year on year. As explained in the Operational Review, business performance of our operations also improved significantly compared with the prior year, reflecting improved trading conditions and disciplined cost management. From a portfolio perspective, financial performance benefited from the stabilisation of newer assets and sustained strength across several established operations.

The group continues to maintain a proactive approach to financial planning. Management regularly reviews liquidity, funding requirements and gearing levels to ensure financial flexibility. As cash generation improves with asset maturation, priority is given to balance sheet strength, disciplined capital allocation and long-term value creation.

We continue to carefully monitor our company's financial position and we continuously take a proactive approach to forecasting future funding requirements.

We maintain sufficient cash reserves and adequate committed borrowing facilities from major financial institutions to ensure funds are available. Our net debt to total assets ratio is currently 23%, which we believe to be acceptable.

To reflect the underlying operating performance of the group, we have provided a calculation of the underlying profit attributable to shareholders which can be read in more detail in the Financial Review.

The group's underlying profit attributable to shareholders for the year ended 31 December 2025 amounted to HK$105 million compared to an underlying loss of HK$176 million in 2024.

5. Driving Business

The group's diverse portfolio of assets helps to balance the cyclical nature of the hotel industry. Our main revenue sources derive from our hotel rooms, driven by efficient global distribution strategies, digital marketing and direct e-commerce channels, as well as travel agents, partners and other online platforms. On the retail side, we maintain good relationships with our tenants and engage in joint promotions to encourage traffic into our arcades. We also derive significant revenue from residential leasing in our luxury property portfolio.

Driving brand awareness, engagement and conversion across both established markets and new, fast-growing regions remains a core priority for our sales and marketing functions.

In 2025, we continued to strengthen the visibility and distinctiveness of The Peninsula brand through integrated global campaigns and cultural programming aligned with our long-term strategy.

Now in its fourth year, our global advertising campaign Peninsula Perspectives expanded with new creative concepts filmed in Shanghai and London. This multi-market campaign continues to focus on *video-led storytelling* that highlights two pillars of our brand: the character of the cities in which we operate and the exceptional, personalised service for which The Peninsula is renowned. The continued rollout of Peninsula Perspectives supports stronger brand recognition, consistency, and emotional connection across our international audience.

Art remains a central element of our strategic marketing platform. By offering guests access to immersive artistic experiences, both within our properties and through collaborations with leading cultural institutions, we reinforce our position as a brand rooted in creativity, heritage, and community engagement. In 2025, The Peninsula Hong Kong launched a new edition of its acclaimed *Art in Resonance* programme, reaffirming its commitment to championing emerging and mid-career artists since the initiative's inception in 2019. Timed to coincide with Hong Kong Art Week, the programme featured three commissioned works, including a notable collaboration with the Victoria and Albert Museum. Our arts programme extended across the portfolio, with activations at The Peninsula Chicago and a high-impact installation at The Peninsula Istanbul, where a site-specific artwork was displayed on the hotel's iconic clocktower during the autumn cultural season.

Looking ahead, The Peninsula will continue its investment in cultural engagement with a new exhibition planned for Art Week 2026 at The Peninsula Hong Kong. These initiatives strengthen the brand's cultural positioning, enhance guest experience, and deepen our connections to the cities in which we operate.

Our Sales teams continued to engage in person around the world with key travel partners from the Leisure, Corporate and Meetings, Incentives, Conventions and Exhibitions (MICE) world. Reinforcing our PenClub, identifying new preferred partners, ensuring a presence of the brand at key worldwide specialised tradeshows as well as hosting dedicated events in key and emerging markets have contributed to reinforcing brand awareness and our trade partner network.

Significant improvements were made to Peninsula's digital efforts in 2025, including design and user experience enhancements to Peninsula.com and other digital touchpoints. These efforts drove substantial year-on-year growth of key metrics such as conversion rates, bookings and revenue through the company's direct online platforms. Additionally, through increased investments and improved targeting on key acquisition channels such as Google and Instagram, digital performance marketing revenue and Return on Investment also grew significantly over the previous year.

6. Managing Risk

Operating a geographically diverse portfolio exposes the group to a range of strategic, operational, financial and external risks. HSH maintains a structured and proactive risk management framework, overseen by the Group Risk Committee, to identify, assess, and manage principal and emerging risks.

During 2025 we continued to navigate issues such as geopolitical tensions and continued threats in areas such as cybersecurity. Environmental, social and governance risks have become a major focus and are considered as among the company's principal risks going forward. Our Group Risk Committee will continue to look into enhancement of internal controls to manage the strategic risks of the group. We will also focus on enhancing communication, inspiring greater awareness and ownership of risks and controls across the group.

7. Our People

Our people are central to the successful execution of the group's strategy. During the year, management continued to prioritise employee engagement, leadership development, and succession planning to ensure the organisation is well equipped for the next phase of growth.

Keeping our colleagues informed and engaged throughout this chapter of new leadership at HSH has been a focus for our People and Culture team. I had the opportunity to connect with colleagues across functions through visits to each global property, feedback sessions held at our properties and Head Office, and our global town hall in October. The most recent global Employee Experience Survey results further reflected this strong level of engagement, with a voluntary participation rate of 92%. Of those surveyed, 91% expressed their intention to remain with the company for more than one year, and 83% reported a positive outlook for HSH's future. Echoing the positive results of the survey is the group voluntary turnover rate which dropped to 13.7% in 2025.

In preparation for the company's strategic direction, our People and Culture team concentrated efforts in manpower planning and technology investments. Following succession planning conversations with 355 senior leaders, and the implementation of a streamlined succession planning process through our in-house-built Succession Wizard, we adopted a more proactive approach to talent and succession management.

Externally, we also worked to improve our company's marketability to attract top talent. Since the HSH Career website refresh in March 2025, we drew in 70% more active users to the site, which led to a 9% increase in job applications received when compared to last year.

To further drive operational efficiency and data centralisation, we successfully deployed our Employee Central and Onboarding platform at The Peninsula Bangkok and The Peninsula Manila. The two hotels join our Hong Kong operations, The Peninsula Istanbul, and The Peninsula Tokyo in our centralised employee database, enabling consistent data management and enhanced information sharing. In addition, the transformation of scheduling, people, and payroll systems at The Peninsula London commenced in the final quarter of 2025. The Peninsula London is currently positioned as our first property to adopt the full suite of integrated solutions – marking a significant milestone in our journey towards a unified platform that enables future enterprise-wide reporting and people analytics.

8. Sustainable Luxury

Sustainability is integral to HSH's long-term strategy. We aim to act decisively and with genuine intent in our sustainability approach, all while maintaining exceptional service standards. We rely on our people to bring our *Sustainable Luxury Vision 2030* to life in their daily work. We can only achieve our collective goals when sustainability is embedded in all aspects of our business, and we will continue to empower our people with the knowledge and awareness to do so.

Our *Sustainable Luxury Vision 2030* remains focused on three pillars: Our Guests, Our People, and Our Communities. It contributes to the overall group strategy by i) ensuring we grow responsibly and with consideration of our impact, ii) continuing to provide our guests with products and services sourced with the highest quality, iii) building a portfolio of best-in-class assets through excellence in global standards such as BREEAM, and iv) strengthening connections with our communities.

We have already observed an increase of unusual climate events in parts of the world where we operate, causing concern for the risks posed by climate change to our ecosystems, businesses and human health. As a group, we remain focused on reducing our own impact on the environment, implement measures to mitigate climate risks, and take proactive climate actions to facilitate a transition to a low carbon future. This includes our continued efforts to identify further energy saving and renewable energy adoption opportunities, with The Peninsula Manila joining three other properties in 2025 to source 100% electricity from renewable sources. Our pathway aims to balance energy and carbon savings with building lifecycles, technology maturity, and financial viability, ensuring we maintain a portfolio of high-quality assets.

Community efforts are of great importance to our group and I am pleased to share that we made meaningful contributions following several tragedies in the cities where we operate, including *Hope for Türkiye* following the earthquake in 2023, the *Hope for L.A.* campaign following the wildfires, our support to those affected by the Tai Po fire in Hong Kong, as well as the volunteering our leadership team undertook during our Leadership Conference in Hong Kong in October. More details on these efforts can be read in our Corporate Responsibility and Sustainability Report (CRS Report).

9. Outlook

Looking ahead, management remains cautiously optimistic. Luxury travel demand continues to recover in several key markets and according to "The Future of Travel" research by McKinsey, demand will continue to grow, although geopolitical and macroeconomic uncertainties persist.

The group enters 2026 with a foundation of measured confidence, supported by the strength of its global brand, disciplined cost management and continued investment in experiences that resonate with both international travellers and local communities. While the operating landscape remains varied across regions, early indicators point to sustained appetite for authentic, personalised and culturally rich luxury hospitality.

Greater China is expected to experience uneven demand in early 2026, influenced by ongoing geopolitical tensions and slower long-haul recovery. Hong Kong stands to benefit from improving long-haul leisure trends and a more active events calendar, though competition for local spend, particularly from Shenzhen, is likely to persist. Shanghai is projected to maintain steady domestic business and leisure flows, supported by its strong rooms revenue base and brand recognition. The Peninsula Beijing may continue to face headwinds from a softer international backdrop; however, strong diplomatic and arts and culture positioning is expected to remain a differentiator.

The Peninsula Tokyo is expected to remain a top performer, supported by resilient international demand, high-profile events and strong brand programming. The Peninsula Bangkok may face ongoing competitive pressures and macro-driven volatility, though demand for wellness, weddings and local experiences should offset these challenges. The Peninsula Manila is expected to sustain its upward trajectory, underpinned by robust domestic and regional demand.

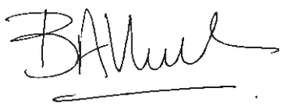
Europe is poised for a constructive 2026, with the newer flagships in London and Istanbul continuing to build brand presence. We are optimistic for The Peninsula London and we believe The Peninsula Paris has entered the year with healthy momentum; this is expected to continue. The Peninsula Istanbul's performance will continue to be shaped by geopolitical developments and inflationary pressures; however, this hotel's beautiful waterfront experiences will continue to attract both leisure and local guests alike.

The US portfolio is expected to remain a stable source of demand and brand visibility, supported by a resilient domestic travel market. The Peninsula New York will continue to benefit from its renovation into 2026. The Quail and associated Peninsula Signature Events are projected to remain significant sponsorship and brand-building drivers, reinforcing the group's lifestyle credentials in the North American market and globally.

Across the group portfolio, we will continue to focus on profitable growth, emphasising rate discipline, operational efficiency and focus on each property's unique positioning. Investments planned for 2026 include physical enhancements to flagship properties, digital transformation, and sustainability initiatives. Our commitment to our people and maintaining a stable and engaged workforce capable of delivering exceptional guest experiences remains a top priority.

The broader commercial portfolio is expected to remain resilient, buoyed by steady demand in key residential and retail assets, robust visitor interest in flagship destinations such as The Peak, and continued momentum in merchandising and experiential lifestyle platforms.

Overall, we expect 2026 to be a year of steady progression. By leveraging our world-class brand, our heritage and pursuit of sustainable luxury, I believe we remain well placed to navigate the evolving landscape and the company's future growth.



Benjamin Vuchot
18 March 2026

Operational Review

Business Performance

The Peninsula Hotels

RevPAR (HK$)	2025	2024
Greater China	**2,644**	2,448
Europe	**7,151**	6,282
USA	**5,394**	4,777
Asia (excluding Greater China)	**2,624**	2,206

AVERAGE ROOM RATE (HK$)	2025	2024
Greater China	**4,053**	4,257
Europe	**12,584**	12,122
USA	**7,889**	7,353
Asia (excluding Greater China)	**3,958**	3,757

OCCUPANCY (%)	Number of Rooms	2025	2024
Greater China	765	**65**	58
Europe	567	**57**	52
USA	751	**68**	65
Asia (excluding Greater China)	1,023	**66**	59

Our group comprises three key divisions – Hotels, Commercial Properties and Peak Tram, Retail and Others.

1. Hotels Division

The group's Peninsula hotels division delivered a resilient and broadly positive performance across all regions in 2025, enjoying steady demand in our key cities and enhanced brand recognition as our two newest hotels in London and Istanbul ramp up operations. Our management teams focused on ultra-personalised guest experiences and enhancing our food and beverage offerings, as well as improving our existing assets through continued renovations and refreshments.

Greater China

Performance was stable, supported by inbound demand recovery and expanded visa-free travel to the Chinese Mainland. While price sensitivity among domestic consumers remained noticeable in terms of luxury spending, international long-haul segments, particularly from the Middle East and Russia, contributed positively to revenue momentum. All three Peninsula hotels in the region delivered solid room and banqueting results, although food and beverage remained softer due to tightened consumer spending.

In **Hong Kong** food and beverage remained soft due to outbound competition from the Greater Bay Area and tighter consumer spending. Retail arcades were broadly stable despite a softer luxury retail backdrop. **Shanghai** strengthened in the second half, supported by visa-free policies and the return of major events, with cost discipline aiding margins. **Beijing** faced softer demand early in the year amid ongoing long-haul weakness and US-China geopolitical tensions, however performance improved later on the back of numerous diplomatic delegations with heads of state and robust family business, which supported occupancy and room rates across key periods. Retail arcades were broadly stable despite a softer luxury retail backdrop.

Operational Review

Europe

European operations delivered healthy results, with strong momentum in rooms and events supported by sustained brand visibility, significant accolades (see Awards page) and the positive media and guest reviews of our newer hotels in London and Istanbul. Although rate competition remained an industry-wide challenge, refined pricing strategies, refreshed food and beverage concepts, and continued brand-building initiatives helped maintain revenue and EBITDA growth across the region.

Despite market-driven rate pressure, **London** delivered year-on-year EBITDA improvement supported by a more efficient cost base; food and beverage benefited from strengthened culinary positioning, including *Brooklands* retaining two Michelin stars, and refreshed concepts such as the *Little Blue* noodle bar and the *Soleil by Claude* summer pop-up, while the hotel continued to build its reputation as a gathering place for classic and supercar *aficionados* through curated events and activations. **Paris** ended the year exceptionally strong with robust food and beverage and disciplined cost control, while **Istanbul** navigated geopolitical and several earthquakes by building a strong domestic business and delivering exceptional waterfront events and society weddings, further enhanced by the launch of the PEN 1 yacht to offer an elevated arrival experience and curated Bosphorus excursions.

Operational Review

USA

The US portfolio delivered solid year-on-year improvement, supported by strong domestic travel, the post-renovation rebound in **New York**, and steady group and leisure demand across major cities. **Chicago** maintained robust results driven by group business and brand strength, despite unexpected increases in property tax liabilities. **Beverly Hills** delivered very strong rooms performance, supported by resilient transient demand and long-stay Middle East medical travel, with major events and seasonal pop-ups helping lift food and beverage engagement.

Asia (excluding Greater China)

Asia delivered improving year-on-year performance, supported by targeted rate strategies, strong banqueting and weddings, and successful regional event programming. **Tokyo** achieved record-breaking metrics driven by robust inbound travel, the *sakura* season, international groups and experiential showcases, including the *Kamon* art installation and the *Japan Driving Experience,* with a renovation planned in 2026 to upgrade in-room technology, guestrooms, food and beverage outlets and public areas. **Bangkok** remained resilient despite border disruptions, an earthquake, and a period of national mourning, while **Manila** benefited from higher occupancy and RevPAR supported by groups and solid domestic demand, contributing positively to regional results.

Operational Review

2. Commercial Properties

	2025		2024	
	Occupancy (%)	**Average monthly rent per square foot (HK$)**	Occupancy (%)	Average monthly rent per square foot (HK$)
Residential	**94**	**46**	91	44
Arcades	**88**	**64**	85	61
Office	**80**	**54**	91	52

Commercial properties continued to provide a stable earnings base for the group. In 2025, performance in the group's retail properties remained steady, despite a soft trading environment in some regions. The Hong Kong prime office market remains well supplied with new high quality office space, creating a more challenging situation for landlords.

Robust leasing momentum and improved occupancy at **The Repulse Bay** supported steady year-end results, with the retail arcade benefiting from an enhanced tenant mix and continued refurbishments helping to strengthen positioning and footfall.

The Peak Tower recorded strong improvement in visitors supported by refreshed offerings and Peak Tram combo-ticket success, as well as some new high-end retail and food and beverage tenants. Hong Kong's prime office market remains well supplied with new high quality office space, as a result **St. John's Building** faced a softer market in 2025.

As of 15 January 2026, our group is no longer managing **The Landmark Vietnam** and we would like to thank our partners, the Board and all of our employees for their contribution to our success over the years.

21 avenue Kléber in Paris remained fully occupied.

3. Peak Tram, Retail and Others

The division delivered a strong full-year performance, with the **Peak Tram** continuing to be a major contributor. Increased patronage, supported by successful brand collaborations together with Disney and Pop Mart helped drive revenue, while cost-efficiency initiatives supported strong EBITDA growth.

Revenue at **Peninsula Merchandising** increased compared to the previous year, supported by the opening of a refreshed **The Peninsula Boutique** at Hong Kong International Airport and the successful launch of a new "Hong Kong souvenir" collection. The Mid-Autumn collaboration with Lane Crawford and the rollout of new lifestyle categories, such as leather goods and whisky, were also highlights.

The Quail delivered a strong performance driven by a revised rate strategy, strengthened partnerships, and the launch of online booking channels, with its signature event *The Quail Motorsports Gathering*, which is held in August, continuing to bring significant sponsorship income. **Peninsula Clubs & Consultancy Services (PCCS)**, which manages The Hong Kong Club, Hong Kong Bankers Club and The Refinery, reported higher revenue year-on-year from increased management fees.

In addition, the launch of **Primo Posto**, our first freestanding restaurant concept, marked an important milestone in expanding our standalone food and beverage portfolio.

Financial Review

The financial details outlined in this chapter provide an overview of the group's consolidated results and financial capital as categorised by the International Integrated Reporting Framework, which refers to the pool of funds that is available to an organisation for use in the production of goods or the provision of services.

Summary

For the year ended 31 December 2025, the group reported consolidated revenue of HK$7,978 million and consolidated EBITDA (before non-recurring expenses) of HK$1,731 million. These results include contribution from sales of The Peninsula London Residences, where one additional unit was sold for HK$395 million, compared to seven units sold for HK$3,452 million in 2024.

Excluding residential sales, the group achieved growth across all core business segments. Revenue and EBITDA from operations rose to HK$7,583 million and HK$1,723 million, representing year-on-year increases of 11% and 43% respectively. This operational improvement was driven by robust performance across the hotel portfolio, most notably at The Peninsula New York following its major renovation, complemented by strong contributions from The Peninsula Tokyo and The Peninsula London. The Commercial Properties Division also performed well, benefiting from sustained demand for residential leasing at The Repulse Bay, while improved footfall and a refreshed tenant mix at The Peak Complex contributed to solid growth.

Driven by improved operational performance, the group returned to profitability during the year. Overall, the group recorded a profit attributable to shareholders of HK$320 million, compared to a loss of HK$943 million in 2024. Excluding non-recurring and non-operating items, the group achieved an underlying profit of HK$105 million, a turnaround of HK$281 million from an underlying loss of HK$176 million in 2024.

The group's financial position as at 31 December 2025 remained stable, with net assets attributable to shareholders of HK$36 billion. During the year, the group generated operating cash flow of HK$1,883 million (2024: HK$4,391 million). The decrease was primarily attributable to lower sales proceeds from The Peninsula London Residences. Consequently, net cash inflow generated by the group, after deducting capital expenditure, interest payments, and dividends, amounted to HK$250 million (2024: HK$2,239 million). As at 31 December 2025, the group's net debt stood at HK$12.7 billion, with a net debt-to-total assets ratio of 23% (2024: HK$12.5 billion and 23%).

The Group's Underlying Profit or Loss

Our operating results are mainly derived from the operation of luxury hotels, leasing and sale of residential apartments, leasing of office and retail properties, operation of the Peak Tram, and retail merchandising. We manage the group's operations with principal reference to their underlying operating cash flows and recurring earnings. However, to comply with the applicable accounting standards, we are required to include non-recurring and non-operating items, such as any changes in the fair value of investment properties and impairment provisions, in our consolidated statement of profit or loss.

To reflect the underlying operating performance of the group, we have provided a calculation of the underlying profit or loss attributable to shareholders. This is determined by excluding the post-tax effects of the revaluation movements of investment properties, impairment provisions, and other non-recurring items.

The group's underlying profit attributable to shareholders for the year ended 31 December 2025 amounted to HK$105 million, compared to an underlying loss of HK$176 million in 2024.

Reconciliation of the group's underlying profit/(loss) to profit/(loss) attributable to shareholders is set out below:

HK$m	**2025**	2024
Underlying profit/(loss)	**105**	(176)
Add back:		
Revaluation gain/(loss) of investment properties[#]	**288**	(582)
Impairment provision, net of non-controlling interests	**–**	(106)
Other non-recurring expenses[ΔΔ]	**(73)**	(79)
Profit/(loss) attributable to shareholders	**320**	(943)

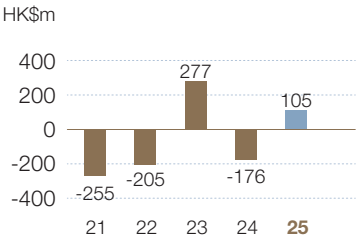
[#] Including the group's share of revaluation movement of The Peninsula Shanghai's retail arcade, net of tax and non-controlling interests.

[ΔΔ] Other non-recurring expenses are unrelated to the group's operating hotels and properties and are non-recurring in nature. In 2025, the expenses were mainly related to the winding down of the joint venture in Vietnam and closure of the merchandising business in Japan. In 2024, the amounts were primarily related to pre-opening expenses and project expenses for The Peninsula London and The Peninsula Istanbul. Pre-opening expenses represent the recruitment, payroll, marketing, and administrative expenses incurred by the pre-opening offices of the group's new hotels. Project expenses represent the specific expenses incurred by the group to support the development of new hotel projects. In 2024, whilst the two hotels had opened for operation, the project team was still required for follow up works, including snagging, rectification and accounts finalisation.

Underlying profit

HK$105m

Underlying profit/(loss)



Financial Review

Statement of Profit or Loss

The following table summarises the key components of the group's profit/(loss) attributable to shareholders. This table should be read in conjunction with the commentary of this Financial Review.

HK$m	2025	2024	2025 vs 2024 favourable/ (unfavourable)
Revenue			
– operations	**7,583**	6,838	11%
– residential sales	**395**	3,452	(89%)
Total revenue	**7,978**	10,290	(22%)
Operating costs			
– operations	**(5,860)**	(5,631)	(4%)
– residential sales	**(387)**	(3,134)	88%
EBITDA before non-recurring expenses	**1,731**	1,525	14%
Pre-opening, project and other non-recurring expenses	**(56)**	(79)	29%
EBITDA	**1,675**	1,446	16%
Depreciation and amortisation	**(714)**	(686)	(4%)
Net financing charges	**(676)**	(754)	10%
Share of results of joint ventures	**(84)**	(92)	9%
Share of results of associates	**10**	(16)	n/a
Increase/(decrease) in fair value of investment properties	**287**	(569)	n/a
Impairment provision for The Peninsula Yangon development project	**-**	(158)	n/a
Taxation	**(183)**	(164)	(12%)
Profit/(loss) for the year	**315**	(993)	n/a
Non-controlling interests	**5**	50	(90%)
Profit/(loss) attributable to shareholders	**320**	(943)	n/a

Further details for the group's revenue and operating costs are set out on pages 68 to 70 of this Financial Review.

The decrease in net financing charges was driven by a reduction in the group's average borrowing rate. Further details for the group's treasury management are set out on pages 81 to 84.

Details for the fair value change of investment properties are set out on page 73.

Statement of other comprehensive income

The following table summarises the key components of the group's total comprehensive income attributable to shareholders.

HK$m	2025	2024	2025 vs 2024
Profit/(loss) for the year	**315**	(993)	n/a
Other comprehensive income for the year, net of tax			
– Exchange differences on translation of the financial statements of overseas operations	**503**	146	245%
– Net movement of cashflow hedges	**(115)**	(60)	(92%)
– Remeasurement of net defined benefit retirement obligations	**1**	1	–
	389	87	347%
Total comprehensive income for the year	**704**	(906)	n/a
Total comprehensive income attributable to:			
Shareholders of the company	**709**	(856)	n/a
Non-controlling interests	**(5)**	(50)	(90%)
	704	(906)	n/a

During the year ended 31 December 2025, most foreign currencies appreciated against the group's reporting currency, the Hong Kong dollar. Consequently, a net gain of HK$503 million was recognised on the translation of the financial statements of the group's overseas operations.

The group utilises interest rate swaps and cross currency interest rate swaps for cash flow hedging purposes. Due mainly to a decline in market interest rates during the year, the fair value of these instruments decreased, resulting in a negative hedging reserve movement of HK$115 million.

Financial Review

Consolidated Revenue

HK$7,978m -22%

HK$7,583m* +11%

Hotels +13%

HK$5,630m

Commercial Properties

HK$1,324m -69%

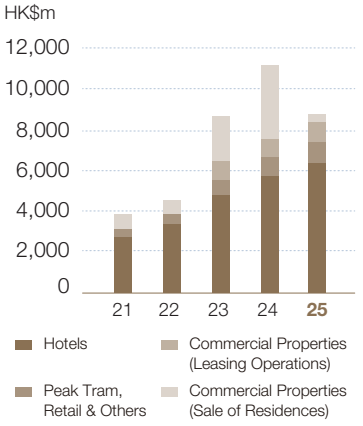
HK$929m* +5%

Peak Tram, Retail & Others

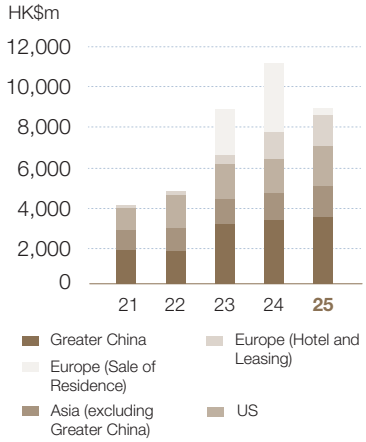
HK$1,024m +6%

* *Excluding revenue from the sale of The Peninsula London Residences*

Combined revenue by business segment



Combined revenue by geographical segment



Overall, the group reported other comprehensive income of HK$389 million for 2025, representing a 347% increase from HK$87 million in 2024.

Including profit for the year of HK$315 million, the group's total comprehensive income amounted to HK$704 million, a turnaround from negative total comprehensive income of HK$906 million in 2024.

Revenue

The group's hotel revenue is derived from our twelve luxury hotels under The Peninsula brand in Greater China, Europe, US and Asia (excluding Greater China), two of which are held by the group's associates and two by joint ventures. In addition to the hotels division, the group also operates a commercial properties division which is engaged in the development and sale or leasing of luxury residential apartments and leasing of office and retail buildings in prime city-centre locations in Asia and Europe. The group's third business division is engaged in the operation of the Peak Tram, retail and other services, including operation of The Quail.

The group's consolidated revenue amounted to HK$7,978 million in 2025. Excluding revenue from the sale of The Peninsula London Residences, consolidated revenue increased by 11% to HK$7,583 million. Combined revenue, including the group's effective share of revenue of associates and joint ventures, totalled HK$8,389 million, representing an increase of 11% over 2024.

A breakdown of the group's total revenue, including its effective share of revenue of associates and joint ventures by business segment and geographical segment is set out in the tables in the next page.

Revenue by business segment

HK$m	2025 Group's subsidiaries	2025 Associates and joint ventures (effective share)	2025 Combined total	2024 Group's subsidiaries	2024 Associates and joint ventures (effective share)	2024 Combined total	2025 vs 2024
Hotels	**5,630**	**806**	**6,436**	4,980	701	5,681	13%
Commercial Properties (Leasing)	**929**	**–**	**929**	888	–	888	5%
Peak Tram, Retail & Others	**1,024**	**–**	**1,024**	970	–	970	6%
	7,583	**806**	**8,389**	6,838	701	7,539	11%
Commercial Properties (Sale of Residence)	**395**	**–**	**395**	3,452	–	3,452	(89%)
	7,978	**806**	**8,784**	10,290	701	10,991	(20%)

Revenue by geographical segment

HK$m	2025 Group's subsidiaries	2025 Associates and joint ventures (effective share)	2025 Combined total	2024 Group's subsidiaries	2024 Associates and joint ventures (effective share)	2024 Combined total	2025 vs 2024
Greater China	**3,069**	**246**	**3,315**	2,932	229	3,161	5%
Europe (Hotel and Leasing)	**1,092**	**417**	**1,509**	974	346	1,320	14%
US	**1,867**	**143**	**2,010**	1,567	126	1,693	19%
Asia (excluding Greater China)	**1,555**	**–**	**1,555**	1,365	–	1,365	14%
	7,583	**806**	**8,389**	6,838	701	7,539	11%
Europe (Sale of Residence)	**395**	**–**	**395**	3,452	–	3,452	(89%)
	7,978	**806**	**8,784**	10,290	701	10,991	(20%)

The hotels division is the largest contributor to the group's combined revenue. In 2025, the portfolio delivered notable improvements across most properties. In particular, the division benefited from the post-renovation rebound of The Peninsula New York, the continued stabilisation and ramp-up of The Peninsula London and The Peninsula Istanbul, and an exceptional year at The Peninsula Tokyo. Overall, the division reported an increase in combined revenue of 13% to HK$6,436 million.

Revenue from the commercial properties division totalled HK$1,324 million. Excluding revenue from the sale of The Peninsula London Residences, revenue increased 5% to HK$929 million (2024: HK$888 million). The division was supported by increased occupancy at The Repulse Bay and an improved tenant mix at The Peak Tower, partially offset by a softer market for St. John's Building. Revenue from The Landmark Vietnam also decreased, as the joint venture approached its conclusion in mid-January 2026.

In 2025, the group sold one additional unit of The Peninsula London Residences (2024: seven).

Revenue from the Peak Tram, Retail & Others division increased by 6% to HK$1,024 million (2024: HK$970 million), driven primarily by the strong performance of the Peak Tram and The Quail.

Financial Review

Operating costs (inclusive of pre-opening, project expenses and other non-recurring expenses)

The following table summarises the key components of the group's operating costs.

HK$m	2025	2024	2025 vs 2024 favourable/ (unfavourable)
Staff costs and related expenses	**2,951**	2,749	(7%)
Cost of inventories	**519**	509	(2%)
Costs of the Peninsula Residences sold	**378**	3,086	88%
Rent and utilities	**532**	524	(2%)
Advertising and promotions	**243**	314	23%
Credit card and room commissions	**329**	296	(11%)
Guest supplies and laundry expenses	**273**	279	2%
IT and telecommunication expenses	**96**	121	21%
Property maintenance and insurance	**307**	328	6%
Other operating expenses	**675**	638	(6%)
	6,303	8,844	29%
Represented by:			
Operating costs	**5,860**	5,631	(4%)
Costs of the Peninsula Residences sold, including agency fees	**387**	3,134	88%
Pre-opening, project and other non-recurring expenses	**56**	79	29%
	6,303	8,844	29%

During the year, the group's costs decreased by 29% to HK$6,303 million. Excluding the cost of inventories for The Peninsula London Residences and pre-opening, project and other non-recurring expenses, operating costs amounted to HK$5,860 million, representing an increase of 4% against a corresponding revenue increase of 11%. This positive flow-through reflects our ongoing commitment to operational excellence and cost management discipline.

Staff costs continue to be the primary component of our operating expenses, reflecting the service-intensive nature of luxury hospitality. The increase for the year was driven primarily by annual inflationary adjustments. As at 31 December 2025, the group's full-time headcount remained broadly stable at 7,768 (2024: 7,836).

EBITDA* and EBITDA* Margin

The breakdown of the group's combined EBITDA* (earnings before interest, taxation, depreciation and amortisation) by business segment and by geographical segment is set out in the following tables.

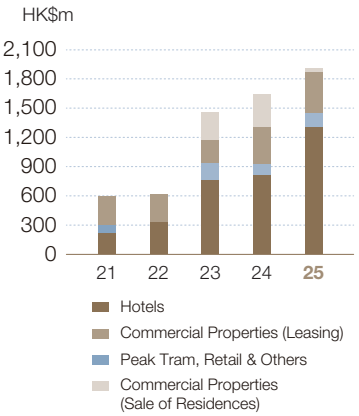
EBITDA by business segment*

HK$m	2025 Group's subsidiaries	2025 Associates and joint ventures (effective share)	2025 Combined total	2024 Group's subsidiaries	2024 Associates and joint ventures (effective share)	2024 Combined total	2025 vs 2024
Hotels	**1,113**	**162**	**1,275**	695	118	813	57%
Commercial Properties (Leasing)	**468**	**–**	**468**	398	–	398	18%
Peak Tram, Retail & Others	**142**	**–**	**142**	114	–	114	25%
	1,723	**162**	**1,885**	1,207	118	1,325	42%
Commercial Properties (Sale of Residences)	**8**	**–**	**8**	318	–	318	(97%)
	1,731	**162**	**1,893**	1,525	118	1,643	15%

EBITDA by geographical segment*

HK$m	2025 Group's subsidiaries	2025 Associates and joint ventures (effective share)	2025 Combined total	2024 Group's subsidiaries	2024 Associates and joint ventures (effective share)	2024 Combined total	2025 vs 2024
Greater China	**989**	**74**	**1,063**	802	65	867	23%
Europe (Hotel and Leasing)	**201**	**58**	**259**	90	32	122	112%
US	**224**	**30**	**254**	95	21	116	119%
Asia (excluding Greater China)	**309**	**–**	**309**	220	–	220	40%
	1,723	**162**	**1,885**	1,207	118	1,325	42%
Europe (Sale of Residence)	**8**	**–**	**8**	318	–	318	(97%)
	1,731	**162**	**1,893**	1,525	118	1,643	15%

Combined EBITDA* by Business segment



* *Excluding pre-opening, project and other non-recurring expenses*

Financial Review

EBITDA* margin

	2025			2024		
	Group's subsidiaries	**Associates and joint ventures (effective share)**	**Combined total**	Group's subsidiaries	Associates and joint ventures (effective share)	Combined total
Hotels	**20%**	**20%**	**20%**	14%	17%	14%
Commercial Properties (Leasing)	**50%**	**–**	**50%**	45%	–	45%
Commercial Properties (Sale of Residence)	**2%**	**–**	**2%**	9%	–	9%
Peak Tram, Retail & Others	**14%**	**–**	**14%**	12%	–	12%
Overall EBITDA* margin	**22%**	**20%**	**22%**	15%	17%	15%
By region						
Greater China	**32%**	**30%**	**32%**	27%	28%	27%
Europe (Hotel and Leasing)	**18%**	**14%**	**17%**	9%	9%	9%
Europe (Sale of Residence)	**2%**	**–**	**2%**	9%	–	9%
US	**12%**	**21%**	**13%**	6%	17%	7%
Asia (excluding Greater China)	**20%**	**–**	**20%**	16%	–	16%

* *Excluding pre-opening and project expenses and other non-recurring expenses*

The group achieved a combined EBITDA of HK$1,893 million in 2025. Excluding the EBITDA contribution from the sale of The Peninsula London Residences, the group's combined EBITDA amounted to HK$1,885 million, compared to HK$1,325 million in 2024, representing a year-on-year increase of 42%.

The group's operations in different business segments and geographic locations are subject to varying cost bases. Increase in EBITDA margin is recorded for most segments, reflecting the successful execution of our business strategy and disciplined management of cost efficiency.

Share of results of joint ventures

The group, through its joint venture The Peninsula Shanghai Waitan Hotel Company Limited (PSW), owns a 50% interest in The Peninsula Shanghai Complex which comprises The Peninsula Shanghai hotel and shopping arcade and the adjoining Peninsula Residences apartment tower. During the year, no apartment was sold and at the end of 2025, PSW owned seven (2024: seven) remaining apartments which are held for sale.

The group also owns a 50% interest in The Peninsula Istanbul through PIT İstanbul Otel İşletmeciliği Anonim Şirketi (PIT), a joint venture incorporated in Türkiye.

The group's share of net loss from these hotels amounted to HK$84 million (2024: HK$92 million).

Share of results of associates

The group has a 20% interest in each of The Peninsula Paris and The Peninsula Beverly Hills. The group's share of net profit from these hotels amounted to HK$10 million (2024: loss of HK$16 million).

Change in fair value of investment properties

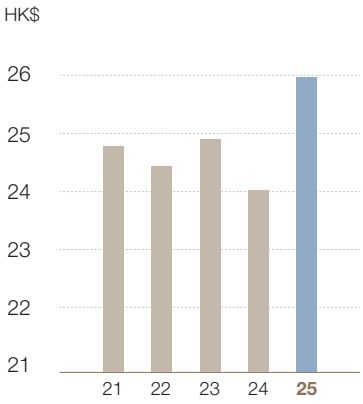
The investment properties of the group were revalued as at 31 December 2025 by independent firms of valuers using the income capitalisation approach. The net revaluation surplus of HK$287 million (2024: deficit of HK$569 million) was principally attributable to the increase in the appraised market value of The Repulse Bay Complex and The Peak Tower.

Financial Review

Adjusted NAV **+8%**

HK$43,307m

Adjusted NAV per share



The group's Adjusted Net Asset Value

In the consolidated statement of financial position, the group's hotels (other than retail arcades and offices within the hotels) and golf course are stated at depreciated cost less accumulated impairment losses, if any, but not at fair value.

Accordingly, we have commissioned an independent third-party fair valuation of the group's hotels and golf course as at 31 December 2025. If these assets were to be stated at fair value, the group's net assets attributable to shareholders would increase by 20% to HK$43,307 million as indicated in the table below.

HK$m	**2025**	2024
Net asset value attributable to shareholders	**36,110**	35,401
Adjusting the value of hotels and golf course to fair value*	**7,197**	4,632
Adjusted net asset attributable to shareholders	**43,307**	40,033
Audited net asset per share (HK$)	**21.66**	21.24
Adjusted net asset per share (HK$)	**25.98**	24.01

* The amounts are net of related deferred tax and non-controlling interests

Statement of Financial Position

The key components of the group's assets and liabilities are set out in the following table. As reflected in the table, the group's financial position as at 31 December 2025 remained stable with shareholders' funds amounting to HK$36,110 million, representing a per share value of HK$21.66.

HK$m	2025	2024	2025 vs 2024 increase/ (decrease)
Fixed assets	**49,065**	47,864	3%
Properties held for sale	**1,229**	1,472	(17%)
Other long-term assets	**3,000**	2,838	6%
Derivative financial instruments	**32**	166	(81%)
Cash at banks and in hand	**762**	895	(15%)
Other assets	**963**	941	2%
	55,051	54,176	2%
Interest-bearing borrowings	**(13,455)**	(13,389)	(0%)
Lease liabilities	**(2,671)**	(2,612)	(2%)
Other liabilities	**(2,767)**	(2,729)	(1%)
	(18,893)	(18,730)	(1%)
Net assets	**36,158**	35,446	2%
Represented by:			
Shareholders' fund	**36,110**	35,401	2%
Non-controlling interests	**48**	45	7%
Total equity	**36,158**	35,446	2%

Summary of hotels, commercial and other properties

The group has interests in twelve Peninsula hotels in Greater China, Europe, US and Asia (excluding Greater China) and an additional hotel and golf course in the US. In addition to these properties, the group owns residential apartments, office towers and commercial buildings for rental purposes.

The group's hotel properties and investment properties are dealt with under different accounting policies as required by the relevant accounting standards. The hotel properties (other than retail arcades and offices within the hotels) and golf course are stated at cost less accumulated depreciation and any provision for impairment losses, whilst investment properties (including retail arcades and offices within the hotels) are stated at fair value as appraised by independent valuers. In order to provide users of the financial statements with additional information on the fair value of the group's properties, independent valuers have been engaged to conduct a valuation of the hotel properties and golf course as at 31 December 2025.

A summary of the group's hotel, commercial and other properties showing both the book value and the fair value as at 31 December 2025 is set out in the table on the following page.

Financial Review

	2025 Group's interest	2025 Value of 100% of the property (HK$m) Fair value valuation	2025 Book value	2024 Fair value valuation	2024 Book value
Hotel properties*					
The Peninsula Hong Kong	100%	**12,196**	**9,700**	12,303	9,757
The Peninsula Beijing	76.6% Δ	**846**	**839**	940	909
The Peninsula Shanghai#	50%	**2,674**	**1,878**	2,584	1,864
The Peninsula London	100%	**11,564**	**8,214**	7,967	7,646
The Peninsula Istanbul#	50%	**2,349**	**1,916**	1,890	1,890
The Peninsula Paris#	20%	**4,917**	**3,957**	4,297	3,617
The Peninsula New York	100%	**2,270**	**1,925**	2,200	1,873
The Peninsula Chicago	100%	**1,239**	**941**	1,231	961
The Peninsula Beverly Hills#	20%	**2,838**	**301**	2,796	265
The Peninsula Tokyo	100%	**1,491**	**872**	1,294	879
The Peninsula Bangkok	100%	**703**	**599**	648	555
The Peninsula Manila	77.4%	**51**	**20**	35	19
		43,138	**31,162**	38,185	30,235
Commercial properties					
The Repulse Bay Complex	100%	**18,408**	**18,408**	18,005	18,005
The Peak Tower	100%	**1,747**	**1,747**	1,487	1,487
St. John's Building	100%	**991**	**991**	1,080	1,080
The Peninsula Shanghai Residences	100%	**375**	**375**	355	355
21 avenue Kléber	100%	**739**	**739**	651	651
The Landmark	70% ΔΔ	**–**	**–**	9	9
		22,260	**22,260**	21,587	21,587
Other properties					
The Quail and vacant land	100%	**284**	**281**	282	271
Vacant land in Thailand	100%	**108**	**108**	93	93
Other properties for own use	100%	**320**	**167**	361	177
		712	**556**	736	541
Properties under development					
The Peninsula Yangon	70%	**n/a**	**–**	n/a	–
		n/a	**–**	n/a	–
Total market / book value		**66,110**	**53,978**	60,508	52,363

* Including the retail arcades and offices within the hotels

Δ The group owns 100% economic interest of The Peninsula Beijing with a reversionary interest to the PRC partner in 2033 upon expiry of the joint venture period

ΔΔ The group owns a 50% economic interest in The Landmark, subject to a reversionary interest to the Vietnamese partner upon the expiry of the joint venture period in 2026. On 15 January 2026, the joint venture period expired, and the group concluded its management of the property

\# These properties are held by associates/joint ventures

Properties held for sale

The group owns a 100% interest in The Peninsula London Complex which comprises a 190-room Peninsula hotel and 24 Peninsula-branded residences. As at the end of 2025, 18 residences have been sold (2024: 17).

Properties held for sale as at 31 December 2025 represented the cost of the remaining six unsold residences.

A calculation of the gain on sale of The Peninsula London Residences and the movement of properties held for sale during 2025 are set out in the tables below.

Gain on sale of The Peninsula London Residences

HK$m	**2025**	2024
Sale proceeds	**395**	3,452
Cost of residences sold	**(378)**	(3,086)
Direct selling costs	**(9)**	(48)
Profit on sale of The Peninsula London Residences before tax	**8**	318

Movement of properties held for sale

HK$m	**2025**	2024
At 1 January	**1,472**	4,382
Exchange adjustments	**111**	(5)
Additions	**24**	181
Cost of inventories sold	**(378)**	(3,086)
At 31 December	**1,229**	1,472

Other long-term assets

The other long-term assets as at 31 December 2025 of HK$3,000 million (2024: HK$2,838 million) comprised mainly the group's 50% interest in The Peninsula Shanghai, the group's 50% interest and the value of trademark for The Peninsula Istanbul, the group's 20% interest and the value of its operating right in The Peninsula Paris and the group's 20% interest and the value of its operating right in The Peninsula Beverly Hills.

Financial Review

Derivative financial instruments

Derivative financial instruments mainly represent the fair value of interest rate and cross currency interest rate swaps contracts entered into by the group with financial institutions for hedging purposes. Under the interest rate swap arrangements, the group receives floating interest income and pays fixed interest expense. Under the cross currency interest rate swap arrangements, the group exchanges principal and interest payments denominated in different currencies.

Cash at banks and in hand and interest-bearing borrowings

As at 31 December 2025, the group's cash at banks and in hand and interest-bearing borrowings amounted to HK$762 million (2024: HK$895 million) and HK$13,455 million (2024: HK$13,389 million) respectively, resulting in a net borrowing of HK$12,693 million (2024: HK$12,494 million).

Cash flows

For the year ended 31 December 2025, the group generated a cash inflow from operations after tax, capital expenditure on existing assets and hotel lease payments of HK$839 million, up from HK$496 million in 2024. In addition, proceeds from the sale of one Peninsula London Residences unit were HK$395 million, compared to HK$3,452 million from seven units in 2024.

Including Peninsula London Residences sales proceeds and after accounting for capital expenditure on projects and related expenses, interest and dividends paid and others, the group's net cash inflow amounted to HK$250 million (2024: HK$2,239 million). This decrease was primarily driven by fewer Peninsula London Residence units sold compared to the previous year.

The following table summarises the key cash movements for the year ended 31 December 2025.

HK$m	2025	2024
Operating EBITDA (before pre-opening and project expenses and residential sales)	**1,723**	1,207
Tax payment	**(156)**	(173)
Changes in working capital (excluding those relating to The Peninsula London Residences)	**(79)**	(16)
Normal capital expenditure on existing assets (excluding projects)	**(460)**	(360)
Net cash inflow after normal capital expenditure	**1,028**	658
Lease payments attributable to existing operations	**(189)**	(162)
	839	496
Proceeds from sale of The Peninsula London Residences	**395**	3,452
Net cash inflow from operations	**1,234**	3,948
Project-related cash flows		
Capital expenditure on The Peninsula London Complex and capital injection into a joint venture (The Peninsula Istanbul)	**(407)**	(633)
Capital expenditure on The Peninsula New York major renovation	**(27)**	(289)
Pre-opening and project expenses	**–**	(79)
Cash outflow for projects	**(434)**	(1,001)
Net cash inflow before dividends and other payments	**800**	2,947
Dividends paid to shareholders of the company	**–**	(22)
Dividends paid to holders of non-controlling interests	**(4)**	(6)
Net interest paid	**(558)**	(685)
Other receipts	**12**	5
Net cash inflow before financing	**250**	2,239

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Capital commitments

The group's total capital commitments as at 31 December 2025 are summarised in the table below.

HK$m	2025 Contracted for	2025 Authorised but not contracted for	2025 Total	2024 Contracted for	2024 Authorised but not contracted for	2024 Total
Capital commitments in respect of:						
Existing properties	86	417	503	112	561	673
Special projects	18	329	347	75	320	395
	104	746	850	187	881	1,068
The group's share of capital commitments of joint ventures and associates	1	71	72	31	50	81
	105	817	922	218	931	1,149

As at 31 December 2025, the group's undrawn committed facilities and cash at banks amounted to HK$2.7 billion (2024: HK$3.7 billion). The Directors believe that the group will be able to meet the above capital commitments as well as the working capital requirements of its operations.

Capital and treasury management

The group is exposed to liquidity, foreign exchange, interest rate and credit risk in the normal course of business and policies and procedures are put in place to manage such risks.

The group manages treasury activities centrally at its corporate office in Hong Kong. The group regularly reviews its capital structure and actively monitors current and expected liquidity requirements to ensure there is ample headroom for its obligations and commitments. The group also maintains adequate committed borrowing facilities from major financial institutions to ensure funds are available to meet its future financial obligations and to finance its growth and development. A centralised strategy is adopted by concentrating committed borrowing facilities at the corporate office in Hong Kong.

The group has established a liquidity structure so that global cash balances can be concentrated back to head office efficiently for strategic cash management.

The group has a credit rating of A from both Japan Credit Rating Agency, Ltd and Rating and Investment Information, Inc. for long-term foreign currency and local currency denominated debts as at 31 December 2025.

Liquidity and Financing

We take a proactive approach to manage the group's liquidity and refinancing risk to ensure ample headroom to cover our capital commitments and protect against business volatility.

As at 31 December 2025, 33% and 22% of the group's committed facility is classified as green loans and sustainability-linked loans respectively. The group is committed to integrate ESG elements into our business and finance strategy.

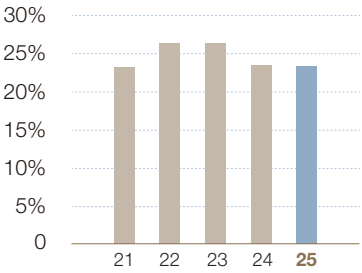
The group monitors its capital structure on the basis of its net borrowings (defined as interest-bearing borrowings less cash at banks and in hand) to total assets and monitors its liquidity through cash interest cover and funds availability.

In 2025, gross borrowings remained stable at HK$13.5 billion (2024: HK$13.4 billion) mainly due to non-favourable FX fluctuations for non-HKD debt offsetting cash generation. Consolidated net debt has slightly increased to HK$12.7 billion as compared to HK$12.5 billion in 2024. As at 31 December 2025 the group had HK$2.0 billion of unused committed facilities. The group's net borrowings to total assets remained stable at 23% as compared to 2024.

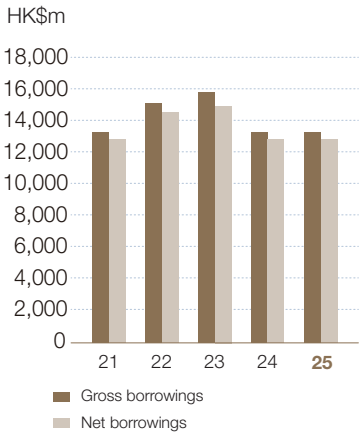
During the year the group issued its debut Private Samurai Bond for JPY16 billion (HK$796 million) with the longest tenor up to six years, becoming the first ever Hong Kong hospitality company to do so*. The Private Samurai Bonds are rated A by both the Japan Credit Rating Agency, Ltd and Rating & Investment Information, Inc. The bond issue diversifies the group's funding channels by engaging long-term institutional investors in the Japanese bond market.

* *Based on Bloomberg disclosure*

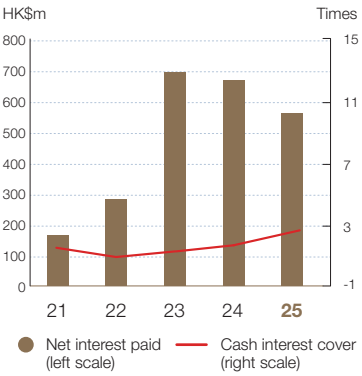
Net Borrowings to Total Assets



Gross and Net Borrowings

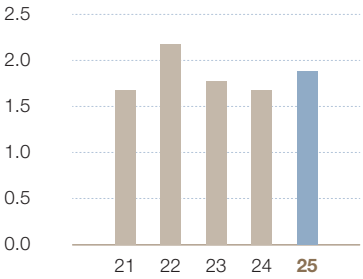


Net Interest Paid and Cash Interest Cover

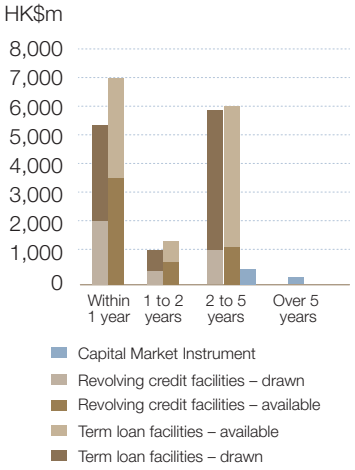


Financial Review

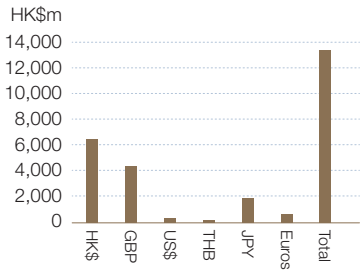
Weighted Average Debt Maturity



Banking Facilities, Borrowings and Capital Market Instrument (by type and maturity)



Borrowings inclusive of cross currency swap (by currency)



The group has also successfully refinanced its GBP Green Club loan in the size of GBP425 million with a group of 9 banks, with new maturity tenors up to 3 years. The average debt maturity for the year has improved from 1.7 years to 1.9 years.

Net interest paid in 2025 decreased to HK$558 million (2024:HK$685 million) due primarily to favourable refinancing and optimisation of debt currency via using cross currency swap to change a portion of GBP debt into HKD. Cash interest cover (EBITDA less lease payments divided by net interest paid) has improved to 2.7x as compared to 1.9x in 2024.

We continue to monitor our overall debt and cashflow positions closely and believe that the best defence against any unforeseen volatility in business levels is to maintain prudent financial headroom.

The consolidated and non-consolidated borrowings as at 31 December 2025 are summarised as follows:

	2025						2024
HK$m	Hong Kong	Other Asia	United States of America	Europe	UK	Total	Total
Consolidated gross borrowings (inclusive of cross currency interest rate swap)	6,450	1,827	245	475	4,458	13,455	13,389
Non-consolidated gross borrowings attributable to the Group*:							
The Peninsula Shanghai (50%)	-	508	-	-	-	508	496
The Peninsula Beverly Hills (20%)	-	-	156	-	-	156	163
The Peninsula Paris (20%)	-	-	-	415	-	415	367
Non-consolidated borrowings	-	508	156	415	-	1,079	1,026
Consolidated and non-consolidated gross borrowings	6,450	2,335	401	890	4,458	14,534	14,415

* *Represents HSH's attributable share of borrowings*

Foreign Exchange

The group reports its financial results in Hong Kong dollars and does not hedge US dollar exposures in the light of the HK-US dollar peg. The group generally uses cross currency swaps, foreign exchange swaps or forward exchange contracts to hedge foreign exchange exposure.

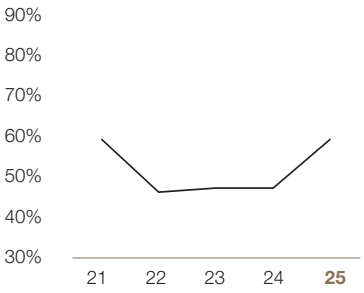
As at 31 December 2025, GBP, HK dollar and Japanese yen borrowings inclusive of cross currency interest rate swap represented 93% of total borrowings, respectively. Other balances were in other local currencies of the group's entities.

Interest rate risk

The group has an interest rate risk management policy which focuses on reducing the group's exposure to changes in interest rates by maintaining a prudent mix of fixed and floating rate liabilities. In addition to raising funds directly on a fixed rate basis, the group also uses interest rate swaps or cross currency interest rate swaps in managing its long-term interest rate exposure.

As at 31 December 2025, the group has increased fixed to floating interest rate ratio from 47% to 59% as compared to 2024. Weighted average gross interest rate for the year has decreased from 4.7% to 3.9%.

Percentage of Fixed Borrowings to Total Borrowings (adjusted for the hedging effect)



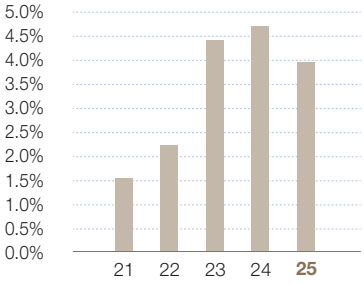
Credit risk

The group manages its exposure to non-performance of counterparties by transacting with lenders with a credit rating of at least investment grade. However, in developing countries, it may be necessary to deal with lenders of lower credit ratings.

Due to long term risk profiles, derivatives are used solely for hedging purposes and not for speculation and the group only enters into such derivative transactions with counterparties with investment grade ratings only.

As at 31 December 2025, derivatives with a notional amount of HK$8,031 million (2024: HK$5,278 million) were transacted.

Weighted Average Gross Interest Rate



Dividends

The company's dividend policy is to seek to provide its shareholders with a stable and sustainable dividend stream. The annual dividend payout ratio is based on the company's underlying profit, as well as additional commercial factors set out below. The company's practice is to offer dividends on a half-yearly basis either in cash or in scrip.

Additional commercial factors to be considered in setting the level of dividends include:

- current and future cash flows
- the level of borrowings, gearing and the cost of financing
- requirements for planned investments, acquisitions, and divestments
- the macro environment and the business outlook.

Financial Review

No interim dividend was declared and paid by the company for the six months ended 30 June 2025 (2024: nil). The Board has carefully considered the group's financial position and future funding needs and has resolved not to recommend a dividend for the year ended 31 December 2025 (2024: nil). The dividend decisions made by the Board for the six months ended 30 June 2025 and the year ended 31 December 2025 are in line with the company's dividend policy.

Enhancing shareholder value remains a key objective and the company strives to achieve this by continually improving its existing assets for long-term appreciation in the capital value. The company is also looking for ways to improve operational efficiency to enhance profitability in the coming year.

Share information

At market close on 18 March 2026, the company's share price stood at HK$6.69, giving a market capitalisation of HK$11.2 billion (US$1.4 billion). This reflects a discount of 69% to net assets attributable to shareholders of the company, or a discount of 74% to the adjusted net assets attributable to shareholders (see page 74).

The average closing price during 2025 was HK$5.81, with the highest price of HK$6.37 achieved on 13 November 2025 and the lowest price of HK$5.18 recorded on 11 April 2025.

Creating Stakeholder Value

88 The Future of Luxury

- High-Tech, High-Touch Personalisation
- The Japan Driving Experience

100 Engaging with Our Stakeholders

106 Awards in 2025

The Future of Luxury: High-Tech, High-Touch Personalisation

Michael Garcia
Chief Information Officer

> *The next era of luxury will be defined by how seamlessly we can shape an experience around each individual. When AI and data work responsibly in the background, we can anticipate preferences earlier, personalise environments more intuitively, and give guests something increasingly rare: time. The goal is not technology for its own sake. The goal is to make every interaction feel effortless, so our people can focus on what only humans can do: create warmth, spark emotion and deliver moments that feel genuinely personal. That is the convergence of High Tech and High Touch, and we are delivering on this promise.*

At HSH, we believe the future of luxury lies in the convergence of "High-Tech and High-Touch".

Innovation is at the heart of our strategy. We are moving from a traditional service model toward continuous transformation, in a future that integrates Artificial Intelligence (AI), advanced data analytics, and robotics. However, we do not use technology to replace the human element. We use technology to *enhance* it.

We are working toward a future of hyper-personalisation. We expect our guests' journey to be seamless from the moment of booking, throughout their stay, to the moment they depart. By leveraging AI and data analytics, we aim to anticipate guest preferences before they even articulate them. This can be the guest's preferred temperature in their guestroom, or their favourite vintage of wine. We understand how they prefer to be treated upon arrival, whether that is a digital check-in or a warm conversation and hearty welcome at the front door. Technology allows us to capture and analyse these preferences to create a frictionless experience, and one that meets the guest *on his or her own terms*.

We have pioneered proprietary in-room technology that allows guests to control their environment effortlessly. But the goal of this tech isn't to show off gadgets. The goal is to remove the pain points of travel so that the guest can focus on the experience.

We offer "High-Tech", and "High-Touch" is the result.

When advanced technology handles the administrative burden such as processing the booking, managing the check-in, and calibrating the room controls, it liberates our employees from the mundane. It allows them to focus on what machines can never do: empathise with guests, be creative, and connect at a personal level.

The future of luxury is about stimulating emotional responses. It is about curated art experiences, bespoke dining, and genuine human warmth.

These can be *powered* by technology but *delivered* by people.

The Future of Luxury: High-Tech, High-Touch Personalisation

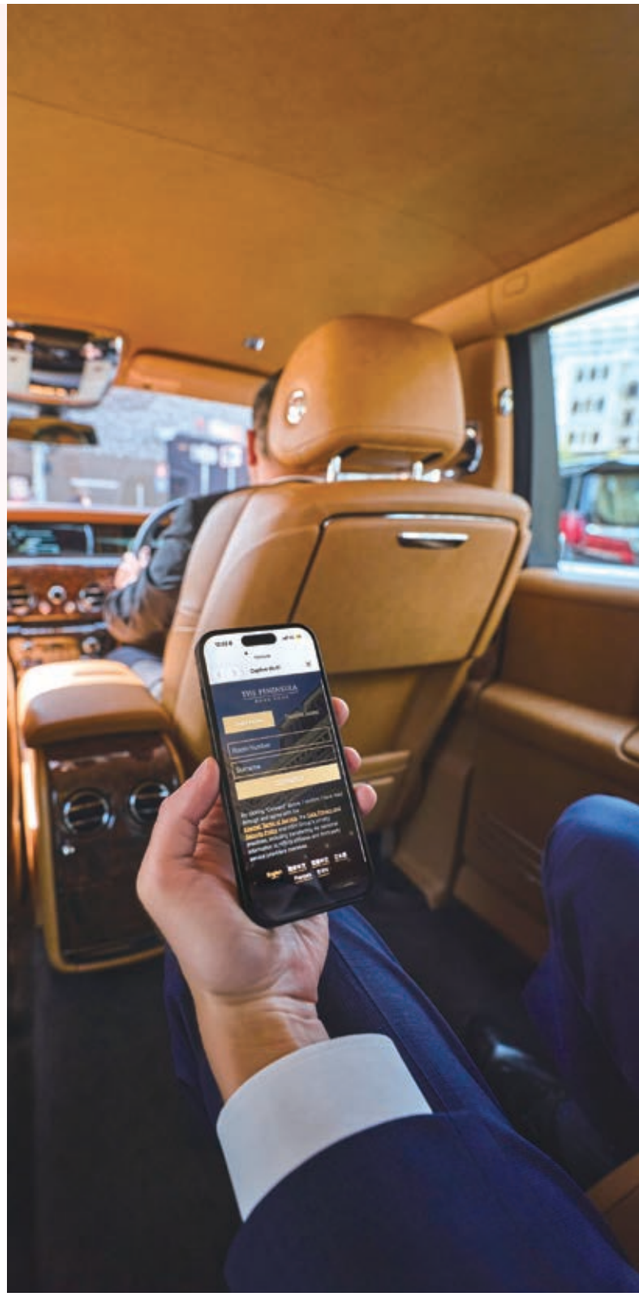
Hyper-personalisation

This is about tailoring every aspect of the environment. If a guest prefers the familiarity of their own technology or desires a relaxing environment, we should strive to meet their needs.

Our **RoomConnect** service allows a guest to control all aspects of their room, TV/Audio, order food, and request other hotel services from their own mobile device.

We have a **SpaMode** option whereby guests can instantly set a relaxing ambiance in their bathroom with the push of a button.

High-touch



The Future of Luxury: High-Tech, High-Touch Personalisation

Frictionless Technology

Contactless services and digital platforms must empower the guest. The luxury traveller today values their time above all else. For example, our **Peninsula Time** service allows guests to check in and check out at their preferred time, not at a time set by the hotel as per industry standards. We give them their time back. With our new **In-Vehicle Wi-Fi** service, our guests can connect to the hotel Wi-Fi from the minute they enter our luxury vehicle and remain connected when they arrive at the hotel.

We now have a single global property management system which securely stores our guests' information and preferences allowing us to provide them with a consistent level of high-quality service no matter which Peninsula property they visit.

We have developed an internal mobile app called **PenCheck** which allows our teams to monitor the health of our in-room technology to ensure our guests have a comfortable stay.

Our enterprise analytics and finance transformation initiatives are delivering unified, best-in-class platforms that standardise processes, improve efficiency, and provide real-time intelligence to better support operational decision-making.

We have adopted AI across the enterprise, deploying internal chatbots to boost operational efficiency by handling large-scale communications and information requests, and enabling guest-focused AI journeys that help customers discover our brand and offerings more effectively.

High-tech

The Future of Luxury: High-Tech, High-Touch Personalisation

The Japan Driving Experience

Another aspect of personalisation is offering unique access.

The Peninsula offers local cultural immersion into our cities, and access into unique spaces. We offer unique experiences, such as the **Japan Driving Experience** in Tokyo, where guests discovered areas that were off the beaten path, driving in beautiful cars. We are the bridge between the traveller and the destination.

This experience will be extended in 2026 and beyond with the **Peninsula Motoring Series** in Scotland.

Unique spaces

The Future of Luxury: High-Tech, High-Touch Personalisation

Unique experiences

The Future of Luxury: High-Tech, High-Touch Personalisation

Engaging with Our Stakeholders

Engaging with and responding to our stakeholders is a key part of our overall governance and management approach. We proactively engage with a wide range of key stakeholders including employees, customers, regulators, lenders, shareholders and investors, non-governmental organisations, media and others. It is important for us to capture and understand how their views change and ultimately how we can implement improvements to the business today and in the future.

Stakeholder Group	Why and how we engage	Examples in 2025
Our Guests	Engaging with our guests and ensuring their satisfaction is critical to how we run our business. We continue to develop a best-in-class booking and e-commerce experience that drives increasing room bookings while demonstrating differentiated brand values. On the sales side, we continued to engage in person around the world with key travel partners from the Leisure, Corporate and Meetings, Incentives, Conventions and Exhibitions (MICE) world. Reinforcing our PenClub, identifying new preferred partners, ensuring a presence of the brand at key worldwide specialised tradeshows as well as hosting dedicated events in key and emerging markets have contributed to reinforcing brand awareness and our trade partner network.	• Significant improvements were made to Peninsula's digital efforts in 2025, including design and user experience enhancements to Peninsula.com and other digital touchpoints. These efforts drove substantial YoY growth of key metrics such as conversion rates, bookings and revenue through the company's direct online platforms. • Through increased investments and improved targeting on key acquisition channels such as Google and Instagram, digital performance marketing revenue and ROI also grew significantly year on year. • In 2025, our global advertising campaign *Peninsula Perspectives* expanded with new creative concepts filmed in Shanghai and London. This multi-market campaign continues to focus on *video-led storytelling* that highlights two pillars of our brand: the character of the cities in which we operate and the exceptional, personalised service for which The Peninsula is renowned.

Stakeholder Group	Why and how we engage	Examples in 2025
Our Guests	Enriching the lives of our guests is important and for this reason, The Peninsula provides guests and visitors the opportunity to engage with immersive, experiential art, allowing them to create memories that they will carry for a lifetime. Through refreshed marketing collateral, content and partnerships we can present the brand in a more meaningful, relevant and engaging way. This entails not only creating continuity in our existing materials, but also using our rich history and heritage to share new stories that will elevate the brand.	• Brand Marketing continued to focus on The Peninsula Hotels' global art programme, *Art in Resonance*, by partnering with emerging and mid-career artists from around the world to offer guests and visitors alike a truly immersive artistic experience: o The Peninsula Hong Kong launched a new edition of its acclaimed *Art in Resonance* programme. Timed to coincide with Hong Kong Art Week, the programme featured three commissioned works, including a notable collaboration with the Victoria and Albert Museum, or V&A. o Our arts programme extended across the portfolio, with activations at The Peninsula Chicago and a high-impact installation at The Peninsula Istanbul, where a site-specific artwork was displayed on the hotel's iconic clocktower during the autumn cultural season. • We continued to focus on strengthening our relationships with PenClub members, our in-house preferred travel partner programme by hosting intimate in-person gatherings, cultural programmes, dinner events, and attending key worldwide travel tradeshows.

Engaging with Our Stakeholders

Stakeholder Group	Why and how we engage	Examples in 2025
Our People	Our people are a strong pillar to our business – their development and wellbeing matter to us. With the introduction of new leadership this year, we have prioritised transparent communication and authentic engagement with our people to strengthen trust across the organisation. At the same time, evolving guest expectations and shifting business needs underscore the importance of building a strong talent pipeline and maintaining a robust succession management process. We continue to promote a culture of care and continuous learning and development, and make advancements in workplace effectiveness through digitisation and embedding a strong culture of performance.	• Our annual global Employee Experience Survey received a participation rate of 92%, of which 91% intend to stay with the company beyond one year and 79% are comfortable to be themselves at work. • The global voluntary turnover rate decreased to a record low of 13.7%. • We completed ACE (Aspiration, Career and Experience) conversations with 355 senior leaders across our global operations and Head Office as part of our Succession Management Programme. Individual development plans have been drawn, succession plans have been put in place for critical roles, and talent pipelines have been mapped. • In 2025, we delivered a suite of global learning and development programmes – Leading with Influence, Leadership Excellence through Awareness & Purpose, Mastering Management Skills, Dynamic Presentations, and Empowering through DiSC – to 338 leaders and managers, strengthening soft skills essential for strategic management, effective team communication, and people management. One of our longest-running programmes, the Cross-Exposure Programme, also supported 101 colleagues in their professional development and facilitated our company's international exchange of best practices. • Our annual Swiss campus recruitment efforts, focusing on early careers placements, saw a 42% increase in successful hires for 2025. The relaunch of our HSH careers website in March 2025 has been highly successful – we received 96,084 CVs, representing a 17% increase year on year. The Peninsula London recorded the highest volume with 22,000 applications, a 38% uplift from 2024. • Our rate of total global hires made from internal employee referrals stood at 19%. • The Peninsula London commenced a transformation of their scheduling, people, and payroll systems in the final quarter of 2025, with completion expected in mid-2026. We have also successfully upgraded to the UKG time and attendance system across our operations in Hong Kong and Japan.

Stakeholder Group	Why and how we engage	Examples in 2025
Our Communities: Governments	Our Executive Directors and Chairman regularly meet with senior Hong Kong Government leaders and Legislative Council members to discuss areas of concern for the tourism and property sectors. Our Chief Executive Officer is a member of the World Travel & Tourism Council (WTTC) which actively engages with governments and tourism boards around the world, advocating on industry issues on behalf of members. He has also been invited and participated in a number of high-level government conferences and tourism-related summits around the world. Senior managers and department heads also represent the company at the Federation of HK Hotel Owners, American Chamber of Commerce, British Chamber of Commerce, French Chamber of Commerce and Vision 2047 Foundation in Hong Kong.	• Engaged with Hong Kong Government departments and senior tourism officials • CEO engaged with the winning candidate for the Tourism functional constituency in the Legislative Council election • CEO attended WTTC Global Summit in Rome, Italy • CEO attended TOURISE in Riyadh, Saudi • Membership of relevant Business Chambers, including American Chamber of Commerce, British Chamber of Commerce, French Chamber of Commerce, HK General Chamber of Commerce, engagement with think tanks and community organisations such as Vision 2047 Foundation and the Federation of Hong Kong Hotel Owners.
Financial Analysts and Investors	Our Investor Relations team and our Executive Directors meet regularly with financial analysts and investors, as well as participate in post-results briefings and the AGM. We also engage with banks regularly to update them on our sustainability journey and facilitate green loans and sustainability linked loans.	• Investor Conferences (online) • Financial reports and website • Annual General Meeting (AGM) • One-on-one meetings and conference calls • Regular briefings with research analysts
Media	The Peninsula Hotels Marketing team conducts regular press briefings and attends high profile trade shows in all our key markets as well as emerging markets. The HSH Corporate Affairs team organises press conferences with Executive Directors at annual/interim results and arranges individual interviews as well as media background briefings throughout the year in Hong Kong. The GM of Corporate Affairs sits on the Board of Governors of the Foreign Correspondents' Club of Hong Kong and engages with HK-based media on a weekly basis. Our PR teams in our operations host regular press groups from the world's most prestigious travel, luxury and business publications to visit the cities and hotels in which we operate.	• HSH financial results press releases, press conferences and AGM • Media engagement programmes including media lunches and background briefings (30+) • CEO and Chairman media interviews (15) • Targeted media outreach and briefings to promote Hong Kong as a destination (Financial Times HTSI magazine and global travel media)

Engaging with Our Stakeholders

Stakeholder Group	Why and how we engage	Examples in 2025
NGOs, Advocacy Groups, Charities	Our Corporate Responsibility and Sustainability team meets with non-profit organisations, academia, and industry advocacy groups regularly throughout the year to stay informed about the latest developments in sustainability issues. We contribute to the sustainability development of the wider community by sharing HSH's experience at various local and regional conferences and industry committees. We continue to participate in memberships of like-minded organisations that accelerate actions to address global issues such as climate change, single-use plastics, and modern slavery. Our operations also engage with local charities to provide in-kind or monetary contributions to support social causes. HSH contributes to the Hong Kong Heritage Project by offering financial support (together with CLP and Kadoorie Estates) and with communications oversight from the Corporate Affairs team. This project is a professional archive of Kadoorie Family businesses and records dating from the 1800s. The Corporate Affairs team also contributes to charitable events and fundraisers by arranging in-kind vouchers and support to charitable galas.	• Member of Energy & Environment Alliance's (EEA) Taskforce on Hotels & Lodging Sustainability Standards, Business for Social Responsibility's Responsible Luxury Initiative, The Mekong Club's Supply Chain Working Group, and Hong Kong General Chamber of Commerce Sustainability Committee • Hong Kong Heritage Project financial support and oversight • Contribution to charitable events and fundraisers with in-kind support and hotel vouchers
Partners and Suppliers	Our partners are also key to our growth, as they help us to ensure the successful operation of our properties in their local markets. We communicate our *Sustainable Luxury Vision 2030* values and requirements through the Supplier Code of Conduct (SCOC), supplier assessments, and general engagement.	• Regular engagement with key suppliers to ensure compliance with the company's SCOC and discuss topics related to modern slavery.

For more details about our Corporate Responsibility and Sustainability-related stakeholder engagement, please refer to our Corporate Responsibility and Sustainability Report on p.8.

We always seek to improve on the area of stakeholder engagement and we are compiling a thorough stakeholder engagement profile for our new markets in 2025.

We encourage our stakeholders to give us feedback on our approach. Comments and enquiries can be sent to our email address at corpaffairs@peninsula.com.

Awards in 2025

Operations	Awards	Organisers
The Hongkong and Shanghai Hotels	2025 ARC Awards, Grand Award Annual Report 2024: – Best of Hong Kong – Best of Traditional Annual Report – Best of Interior Design	MerComm, Inc.
	2025 ARC Awards, Gold Award Annual Report 2024: – Traditional Annual Report: Hotel & Leisure – Cover Photo/Design: Hotel & Leisure – Interior Design: Hotel & Leisure – Photography: Hotel & Leisure – Printing & Production: Hotel & Leisure Corporate Responsibility and Sustainability Report 2024: – Cover Photo/Design: Sustainability Report: Hong Kong SAR – Interior Design: Sustainability Report: Hong Kong SAR – Infographics: Sustainability Report: Hong Kong SAR	MerComm, Inc.
	2025 ARC Awards, Silver Award Corporate Responsibility and Sustainability Report 2024: – Specialized A.R.: Sustainability Report: Hong Kong SAR – Written Text: Sustainability Report: Hong Kong SAR – Photography: Sustainability Report: Hong Kong SAR	MerComm, Inc.
	2025 ARC Awards, Honor Award Annual Report 2024: Chairman's/President's Letter: Hotel & Leisure	MerComm, Inc.
	2025 HKMA Best Annual Reports Awards – Excellence Report Award – Best Environmental, Social and Governance Reporting Award (Tourism & Hospitality)	Hong Kong Management Association
	VeryEast Employer Awards 2025 – Preferred Group Employer of the Tourism & Hospitality Industry (awarded to The Hongkong and Shanghai Hotels (China hotels – The Peninsula Beijing and The Peninsula Shanghai))	VeryEast.cn

Operations	Awards	Organisers
The Peninsula	2025 GT Tested Reader Survey Awards – Best Hotel Website (peninsula.com) (No.2)	Global Traveler
The Peninsula Hong Kong	Gold List 2025 – Winner of The Best Hotels and Resorts in the World	Condé Nast Traveler (US)
	Top 10 Luxury Hotel Brands of the Year	Jiemian News
	The Best Bang Awards 2025 – Best Luxury Afternoon Tea	BANG media
	Condé Nast Traveller Readers' Choice Awards – Best Hotels in Asia – Hong Kong (No.4)	Condé Nast Traveller (UK)
	Cathay Members' Choice Awards 2025 – Hong Kong's Unmissable Hotel	Cathay Pacific
	Top 10 Wine Pairing Restaurants Award (Western Cuisine) – Gaddi's Top 10 Sommelier Award – Marc Le Gallic Top 10 Wine by The Glass Western Restaurant Award – Gaddi's Top 10 Wine by The Glass Asian Restaurant Award – Spring Moon	Wine Luxe Hong Kong 2025
	Tatler Best Awards – Asia Pacific 2025 – Tatler Best Asia-Pacific: Best Heritage Hotel – Tatler Best 100 Hotels Asia-Pacific	Tatler Asia
	Tatler Best Hong Kong 2025 – Best-In-Class Hong Kong – Best Heritage Hotel – Recommended Restaurant – Spring Moon	Tatler Asia
	Top 10 The Best of The Best MasterChef Recommendation Restaurant 2025 – Gaddi's – Spring Moon	The Best of The Best MasterChef
	100 Top Tables 2025 – Gaddi's	South China Morning Post
	Best of Award of Excellence 2025 – Gaddi's	Wine Spectator
	MICHELIN Guide Hong Kong Macau 2025 – Michelin One Star – Spring Moon – Michelin One Star – Gaddi's	Michelin Guide
	MICHELIN Key Hotels 2025 – Two MICHELIN Keys	Michelin Guide
	Compare Retreats' Luxury Wellness Travel Awards 2025 – Heritage Spa Hotel of the Year	Compare Retreats
	Nominated Pairing Sensations 2025 – Chesa and Felix Recommended Pairing Sensations 2025 – Gaddi's and Spring Moon	Pairing Sensations
	Travel + Leisure Luxury Awards Asia Pacific 2025 - Hong Kong – Best Hotel (No.6) – Best Hotel Pools (No.9)	Travel + Leisure

Awards in 2025

Operations	Awards	Organisers
The Peninsula Hong Kong	Honeycombers Love Local Awards 2025 – Best Five – Star Hotel in Hong Kong	Honeycombers
	FAB Hotels Asia 100 – Certified FAB Gold	Le Concierge Orient
	Black Pearl Restaurant Guide 2025 – Spring Moon – One Diamond	Meituan
The Peninsula Shanghai	Top 100 Suites in the World – The Peninsula Suite	Elite Traveler
	2025 Tatler Best 100 Hotels Asia-Pacific 2025 Tatler Best China – Top 20 Hotels	Tatler
	City Landmark Hotel of the Year	Target
	The Luxury Hotel Award of The Year	Travel City
	Best Luxury Hotel	ShanghaiBANG
	Michelin One Star – Yi Long Court	Michelin Guide Shanghai 2025
	The 2025 MICHELIN Key Hotels 2025 – Two MICHELIN Keys	MICHELIN GUIDE
	Comfort C Award – Best Landmark Hotel	Comfort
	The 50 Best Luxury Hotels in The World	The Zoe Report
	World's Best Hotels 2025 – No.1 Hotel in the World (tied with 9 other hotels including The Peninsula Chicago)	La Liste

Operations	Awards	Organisers
The Peninsula Beijing	Michelin Hotel Guide 2025 – One Michelin Key	MICHELIN Guide
	2025 Voyage Hotels & Resorts Awards – Top 50 Best Luxury Hotel (2 Diamonds) – Outstanding Hotel General Manager	Voyage
	Condé Nast Traveler CHN Readers' Choice Awards 2025 – Best Hotels	Conde Nast Traveler
	Condé Nast Traveler US Readers' Choice Awards 2025 – No.3 Hotel in Beijing	Conde Nast Traveler
	National Geographic Traveller – Luxury Hotel of the Year	National Geographic Traveler
	Target Vie – Luxury Hotel of the Year	Target Vie
	Target Elite Select Awards 2025 – Luxury Hotel of the Year and Family Hotel of the Year	Target
	Tatler Best China 2025 – Top 20 Hotels of Tatler Best China 2025	Tatler
	The Best Bang Award – Best Luxury Hotel – Outstanding Contribution Art Cultural in Hospitality	Beijing BANG
	Spa China Wellness & Spa Awards 2025 – Best Spa Treatment Package of the Year – Most Classic Spa Treatment of the Year – Best TCM Treatment of the Year	SpaChina
	TimeOut Food and Wine Awards – Hotel Chinese Restaurant of the Year – Huang Ting – Hotel Bar of the Year – Yun Bar	TimeOut Beijing

Awards in 2025

Operations	Awards	Organisers
The Peninsula London	Global Traveler US – GT Tested Award – Best Hotel in Europe (No.3)	Global Traveler
	MICHELIN Key Hotels 2025 – Three MICHELIN Keys	Michelin Guide
	UK Reader's Choice Awards 2025 – No. 23 in the UK	Conde Nast Traveller
	Hotel of the Year	Kensington, Chelsea and Westminster Business Awards
	Top Wellness Hotel Suites in the World – The Peninsula Suite	Elite Traveler
	National Restaurant Awards – Top 100 (No.20 – Brooklands by Claude Bosi)	National Restaurant Awards
	Afternoon Tea Awards – Award of Excellence	Afternoon Tea Awards
	World's Best Wine Lists – Brooklands by Claude Bosi	World of Fine Wine
	Best Spa Hotel – London – No.3	The Luxury Spa Edit
	Star Wine List of the Year – Best By the Glass List – White Star Venue – Brooklands	Star Wine List
	Michelin Two Stars – Brooklands by Claude Bosi	Michelin Guide
	2025 Best Hotels – Best Hotel in London (No. 20) – Best Hotel in England (No. 21)	U.S. News & World Report Best Hotels Rankings

Operations	Awards	Organisers
The Peninsula Paris	Pastry Chef of the Year 2026 – Anne Coruble, Chef patissiere	Gault & Millau
	The Best Bang Awards – Destination Luxury Hotel of the Year	BANG media
	Comfort C Award – Best Luxury Hotel	Comfort
	MICHELIN Key Hotels 2025 – Two MICHELIN Keys	Michelin Guide
	Michelin Two Stars – L'Oiseau Blanc	Michelin Guide
The Peninsula Istanbul	Best Hospitality Award	Gault & Millau Türkiye
	MICHELIN Key Hotels 2025 – Two MICHELIN Keys	Michelin Guide
	Best Hotel Sommelier Award – GALLADA has secured 3 hats as an "Excellent Table" – Topside Bar has secured its 1 hat as a "Gourmand Table Bar" – Best Brunch Venue, The Lobby	Gault & Millau
	Skalite Awards – Best Hotel	SKAL
	T+L 500 list	Travel + Leisure
	Michelin Recommended List 2025 – GALLADA and Topside Bar	Michelin Guide

Awards in 2025

Operations	Awards	Organisers
The Peninsula Istanbul	4 Pearls – GALLADA	Pearl Gastronomy Guide
	Voted #10 Hotel on the Türkiye list	Conde Nast Traveller
	Best of Award of Excellence – 2 Glasses – GALLADA & The Lobby	Wine Spectator Awards
	Card Member Favorite within Fine Hotels + Resorts	American Express Travel Hotel Team
	The Top 15 International Hotels for Food and Drink	Food & Wine
	The Luxury Spa Edit Awards 2025 – Best Global Urban Spa Hotel (No.3)	The Luxury Spa Edit
	Hotel Inspector Awards - Best New Hotels of 2024	Hotel Inspectors
The Peninsula New York	Michelin Hotel Guide 2025 – One Michelin Key	MICHELIN Guide
	The Best Hotels in New York (No.9)	Elite Traveler
	Best Hotels in New York	US News and World Report
	Oprah Daily Hotel O-Wards – The Best Destination Spas in the United States and Canada	Oprah Daily
	Five Diamond Award 2025	AAA
The Peninsula Chicago	World's Best Hotels 2025 – No.1 Hotel in the World (tied with 9 other hotels including The Peninsula Shanghai)	La Liste
	Top 100 Hotel Restaurants in America – Shanghai Terrace	OpenTable & KAYAK
	Top Ten Best Hotel Bars in the U.S. – Z Bar	Food & Wine

Operations	Awards	Organisers
The Peninsula Chicago	Best Hotels in the USA Rankings 2025 – No.1 in Illinois – No.1 in Chicago	US News & World Report
	Michelin Hotel Guide 2025 – Two Michelin Keys	MICHELIN Guide
	Ambassador of Hospitality Award – Maria Zec named 2025 Ambassador of Hospitality	Illinois Hotel & Lodging Association (IHLA)
	Five Diamond Award AAA 2025	AAA
The Peninsula Beverly Hills	2025 GT Tested Reader Survey Awards – Best Hotel in the United States (No.1)	Global Traveler
	Michelin Hotel Guide 2025 – Two Michelin Keys	MICHELIN Guide
	Five Diamond Award AAA 2025	AAA
The Peninsula Tokyo	Michelin Hotel Guide 2025 – One Michelin Key	MICHELIN Guide
The Peninsula Bangkok	AMCHAM Corporate Impact Awards 2025	The American Chamber of Commerce in Thailand (AMCHAM) 2025
	Michelin Hotel Guide 2025 – Two Michelin Keys	MICHELIN Guide
	Thailand's Favourite Restaurant 2025 – Mei Jiang	Koktail magazine
	HELLO! Taste Awards 2025 – Editor's Choices Award (Cantonese Prestige) – Mei Jiang	HELLO! Magazine

Awards in 2025

Operations	Awards	Organisers
The Peninsula Manila	Michelin Hotel Guide 2025 – 'Selected' distinction	MICHELIN Guide
	Smart Travel Asia Reader Poll 2025 – Best Hotel for Service in Asia	Smart Travel Asia
The Quail	Diner's Choice 2025	OpenTable
	Best Hotel in Carmel (No.3)	Tripadvisor
	Best of Readers Poll 2025 – Best Gourmet Burger – Covey Grill	Monterey County Weekly
	Traveller Review Awards 2025 (No.9)	Booking.com
	TripAdvisor Travelers' Choice Awards 2025 – Top 10% Hotel Worldwide	TripAdvisor
	Distinguished Golf Destination	BoardRoom Magazine
Peninsula Merchandising Limited	Quality Awards – Grand Gold Award – Palmier and Butter Egg Roll – Gold Award – Mini Egg Custard Mooncake	Monde Selection
Primo Posto	Foodie Forks 2025 – Best Italian Restaurant	Foodie

Governance

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Governance Highlights in 2025

Strategic Direction

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Board Updates

- Deputy Chairman and new Chief Executive Officer appointed
- Comprehensive Board structure review completed
- Planned Board refresh post-2026 Annual General Meeting

Further details:
Board Evaluation (p. 146-147)
Nomination Committee Report (p. 170-171)

Strategic Direction

- Undertook in-depth strategic review together with external experts, and crafted a strategic roadmap encompassing short, medium and longer-term goals which was adopted by the Board
- HSH Leadership Conference brought together hotel and department heads to align on the group's strategic priorities

Further details:
CEO Statement & Strategic Review (p. 28-50)
Culture and Values (p. 142)

Sustainability

- Decision for a Board-level Sustainability Committee to be established post-2026 Annual General Meeting
- Corporate Responsibility and Sustainability targets integrated into the company's and operations' balanced scorecards
- Commenced the review of the *Sustainable Luxury Vision* to align with 2035 strategy

Further details:
Corporate Responsibility and Sustainability Report (p. 165-166)

Corporate Governance

- HSH Governance Documents updated
- Decision to reposition the Finance Committee as the Finance and Investment Committee with Independent Non-Executive Director representation after the 2026 Annual General Meeting

Further details:
2025 Board Focus (p. 145)
Board Evaluation (p. 147)

Chief Corporate and Governance Officer's Introduction

Christobelle Liao
Chief Corporate and Governance Officer

> **Guided by integrity, accountability and transparency, our governance framework ensures sound decision-making and thorough oversight while empowering HSH to achieve lasting impact and value.**

Dear Shareholders,

I am pleased to present the 2025 Corporate Governance Report, which sets out our commitment to high standards of governance. Anchored in integrity and guided by transparency in all aspects of our business operations, we seek to enable responsible decisions, foster long-term value, and inspire trust and confidence among all our stakeholders.

Board Review and Update

At the beginning of 2025, Mr Philip Kadoorie was appointed Deputy Chairman, marking a significant milestone in our long-term succession strategy and ensuring a gradual transition of strategic oversight to the next generation of the family. I had the privilege of serving as Interim Chief Executive Officer until 3 March 2025, when Mr Benjamin Vuchot assumed the role of Chief Executive Officer and joined the Board as an Executive Director, further strengthening our leadership team.

The leadership transitions of 2025 presented us with an opportune moment to conduct a comprehensive review of our Board structure, to determine the steps to be taken in light of the new Listing Rules requirements on tenure of Independent Non-Executive Directors (INEDs), greater Board refreshment and to align with the company's objectives. It was acknowledged from the review that the size of the Board was too large and the Board would need to gradually refresh given the new regulations.

As a first phase, we are moving towards a two-tiered management framework with the Board consisting, except for our CEO Mr Benjamin Vuchot, entirely of Non-Executive Directors, to enhance the independence and supervisory nature of the Board. Mr Vuchot will remain on the Board to give direct insights into business operations to the Board. Myself as Chief Corporate and Governance Officer, Mr Keith Robertson as Chief Financial Officer and Mr Gareth Roberts as Chief Operating Officer will step down from the Board following the 2026 Annual General Meeting (AGM). All three will retain their executive roles and functions and are members of the Executive Committee which is the management board of the company. This would also improve clarity on separation of supervision versus management.

In addition, we are taking gradual steps over the coming years to comply with the new Listing Rules. As long-serving INEDs retire and/or do not meet the requirements for re-election under the Listing Rules, the Nomination Committee will regularly assess the composition of the Board and recommend changes where necessary.

Mr Pierre Boppe and Dr William Fung, both long-serving INEDs, will retire as INEDs at the 2026 AGM and have chosen not to seek re-election. At the time of writing, the process of identifying suitable candidates for appointment as INED is ongoing. Further announcements will be issued as and when appropriate.

Furthermore, we will establish a Board-level Sustainability Committee and reposition the Finance and Investment Committee as a Governance Board Committee.

These changes will position the Board for continued success, reinforce our commitment to sound governance and equip us to deliver the sustainable growth and long-term value to our shareholders.

Building a Culture of Connection and Transparency

Throughout 2025, we continued to foster engagement across the group. We conducted our employee experience survey, which we have decided to undertake on a yearly basis instead of biennially, to enable our people to provide their feedback and allow the company to take meaningful action in response. We also convened the HSH Leadership Conference as a key platform for strategic alignment and collaboration, and hosted two global town hall meetings to maintain direct dialogue with employees worldwide. These sessions enabled our employees to hear directly from leadership, raise questions in real time and share perspectives on key business priorities.

Chief Corporate and Governance Officer's Introduction

We also arranged Breakfast with CEO sessions at our properties and Head Office, an informal forum designed to foster open dialogue, enable colleagues and Mr Vuchot to exchange perspectives, and strengthen connections between leadership and teams.

Looking ahead, we plan to continue to hold regular town hall meetings in 2026 to further strengthen communication and connectivity across the organisation. These initiatives reaffirm our commitment to cultivating a culture of connection, transparency, and shared purpose.

Sustainability

This year marks the halfway point of our *Sustainable Luxury Vision 2030*. Building on insights from last year's stakeholder engagement and materiality assessment, we are reviewing our targets to ensure our efforts remain focused on issues most critical to our business, the environment we operate in and the communities we interact with. The refreshed *Sustainable Luxury Vision 2030* will be closely aligned with the group's renewed business objectives and emerging opportunities.

To reinforce our commitment of driving sustainability across all levels within the organisation, we have integrated *Sustainable Luxury Vision 2030* as a component of the company's balanced scorecard. As mentioned, we will also establish a Board-level Sustainability Committee after the 2026 AGM to oversee sustainability and climate-related matters. The Committee will include at least one INED and one Non-Executive Director (NED), bringing external expertise to support responsible governance, environmental stewardship and long-term value creation.

Governance Beyond Compliance

Adept corporate governance remains a cornerstone of our success and is essential in navigating today's uncertainties with agility and resilience. We continually strive to strengthen our governance framework by adopting best practice standards. A number of the changes required under the amended Listing Rules have already been implemented, and we will continue to go beyond compliance by embedding robust governance principles throughout the organisation.

Looking Forward

In 2026, the focus will be on the onboarding of new Directors, the setting up of the Sustainability Committee, and the repositioning of the Finance and Investment Committee as well as working towards implementing the outstanding amendments brought in by the updated Listing Rules to further strengthen the company's governance framework.

Christobelle Liao
18 March 2026

Our Leadership – Board Members

From left to right
Back row: Gareth Roberts, Peter Borer, Christobelle Liao, James Lewis, Andrew Brandler, Philip Kadoorie, Benjamin Vuchot, Pierre Boppe, Dr William Fung, Nicholas Colfer, Keith Robertson
Front row: Patrick Paul, Ada Tse, Diego González Morales, The Hon. Sir Michael Kadoorie, Dr the Hon. Sir David Li, Dr Kim Winser, Dr Rosanna Wong

Our Leadership – Board Members

Non-Executive Chairman

The Hon. Sir Michael Kadoorie (N)

Age: 84 Appointed: 12 November 1964 | Term of office: 7 May 2025 (re-elected) to 2028 AGM

Key strengths and experience

Sir Michael was appointed as Chairman in 1985. He holds board-level positions in one other listed company as well as directorships in private companies. With decades of international experience in different sectors including infrastructure, utilities, property and retail, Sir Michael has extensive knowledge of the hospitality and real estate sectors, a deep understanding of the environment in which the company operates, and a comprehensive appreciation of investor sentiment.

Titles, qualifications and education

GBS, Hon. LLD, Hon. DSc, Commandeur de la Légion d'Honneur, Commandeur de l'Ordre des Arts et des Lettres, Commandeur de l'Ordre de la Couronne, Commandeur de l'Ordre de Leopold II

Other major offices

CLP Holdings Limited# (Non-Executive Chairman and Member of Nomination Committee)
Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Director of a corporate substantial shareholder of the company
Director of two of the group's entities
Father of Philip Lawrence Kadoorie
Father-in-law of Diego Alejandro González Morales
Brother-in-law of Ronald James McAulay

Non-Executive Deputy Chairman

Philip Lawrence Kadoorie

Age: 34 Appointed: 1 December 2017 | Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Mr Kadoorie oversees a number of Kadoorie family interests in Hong Kong and overseas. Prior to his appointment to the Board, Mr Kadoorie completed various internships in commercial property companies in London and at the CLP Group in Hong Kong. He holds other Board positions and has developed strong expertise in the property sector. Mr Kadoorie was appointed as Deputy Chairman of the Board succeeding Mr Brandler with effect from 1 January 2025.

Titles, qualifications and education

BSc in Communication, Boston University
FAA Commercial Pilot's License

Other major offices

CLP Holdings Limited# (Non-Executive Director and Member of Finance & General Committee and Sustainability Committee)
CK Hutchison Holdings Limited# (Independent Non-Executive Director)
Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Son of The Hon. Sir Michael Kadoorie
Brother-in-law of Diego Alejandro González Morales
Nephew of Ronald James McAulay

Governance Board Committee Other Board Committee

(A) Audit Committee
(N) Nomination Committee
(R) Remuneration Committee
◆ Chairman of the Committee
(F) Finance Committee
◆ Chairman of the Committee

\# *The securities of these companies are currently listed on the Hong Kong Stock Exchange*
* *Sir Elly Kadoorie & Sons Limited oversees a number of Kadoorie family interests in Hong Kong and overseas and, as such, is associated with the substantial shareholders of the company*

Executive Directors

Benjamin Julien Arthur Vuchot (F)

Chief Executive Officer

Age: 53 Appointed: 3 March 2025 I Term of office: 7 May 2025 (re-elected) to 2028 AGM

Key strengths and experience

Mr Vuchot has over 30 years' experience in the luxury retail business with two global leading groups, Richemont and LVMH. He brings extensive experience in driving business growth and expansion through innovative strategies and initiatives. Mr Vuchot began his career at Cartier in Sales and Marketing in Hong Kong and Singapore, later becoming Far East Communications Director. In 2002, he worked as Managing Director and President Asia Pacific at Van Cleef & Arpels. These brands are both owned by the Richemont Group. In 2011, he first joined DFS Group as Managing Director and Regional President, North Asia, Hong Kong and held this position until 2017. He was appointed as President of Asia Pacific for cosmetic and fragrance retailer Sephora before rejoining DFS Group in 2020 to become Chairman and CEO. Both DFS Group and Sephora are subsidiaries of LVMH Group.

Titles, qualifications and education

Bachelor of Business Administration in International Business and Marketing, ESSEC Business School, France

Other major offices

Hong Kong chapter of Conseiller du Commerce Extérieur de la France (Member of the Bureau)
World Travel & Tourism Council (Council Member)

Other information

Director of certain entities of the group

Christobelle Yi Ching Liao[x]

Chief Corporate and Governance Officer

Age: 57 Appointed: 4 August 2023 I Term of office: 8 May 2024 (re-elected) to 2026 AGM

Key strengths and experience

Ms Liao joined the group as Company Secretary and General Counsel in 2002. She was appointed to the Executive Committee (previously known as Group Management Board) in 2011 and was promoted to Group Director, Corporate and Legal in 2013 while retaining the position of Company Secretary until August 2024. Over the years, she has expanded to a much broader role overseeing the group corporate functions including group insurances, risk management and corporate governance as well as the group's investment in Istanbul and organisational development strategies. In her role as Executive Director, she takes on additional responsibilities overseeing the Projects Group looking after capital expenditure and new developments and the Group Corporate Responsibility and Sustainability function. She was appointed as Interim Chief Executive Officer with effect from 1 November 2024 until 2 March 2025.

Titles, qualifications and education

Bachelor of Laws, London School of Economics and Political Science
Qualified Solicitor of Hong Kong and England & Wales

Other information

Director of certain entities of the group

[x] *Ms Christobelle Liao (Chief Corporate and Governance Officer), Mr Keith Robertson (Chief Financial Officer) and Mr Gareth Roberts (Chief Operating Officer), will step down from the Board at the conclusion of the 2026 Annual General Meeting on 13 May 2026 (2026 AGM) but remain in their respective executive roles*

Our Leadership – Board Members

Keith James Robertson[x] (F)

Chief Financial Officer

Age: 58 Appointed: 29 January 2024 I Term of office: 8 May 2024 (re-elected) to 2026 AGM

Key strengths and experience

Mr Robertson has over 30 years of all-round finance experience in auditing, financial controlling, corporate finance, project finance, international tax planning, statutory reporting, mergers and acquisitions and investor relations. He joined Destinations Development Company (a subsidiary company of The Public Investment Fund of Saudi Arabia) as Chief Financial Officer in 2021, and prior to that, he worked for Kingdom Hotel Investments, Dubai, United Arab Emirates where he held senior positions and most recently as Executive Vice President, Chief Financial Officer and Head of Mergers & Acquisitions. Prior to that, he was the Senior Vice President Global Finance of Kempinski Hotels SA, Geneva, Switzerland and he also worked for professional accounting and audit firms such as Deloitte, Ernst & Young and HLB Kidsons in different countries.

Titles, qualifications and education

BA (Hon) in Economics and Economic History, University of Leicester

Fellow of the Institute of Chartered Accountants in England and Wales

Other information

Director of certain entities of the group

Gareth Owen Roberts[x]

Chief Operating Officer

Age: 44 Appointed: 1 August 2024 I Term of office: 7 May 2025 (re-elected) to 2026 AGM

Key strengths and experience

Mr Roberts joined the group in 2002 at The Peninsula Beverly Hills. He relocated to China in 2013 as Hotel Manager of The Peninsula Shanghai. In 2015, he transferred to HSH Head Office where he was promoted to Group General Manager, Operations Planning and Support in November 2016 and Group Director, Brand and Operations Support in July 2020. On 1 January 2024, he took on additional responsibilities in the role of Deputy Chief Operating Officer, assuming various duties under the mentorship of then-Chief Operating Officer Peter Borer. Mr Roberts succeeded Mr Borer as Executive Director and Chief Operating Officer of the company on 1 August 2024.

Titles, qualifications and education

Bachelor of Science in Hotel Administration, University of Nevada, Las Vegas

Other information

Director of certain entities of the group

Non-Executive Directors

Nicholas Timothy James Colfer

Age: 66 Appointed: 18 May 2006 I Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Mr Colfer has over 40 years of experience in corporate management in the Asia Pacific region, principally in real estate, manufacturing and distribution. His tenure on the Board has provided Mr Colfer with a deep understanding of the group's business and the wider industry environment in which it operates. This, combined with his board-level experience in several other Hong Kong organisations, enables him to provide constructive leadership and support to the Board and wider management team.

Titles, qualifications and education

BA and MA, University of Oxford

Other major offices

Tai Ping Carpets International Limited# (Non-Executive Chairman and Chairman of the Executive Committee and Nomination Committee)
Nanyang Holdings Limited# (Independent Non-Executive Chairman, Chairman of Nomination Committee and Member of Audit Committee and Remuneration Committee)
Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Director of one of the group's entities

Andrew Clifford Winawer Brandler (A) (R) (F)

Age: 69 Appointed: 12 May 2014 I Term of office: 10 May 2023 (re-elected) to 2026 AGM

Key strengths and experience

Mr Brandler served as the Deputy Chairman from 2014 until December 2024. He has diverse board and committee senior leadership experience. He has served as Group Managing Director and Chief Executive Officer of CLP Holdings Limited, in addition to serving on listed company boards in the infrastructure, manufacturing, and real estate sectors. Mr Brandler has a background in banking, finance and investment with corporate finance expertise spanning the UK, Singapore and Hong Kong during his tenure at UK investment bank Schroders.

Titles, qualifications and education

Member of the Institute of Chartered Accountants in England and Wales
BA and MA, University of Cambridge
MBA, Harvard Business School

Other major offices

CLP Holdings Limited# (Non-Executive Vice Chairman, Chairman of Finance & General Committee and Member of Human Resources & Remuneration Committee and Sustainability Committee)
Tai Ping Carpets International Limited# (Non-Executive Director) (until December 2023)
MTR Corporation Limited# (Independent Non-Executive Director, Chairman of Finance & Investment Committee and Member of Audit & Risk Committee)
Sir Elly Kadoorie & Sons Limited* (Chairman)

Other information

Director of two of the group's entities

Our Leadership – Board Members

James Lindsay Lewis

Age: 51 Appointed: 1 December 2017 I Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Mr Lewis has extensive experience in private equity, hospitality, aviation, real estate and the philanthropy sector. He has served and serves on a number of boards as an executive and non-executive director in Hong Kong and has experience in managing transformation and business projects, leading operations optimisation and supporting people and cultural change initiatives.

Mr Lewis' entrepreneurial and operations insight enables him to support the Board by driving strategy through execution and from vision to value.

Titles, qualifications and education

Executive MBA program, Kellogg-HKUST
Master of Aviation Management, The University of Newcastle, Australia
Certification of Hospitality Management, Cornell University, U.S.A.
Fellow of the Institute of Directors in UK as a Chartered Director

Other major offices

Sir Elly Kadoorie & Sons Limited* (Director)

Diego Alejandro González Morales (F)

Age: 42 Appointed: 31 March 2023 I Term of office: 10 May 2023 (re-elected) to 2026 AGM

Key strengths and experience

Mr González Morales has broad, cross-functional corporate expertise spanning the financial services, healthcare, energy, and entertainment industries. He was previously VP, Private Equity at CLSA Capital Partners in Hong Kong. He started his career with General Electric as a graduate of GE's Financial Management Program. He then took on various corporate roles including internal audit and controls, investigations, compliance and M&A across GE's industrial businesses, GE Capital and NBC Universal.

Titles, qualifications and education

Bachelor of Engineering and MSc, EPF Ecole d'ingénieurs, France
Certification of International Business, Universidad Pontificia Comillas de Madrid, Spain
MBA, IESE Business School in Barcelona, Spain

Other major offices

CLP Holdings Limited# (Non-Executive Director and Member of Finance & General Committee)
Sir Elly Kadoorie & Sons Limited* (Director)

Other information

Director of one of the group's entities
Son-in-law of The Hon. Sir Michael Kadoorie
Brother-in-law of Philip Lawrence Kadoorie

Peter Camille Borer

Age: 72 Appointed: 15 April 2004 I Term of office: 7 May 2025 (re-elected) to 2028 AGM

Key strengths and experience

Mr Borer joined the group in 1981 and has been responsible for developing the group's high standards of customer service and operational excellence. Following various operational roles, he was appointed General Manager of The Peninsula Hong Kong in 1994, taking on additional regional responsibility for the group's Asia hotel portfolio in 1999. Mr Borer was appointed as Chief Operating Officer in April 2004 until July 2024. On 1 August 2024, he was re-designated from Executive Director to Non-Executive Director of the company and became a Senior Advisor to the Chairman for a term of two years.

Titles, qualifications and education

Chevalier dans l'Ordre National de la Légion d'Honneur
Chevalier dans l'Ordre du Mérite Agricole
Graduated from Ecole hôtelière de Lausanne, Switzerland

Other major offices

School of Hotel and Tourism Management of The Chinese University of Hong Kong (Advisory Board Member)
Gleneagles Hospital Hong Kong (Advisory Council Member)

Other information

Alumni Network of Ecole hôtelière de Lausanne (Lifetime Achievement Award)

Independent Non-Executive Directors

Dr the Hon. Sir David Kwok Po Li

Age: 87 Appointed: 19 October 1987 I Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Sir David is a prominent Hong Kong banker and has held senior executive level or Board positions at various pre-eminent Hong Kong and overseas companies. Sir David's rich and varied experience enables him to bring a unique viewpoint to the Board. His expertise in multiple sectors provides a diverse skillset covering the entire spectrum of the group's business.

Titles, qualifications and education

GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum. Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur, Fellow of the Hong Kong Academy of Finance.

Other major offices

The Bank of East Asia, Limited# (Executive Chairman and Member of Nomination Committee)
The Hong Kong and China Gas Company Limited# (Independent Non-Executive Director, Chairman of Board Audit and Risk Committee and Remuneration Committee and Member of Nomination Committee)
San Miguel Brewery Hong Kong Limited# (Independent Non-Executive Director, Chairman of Audit Committee and Member of Nomination Committee and Remuneration Committee)
Vitasoy International Holdings Limited# (Independent Non-Executive Director) (until August 2024)
The Friends of Cambridge University in Hong Kong Limited (Founding Chairman)
The Salvation Army, Hong Kong and Macau Territory (Advisory Board Chairman)
St. James' Settlement (Executive Committee Chairman)
Council of the Treasury Markets Association (Member)

Our Leadership – Board Members

Patrick Blackwell Paul, CBE (A) (R)

Age: 78 Appointed: 26 February 2004 | Term of office: 7 May 2025 (re-elected) to 2028 AGM

Key strengths and experience

Mr Paul is an experienced independent non-executive director, and the Chairman of the Audit and Remuneration Committees. He brings many years of leadership experience, having been senior partner at PwC in Hong Kong. His finance, accounting and tax expertise enables him to provide key strategic guidance to the company in its financial reviews, risk management, compliance and internal control framework.

Titles, qualifications and education

CBE
MA, University of Oxford
Fellow of the Institute of Chartered Accountants in England and Wales

Other major offices

Johnson Electric Holdings Limited# (Independent Non-Executive Director, Chairman of Audit Committee and Member of Nomination and Corporate Governance Committee)
Goldman Sachs Asia Bank Limited (Independent Non-Executive Director, Chairman of Audit Committee and Member of Remuneration Committee)

Pierre Roger Boppe▲

Age: 78 Appointed: 1 May 1996 | Term of office: 10 May 2023 (re-elected) to 2026 AGM

Key strengths and experience

Mr Boppe has a deep understanding of the group's business as he served as the Managing Director and Chief Executive Officer of the company from 1996 until 2002. He was re-designated from being a Non-Executive Director to an Independent Non-Executive Director in 2009. Mr Boppe continues to bring value to the Board through his wide spectrum of expertise and experience in the hotel and travel industries.

Titles, qualifications and education

Chevalier dans l'Ordre National de la Légion d'Honneur
MSc, Swiss Federal Institute of Technology
MSc, Stanford University

Dr William Kwok Lun Fung, SBS, OBE, JP▲ (N)

Age: 77 Appointed: 3 January 2011 | Term of office: 10 May 2023 (re-elected) to 2026 AGM

Key strengths and experience

Dr Fung has diversified industry experience and has provided valuable insight and advice to the Board since his appointment in 2011. In particular, Dr Fung's strong retail background, including his previous role as the Group Chairman at Li & Fung Limited, has enabled him to offer insight on luxury retail and the group's investment in Türkiye, in addition to general management and risk management matters. Dr Fung was a Hong Kong SAR delegate to the Chinese People's Political Consultative Conference from 1998 to 2003.

Titles, qualifications and education

SBS, OBE, JP
BSc in Engineering, Princeton University
MBA, Harvard Graduate School of Business
Honorary Doctorate of Business Administration, The Hong Kong University of Science and Technology
Honorary Doctorate of Business Administration, The Hong Kong Polytechnic University
Honorary Doctorate of Business Administration, Hong Kong Baptist University
Honorary Doctorate of Letters, Wawasan Open University of Malaysia

Other major offices

Fung Group (Group Deputy Chairman)
Convenience Retail Asia Limited# (Non-Executive Chairman, Chairman of Nomination Committee and Member of Remuneration Committee)
VTech Holdings Limited# (Independent Non-Executive Director, Chairman of Nomination Committee and Member of Audit Committee and Remuneration Committee)
Sun Hung Kai Properties Limited# (Independent Non-Executive Director)

▲ *Mr Pierre Boppe and Dr William Fung will not offer themselves for re-election and will retire from the Board at the conclusion of the 2026 AGM. Mr Boppe will assume the role of Senior Advisor to the Chairman following his retirement*

Dr Rosanna Yick Ming Wong, DBE, JP (N) (R)

Age: 73 Appointed: 1 February 2013 I Term of office: 7 May 2025 (re-elected) to 2028 AGM

Key strengths and experience

Dr Wong provides invaluable and independent advice to the Board, with over three decades of experience in the political and non-profit arenas, in addition to holding several Board positions in the private sector. She is particularly skilled in public sector, project management, change and risk management. Since her appointment in 2013, Dr Wong has provided significant contributions to the Board through her multi-faceted business background. Dr Wong was a Member of the National Committee of the Chinese People's Political Consultative Conference from 2003 to 2023.

Titles, qualifications and education

DBE, JP
PhD in Sociology, University of California, Davis
Honorary Doctorate from The Chinese University of Hong Kong
Honorary Doctorate from The Hong Kong Polytechnic University
Honorary Doctorate from The University of Hong Kong
Honorary Doctorate from The Hong Kong Institute of Education
Honorary Doctorate from The University of Toronto
Honorary Fellow of the London School of Economics and Political Science

Other major offices

CK Asset Holdings Limited# (Independent Non-Executive Director and Member of Audit Committee and Nomination Committee)
CK Hutchison Holdings Limited# (Independent Non-Executive Director) (until May 2024)
Hutchison Telecommunications Hong Kong Holdings Limited# (Independent Non-Executive Director) (until May 2024)
The Hong Kong Jockey Club (Honorary Steward)
World Vision Hong Kong (Honorary Chairman)
The Hong Kong Federation of Youth Groups (Senior Advisor)
Asia International School Limited (Chairman)

Dr Kim Lesley Winser, OBE

Age: 67 Appointed: 1 January 2016 I Term of office: 7 May 2025 (re-elected) to 2028 AGM

Key strengths and experience

Dr Winser has a wide range of expertise and experience in e-commerce, luxury retail and international business. Her career has encompassed various executive roles in the consumer, digital and retail industries. She began her career with Marks & Spencer plc in the UK and became its youngest divisional board director.

She went on to successfully deliver turnarounds for the iconic British heritage brands Pringle of Scotland and Aquascutum as President and Chief Executive Officer, additionally served as non-executive director of Edrington Group who own brands such as The Macallan, and special board advisor to the global digital e-commerce business Net-a-Porter.

Dr Winser was appointed by the British Prime minister as Trustee of the Natural History Museum and additionally was asked to join a select group for The Work Foundation.

Dr Winser holds an independent advisory role in Spora Biotech, a company in Chile developing mushroom mycelium into planet friendly fabrics, and in FSU, an Australian based fitness company. She is also an advisor to Rosenthal & Rosenthal, a privately held factor and finance company in the U.S.A.

Titles, qualifications and education

OBE, Order of the British Empire
Doctorate from Heriot-Watt University for her work on British business

Other information

Former name was Kim Lesley Haresign

Our Leadership – Board Members

Ada Koon Hang Tse Ⓐ

Age: 59 Appointed: 1 December 2017 I Term of office: 8 May 2024 (re-elected) to 2027 AGM

Key strengths and experience

Ms Tse has both a legal and a financial services background, enabling her to bring a unique combination of skills to the Board. She is a Senior Advisor to PineBridge Investments Asia (formerly, AIG Investments Asia). She joined AIG in 1996 and was President and Chief Executive Officer of AIG Investments Asia before assuming an advisory role. Ms Tse also worked in investment banking at Morgan Stanley in New York and Hong Kong, and was previously a lawyer at Sullivan and Cromwell in New York. Ms Tse has served as non-executive director on a number of corporate boards across the Asian region, such as President Chain Store Corp. (7-Eleven operator) in Taiwan and Biocon Limited (biopharmaceuticals) in India.

She was previously appointed to various Hong Kong government advisory bodies, including the Securities and Futures Commission Advisory Committee, the Land Planning Appeal Board and the Travel Industry Compensation Fund Management Board. In addition, she is active in non-profit organisations focused on education and the arts.

Titles, qualifications and education

BA in Applied Mathematics, Harvard University
JD, Harvard Law School

Other major offices

Advisory Committee on Arts Development of HKSAR Government (Member)
Solicitors Disciplinary Tribunal Panel of HKSAR Government (Member)
Friends of Hong Kong Museum of Art (Chairman of the Board of Trustees)

Honorary Life President

Ronald James McAulay

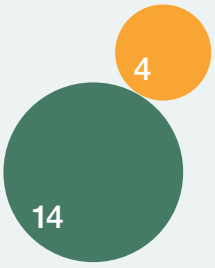
Age: 90 Appointed: 4 May 1972

Mr McAulay served on the Board as a Non-Executive Director of the company for over 45 years until his retirement in May 2017. In recognition of his extensive contribution to the company, the Board conferred on Mr McAulay the title of Honorary Life President. He does not have any official responsibilities within the company. Mr McAulay is the brother-in-law of The Hon. Sir Michael Kadoorie and an uncle of Mr Philip Lawrence Kadoorie.

Board Composition & Diversity

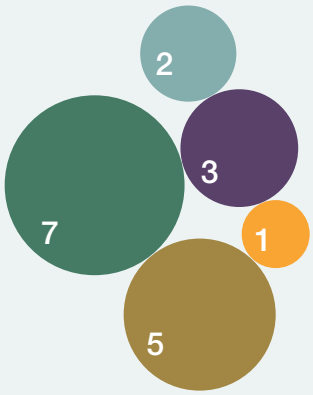
The Board currently consists of 18 members. We remain committed to maintaining a strong and effective Board, characterised by a pertinent blend of skills, experience and diversity, the exercise of sound judgement on strategic matters and effective oversight of management. The Board has determined that at least three female directors must be on the Board at all times. The individual profiles[1] of each Board member highlight their relevant skills and experience. The following charts provide an overview of the Board's diversity, encompassing gender, age, nationality, length of service, independence, and expertise and skills.[2]

GENDER



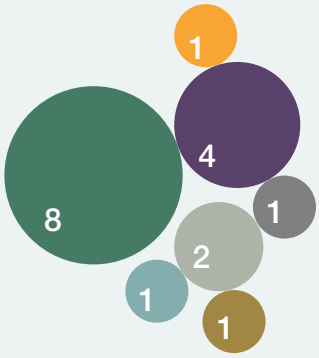
- Male : 14
- Female : 4

AGE



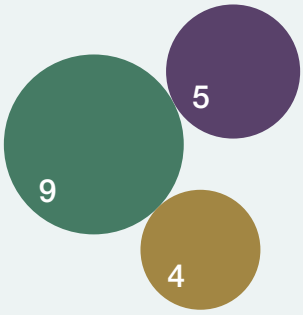
- 31-40 : 1
- 41-50 : 2
- 51-60 : 5
- 61-70 : 3
- > 70 : 7

NATIONALITY



- British : 8
- Chinese : 4
- Swiss : 2
- American : 1
- Australian : 1
- French : 1
- Mexican : 1

LENGTH OF SERVICE



- < 5 years : 5
- 5 to 10 years : 4
- > 10 years : 9

INDEPENDENCE

- Independent Non-Executive Directors : 7
- Non-Executive Directors : 7
- Executive Directors : 4

1 Details can be found on pages 126 to 134
2 The charts reflect the position up to 18 March 2026

Our Leadership – Board Members

BOARD EXPERTISE AND SKILLS

	Executive Leadership & Strategy	Hospitality Retail & Real Estate	Global Market Experience	Risk Management/ Compliance	Marketing/ Branding	Technology & Innovation	Professional (Legal, Finance & Accounting)	Environmental Social & Governance
Non-Executive Directors								
The Hon. Sir Michael Kadoorie *Non-Executive Chairman*	●	●	●	●				●
Mr Philip L. Kadoorie *Non-Executive Deputy Chairman*	●	●	●	●	●			●
Mr Nicholas T.J. Colfer	●	●	●	●	●			●
Mr Andrew C.W. Brandler	●	●	●	●			●	●
Mr James L. Lewis	●	●	●		●			●
Mr Diego A. González Morales	●	●	●	●		●	●	●
Mr Peter C. Borer	●	●	●	●	●			●
Independent Non-Executive Directors								
Dr the Hon. Sir David K.P. Li	●	●	●	●	●		●	●
Mr Patrick B. Paul	●	●	●	●			●	●
Mr Pierre R. Boppe	●	●	●	●	●			
Dr William K.L. Fung	●	●	●	●	●	●	●	●
Dr Rosanna Y.M. Wong	●	●	●	●	●			●
Dr Kim L. Winser	●	●	●	●	●	●		●
Ms Ada K.H. Tse	●	●	●	●			●	●
Executive Directors								
Mr Benjamin J.A. Vuchot *Chief Executive Officer*	●	●	●	●	●	●		●
Ms Christobelle Y.C. Liao *Chief Corporate and Governance Officer*	●	●	●	●			●	●
Mr Keith J. Robertson *Chief Financial Officer*	●	●	●	●			●	●
Mr Gareth O. Roberts *Chief Operating Officer*	●	●	●	●	●			●

Looking ahead, future Board appointments will seek individuals with strengths and expertise in particular in international businesses, digital innovation, sustainability, and with significant financial proficiency and commercial acumen, to advance the group's strategic objectives.

Roles and responsibilities

The Chairman and the Chief Executive Officer have separate and distinct roles and responsibilities, as are set out in the HSH Corporate Governance Code. Our Chairman and Chief Executive Officer do not have any financial, business, family or other material or relevant relationships with each other.

There is also a clear division between Executive Directors' and NEDs' (including INEDs) responsibilities, which ensures accountability and oversight. The Board is supported by the Company Secretary. The respective responsibilities are set out in the table below.

Board Oversight

Non-Executive Chairman *The Hon. Sir Michael Kadoorie*	**Executive Director (Chief Executive Officer)*** *Benjamin Vuchot (from 3 March 2025)*
• Leading the Board and monitoring its effectiveness • Fostering candid discussions from all Directors and ensuring constructive relationships among Directors • Reviewing management performance with the INEDs • Ensuring that good corporate practices and procedures are established and implemented throughout the group, with the assistance of the Company Secretary	• Leading the management and Executive Committee in the day-to-day running of the group's business • Developing strategies for the Board's approval • Executing strategies, policies and objectives agreed by the Board • Reporting to the Board on the performance of the business * *Supported by Executive Committee (See page 138 and 139)*

Non-Executive Directors (NEDs) and Independent Non-Executive Directors (INEDs)

see pages 129 to 134

- Evaluating the group's performance in achieving the corporate goals and objectives set by the Board
- Ensuring clarity and accuracy on the reporting of financial information and that risk management and internal control systems are effective
- Providing constructive feedback on management decisions
- Serving on the Board and Board Committees to give these committees the benefit of their skills, expertise, and varied backgrounds and qualifications
- The INEDs, being independent, have the additional roles of:
  - Bringing know-how and business expertise that are supplementary to executive management, thereby providing independent insights and judgement
  - Helping to maintain objectivity in the Board's decisions when potential conflicts of interest arise

Management Leadership

Chief Executive Officer, Chief Corporate and Governance Officer, Chief Financial Officer and Chief Operating Officer

See pages 127 and 128

- Managing the day-to-day business of the entire group's operations
- Being accountable for their specific executive functions to the Board
- Communicating proactively with the NEDs and INEDs and being open and responsive to any executive proposals and challenges made by the NEDs and INEDs

Governance

Company Secretary

Till Lembke

- Reviewing, implementing, initiating and driving improvements on our corporate governance practices and processes
- Advising and keeping the Board and Board Committees up to date on legislative, regulatory and governance matters
- Facilitating induction and continuous professional development of the Directors

Our Leadership – Senior Management and Key Functions

From left to right
Top to middle row: Michael Garcia, Julien Munoz, Ming Chen, Sindy Tsui, Maria Razumich-Zee
Front row: Gareth Roberts, Christobelle Liao, Benjamin Vuchot, Keith Robertson

Senior Management

Executive Committee (Excom)

The Executive Committee, previously known as the Group Management Board (GMB), has been renamed to better reflect its role and responsibilities. Reference to 'Board' has been removed to avoid confusion with the main HSH Board. Chaired by Mr Vuchot, Excom constitutes the group's core decision-making body for day-to-day management. Excom operates under clear guidelines and delegated authorities granted by the Board, and also provides the Board with high quality information and recommendations to enable informed decisions.

Excom is supported by the heads of operations and corporate departments, as well as three sub-committees, including the (i) Group Risk Committee, (ii) Group Corporate Responsibility Committee and (iii) Technology Steering Committee. Each of these sub-committees has its own terms of reference or charter and regularly reports to Excom, covering risk management, environmental and social issues, and innovation and technology strategy matters, respectively. In addition to these three sub-committees, we also have the HSH Retirement Plan ORSO Committee which oversees the group's retirement plan.

Excom aims to meet on a weekly basis to discuss and manage the affairs of the company, as well as the group's business strategy. Financial and non-financial factors are considered in the day-to-day decision-making. Excom targets to convene a strategic meeting every year to reflect on the current status and review the future direction of the business. Findings and recommendations are then communicated to the respective Board Committees or the Board. In 2025 Excom convened an offsite meeting to review and discuss the group's future strategies. The session was facilitated by external experts who provided insights on market trends and strategic opportunities. Beyond strategic discussions, the offsite also served to foster alignment and strengthen collaboration among Excom members, reinforcing cohesive leadership and a shared commitment to the group's objectives.

Members of the Excom include the CEO, CCGO, CFO and COO[3] and the following senior management members.

3 Profiles of Benjamin Vuchot, Christobelle Liao, Keith Robertson and Gareth Roberts are disclosed on pages 127 and 128

Other members:

Ming Chen

Chief Property Development Officer

Appointed to Excom: January 2024 Age: 49

Main responsibilities held with the group

Ms Chen joined the group in 2003 as Assistant Manager, Business Development serving for 2.5 years, and rejoined the group in 2006 as Assistant Manager, Projects after a short break. Over the years, she has been instrumental in the development of The Peninsula hotels in London, Istanbul, Shanghai and Paris, the acquisition of 21 avenue Kléber, and co-ordinating and assessing numerous hotel development and residential opportunities for the group, including leading The Peninsula London Residences Project. As the Chief Property Development Officer, Ms Chen is responsible for the financial performance of the properties and leading the continued enhancement of our properties and residential portfolio, while exploring future property and hotel development opportunities and redevelopment of long-term assets. She is a Director of several of the group's entities.

Michael Garcia

Chief Information Officer

Appointed to Excom: August 2024 Age: 47

Main responsibilities held with the group

Mr Garcia joined the group as Group General Manager, Technology in 2022. He successfully led a transformation of the technology functions in Head Office to drive key planning, business performance, innovation and enhancement of the guest experience. He was instrumental in the technology integration for the opening of The Peninsula Istanbul and The Peninsula London. As Chief Information Officer, he is responsible for formulation and implementation of information technology strategy at both group and operational levels, as well as overseeing the strategy and development of innovation and technology transformation. He is also the Joint Chairman of the Technology Steering Committee.

Julien Munoz

Chief Commercial Officer

Appointed to Excom: November 2025 Age: 47

Main responsibilities held with the group

Mr Munoz joined the group as Chief Commercial Officer in November 2025. He leads our global commercial strategy and plays a pivotal role in enhancing our brand presence, focusing on driving guest engagement and supporting our growth initiatives across the group. Mr Munoz also leads and oversees the Sales, Marketing and Revenue Management teams in Head Office.

Maria Razumich-Zec

Regional Executive Vice President, USA and Managing Director, The Peninsula Chicago

Appointed to Excom: May 2007 Age: 68

Main responsibilities held with the group

Mrs Razumich-Zec joined the group as General Manager of The Peninsula Chicago in 2002. She was appointed as Regional Vice President – USA East Coast in 2007. As the Regional Executive Vice President, USA and Managing Director, The Peninsula Chicago, she holds regional responsibilities covering The Peninsula Hotels in Chicago and New York, as well as overseeing The Quail in Carmel, California. She is a Director of several of the group's entities.

Sindy Tsui

Chief People and Culture Officer

Appointed to Excom: June 2011 Age: 57

Main responsibilities held with the group

Ms Tsui joined the group as General Manager, Human Resources (retitling to People and Culture) in 2007. She has many years of experience in human resources management in the hospitality industry. As Chief People and Culture Officer, Ms Tsui holds overall responsibility for the group's strategy on employee experience, talent development and employment relations. She is one of the key leaders of the group's organisational development strategies, and employee wellness.

Our Leadership – Senior Management and Key Functions

Key Functions

The following are leaders of key functions in the group at the date of this report. Names are listed in alphabetical order by last name.

Nilgun Arsankan, *Executive Vice President, Projects*
Rolf Buehlmann, *Managing Director, The Peninsula London*
Lily Calkins, *Senior Vice President, Revenue Management*
Cary Chan, *Senior Vice President, People and Culture*
Anthony Choi, *General Manager, Group Finance*
Jisoo Chon, *Managing Director, The Peninsula Shanghai*
Joseph Chong, *Managing Director, The Repulse Bay*
Mark Choon, *Managing Director, The Peninsula Tokyo*
David Chow, *General Manager, The Peak Complex*
Nick Cohen, *Senior Vice President, Digital and E-Commerce*
Jonathan Crook, *Managing Director, The Peninsula Istanbul*
Cameron Cundle, *Managing Director, The Peninsula Beijing*
Luc Delafosse, *Managing Director, The Peninsula Paris*
Ahmed Disokey, *Senior Vice President, Technology*
Ozben Ergul, *Senior Vice President, Construction and Capital Projects*
Aiden Fung, *General Manager, Corporate Finance and Investor Relations*
Carson Glover, *Senior Vice President, Brand Marketing and Communications*
Caroline Goux, *Senior Vice President, Sales*
Samir Ibrahim, *Managing Director, The Peninsula New York*
Joseph Lee, *Senior Vice President, Operations and General Manager, Peninsula Clubs and Consultancy Services*
Till Lembke, *Company Secretary and Group General Counsel*
Kai Lermen, *Senior Vice President, The Peninsula Signature Events*
Cecilia Lui, *General Manager, PRC Affairs*
Lynne Mulholland, *General Manager, Group Corporate Affairs*
Louise Napier, *Senior Vice President, Global Commercial Leasing*
Offer Nissenbaum, *Managing Director, The Peninsula Beverly Hills*
Masahisa Oba, *Managing Director, The Peninsula Bangkok*
James Overbaugh, *Managing Director, The Quail*
Sibel Ozdogan, *Senior Vice President, Design*
Megan Palmer, *Vice President, Operations Finance*
Vincent Pimont, *Managing Director, The Peninsula Hong Kong*
Guy Riddell, *Managing Director, Peninsula Merchandising*
Ernest Tang, *Group General Manager, Group Finance*
Kevin Tsang, *Managing Director, The Peninsula Manila*
Kitty Wan, *Group General Manager, Audit and Risk Management*
Joshua Wong, *Director, Corporate Responsibility and Sustainability*

Diversity Amongst Overall Workforce

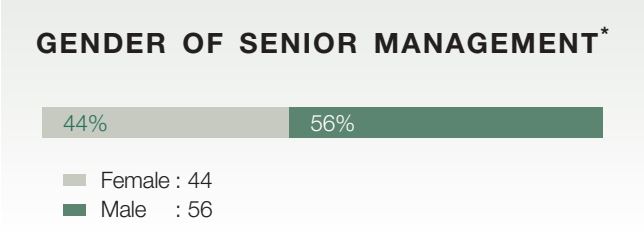
HSH is committed to fostering an inclusive culture and a diverse workforce, as outlined in our Workforce Inclusion and Diversity Policy. We provide equal opportunities in all employment related decisions and do not tolerate discrimination, harassment, bullying or victimisation. All employment decisions are based on merit, qualifications, performance and business needs.

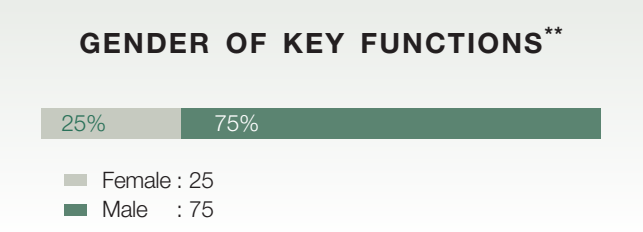
We recognise that diversity in gender, age, ethnicity, culture, background and skillsets strengthens our organisation. In line with our Policy, we monitor and disclose gender representation across the group. We intend to advance inclusion and diversity through internal awareness programmes and capability-building initiatives.

The company continues to review its leadership pipeline to strengthen succession planning for senior executive roles. This initiative aims to ensure smooth transitions, maintain leadership continuity, and includes our commitment to equal opportunity.

Further details of our inclusive workplace approach and a breakdown of gender distribution between total workforce and management positions across all HSH operations and corporate offices are disclosed on pages 50 and 51 of the Corporate Responsibility and Sustainability (CRS) Report.

Gender diversity of the senior management and leaders of key functions as at the date of this report

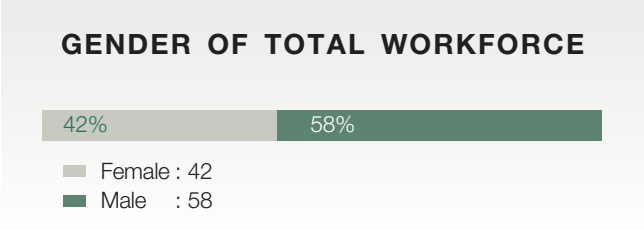




* Inclusive of four CEO, CCGO, CFO and COO

** Key Functions include Managing Directors and General Managers of operations and heads of corporate departments but do not include members of senior management

Gender diversity of the total workforce (excluding senior management) as at 31 December 2025



Corporate Governance Report

Culture and Values

The Board believes that our corporate culture, in alignment with our purpose, values, and strategic objectives, is fundamental to the group's long-term success, strong reputation, and sustainable growth.

Board's role in shaping and overseeing culture

Shaping Culture

- Defining clear objectives and strategic priorities, while ensuring that the company's fundamental values continue to be reflected
- Championing ethics and integrity in all business practices, guided by our principle of "doing the right thing". Key policies and training are regularly reviewed to reinforce ethical standards
- Reinforcing a culture of safeguarding the personal data of our guests and employees through policies and compliance programmes

Overseeing Culture

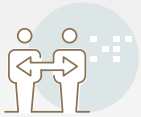
- Reviewing indicators of our corporate culture, including the results from the annual employee experience survey, to assess alignment and drive continuous improvement
- Maintaining transparent reporting and accountability mechanisms to reinforce trust and integrity

Governance Framework

- HSH Core Principles Framework: Nine principles guiding behaviour and service standards integrated also into our recruitment and performance review processes
- Key Policies: Code of Conduct, Anti-Bribery and Corruption Policy, Anti-Fraud Policy, Fair Competition Guide, Data Privacy and Security Policy and Speak Up Policy
- Training: Mandatory compliance programmes including on privacy and cybersecurity, fair competition and our Code of Conduct, as well as targeted learning resources

Internal Communication and Transparency

- The Board promotes open dialogue within the group through regular meetings, town halls, and in-person visits
- Global Leadership Team meetings, held every two months, ensure strategic alignment and facilitate the sharing of best practices
- The annual HSH Leadership Conference brings together leaders from across the group to discuss culture, strategy, and innovation



People and Inclusivity

- Our People and Culture team drives initiatives to build a healthy, engaged workforce
- We place a strong emphasis on inclusivity, respect, and equal opportunity

Corporate Governance Structure

Our governance structure is based on the Chairman leading the Board and the Chief Executive Officer heading the management team. The Board and its committees oversee the corporate governance framework and provide guidance to management on embedding good governance in day-to-day operations. The diagram below illustrates our corporate governance structure.

Corporate Governance Report

2025 Board Focus

In 2025, the Board oversaw initiatives to enhance operational efficiency, protect margins and improve financial resilience across the group's portfolio. Alongside this, a key focus was a comprehensive strategic review supported by external expertise, with the objective of taking stock of the group's current situation, and identifying short, medium and longer-term actions to support the company's growth.

The strategic view drew on a fact-based assessment of market dynamics, customer expectations, and the group's competitive position. The Board reviewed and endorsed the resulting strategic plan, with emphasis on (i) strengthening brand competitiveness, (ii) prioritising actions to reinforce the group's financial resilience and operational performance, and (iii) long-term sustainable growth ambitions.

Further details are provided in the CEO Statement and Strategic Review.

As previously, we hosted Board lunches following Board meetings providing Directors with an informal setting to connect and discuss a broader range of group-related matters. In 2025, we also organised two 'Lunch and Learn' sessions for Directors, focusing on risk management, internal control, and specialised asset insurance.

In addition, the Board continued to address all customary matters. We highlight below the Board's key priorities during 2025.

Sound Board decisions based on clear, complete and reliable information

- Comprehensive Board papers for discussion
- A monthly update of HSH's businesses
- Board Minutes and Board Committee Minutes (except Finance Committee) to allow our Board members to have visibility of the discussions at various committees. Finance Committee discussion on financial aspects matters are included in the monthly and Board updates to Directors
- Access to senior management, company secretary and Independent professional advisers for advice or additional information

Strategy	
Group strategy review	The Board reviewed and endorsed the group's strategic plan. In doing so, the Board considered the findings of the comprehensive strategic review, including quantitative research on customer expectations involving a few thousand luxury travellers across eight markets, competitive benchmarking, global luxury hospitality trends, operational diagnostics and organisational capability evaluation. The Board looked at potential future opportunities and partnership models, and stressed the need to strengthen the group's financial position and capital efficiency, while safeguarding the group's brand's heritage, integrity and long-term value.[4]
Technology and Guest Experience Enhancement	The Board tracked ongoing initiatives to enhance guest experience and improve company-wide efficiency, including strengthening data analytics and advancing technology integration and platform centralisation.

4 Details of the group strategy can be found in CEO Statement and Strategic Review on pages 28 to 50

Financial and operational	
Financial and Operational Performance	● The Board reviewed the company's financial position, as reported by management, and closely monitored operational results as well as key risks to the 2025 budget. Discussions centered on ensuring financial discipline, strengthening revenue management, and maintaining controlled capital allocation. The Board's focus on driving improvements on operational performance and efficiency is reflected in the 2025 financial results and significant EBITDA growth.
Business oversight	● The Board received regular updates on significant operational matters, including progress on the planned dissolution of The Landmark joint venture and the refurbishment of The Repulse Bay Complex. The Board also reviewed the progress updates on the final account negotiations for The Peninsula London.
2026 Budget	● The Board reviewed the detailed analyses and key assumptions underpinning the 2026 budget. The Board was supportive of management's direction and approved the 2026 budget.
Leadership	
Board composition	● Following its review of Board structure and in line with the updated Listing Rules, the Board considered its size, skill mix and refreshment priorities and approved a gradual transition to a more streamlined composition after the 2026 Annual General Meeting.[5]
Governance	
Governance documents updates	● The Board reviewed updated terms of reference for the Audit, Remuneration, and Nomination Committees, as well as for the planned Sustainability and Finance and Investment Committees. The Board further approved revisions to processes relating to the Chairman's Briefing (formerly known as Executive Committee), and amendments to the HSH Corporate Governance Code and the Company Management Authority Manual, reflecting enhancements to the company's governance framework.
Diversity and INED oversight	● The Board approved the Nomination Committee's recommendation to maintain a measurable objective of having no fewer than three female members on the Board under the group's Board Diversity Policy. It also reviewed and validated the mechanisms in place that enable INEDs to express their views and input[6] independently and effectively.
Nomination Committee Member	● The Board approved the appointment of Dr Rosanna Wong as a member of Nomination Committee succeeding Sir David Li in accordance with the new Listing Rules requirement of having at least one female member.
Dividend policy	● The Board approved the company's revised dividend policy, which sets out the principles and framework for determining dividend payments, ensuring transparency and alignment with the company's financial position, long-term strategy, and shareholder interests.

5 Details of the board refreshment can be found on Nomination Committee Report on pages 170 and 171
6 Please refer to mechanisms for ensuring independent views and input on page 159

Corporate Governance Report

Risk Management	
Risk oversight and internal control	• Through the Audit Committee, the Board reviewed and discussed the principal risks[7] to the group business and monitored the effectiveness of the risk management and internal control systems. The Board also approved the Risk Appetite Statement.[8]
Sustainability	
Sustainable Luxury Vision 2030	• The Board reviewed progress on the key performance indicators for *Sustainable Luxury Vision 2030* and assessed the group's corporate responsibility and sustainability initiatives. The Board also started looking at the planned refresh of *Sustainable Luxury Vision 2030*.

Board Evaluation

In 2025, the Board evaluation took a different format: the Board commissioned a review to evaluate its structure effectiveness and to identify improvement opportunities. This review was led by an independent third-party consultant, who benchmarked the Board structure, processes, and governance practices against comparable companies in the hospitality and real estate sectors. Facilitated by an external advisor, the review incorporated feedback from a majority of Directors and culminated in a set of actionable recommendations. Several recommendations have already been put into place to enhance Board governance and effectiveness, while other changes including reducing the size of the Board and gradually refreshing the Board, as well as establishing new committees, will take effect after the 2026 Annual General Meeting (2026 AGM).

Progress on Board evaluation review

The Board evaluation review produced a series of practical recommendations, outlined below:

Board Composition and succession[9]

The Board size was deemed too large and steps will be taken gradually to reduce the size of the Board. The Board will reduce its size from 18 to 15 members, comprised of seven NEDs, seven INEDs, and the Chief Executive Officer.

Gradual steps would also be taken to refresh the Board and to comply with the new Listing Rules on replacing long-serving INEDs. Two long-serving INEDs will retire at the 2026 AGM, and two new INEDs will be identified to refresh the Board. A succession plan has been initiated to ensure a smooth transition.

7 Details of the principal risks can be found on the Group Risk Committee Report on pages 161 to 164
8 Details of the Risk Appetite Statement are set out on page 152
9 Details of the proposed changes are set out on Nomination Committee Report on pages 170 and 171

Governance Structure Repositioning

The Board will consist, with the exception of our CEO Mr Benjamin Vuchot, entirely of Non-Executive Directors, to enhance the independence and supervisory nature of the Board.

The Group Management Board has been renamed as the Executive Committee (Excom) to better reflect its role and responsibilities. The change removes any reference to 'Board' to avoid confusion with the main Board. Its scope, authority, and functions remain unchanged.

The previous Executive Committee, which was a Board Committee, has transitioned into the Chairman's Briefing – a weekly session led by the CEO to keep the Chairman and representatives of the majority shareholders' office informed on business matters. The Chairman's Briefing ceased to be a Board Committee and does not have official governance responsibilities, to ensure all Board Committees have representation from Independent Non-Executive Directors.

Strengthening oversight and sustainability – two new Governance Board Committees

The Finance Committee will be repositioned as the Finance and Investment Committee, after the 2026 AGM, comprising two INEDs, two NEDs, and the CEO.

A Sustainability Committee will also be established at the same time to oversee sustainability and climate-related matters, reinforcing the group's commitment to responsible governance and environmental stewardship.

Chairman's annual meeting with INEDs

Although the INEDs have direct access to the Chairman and can share their views during Board meetings or at any other time, an annual meeting is held exclusively between the Chairman and the INEDs without management present, to obtain independent perspectives on the company's business and strategic direction. Feedback and suggestions from INEDs are subsequently discussed with the full Board in an open and constructive manner. In the 2025 meeting, the discussions focused predominantly on the strategic review and key priorities the company should concentrate on.

Corporate Governance Report

Directors' Attendance

The Board convened five scheduled meetings in 2025, and one Board resolution was approved by written circulation. Meetings were held in person, with some directors joining remotely. Attendance by Directors and the Company Secretary at the Annual General Meeting, Board meetings, the annual INED meeting with the Chairman, and Governance Board Committee meetings for the year 2025 is provided below:

	Board	Annual INED Meeting	Audit Committee[1]	Nomination Committee	Remuneration Committee	Annual General Meeting[1]
Meeting Attendance	99%	100%	100%	100%	100%	95%
Non-Executive Directors						
The Hon. Sir Michael Kadoorie *Non-Executive Chairman*	5(5)	1(1)		2(2)		1(1)
Mr Philip L. Kadoorie *Non-Executive Deputy Chairman*	5(5)					1(1)
Mr Nicholas T.J. Colfer	4(5)					0(1)
Mr Andrew C.W. Brandler	5(5)		4(4)		2(2)	1(1)
Mr James L. Lewis	5(5)					1(1)
Mr Diego A. González Morales	5(5)					1(1)
Mr Peter C. Borer	5(5)					1(1)
Independent Non-Executive Directors						
Dr the Hon. Sir David K.P. Li	5(5)	1(1)		1(1)		1(1)
Mr Patrick B. Paul	5(5)	1(1)	4(4)		2(2)	1(1)
Mr Pierre R. Boppe	5(5)	1(1)				1(1)
Dr William K.L. Fung	5(5)	1(1)		2(2)		1(1)
Dr Rosanna Y.M. Wong[2]	5(5)	1(1)		1(1)	2(2)	1(1)
Dr Kim L. Winser	5(5)	1(1)				1(1)
Ms Ada K.H. Tse	5(5)	1(1)	4(4)			1(1)
Executive Directors						
Mr Benjamin J.A. Vuchot *Chief Executive Officer*	5(5)					1(1)
Ms Christobelle Y.C. Liao *Chief Corporate and Governance Officer*	5(5)					1(1)
Mr Keith J. Robertson *Chief Financial Officer*	5(5)					1(1)
Mr Gareth O. Roberts *Chief Operating Officer*	5(5)					1(1)
Mr Clement K.M. Kwok[3]	2(2)					1(1)
Company Secretary						
Mr Till A. Lembke	5(5)		4(4)	2(2)	2(2)	1(1)

Notes:
(1) Representatives of the independent auditor participated in every Audit Committee meeting and the Annual General Meeting
(2) Ms Rosanna Wong succeeded Dr the Hon. Sir David K.P. Li as a member of the Nomination Committee on 7 May 2025
(3) Mr Clement K.M. Kwok retired as an Executive Director on 7 May 2025

Board Induction and Training

Onboarding for new Directors

Each new Director participates in a comprehensive onboarding programme tailored to their roles and responsibilities, and designed to facilitate their understanding of the group's business, governance framework and culture. The programme includes meetings with the Chairman, the Company Secretary and senior management, as well as visits to our group properties. The Company Secretary provides a customised onboarding pack and a library of reference materials covering key topics such as Board and Committee papers, governance principles, directors' duties, risk management and internal controls.

Mr Benjamin Vuchot, who joined the Board in March 2025, received a formal letter of advice from our external legal advisers on his obligations as a listed company director on 21 February 2025 and confirmed his full understanding of these obligations under the Listing Rules. He subsequently completed a comprehensive onboarding programme covering key functions at Head Office and visited all Hong Kong and overseas operations, including open discussions on business performance and challenges. As part of this process, a series of short videos entitled "CEO Impressions" capturing his observations from visits to various properties was shared with all employees to enhance transparency and strengthen organisational connection.

Directors' training and continuous professional development

During 2025, all Directors and the Company Secretary undertook ongoing training and continuous professional development activities to ensure they remained well informed of their duties and responsibilities under the Listing Rules, as well as developments relevant to the company's business and the broader regulatory environment. Training and continuous professional development were delivered through a combination of internal briefings, external seminars, e-learning modules, reading materials and self-study, in accordance with the topics required by the Listing Rules. The Company Secretary coordinated and maintained records of all training undertaken, ensuring that each Director fulfilled the training requirements.

A summary of the training and continuous professional development activities completed by each Director and the Company Secretary for the year 2025, including the total number of hours completed, the format of training (including internal, external and self-study), the topics covered and descriptions of the training topics is set out in the table below.

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

	Board roles, functions, responsibilities and effectiveness	Legal and regulatory updates	Corporate governance and ESG	Risk management and internal controls	Hospitality, real estate and retail developments, business trends and strategies	Total no. of hours
Non-Executive Directors						
The Hon. Sir Michael Kadoorie *Non-Executive Chairman*	5.0	0.5 12.5	5.5	1.5 5.5	0.5 1.0	32.0
Mr Philip L. Kadoorie *Non-Executive Deputy Chairman*	5.5	0.5 15.0	9.0	1.5 7.5	0.5 1.0	40.5
Mr Nicholas T.J. Colfer	3.0	0.5 2.5	3.5	1.5 3.0	0.5 1.0	15.5
Mr Andrew C.W. Brandler	5.0	0.5 12.5	5.5	1.5 5.5	0.5 1.0	32.0
Mr James L. Lewis	3.0	0.5 2.5	3.5	1.5 3.0	0.5 1.0	15.5
Mr Diego A. González Morales	5.0	0.5 12.5	5.5	1.5 5.5	0.5 1.0	32.0
Mr Peter C. Borer	3.0	0.5 2.5	3.5	1.5 3.0	0.5 1.0	15.5

Corporate Governance Report

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

	Board roles, functions, responsibilities and effectiveness	Legal and regulatory updates	Corporate governance and ESG	Risk management and internal controls	Hospitality, real estate and retail developments, business trends and strategies	Total no. of hours
Independent Non-Executive Directors						
Dr the Hon. Sir David K.P. Li	5.0	0.5 2.5	5.5	1.5 5.0	0.5 1.0	21.5
Mr Patrick B. Paul	3.5 1.5	0.5 3.0 1.5	6.0	1.5 5.0	0.5 7.0	30.0
Mr Pierre R. Boppe	3.0	0.5 2.5	3.5	1.5 3.0	0.5 1.0	15.5
Dr William K.L. Fung	3.0 1.0	0.5 3.0 1.5	5.0 3.5	1.5 4.0 2.5	0.5 15.5 1.5	43.0
Dr Rosanna Y.M. Wong	3.0	0.5 2.5	3.5	1.5 3.0	0.5 1.0	15.5
Dr Kim L. Winser	3.0	0.5 2.5	3.5	1.5 3.0	0.5 1.0	15.5
Ms Ada K.H. Tse	3.0	0.5 2.5	3.5	1.5 3.0	0.5 1.0	15.5
Executive Directors						
Mr Benjamin J.A. Vuchot *Chief Executive Officer*	3.0	0.5 2.5	0.5 3.5	1.5 3.0	0.5 22.0	37.0
Ms Christobelle Y.C. Liao *Chief Corporate and Governance Officer*	6.0	0.5 11.0	0.5 11.0	2.0 3.0	0.5 7.5	42.0
Mr Keith J. Robertson *Chief Financial Officer*	3.0	0.5 2.5	3.5	1.5 3.0	0.5 6.5	21.0
Mr Gareth O. Roberts *Chief Operating Officer*	3.0	0.5 2.5	1.0 3.5	2.0 3.0	0.5 6.5	22.5
Mr Clement K.M. Kwok[4]	4.5	0.5 2.5	7.5	9.5	24.0	48.5
Company Secretary						
Mr Till A. Lembke [5]	4.5	0.5 14.0	1.0 5.0	2.0 6.0	0.5 8.0	41.5

Notes:

1 Internal Training organised by management

2 External Training organised by third parties such as independent governance specialists, consultants, external lawyers, and the Stock Exchange

3 Self-study includes reading professional materials, watching professional videos, listening to professional podcast etc., and in each case related to the five training topics

4 Mr Clement K.M. Kwok retired as an Executive Director on 7 May 2025

5 During 2025, Mr Till A. Lembke undertook over 15 hours of professional training

The company has arranged the training on the following topics for the Directors during 2025.

TOPICS	DESCRIPTION
Board roles, functions, responsibilities and effectiveness	• Guidance materials that outline directors' roles and responsibilities and roles of audit committee • Sharing enforcement cases that highlight issues related to director duties and accountability
Legal and regulatory updates	• Updates on recent legal and regulatory changes, including developments in the Corporate Governance Code, treasury share regime, uncertificated securities market regime, re-domiciliation regime and paperless reform • Sharing enforcement cases and newsletters from regulators that address insider dealing, conflicts of interest, directors' duties in valuations, major transaction risks, and disclosure of inside information
Corporate governance and ESG	• Updates on new requirements under climate-related disclosure obligations • E-learning modules to reinforce knowledge of continuing obligations, notifiable transactions, and connected transaction requirements • Reading materials on anti-corruption measures and ethical standards, whistleblowing frameworks, and competition law updates • Briefing by management on the updated Corporate Governance Code requirements
Risk Management and Internal controls	• Briefings that outline risk management frameworks and internal control processes • Discussions on emerging risks and insurance considerations for specialised assets • E-learning sessions on cybersecurity awareness and strengthening internal control practices
Hospitality, real estate and retail developments, business trends and strategies	• Briefings on technology-driven transformation initiatives and their impact on operations • Insights into consumer research, revenue opportunities, and evolving market trend • Updates on emerging topics such as generative AI, and global business developments to inform strategic decision-making

Corporate Governance Report

Risk Governance

The Board is ultimately responsible for establishing, maintaining and overseeing appropriate and effective risk management and internal control systems for the group. The Audit Committee assists the Board in overseeing these systems on an ongoing basis and assessing their adequacy and effectiveness semi-annually. This is done with the support of the Group Risk Committee (GRC) and Audit and Risk Management Department (ARM).

Risk Appetite Statement

The Board is responsible for defining the nature and extent of risk the group is prepared to undertake in the pursuit of its strategic objectives. Our risk appetite is fundamentally prudent, designed to protect our robust financial position, the reputation of The Peninsula brand, and the long-term value of our asset portfolio.

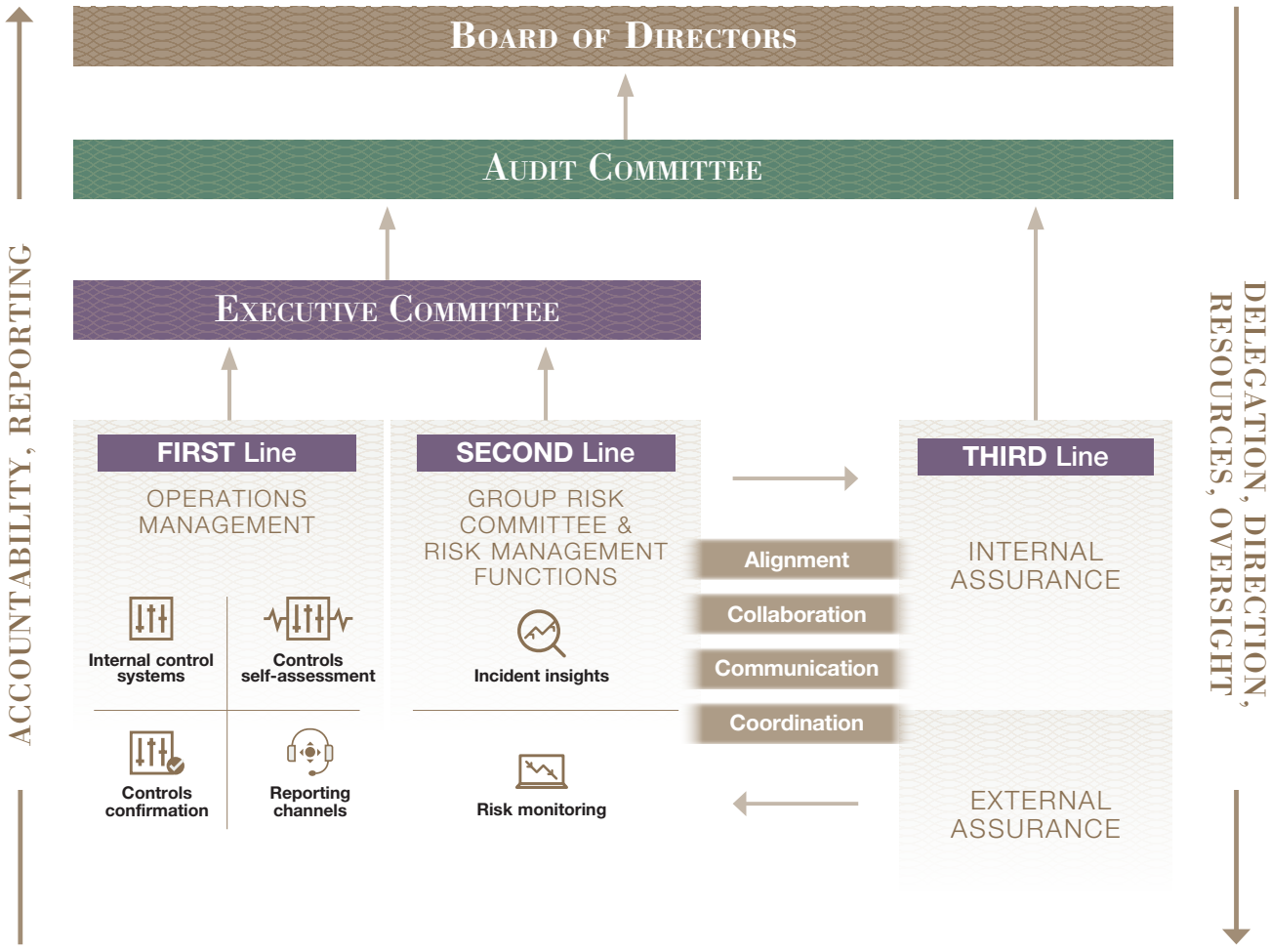
We strategically accept risks that are aligned with our core luxury identity, and which contribute to optimising our asset portfolio and sustaining world-class operational excellence.

Risk Evaluation

The group maintains a comprehensive risk management framework which embeds the defined risk appetite into actionable controls and monitoring procedures, ensuring principal risks remain within acceptable thresholds. Our principal and operational risk registers are reviewed biannually, and a comprehensive Group Risk Management Report summarising the latest risk landscape, control status, and action progress is submitted to the Board every six months. These evaluations analyse both financial and non-financial impacts – including effects on our *Sustainable Luxury Vision 2030*, brand integrity, and guest safety.

Approach to risk governance

Our risk management framework is guided by the "Three Lines Model", as set out graphically below. This framework and its process aim to efficiently identify, manage, and mitigate risks. Whilst each of the three lines has its distinct responsibilities, their activities are aligned with the objectives of the organisation. Such coherence is achieved through regular and effective collaboration, communication and coordination among the first, second and third lines of management as outlined below.



First Line:

OPERATIONS MANAGEMENT

The group is dedicated to building a strong culture of governance and compliance throughout all levels of the organisation, from the Board to operations. To uphold its high standards, the group has established a system of internal controls which is implemented and maintained by operations management.

Internal control systems

Controls adopted by the group can be divided into entity level and process level controls. Entity level controls operate across and throughout the group to mitigate risks threatening the company as a whole and to provide assurance that organisational objectives are achieved. Examples include group-wide policies such as the Code of Conduct, Speak Up Policy, Group Purchasing & Tendering Policy, Fair Competition Guide, HSH Finance Policies and Procedures, Company Management Authority Manual, HSH Data Privacy Manual, Incident Reporting Policy and others.

Process level controls include operational standards such as the F&B Playbook, Casual Labour Standard Operation Procedure for hiring casual labour, policies and procedures governing approval authority, due diligence requirements, safeguarding of assets and financial reporting and many others.

The group has implemented several controls to cope with the ever-changing regulatory and operational environment. Please refer to the GRC report on pages 161 to 164 for the key controls undertaken in 2025 to mitigate our principal risks.

Controls self-assessment

Our business and functional units are at the forefront of risk management and they form part of the group's risk management process by undertaking a "controls self-assessment" (CSA) twice annually. The CSA is conducted using a standardised risk management handbook, a dynamic tool that is maintained by each operation based on a template provided by ARM. This process enables the group and individual operations to identify new risks affecting their businesses, reassess the magnitude of existing risks, and evaluate the effectiveness of controls. Enhancement plans with specified risk owners and time-bound action points are implemented for controls that are assessed as less effective.

Controls confirmation

Managing Directors, General Managers, Hotel Managers and Directors of Finance (as applicable) of all operations confirm the effectiveness and adequacy of risk management and material internal controls (which include financial, operational and compliance controls) as well as compliance therewith via General Representation Letters. In addition, operations are required to attend privacy workshops and undertake a variety of compliance e-learnings, and work with Group Legal on statutory or best practices compliance.

Collectively, these internal control systems and processes form the basis by which management reviews and confirms the effectiveness of the risk management and internal control systems to the Audit Committee.

Inside Information Controls

We provide guidance on the handling of inside information within the group, to ensure potential inside information is being captured and confidentiality is being maintained until disclosures are made.

Handling Inside Information Guide

- A user-friendly guide is shared on our intranet to promote staff awareness
- Non-compliance of the Guide is a breach of the Code of Conduct
- A system is in place to monitor what the market says about HSH and there is an inside information escalation process

Reporting channels

The group has multiple channels to handle and communicate incidents. The group-wide Incident Reporting Policy sets out the methodology for group companies to determine the severity level of an incident and the corresponding reporting requirements. This has enhanced the quality of information for the oversight of the group's internal control and risk management practices.

During 2025, we revised the Incident Reporting Policy. The updates have enhanced reporting criteria and streamlined the reporting workflow for reporting critical or major incidents, which ensures more consistent and reliable data capture, enabling faster escalation and swifter management response to strengthen protection of our assets and reputation.

The Speak Up Policy[10] provides employees and other stakeholders a confidential reporting channel on suspected misconduct or malpractice within the group without fear of reprisal or victimisation. All reported allegations are logged in the dedicated Speak Up

10 Posted on the company website: www.hshgroup.com/en/corporate-governance/speak-up

Corporate Governance Report

Portal. Cases then undergo structured review, independent validation, and investigation as appropriate. Investigation results are communicated to the Audit Committee with approved recommendations implemented by responsible parties.

32 reports of potential integrity issues were received via the Speak Up channel in 2025. Of the 32 reports, 26 were investigated and closed, three were closed due to insufficient information, and three were still ongoing at the end of 2025.

Second Line:

GRC AND RISK MANAGEMENT FUNCTIONS

Second line roles comprise relevant Head Office functions including ARM in its risk management capacity, and the GRC which (i) oversees the risk landscape and risk management activities of the operations which are reported to the Audit Committee and the Board of Directors semi-annually, (ii) monitors the group's principal risks and emerging risks, and (iii) regularly evaluates the effectiveness of controls in response to such risks. A 5-step risk management methodology[11] is applied to ensure the risk assessment process and internal controls remain current and are adapted and modified as business conditions and the organisation change.

Incident insights

The GRC reviews common incidents across all operations and identifies any trend of root causes for further discussion with the Executive Committee as needed. Opportunities to improve key controls and share best practices are discussed and communicated across the group.

Risk monitoring

The GRC continued to strengthen its monitoring of risks to respond to changes and developments in both the external and internal environment. For actions taken in 2025, please refer to the GRC Report on pages 161 to 164.

In 2025, the group launched a new three-year phase of its risk engineering program. As part of this initiative, external risk engineers conducted fire and loss prevention surveys to identify opportunities for enhanced risk management and gather operational profiles for insurance underwriting purposes. By year-end, surveys had been completed for 11 operations, covering 23 areas including automatic water sprinkler systems, hot work safety, business continuity, and security measures. Based on the findings, the risk engineers organised a training session for our engineers across various business units in December 2025, focusing on common issues and providing recommendations for preventative measures to mitigate potential risks.

Third Line:

INTERNAL ASSURANCE

ARM provides independent and objective assurance on the adequacy and effectiveness of internal controls through continuous audit engagements. These audits facilitate ongoing improvement of the overall internal control framework including key group policies and procedures, operational processes, and compliance with relevant laws and regulations.

ARM utilises an end-to-end approach to audit key processes resulting in the immediate identification and implementation of control improvement opportunities. Considering the company operates in a decentralised control environment, common control weaknesses identified across the group are also aggregated, assessed, and addressed at the group level as needed.

2025 marked the completion of the three-year audit cycle, and during 2025 major reviews of purchasing, investment management, and hotel management agreements were concluded. Furthermore, ARM maintained a systematic process to monitor the status and ensure timely implementation of recommendations across all operations. Additionally, the HSH ARM Audit Charter was introduced in 2025, formally defining the function's mission, authority, responsibility, independence, scope and compliance requirements in alignment with the new Institute of Internal Audit Standards.

EXTERNAL ASSURANCE

The external auditor of the group further complements the third line of defence by independently auditing material internal controls over financial reporting of the group. Any significant deficiencies in internal control are reported to the Audit Committee every six months.

Board confirmation

The Board has considered and confirmed the Audit Committee's assessment of the effectiveness of the risk management and control systems in the group. These systems operate efficiently to identify, manage and mitigate risks, safeguard the group's assets, prevent fraud and misconduct, minimise losses, ensure financial accuracy, and maintain regulatory compliance. Throughout 2025 no areas of concern were identified that could materially affect the effectiveness of the group's operational, financial reporting and compliance controls. The Board confirms that the existing risk management and internal control systems remained effective and adequate during the year.

11 Details of 5-step risk management methodology can be found on page 162 of the GRC Report

Shareholders Engagement

The company values maintaining ongoing engagement with the investor community, including individual shareholders and institutional shareholders and research analysts. This dialogue is essential for fostering mutual understanding and exchanging perspectives, concerns and feedback. Insights gathered through various channels are carefully reviewed and, where appropriate, discussed at both management and Board levels. For further details on how we engage with our stakeholders, please refer to pages 100 to 104.

The company maintains active engagement with investors through a variety of platforms, as detailed in our Shareholder Communication Policy.[12] Following its review, the Audit Committee has confirmed that these platforms provide adequate channels for shareholder interaction and that the Shareholder Communication Policy remains effective.

Annual General Meeting

- The Annual General Meeting (AGM) is a cornerstone of our corporate governance calendar. We actively encourage shareholders to attend and engage directly with our Directors. The 2025 AGM was held at The Peninsula Hong Kong,[13] with all but one[14] of the Directors present, including the Chairman of the Audit and Remuneration Committees. KPMG, our external auditor, also attended to address questions regarding its audit of the company's financial statements.

Investor relations activities

- Our Executive Directors, together with the Investor Relations team, maintain active engagement with shareholders and prospective investors through one-on-one meetings, post-earnings conference calls, and regular briefings with research analysts.

SHAREHOLDERS ENGAGEMENT CHANNEL

Company website

- Our company website[15] offers a comprehensive view of who we are, what we do and how we are performing. It provides a wealth of current and historical information, including webcasts of financial results announcements with accompanying presentation materials, as well as access to our financial reports, key statistics, and corporate governance practices. In 2025 we completed an update and refresh of the website to enhance the corporate image.

Analyst briefings and press conferences

- The company conducted an analyst briefing following the 2024 annual results announcement; held both a press conference and an analysts briefing following 2025 interim results announcements; and held a press conference after the 2025 AGM. In addition, we regularly host media lunches and briefings with senior management.

Social media

- The company's social media platforms keep investors and other stakeholders informed with regular updates on our business initiatives and activities within the HSH community.

12 Available on our website at www.hshgroup.com/en/corporate-governance
13 The poll results are posted on the company website: www.hshgroup.com/en/investors/general-meetings
14 Mr Nick Colfer was unable to attend the 2025 AGM due to a pre-existing commitment
15 www.hshgroup.com/en/investors

Corporate Governance Report

Our Shareholders

As at 31 December 2025, HSH had 1,615 registered shareholders. The actual number of investors with an interest in HSH shares is likely to be higher, as many shares are being held through nominees, investment funds and the Central Clearing and Settlement System (CCASS) of Hong Kong.

Size of registered shareholdings	Number of shareholders	% of shareholders	Number of shares held	% of total number of shares in issue
500 or below	532	32.941	67,262	0.004
501-1,000	184	11.393	145,799	0.009
1,001-10,000	521	32.260	2,120,547	0.127
10,001-100,000	302	18.700	9,613,864	0.577
100,001-500,000	48	2.972	9,301,539	0.558
Above 500,000	28	1.734	1,645,690,839	98.725
Total	**1,615**	**100.000**	**1,666, 939,850**	**100.000**

Note: As at 31 December 2025, 36.91 % of all HSH total number of shares in issue were held through CCASS

The Kadoorie family, including interests associated with the family but excluding those held by related charities, collectively owns 72.58% of the company's shares, as disclosed under "Interests of Directors" and "Interests of Substantial Shareholders" in the Directors' Report on pages 180 and 181. The remaining HSH shares are primarily held by institutional and private investors. Based on the register of members as at 31 December 2025, a considerable number of shareholders are mostly based in Hong Kong.

According to publicly available information and to the best knowledge of the Directors, HSH has complied with the requirement in rule 13.32B of the Listing Rules to maintain a minimum public float of 25% throughout 2025 and up to the date of this report.

Shareholders' rights to general meetings

Shareholders holding at least 5% of the company's total voting rights may request an extraordinary general meeting by submitting a signed requisition to the company, stating the objectives of the meeting.

Our company website[16] sets out the procedures for shareholders to convene and present proposals at general meetings, including proposing a person for election as a Director, and to vote by poll at general meetings.

Other Information

Additional information for shareholders, including the financial calendar and contact details, is provided on page 258.

Details of the company's dividend policy can be found on page 83, while (i) share price data as at reporting date and (ii) historical information on shares and dividends per share for the past ten years are provided on pages 84 and 23, respectively.

Corporate Governance Code Compliance

The Stock Exchange's Corporate Governance Code, set out in Appendix C1 of the Listing Rules (CG Code) forms the foundation of the HSH Corporate Governance Code (HSH Code). Our Board fully embraces the principles of the CG Code and has applied them to our governance framework and practices, as disclosed in this Governance section.

16 www.hshgroup.com/en/corporate-governance/shareholders-rights

Throughout 2025 we complied with all code provisions and recommended best practices under the CG Code in force during the year, except for the following:

- **Publication of quarterly financial results**

  The Board considers the group's businesses to be long-term and cyclical in nature, whereas quarterly financial reporting tends to promote a short-term perspective. To keep shareholders informed, we instead publish quarterly operating statistics that provide key operating information; and

- **Disclosure of individual Senior management remuneration**

  While we do not disclose remuneration for individual senior management, we comply with the CG Code by providing a breakdown of senior management remuneration by band in the Remuneration Committee Report.

The CG Code Amendments

The Board and its Committees have reviewed the updated CG Code and we have already implemented several enhancements ahead of time, including:

- ensuring gender diversity on the Nomination Committee;
- the planned retirement of two long-serving INEDs at the 2026 AGM as part of gradual Board refresh;
- continuation of regular Board performance reviews, which have been undertaken since 2013;
- enhanced disclosure on the topics and modes of continuous professional development for Directors; and
- adoption of a Workforce Inclusion and Diversity Policy.

Environmental, Social and Governance Reporting Code

Our Corporate Responsibility and Sustainability Report and Climate-related Disclosures[17] have been prepared in accordance with the Environmental, Social and Governance Reporting Code (ESG Code) set out in Appendix C2 of the Listing Rules. To align with international best practices and provide deeper insights into industry-specific and sustainability topics, the reports also reference the Global Reporting Initiative Sustainability Reporting (GRI) Standards, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Sustainability Accounting Standard Board (SASB) Standards, and the International Sustainability Standards Board (ISSB)'s International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures (ISSB Climate Standard). KPMG was commissioned to perform a limited assurance engagement and provide an independent conclusion on selected information within the CRS Report.

Privacy and Technology Compliance

We actively monitor regulatory developments impacting our business to ensure full compliance with applicable requirements. This includes completing necessary filings applicable privacy laws, as well as facilitating compliant cross-border data transfers within the group. We remain committed to safeguarding the privacy rights of our guests and employees in accordance with all relevant laws and regulations. Our ongoing efforts include regular updates to our internal knowledge hub, strengthening our data governance framework, streamlining privacy risk assessments, and delivering in-person and online training on privacy legislation, compliance obligations, and the evolving challenges and emerging risks in this highly regulated area. In addition, we have updated our group-wide Data Privacy and Security Policy to reinforce these standards.

17 Posted on the company website: www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Corporate Governance Report

Other Compliance Matters

Amendments of Articles of Association

At 2025 AGM shareholders approved the updates to the Articles of Association covering treasury shares, the conduct of general meetings, implied consent for receiving notices and corporate documents, and other housekeeping amendments.

Appointment and re-election of Directors

The appointment and re-election of Directors are governed by our Nomination Policy outlined below. In 2025, the nomination and appointment of Mr Benjamin Vuchot adhered to the selection criteria and the nomination process set out in the Policy as detailed in the following section. The company confirms that all Directors' re-elections during 2025 were conducted in full compliance with the CG Code. All Directors are subject to re-election every three years. Details of the Directors retiring and those offering themselves for re-election at the 2026 AGM are provided in the Directors' Report on page 179.

Nomination Policy[18]

The Board values the advantages of diversity and ensures that all selection criteria such as contribution, time commitment, and the nomination process and procedures set out in the Nomination Policy and summarised below, are consistently applied when recommending candidates for nomination or Directors for election or re-election.

Nomination Committee

- Proposes a candidate for nomination or a Director for election or re-election based on merit with reference to the Board Diversity Policy and Listing Rules requirements
- Considers the contribution and time commitment of the candidate or Director put forward for election or re-election
- Makes recommendations to the Board as appropriate

Board

- **Newly appointed Directors** are subject to election by shareholders at the annual general meeting following the appointment
- **Existing Directors** are subject to re-election by shareholders every three years

Shareholders

- Approves the appointment or re-election of Directors at the company's general meeting
- Separate resolution will be put to vote for individual appointment or re-election

Time commitment and contribution of Directors

The Board recognises the importance of ensuring that all Directors devote sufficient time and contribution to discharge their responsibilities effectively. Letters of appointment for NEDs and INEDs, as well as service contracts for Executive Directors, contain guidance on expected time commitments for the company's affairs. Each Director confirmed their understanding of these requirements and disclosed other significant offices held upon accepting the appointment. In addition, the Board has delegated to the Nomination Committee the responsibility of reviewing, on an annual basis, the expected contributions from the Directors and assessing whether they continue to dedicate adequate time to their duties.

All Directors disclosed to the company the number and nature of positions held in public companies or other organisations together with any significant external time commitments. They confirmed that they devoted sufficient time and attention to the company's affairs throughout 2025. The Nomination Committee noted active participation in the Board and Governance Board Committee meetings, with constructive engagement in discussions and decision-making. As such, the Nomination Committee is satisfied that the Directors have fulfilled their responsibilities and contributed meaningfully to the company's governance and strategic oversight during the year. The Board concurred with this assessment.

18 Posted on the company website: www.hshgroup.com/en/corporate-governance

Independence of INEDs

The independence of the INEDs is essential to maintaining a balanced Board and is assessed regularly to ensure they continue to provide objective and unbiased contributions. The company has received written confirmations of independence from each of its seven INEDs who served during 2025. Beyond formal declarations of independence, the Board places paramount importance on each INED demonstrating an independent mindset, relevant experience, and the ability to challenge the Board constructively. The Nomination Committee and the Board believe it is inappropriate to impose an arbitrary limited period of service beyond which a director is presumed to have lost his or her independence; however, they will carefully consider and implement the updated Listing Rules on this matter. In the meantime, the Board will continue to review INED independence by evaluating whether they remain independent in character and judgement and continue to offer objective, constructive challenge to management and Board assumptions and viewpoints.

The Nomination Committee and the Board concluded that (i) all seven INEDs who served during 2025 were, and remain, independent in accordance with the independence guidelines set out in rule 3.13 of the Listing Rules, (ii) none had any business, other relationships, or circumstances that could impair their judgement, and (iii) they continued to provide independent perspectives to Board discussions and strategic oversight.

Mechanisms for ensuring independent views and input

The company has established robust channels for INEDs to share their views and provide input to the Board and its Committees. These include unrestricted access to management at all times for any queries, as well as regular updates, from monthly CEO summaries to minutes of all Governance Board Committees and the Chairman's Briefing (previously known as the Executive Committee), to enable them to make informed decisions. The Chairman also meets INEDs annually in a private session to seek their views, which are subsequently discussed at the Board. In addition, strategic meetings and Board evaluations are typically held every two years with full INED participation. Informal settings, such as Board lunches and operations site visits, further offer opportunities for INEDs to express their views outside the boardroom.

The Board has reviewed these arrangements and confirmed that the company maintains sufficient mechanisms to ensure independent views and input are consistently available to the Board and that these mechanisms remain effective.

Dealings in company securities

All Directors conduct their dealings in compliance with the company's Code for Dealing in the Company's Securities by Directors (Securities Code), which imposes standards no less stringent than those set out in the Stock Exchange's Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules (Model Code). Directors are required to seek prior approval before undertaking any dealings.

All Directors confirmed full compliance with the standards set out in the Model Code and the Securities Code during 2025. Details of Directors' shareholding interests as at 31 December 2025 are provided on pages 180 and 181.

A similar code to our Securities Code applies to specified employees including senior management and leaders of key functions who may from time to time have access to inside information. All such employees have also confirmed their full compliance with the requirements of the adopted Code for Dealing in the Company's Securities by Specified Employees. Brief particulars and shareholding interests of senior management are disclosed on pages 139 and 180 respectively.

Directors' disclosure on conflict of interest

We have implemented procedures to ensure compliance with disclosure requirements relating to potential conflicts of interest. All Directors are required to provide the following information regarding their interests upon appointment and on an annual basis:

- Interests as a Director or shareholder in other companies or organisations significant to the company's businesses
- Whether the Director (other than an INED) or any of their close associates has an interest in any business which competes with the group, noting that none currently has any competing interests requiring disclosure under rule 8.10 of the Listing Rules

Corporate Governance Report

In 2025, all Directors complied with these disclosure requirements.

Other than the Executive Directors, we have also extended the annual disclosure requirements on potential conflicts of interests to senior management and leaders of key functions, and these disclosures have been fulfilled.

Additionally, all Directors must declare the nature and extent of any interests in transactions, arrangements or proposals submitted to the Board. In 2025, no potential conflict of interest was determined to be material by the Board.

Codes and terms of reference

We reviewed our governance and securities codes, along with the terms of reference of the Board and each Board Committee.[19] Updates were made to the HSH Code, terms of reference of the Board and its Committees to reflect the governance changes following the Board evaluation and to incorporate existing practices that had not previously been documented.

The full terms of reference for the Board and each Board Committee are available on the company's website[20] while those for the Governance Board Committees[21] are also published on the Stock Exchange website. The Governance Board Committees' reports can be found on pages 167 to 177.

Internal control procedures on connected transactions

We have implemented several measures to ensure all connected transactions comply with the connected transaction rules. These measures include: (i) semi-annual tracking of current and potential connected transactions, (ii) mandatory review by Group Legal before entering into any such transactions, (iii) monthly reporting for ongoing monitoring, and (iv) an annual review of the connected transactions by the Audit Committee.

For the financial year of 2025, the Audit and Risk Management Department, together with the Audit Committee, reviewed all relevant connected transactions and confirmed the adequacy and effectiveness of the related internal control procedures.

Annual Report and Corporate Responsibility and Sustainability Report

The Annual Report and CRS Report serve as key channels for providing shareholders and stakeholders with a balanced view of our financial and non-financial performance as well as demonstrating our commitment to the high standards of corporate governance and the evolving nature of our environmental, social and governance practices. We continually strive to enhance the clarity and transparency of our reporting – a commitment recognised in the awards received for last year's annual report and CRS report. Further details can be found in the "Awards in 2025" section on page 106.

In March 2026, the Board reviewed and approved the 2025 Annual Report and CRS Report.[22] For details regarding the Directors' responsibility in preparing the financial statements for the year ended 31 December 2025, please refer to the Directors' Report set out on page 183.

Looking Forward

Our commitment remains to uphold robust governance standards, foster transparency and accountability, and keep our practices aligned with evolving regulatory developments and stakeholder expectations.

By order of the Board

Christobelle Liao
Chief Corporate and Governance Officer
18 March 2026

19 Audit, Nomination, Remuneration, and Finance Committees
20 www.hshgroup.com/en/corporate-governance/board-committees
21 Audit, Nomination, and Remuneration Committees
22 Posted on the company website: www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Group Risk Committee Report

"The group's risk management methodology, underpinned by the Three Lines Model and our biannual reviews of principal risks, provides a robust framework to navigate this period of significant transition and ongoing external challenges. Through systematic tracking of management actions and proactive oversight, the Committee helped to manage the risks we face within the Board's defined risk appetite."

Christobelle Liao
Chair of the Group Risk Committee
18 March 2026

Composition

Chair	Ms Christobelle Liao, Chief Corporate and Governance Officer
Members	Chief Financial Officer
	Chief Operating Officer
	Chief Property Development Officer
	Chief Information Officer
	Group General Manager, Audit and Risk Management

Meeting Frequency

- Quarterly
- Four meetings in 2025

Responsibilities

- To identify and assess the principal risks at group level and determine appropriate mitigation strategies, and monitor actions taken in response to critical and major incidents across the group
- To facilitate a structured process for each operation and project to define its business objectives, address identified risks, conduct self-assessment of internal control activities and track progress of mitigation plans
- To regularly review, assess and update key risks and related contingency plans, and present these to Executive Committee for endorsement by the Audit Committee and the Board

In alignment with our risk governance structure and the Three Lines Model described on pages 152 to 154, we have implemented a practical and easy-to-follow 5-step risk management methodology across the group.

Group Risk Committee Report

5-Step Risk Management Methodology

Whilst risk management is a continuous process embedded in daily business activities, formal risk evaluation is conducted semi-annually. This process begins with the evaluation of the external and internal context and the identification of risk factors that may impact the strategic, operational, financial or compliance objectives of each business unit. This is followed by an analysis of the likelihood and magnitude or change of impact (both financial and non-financial – such as operational and reputational) of each risk. Existing controls and any new mitigation actions to be implemented are then identified and evaluated for their effectiveness. Each business unit subsequently determines the level of residual risks. Further actions are required where controls are inadequate or ineffective in reducing risks to an acceptable level.

Risk assessments from all business units are ultimately aggregated to compile a portfolio of risks. This approach enables action to be taken by identifying similar risks across different operations, promotes the sharing of best practices, supports the development of group-wide strategies for specific risks and ensures timely responses to significant changes in the business environment.

Key Focus

The Peninsula London Residences

The market for super-prime London residences remains challenging, with conditions that continue to affect buyer's appetite. While our positioning is strong, the market has softened significantly with unattractive tax considerations dampening potential buyers' demand. The adjustment in pricing expectations and supply of super-prime residences encourage a 'wait-and-see' approach among potential buyers, yet the successful sale of the remaining residences remains a strategic priority for debt reduction. We have mitigated the risk by completing premium show apartments, presenting the residences in 'ready-to-move-in' condition to demonstrate the extremely high quality and immediate value, and by widening the range of our targeted sales approaches.

The Peninsula London project recovery

Closing out the final accounts remain a key focus for The Peninsula London project, with significant progress having been made in the course of 2025. Although the process continues to carry a degree of uncertainty as to the final timeline and financial implications, the considerable efforts that continue to be put in by the management team have successfully mitigated the potentially negative impacts on the previously disclosed budget, and with the closing of majority of the accounts, the risks have substantially been reduced.

Hong Kong Commercial Business Dependency

A significant portion of our group earnings come from our commercial operations in Hong Kong. This creates a business dependency which makes the group's earnings and assets highly susceptible to the region's geopolitical and economic context. While we are optimistic about Hong Kong's future trajectory, we are also actively mitigating this risk by diversifying revenue streams, improving revenue management processes and driving operational performance. In addition, we are regularly looking to repositioning and upgrading our arcades.

Disaster events

Exposure to natural catastrophes, such as earthquakes, is a key risk. We actively manage this risk by maintaining robust insurance coverage as well as enhancing resilience through risk engineering, continuity planning, earthquake drills and evacuation plans.

Macroeconomic and political environment

As a multinational corporation, our business is impacted by global geopolitical dynamics. Ongoing conflicts and disputes, whether in the Middle East, Ukraine or South and South-east Asia, combined with rising trade tensions and economic slowdowns, affect supply chains, travel patterns, and consumer sentiment worldwide. Additionally, instability in key markets such as the Chinese real estate sector, may pose risks to financial stability. While we have limited control over these external factors, we actively manage the exposure through strategic portfolio diversification and continuous monitoring, with an aim to enhance operational resilience and mitigate potential impacts on the business.

Other Principal Risks

In addition to the above key focus areas, the group continuously monitors other principal risks. The following principal risks also received particular attention in 2025:

Aging infrastructure

Aging infrastructure risks reducing some of our properties competitiveness, especially in markets with new hotel openings, and may lead to adverse impacts on operational performance. To mitigate this risk, we follow a structured capital expenditure planning process to systematically prioritise and fund necessary refurbishments.

Competition

Market competition from new entrants and renovated hotels targeting the same clientele continues to challenge revenue growth. In response, we are deepening our understanding of customer needs and elevating our product offerings to strengthen our distinctive service proposition.

Cybersecurity

Cybersecurity threats are constantly evolving. To strengthen our technology systems and monitor suspicious activity, we have enhanced email security controls to combat impersonation, deployed AI-based malware protection across all HSH computers and integrated these with the Security Information and Event Management (SIEM) system for centralised monitoring and threat correlation.

Furthermore, with cyber-attacks on the rise, to ensure our management and employees understand how to identify, respond to and prevent potential cybersecurity threats, we have increased the frequency of simulated phishing emails to test our employees' vigilance, and continue to provide mandatory refresher e-training on cybersecurity, supplemented by specific e-mail phishing training to all relevant employees.

Environmental, social and governance (ESG)

Climate change remains the most significant ESG challenge, posing both physical and financial risks to the company. Direct impacts may include property damage, operational disruptions such as temporary closures or booking cancellations, and higher energy costs for heating and cooling. Longer-term implications may include rising insurance premiums, increased commodity prices, and higher compliance costs under more stringent regulations.

In 2025, we focused on understanding the potential financial impacts of climate-related risks and ways to integrate these considerations into future strategic planning. We also introduced a climate risk register to evaluate the effectiveness of property-level mitigation and adaptation measures.

More details about our approach to managing climate change and other ESG risks can be found in our online CRS Report and Climate-related Disclosures.[23]

Interest rates

Interest rate volatility represents a key financial risk, directly impacting our cost of capital and the stability of our financial ratio. Unfavourable movements may increase our cost of financing. To mitigate this risk, we have adopted a proactive management approach, such as balancing fixed and floating rate loan exposures and conducting regular stress testing.

Labour availability

Labour availability in particular remains a long-term principal risk in the hospitality industry, driven by structural challenges such as high turnover, limited new talent entering the sector, competitive recruitment from other industries and increasingly restrictive immigration rules.

We continue to address this issue by strengthening employer branding, promoting our competitive pay and benefit programmes, implementing robust succession planning, talent mobility programmes, and building both internal and external talent pipelines across the group.

23 www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Group Risk Committee Report

Principal Risks in 2025

Principal Risk	Risk Category	Residual Risk Movement
Disaster Events	External	◁▷
Macroeconomic and Political	External	◁▷
Competition	External	◁▷
Environmental, Social and Governance (ESG)	External	◁▷
Brand and Reputation	Strategic	◁▷
Commercial Leasing	Strategic	◁▷
Hong Kong Commercial Business Dependency	Strategic	NEW
The Peninsula London Project Recovery	Strategic	▽
The Peninsula London Residences	Strategic	◁▷
Aging Infrastructure	Financial	NEW
Interest Rates	Financial	▽
Cybersecurity	Operational	◁▷
Labour Availability	Operational	◁▷
Data Privacy	Compliance	◁▷

Remarks for residual risk after risk assessment

▽ Reduction ◁▷ No change **NEW** New risk added

2026 Major Initiatives

In 2026, the GRC will continue to focus on (i) overseeing risks related to hotels' operations and commercial properties, (ii) enhancement of internal controls to manage the external, strategic, financial, operational and compliance risks across the group, while refining our processes in meeting the enhanced mandatory disclosure requirements for risk management and internal control, and (iii) promoting communication, awareness and ownership of risks and controls, especially on ESG risks, throughout the group.

Group Corporate Responsibility Committee Report

> **"The Committee ensures that our Sustainable Luxury Vision 2030 is aligned to the group's new business strategy, while identifying opportunities to navigate the rapidly changing climate, reinforcing resilience and supporting long-term planning across all business functions."**

Christobelle Liao
Co-Chair of the Group Corporate Responsibility Committee
18 March 2026

Composition	Chair: Mr Benjamin Vuchot, Chief Executive Officer (Committee Co-Chair); Ms Christobelle Liao, Chief Corporate and Governance Officer (Committee Co-Chair) Members: Chief Financial Officer; Chief Operating Officer; Chief People and Culture Officer; Director, Corporate Responsibility and Sustainability; Select heads of corporate departments and representatives from operations
Meeting Frequency	• At least three meetings annually • Three meetings in 2025
Responsibilities	• To propose, recommend, monitor and report to the Executive Committee and support the Board of Directors on matters in relation to *Sustainable Luxury Vision 2030* • To review best practices, standards, trends, regulations, plans related to CRS topics that may have an impact on the operations of the group

Our Sustainability Approach

Our sustainability approach is encapsulated within our *Sustainable Luxury Vision 2030*, to address key sustainability issues, manage related risks, minimise negative impacts, and create value for our business and communities.

Further details on how we address these issues, along with our broader Corporate Responsibility and Sustainability (CRS) approach, can be found in our online CRS Report.[24]

24 www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Group Corporate Responsibility Committee Report

Governance on CRS

Integration of sustainability into our business strategies delivers value for the group both in the short and long term. The Board regards this to be of substantial importance, warranting an annual review of the group's performance. To further underline the Board's focus on sustainability, a new Board Committee – the Sustainability Committee will be established after the 2026 Annual General Meeting.

Our Group Corporate Responsibility Committee (GCRC) oversees the implementation of *Sustainable Luxury Vision 2030* and provides regular key updates to the Executive Committee (Excom). It also shares information with the Group Risk Committee on related risk mitigation measures and adaptation strategies, and will be instrumental in briefing and assisting the future Sustainability Committee.

Key Work

Sustainable Luxury Vision

Drawing on insights from prior stakeholder engagement and last year's materiality assessment, the GCRC is reviewing *Sustainable Luxury Vision 2030* to align its commitments and targets with the company's corporate strategy. The update aims to ensure our actions remain focused, industry-relevant, responsive to stakeholder expectations, and value-driven for the business.

The Committee reviewed key topics including our decarbonisation journey, short and long-term actions to achieve a low carbon transition, and further understanding of our Scope 3 emissions and the key activities driving indirect emissions across our value chain. Existing carbon targets will be reassessed against the latest science-based methodologies to ensure alignment with industry goals.

To strengthen our group's resilience against climate change, GCRC reviewed the group's exposure to physical climate hazards including wind, flooding and wildfire and examined their potential financial implications. These insights aim to enhance the embedding of climate-related risks and opportunities into future strategic planning. Further details of the assessment are available in our Climate-related Disclosures report[25].

Sustainable Luxury Vision 2030 Effectiveness

The GCRC reviewed progress against *Sustainable Luxury Vision 2030* targets and identified areas for improvement, such as the group's water efficiency progress and ways to strengthen sustainability considerations in the group's capital expenditure planning. It also explored innovative solutions and operational applications, including an AI-driven food waste reduction initiative.

The Committee evaluated the effectiveness of internal engagement efforts, such as the rollout of several group-wide campaigns in 2025 to boost employee awareness and participation in sustainability programmes. Additionally, enhancements to external communications were considered to strengthen sustainability messaging across diverse stakeholder channels.

Updates were provided on community projects, including the *Hope for Türkiye* and *Hope for LA* campaigns.

Disclosure and Compliance

The GCRC continued to track regulatory developments in key jurisdictions. The Committee, together with the Board, reviewed the annual Modern Slavery Statement highlighting key achievements in 2025 and outlining planned actions for the year ahead.

Looking Forward

In 2026, GCRC will focus on (i) finalising the revised *Sustainable Luxury Vision 2030* to tie in with the group strategy for approval and preparing for group-wide launch, (ii) updating the decarbonisation roadmap to include Scope 3 emission targets and alignment with the company's business strategy, and (iii) deepening discussions on climate-related financial impacts to support the integration of such information into future strategic planning.

25 www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Audit Committee Report

> **"The Audit Committee is committed to upholding rigorous oversight and conducting independent reviews of the group's financial reporting, risk management, and internal controls. Its role is to provide objective assurance and constructive challenge, supporting the Board in maintaining high standards of governance."**

Patrick Paul
Chairman of the Audit Committee
18 March 2026

Composition	Chairman Mr Patrick Paul, INED Members Ms Ada Tse, INED Mr Andrew Brandler, NED
Meeting Frequency	• At least four times annually, attended by senior management, the external auditor and the Group General Manager of ARM • Four meetings in 2025[26]
Responsibilities	• To support the Board in fulfilling its oversight responsibilities for financial reporting, external and internal audits, risk management, internal controls, and overall corporate governance

Key Work

Annual/Interim Report and Financial Information

The Committee reviewed and endorsed the 2024 Annual Report, Corporate Responsibility and Sustainability Report, as well as the 2025 Interim Report for Board approval.

Internal and External Audits

The Committee approved updates to the 3-year internal audit plan, with a focus on areas such as hotel room revenue, supplier tendering and payment processes, and management agreements.

It also reviewed and discussed key internal audit findings, related recommendations, and the progress of their implementation. The Audit Charter for the HSH Audit and Risk Management Department was introduced to align with new global internal audit standards, and approved by the Committee.

The Committee reviewed KPMG's reports and findings, as well as its 2025 audit plans, covering audit scope, approach, key focus areas, IT audit plan, and timelines.

26 The individual attendance records of members for the 2025 meetings can be found on page 148

Audit Committee Report

Financial Reporting System, Risk Management and Internal Control Systems

The Committee reviewed and endorsed enhancements to the group's risk management and internal control systems in line with new regulatory disclosure requirements. A more robust annual review process was approved, focusing on material controls. Audit coverage and frequency were set based on materiality, with annual reviews of the material controls and audit plans for key business units and processes to be undertaken. Additionally, the Committee reviewed progress on the finance system upgrade across group operations, and the recommended approach for further rollout.

The adequacy of resources, staff qualifications and experience, and training programmes across the accounting, internal audit, financial reporting, and CRS functions were assessed and deemed satisfactory.

The Committee reviewed and endorsed the half-yearly Group Risk Management Reports, which detailed principal risks, business operation's risks, risk management and mitigation measures, and evaluated the adequacy and effectiveness of the group's risk management and internal control systems. New and ongoing high-risk areas[27] were noted, the risk outlook for the coming year was assessed, and no significant changes were observed in the operational risk assessments.

Summaries of internal representation letters from business operations were considered, with no critical observations relating to risk monitoring, control weaknesses, frauds or other issues, thereby supporting management's confirmation of the effectiveness of the group's risk management and internal control systems.

A risk appetite statement, reflecting risk tolerance and acceptance levels, was also reviewed and endorsed for Board approval.

Environmental and Social

The Committee reviewed updates on ESG disclosure requirements and noted the increasing expectations for Scope 3 emissions reporting.

It also assessed progress on sustainability targets, improvements in resource efficiency, and recognised ongoing enhancements in governance, reporting practices, and Board-level sustainability oversight.

Governance

The Committee reviewed and confirmed the continued relevance of the Speak Up Policy. reported speak-up cases and investigations were noted.[28]

The Committee assessed the company's green financing initiatives, noting ongoing bank support for green and sustainability-linked loans and associated interest savings.

Proposed amendments to the Company Management Authority Manual and other HSH corporate governance documents were reviewed, with relevant updates to refine documentation for Board approval.

The Committee evaluated the group's communication channels and shareholder and investor engagement activities, confirming satisfaction with the implementation and effectiveness of the Shareholder Communication Policy.

Finally, all connected transactions and material related party transactions were reviewed, including endorsement of the renewal of the continuing connected transaction for the master agreement on carpet purchases for Board approval.

Others

The Committee reviewed the company's annual tax position, reasonableness of all tax provisions and approved the Group Tax Strategy.

As the Chairman of the Audit Committee, I held separate meetings with the Group General Manager, ARM and the external auditor without management present during the year. The Audit Committee considers the group's overall operational, financial reporting and compliance controls, risk management and internal control systems for 2025 were effective and adequate. Issues raised by the internal and external auditors

27 Please refer to the Group Risk Committee Report on page 164
28 Please refer to the reporting channel on pages 153 and 154

during 2025 have been, or are being, addressed by management, and the Committee advised the Board that there are no matters that required escalation to shareholders.

In March 2026, the Audit Committee reviewed and endorsed this annual report, the Corporate Responsibility and Sustainability Report (published on the company website),[29] and the annual results announcement.

Reviewing the Independence of our External Auditor

The group's external auditor is KPMG. The Committee considers auditor independence is crucial to effective corporate governance and reviews this annually, paying particular attention to the extent of non-audit services by the external auditor to ensure they do not compromise KPMG's independence and objectivity. The lead partner of the external auditor rotates every seven years. In engaging the external auditor for non-audit work, we also take into account the internal guidelines adopted to monitor the extent of non-audit work given to the external auditor.

In 2025, the Committee reviewed and approved the revised Policy for Engagement of External Auditor for Non-Assurance Services, ensuring compliance with the updated Code of Ethics issued by the Hong Kong Institute of Certified Public Accountants. The revised policy clarifies permissible non-assurance services by the external auditors, strengthens requirements for Audit Committee concurrence, and safeguards auditor independence.

The Committee recommended KPMG's re-appointment as independent auditor to the Board for shareholders' approval at the 2026 AGM.

A summary of fees for audit and non-audit services to KPMG for the financial years ended 31 December 2025 and 2024 is provided as follows:

Nature of Services	2025 HK$m	2024 HK$m
Audit Services	12	12
Non-audit Services Taxation and other services	3	3

Looking Forward

In the coming year, the Audit Committee will continue to exercise independent oversight, with a focus on monitoring the effectiveness of risk management, internal controls, and financial reporting processes. We remain dedicated to providing the Board and stakeholders with clear assurance and well-informed recommendations.

29 Posted on www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Nomination Committee Report

> **“ The Nomination Committee considers the Board refresh to be an important and positive development that will reinforce the Board’s effectiveness and strengthen its oversight of the group. ”**

The Hon. Sir Michael Kadoorie
Chairman of the Nomination Committee
18 March 2026

Composition

Chairman	The Hon. Sir Michael Kadoorie, Non-Executive Chairman
Members	Dr Rosanna Wong, INED
	Dr William Fung, INED

Meeting Frequency

- At least two meetings annually
- Two meetings in 2025[30]

Responsibilities

- To evaluate the structure, size and composition of the Board, to ensure it remains appropriate and balanced, and review the independence of INEDs
- To identify and recommend candidates for Board appointments and assist the Board in maintaining an up-to-date Board skills matrix
- To review the Board members’ contributions, training and continuous professional development, and to support the Board in its regular performance evaluation

Board Composition and Diversity

A diverse Board fosters constructive conversations and brings fresh perspectives to Board discussions. The company embraces diversity in its broadest sense, recognising the value of a balanced mix of skills, knowledge, age, race, gender and experience on its Board, whilst maintaining our central principle of merit-based appointments. In 2025, the Nomination Committee reviewed the Board Diversity Policy[31] to ensure its continued effectiveness and that the measurable objectives set out therein remain relevant and up to date.

2026 Board refresh

During the year, and as a result of the Board evaluation[32], it was acknowledged that the size of the Board was too large and the Board would need to gradually refresh.

To start the refresh, we are moving toward a two-tiered management framework with the Board consisting, except for the Chief Executive Officer, Mr Benjamin Vuchot, entirely of Non-Executive Directors, enhancing the independence and supervisory function of the Board.

30 The individual attendance records of members for the 2025 meetings can be found on page 148
31 Posted on the company website: www.hshgroup.com/en/corporate-governance
32 Details of the Board evaluation can be found on pages 146 and 147

The CEO will remain on the Board to provide direct insights into the company's business operations, while Ms Christobelle Liao (Chief Corporate and Governance Officer), Mr Keith Robertson (Chief Financial Officer) and Mr Gareth Roberts (Chief Operating Officer) will step down from the Board following the 2026 Annual General Meeting (AGM). The Committee was satisfied that retaining these executives in their management roles and as members of the Executive Committee will clarify the separation between Board oversight and management.

In addition, gradual steps will be taken over the coming years to comply with the updated Listing Rules capping INED tenure. Mr Pierre Boppe and Dr William Fung, both long-serving INEDs, will retire at the 2026 AGM and have chosen not to seek re-election. Mr Boppe will assume the role of Senior Advisor to the Chairman following his retirement.

The company engaged an executive search consultant and formed a search committee, comprising Non-Executive Directors and the CEO, to identify candidates for the INED vacancies in accordance with the principles of our Board Diversity Policy and our Nomination Policy.[33] The committee is in the process of identifying suitable candidates and further announcements will be issued as and when appropriate.

2025 Board Updates

As noted in last year's report, Mr Benjamin Vuchot joined the Board as Executive Director and Chief Executive Officer on 3 March 2025. His predecessor Mr Clement Kwok, CEO of the company until 31 October 2024, retired from the Board at the conclusion of the 2025 AGM. Prior to Mr Vuchot's appointment, the Committee concurred with the Board's approval to appoint Ms Christobelle Liao as the Interim Chief Executive Officer from 1 November 2024 to 2 March 2025.

Board skills and contributions

The Committee conducted an annual review of the composition, balance, breadth of skills and experience across the Board. It confirmed that the Board continues to contribute positively, with each Director offering diverse views drawn from a wide range of skills, knowledge, and experience.

Gender diversity

The Committee believes that the Board benefits from a broad range of perspectives, reflecting the varied backgrounds and experiences of its members. It is committed to maintaining at least three female directors on the Board and, where possible, increasing female representation, while ensuring appointments are based on its overarching objective to identify the right person for the role. The Committee remains of the view that the existing gender balance is appropriate. The gender mix and Board Diversity Policy will be reviewed annually and it is noted that the Board has endorsed the Committee's position.

Other

INED Independence

The Nomination Committee assessed and reviewed all INEDs' confirmations of independence. The Nomination Committee concluded that all seven INEDs who served during 2025 were and remain independent, in accordance with the independence guidelines set out in rule 3.13 of the Listing Rules. It further confirmed that no business or other relationships or circumstances exist that could compromise their independent judgement, and that each continues to bring an independent and objective perspective to Board discussions and strategic oversight.[34]

Training and contributions

The Committee reviewed the training and continuous professional development of Directors,[35] assessed their contributions and time commitments (including those of INEDs)[36], and evaluated their skills and experience. Based on this review, the Committee recommended the Directors for re-election at the 2025 AGM.

Governance

The Committee reviewed its own terms of reference and the Nomination Policy and confirmed that both documents remain relevant, with no amendments required.

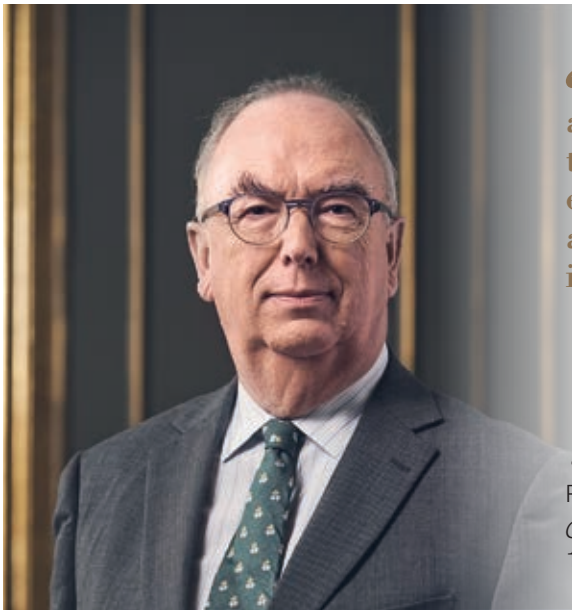
In March 2026, the Committee approved this report for inclusion in the company's 2025 Annual Report and nominated the Directors for election and re-election at the 2026 AGM, following an assessment of INED independence, contributions, time commitments, Board expertise and skills and training records.[37]

Looking Forward

The Committee will continue its phased Board refreshment strategy, focusing on identifying and integrating qualified candidates to further strengthen the Board and support the company's long-term strategic objectives. The Committee will also continue to monitor regulatory developments and governance best practices to ensure our approach remains effective and forward-looking.

33 Please also refer to page 158 on Nomination Policy
34 Please also refer to page 159 on Independence of INEDs
35 Please refer to pages 149 and 150 on Directors training records
36 Please also refer to page 158 on time commitment and contribution of Directors
37 Details of the Directors who stand for re-election at 2026 AGM can be found on page 179 of the Directors' Report and the AGM Circular dated 17 April 2026

Remuneration Committee Report



> **“The Committee continued to focus on fair and competitive remuneration arrangements that support the Board and senior management, ensuring the group can attract, develop, and retain the leadership required to deliver its strategic priorities.”**

Patrick Paul
Chairman of the Remuneration Committee
18 March 2026

Composition	Chairman Mr Patrick Paul, INED Members Dr Rosanna Wong, INED Mr Andrew Brandler, NED
Meeting Frequency	• At least two meetings annually, attended by the Chief Executive Officer and Chief People and Culture Officer • Two meetings in 2025[38]
Responsibilities	• To review and approve remuneration packages for Executive Directors and senior management • To review and recommend proposals for Non-Executive Directors’ fees, as well as fees for Board Committee Chairmen and members, for approval by the shareholders and the Board respectively • To review the process by which management recommends the variable pay of directors and senior management through the operation of applicable bonus schemes

HSH Rewards Philosophy

HSH’s Rewards philosophy is to provide compensation and benefits to all employees within a clear framework of guiding principles. This framework enables us to adjust compensation and benefits in response to evolving financial and market conditions. Our goal is to attract and retain high-performing talent by offering competitive and performance driven rewards, as well as providing a supportive and caring working environment.

Key guiding principles

- Aim to offer a total remuneration package that is competitive with the relevant external market while ensuring consistency and fairness across the organisation
- Design an appropriate mix of fixed and variable pay, aligned with the group’s pay policy and market practices, to incentivise both management and individual performance
- Provide meaningful and competitive benefits that reflect our corporate values of employee care and inclusion, foster long-term careers, and position HSH as an employer of choice

38 The individual attendance records of members for the 2025 meetings can be found on page 148

Remuneration for Executive Directors and Senior Management

The Committee recognises that there is a competitive market for successful executive talent and believes that remuneration packages being offered are aligned with market standards to attract, retain and motivate the group's key executives.

As part of its responsibilities, the Committee reviews and approves the terms of service for all Executive Directors and senior management, with safeguards to ensure no individual is involved in determining his or her own remuneration.

Remuneration for Executive Directors and senior management comprises four key components:

Basic compensation

Basic compensation includes salary and allowances, set at levels designed to retain and motivate talent. In determining these levels, we consider the scope and complexity of responsibilities, prevailing market pay levels in the defined markets, and individual performance.

Bonuses and incentives

Performance-based bonuses and incentives are vital to driving the group's growth. Executive Directors' bonuses consist of contractual and/or discretionary short-term and long-term incentives, while senior management participates in the HSH Management Bonus Plan[39] which is a short-term incentive scheme linked to both financial and non-financial performance metrics.

Retirement benefits

The Executive Directors and most of the senior management are enrolled in the company's retirement plan, set up under the Occupational Retirement Scheme Ordinance of Hong Kong. The employer contributions to the company's plan for the Executive Directors, senior management and all other Hong Kong employees follow defined contribution levels and vesting conditions, with employees having the option to make voluntary contributions.

Other benefits

Additional benefits for Executive Directors and senior management include health, life, disability and accident insurance, among others.

Remuneration for Non-Executive Directors

Fees for Non-Executive Directors (NEDs) are determined at shareholders' general meetings, while any additional fees for serving on Board Committees are set by the Board. The Committee is responsible for reviewing management's annual recommendations for these fees, taking into account benchmarking against other Hong Kong listed companies of similar size and activities as well as other international companies. Following its review, the Committee makes recommendations to the Board.

The Committee endorsed management's proposal to maintain the 2026 fees at the same level as 2025, having considered the prevailing market trends. The Committee also reviewed and approved management's proposal for fees payable to the Chairman and members of the new Sustainability Committee, be set at HK$120,000 and HK$70,000 per annum respectively. In addition, the fees payable to Chairman and members of the Finance and Investment Committee (formerly Finance Committee) were set at HK$200,000 and HK$165,000 per annum respectively. The Board approved these recommendations, to be effective after the 2026 AGM.

In October 2025, the Board approved the repositioning of the previous Executive Committee to a weekly Chairman's Briefing meeting. As this is not a Board Committee, attendees will no longer receive the previous committee fee of HK$100,000 per annum.

39 Senior staff also participates in the HSH Management Bonus Plan. Details of the revised bonus plan can be found on next page

Other Key Work

2026 salaries

In 2025, the Committee reviewed management's recommendation for a group-wide 2026 general salary increase benchmarked against market data to ensure competitiveness and alignment with inflation and market positioning. The Committee approved a similar percentage salary adjustment for Executive Directors and senior management.

2024 and 2025 bonuses

The Committee also reviewed and approved the bonus awards for Executive Directors, the former CEO and senior management, as well as the HSH Management Bonus Plan proposal. These decisions were based on the financial performance of the group and other factors including retention challenges, market pay trends and inflationary forecasts.

2026 bonuses

Following a comprehensive review supported by an external consultancy, the Committee endorsed a revised management bonus scheme to take effect in 2026, with bonus payouts scheduled for early 2027. The new structure introduces two different bonus plans for senior staff, namely the Leadership Performance Bonus Plan (LPBP) and the Management Performance Bonus Plan (MPBP), depending on the senior staff's grade.

Under the LPBP, bonus payouts will be directly linked to business performance, free cash flow, strategic initiatives cascaded from the balanced scorecards which contain financial and non-financial key performance indicators including sustainability factors, and individual performance, with capped discretionary adjustments. The LPBP will be governed by the Committee and is subject to its approvals.

The MPBP will operate under a similar performance-linked framework, ensuring consistency across the leadership population while maintaining appropriate differentiation by role. The MPBP will be governed by the Executive Committee.

Both plans adopt a balanced structure that reinforces business performance, aligns incentives with the group's budgeting process, and supports a stronger performance culture across the group.

Remuneration packages of new Chief Executive Officer and Chief Commercial Officer

The Committee considered and approved certain contractual and remuneration arrangements for the Chief Executive Officer, Mr Benjamin Vuchot, and reviewed and approved the remuneration package for the new Chief Commercial Officer, Mr Julien Munoz, taking into account his qualifications and experience as well as market competitiveness.

Governance

The Committee refined its terms of reference to enhance clarity and ensure alignment with current governance practices. Additionally, the Committee approved an updated letter of appointment for NEDs and INEDs. These updates enhance clarity by aligning their terms of appointment with respective re-election dates, incorporates the fee levels of the Finance and Investment Committee and the Sustainability Committee, and removes any reference to fees payable to the members attending Chairman's Briefing.

Others

The Committee assessed the total remuneration of Grade A and B staff against market benchmarks. It also reviewed and approved updates to the Directors' Benefits Policies, enhancing clarity, consistency, and transparency in Director benefits and discount arrangements.

In March 2026, the Committee approved this report for inclusion in the company's 2025 Annual Report.

2025 Remuneration of Directors and Senior Management

The following information is an integral part of the audited financial statements for the year ended 31 December 2025.

Non-Executive Directors – remuneration

Executive Directors serving on the Board and Board Committees are not entitled to any Directors' fees.

(HK$'000)	Board	Executive Committee[2]	Audit Committee	Remuneration Committee	Nomination Committee	Total[1] 2025	Total[1] 2024
Non-Executive Directors							
The Hon. Sir Michael Kadoorie	370	84	–	–	40	**494**	494
Mr Philip L. Kadoorie	370	83	–	–	–	**453**	354
Mr John A.H. Leigh[3]	–	–	–	–	–	**–**	150
Mr Nicholas T.J. Colfer	370	–	–	–	–	**370**	354
Mr Andrew C.W. Brandler	370	83	165	60	–	**678**	679
Mr James L. Lewis	370	–	–	–	–	**370**	354
Mr Diego A. González Morales	370	–	–	–	–	**370**	354
Mr Peter C. Borer[4]	370	–	–	–	–	**370**	154
Independent Non-Executive Directors							
Dr the Hon. Sir David K.P. Li	430	–	–	–	14	**444**	451
Mr Patrick B. Paul	430	–	200	100	–	**730**	711
Mr Pierre R. Boppe	430	–	–	–	–	**430**	411
Dr William K.L. Fung	430	–	–	–	40	**470**	451
Dr Rosanna Y.M. Wong	430	–	–	60	26	**516**	471
Dr Kim L. Winser	430	–	–	–	–	**430**	411
Ms Ada K.H. Tse	430	–	165	–	–	**595**	576
	5,600	250	530	220	120	**6,720**	6,375

Remuneration Committee Report

Executive Directors – remuneration

The remuneration of Executive Directors of the company for 2025 was as follows:

(HK$'000)	Basic compensation	Bonus and incentives	Retirement benefits	Other benefits	Total[1] 2025	Total[1] 2024
Executive Directors						
Mr Benjamin J.A. Vuchot[5]	9,621	31,137	704	265	**41,727**	–
Ms Christobelle Y.C. Liao	5,399	4,801	540	147	**10,887**	11,739
Mr Keith J. Robertson[6]	4,759	5,623	476	325	**11,183**	7,543
Mr Gareth O. Roberts[7]	4,326	3,460	433	120	**8,339**	6,486
Mr Clement K.M. Kwok[8]	2,820	1,201	464	1,892	**6,377**	15,813
Mr Peter C. Borer[4]	–	–	–	–	**–**	6,707
	26,925	46,222	2,617	2,749	**78,513**	48,288

Notes:

(1) In line with industry practice, the group operates a scheme which encourages Directors and senior management to use the facilities of the group to promote its business. For this purpose, discount cards are issued to the Directors. The remuneration disclosed does not include the value of discounts extended to the Directors and senior management

(2) The previous Executive Committee was repositioned as the Chairman's Briefing in November 2025 and is no longer classified as a Board Committee. Attendees of the Chairman's Briefing will not receive fees for this

(3) Mr John A.H. Leigh retired as a NED with effect from 8 May 2024

(4) Mr Peter C. Borer was re-designated from Executive Director to NED with effect from 1 August 2024

(5) Mr Benjamin J.A. Vuchot was appointed as an Executive Director with effect from 3 March 2025. The amount of bonus and incentives included a one off sign-on bonus of HK$24.1 million, which was accrued in 2024

(6) Mr Keith J. Robertson was appointed as an Executive Director with effect from 29 January 2024

(7) Mr Gareth O. Roberts was appointed as an Executive Director with effect from 1 August 2024. The 2024 figure represents Mr Roberts' full year remuneration

(8) Mr Clement K.M. Kwok retired as the Chief Executive Officer on 31 October 2024 and continued to serve as an Executive Director until 7 May 2025

Senior Management – remuneration

Remuneration for senior management (Executive Committee members other than Executive Directors*) disclosed pursuant to the Listing Rules falls within the following bands:

	2025 Number	2024 Number
HK$0 – HK$1,000,000	**1**	–
HK$4,000,001 – HK$5,000,000	**–**	2
HK$5,000,001 – HK$6,000,000	**3**	2
HK$6,000,001 – HK$7,000,000	**2**	1

* Executive Committee (Excom) is the group's core decision-making body for day-to-day management. As at 31 December 2025, Excom comprised the four Executive Directors (2024: four) and six (2024: five) senior management who represent the various key functions and operations of the company

Individuals with highest remuneration

The five highest paid individuals of the group included four (2024: three) Executive Directors whose remuneration is set out above. The remuneration of the other one (2024: two) individual with highest remuneration are within the following bands:

	2025 Number	2024 Number
HK$6,500,001 – HK$7,000,000	**–**	2
HK$7,000,001 – HK$7,500,000	**–**	–
HK$7,500,001 – HK$8,000,000	**–**	–
HK$8,000,001 – HK$8,500,000	**1**	–

The aggregate of the remuneration in respect of that individual and the two individuals in 2024 is as follows:

(HK$'000)	2025	2024
Basic compensation	**2,547**	7,350
Bonus and incentives	**539**	1,239
Retirement benefits	**350**	458
Other benefits	**4,649**	4,659
	8,085	13,706
Number of Individuals	**1**	2

The Committee has reviewed the methodology and benchmarking of the remuneration disclosed above and has endorsed and approved the same.

2026 and beyond

The Committee will conduct its scheduled review of the HSH Rewards Philosophy to ensure it continues to promote fair, competitive and well-balanced remuneration across the group. In addition, we will oversee the rollout of the enhanced bonus plans, ensuring that reward outcomes remain aligned with the group's guiding principles and continue to attract, retain and motivate high-performing talent in an evolving operating environment.

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 December 2025.

Principal Activities

The principal activity of the company is investment holding. Its subsidiaries, joint ventures and associates are primarily engaged in the ownership, development and management of luxury hotels and commercial and residential properties in key locations across Greater China, Europe, United States and Asia (excluding Greater China), as well as the operation of the Peak Tram, retail and other services.

Particulars of the principal subsidiaries of the company are set out in note 33 to the financial statements.

Business Review and Performance

Discussions on the group's businesses and performance during the year are presented throughout this annual report. A summary of the relevant sections required under the Companies Ordinance is set out below. These discussions form part of this Directors' Report.

Disclosures	Sections
(a) A fair review of the group's business and a discussion and analysis of the group's performance during the financial year 2025 and the material factors underlying its results and financial position, including analysis using financial key performance indicators	• Letter from the Chairman (pages 24 to 27) • CEO Statement and Strategic Review (pages 28 to 50) • Operational Review (pages 52 to 62) • Financial Review (pages 64 to 84)
(b) Outlook of the group's business	• Letter from the Chairman (pages 24 to 27) • CEO Statement and Strategic Review (pages 28 to 50) • Operational Review (pages 52 to 62)
(c) Particulars of important events affecting the group that have occurred since the end of the financial year 2025	• Letter from the Chairman (pages 24 to 27) • CEO Statement and Strategic Review (pages 28 to 50) • Operational Review (pages 52 to 62)
(d) Description of the principal risks and uncertainties facing the group	• Letter from the Chairman (pages 24 to 27) • CEO Statement and Strategic Review (pages 28 to 50) • Operational Review (pages 52 to 62) • Corporate Governance Report (pages 142 to 160) • Group Risk Committee Report (pages 161 to 164) • Note 28 to the financial statements
(e) Details regarding compliance with relevant laws and regulations which have a significant impact on the group	• Corporate Governance Report (pages 142 to 160) • Corporate Responsibility and Sustainability Report (CRS Report)[40]
(f) An account of the group's relationships with its key stakeholders	• CEO Statement and Strategic Review (pages 28 to 50) • Engaging with Our Stakeholders (pages 100 to 104) • Corporate Governance Report (pages 142 to 160) • CRS Report
(g) Details regarding the environment and social related policies and performance	• Letter from the Chairman (pages 24 to 27) • CEO Statement and Strategic Review (pages 28 to 50) • CRS Report

40 Posted on the company website: www.hshgroup.com/en/sustainable-luxury/sustainability-reports

Ten Year Operating Statistics and Financial Summary

The group's key operating statistics and financial data for the last ten years are set out on pages 22 and 23.

Share Capital

There was no movement in the share capital of the company during the year.

Equity-linked Agreements

No equity-linked agreement was entered into by the company during the year or subsisted at the end of the year.

Purchase, Sale or Redemption of Listed Securities

There was no purchase, sale or redemption of the company's listed securities by the company or any of its subsidiaries during the year.

Dividends

During 2025, the Board of Directors resolved not to declare an interim dividend (2024: nil) or recommend a final dividend (2024: nil). This decision is based on the company's financial position and future funding needs and in line with our dividend policy.[41]

Borrowings

Particulars of all borrowings are set out in note 23 to the financial statements.

Charitable Donations

Cash donations made by the group for charitable purposes during the year amounted to HK$16.61 million (2024: HK$0.99 million).[42]

Major Customers and Suppliers

Given the diversity and nature of the group's activities, sales or purchases attributable to the group's five largest customers or suppliers represent well below 30% of the total. Accordingly, the Directors do not consider any single customer or supplier to be influential to the group during the year.

Connected Transactions

Audit and Risk Management Department and Audit Committee reviewed all relevant connected transactions and confirmed that the internal control procedures of these connected transactions are adequate and effective. The connected transactions requiring disclosure under the Listing Rules are set out in note 31 to the financial statements.

Material Related Party Transactions

Details of material related-party transactions which were undertaken in the ordinary and usual course of business are set out in note 31 to the financial statements.

Directors

Biographical details of the Directors in office at the date of this report are set out on pages 126 to 134. All of them held office throughout 2025 and up to the date of this report, with the exception of Mr Benjamin Vuchot, who was appointed as Executive Director and Chief Executive Officer with effect from 3 March 2025. In accordance with the Articles of Association of the company, he retired and was elected as a Director by the shareholders at the 2025 AGM.[43]

2025 AGM Retirement

Mr Clement Kwok retired as Managing Director and Chief Executive Officer on 31 October 2024 and continued to serve as an Executive Director until his retirement from the Board at the conclusion of the 2025 AGM.

2026 Board Changes

In accordance with the Articles of Association of the company, all Directors – except Mr Pierre Boppe and Dr William Fung who will not be offering themselves for re-election and will retire at the 2026 AGM[44] – being eligible, will stand for re-election at the 2026 AGM. If re-elected, they will hold office until the conclusion of the third annual general meeting following their re-election. The Directors proposed for re-election include Messrs Andrew Brandler and Diego González Morales. Mr Pierre Boppe will become a Senior Advisor to the Chairman following his retirement as an Independent Non-Executive Director at the conclusion of the 2026 AGM.

None of the Directors proposed for election or re-election at the 2026 AGM has a service contract with the company that is not determinable by the company within one year without payment of compensation, other than statutory compensation.

In addition, Ms Christobelle Liao, Mr Keith Robertson and Mr Gareth Roberts will step down from the Board after the 2026 AGM but will continue in their respective roles as Chief Corporate and Governance Officer, Chief Financial Officer and Chief Operating Officer.

41 Details of the dividend policy is set out on page 83

42 The donations amount includes HK$15.1 million donated through our *Hope for Türkiye* and *Hope for LA* fundraising campaigns in 2025. The donations amount of HK$17.3 million (2024: HK$3.6 million) referred to in the Sustainability Data Statements on page 256 includes donations by managed properties owned by joint ventures and associates and employees

43 2025 AGM was held on 7 May 2025

44 2026 AGM will be held on 13 May 2026

Directors' Report

Directors of Subsidiaries

The list of directors who have served on the boards of the subsidiaries of the company during the year and up to the date of this report is shown on the company website.[45]

Senior Management

Biographical details of the senior management in office at the date of this report are shown on pages 138 and 139. All of them held office throughout 2025 and up to the date of this report, except Mr Julien Munoz who was appointed as a member of the Executive Committee (Excom)[46] on 12 November 2025. Mr Joseph Chong ceased to be a member of Excom on 1 February 2026 and remains as Managing Director, The Repulse Bay.

Interests of Directors

As at 31 December 2025, the interests or short positions of the Directors of the company in the shares, underlying shares and debentures of the company or any associated corporation, within the meaning of Part XV of the Securities and Futures Ordinance (SFO), as recorded in the register required to be kept under section 352 of the SFO, are as follows:

Long position in shares of the company

	Capacity	Number of shares held in the company	% of total number of shares in issue of the company
The Hon. Sir Michael Kadoorie	Note (a)	859,625,063	51.569
Mr Philip L. Kadoorie	Note (b)	859,625,063	51.569
Mr Peter C. Borer	Beneficial Owner	378,936	0.023
Dr the Hon. Sir David K.P. Li	Beneficial Owner	1,137,146	0.068
Mr Pierre R. Boppe	Beneficial Owner	30,000	0.002

Notes:

(a) The Hon. Sir Michael Kadoorie was deemed (by virtue of the SFO) to be interested in 859,625,063 shares in the company. These shares were held in the following capacity:

(i) 361,213,251 shares were ultimately held by a discretionary trust, of which The Hon. Sir Michael Kadoorie is one of the discretionary beneficiaries and the founder; and

(ii) 498,411,812 shares were ultimately held by a discretionary trust, of which The Hon. Sir Michael Kadoorie is one of the discretionary beneficiaries and the founder

(b) Mr Philip L. Kadoorie was deemed (by virtue of the SFO) to be interested in 859,625,063 shares in the company. These shares were held in the following capacity:

(i) 361,213,251 shares were ultimately held by a discretionary trust, of which Mr Philip L. Kadoorie is one of the discretionary beneficiaries; and

(ii) 498,411,812 shares were ultimately held by a discretionary trust, of which Mr Philip L. Kadoorie is one of the discretionary beneficiaries

Each of the other Directors, namely Mr Benjamin Vuchot, Ms Christobelle Liao, Mr Keith Robertson, Mr Gareth Roberts, Mr Nicholas Colfer, Mr Andrew Brandler, Mr James Lewis, Mr Diego González Morales, Mr Patrick Paul, Dr William Fung, Dr Rosanna Wong, Dr Kim Winser and Ms Ada Tse have confirmed that they had no interests in the shares of the company or any of its associated corporations as at 31 December 2025.

Certain Directors held qualifying shares in two subsidiaries of the company, on trust for the parent company of those subsidiaries.

Except as set out above, as at 31 December 2025, none of the Directors of the company (including their spouses and children under 18 years of age) had any interests or short positions in the shares, underlying shares and debentures of the company or 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.

At no time during the year was the company, or its subsidiaries, or its associated companies, a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in, or debentures of, the company or of any other body corporate.

45 www.hshgroup.com/en/corporate-governance/directors-of-subsidiaries

46 The Group Management Board has been renamed the Executive Committee

Interests of Senior Management

As at 31 December 2025, none of the senior management had any interest in the shares and underlying shares of the company.

Interests of Substantial Shareholders

So far as is known to any Director of the company, as at 31 December 2025, shareholders (other than Directors of the company) who had interests or short positions in the shares and underlying shares of the company as recorded in the register required to be kept under section 336 of the SFO, are as follows:

Long position in shares of the company

(a) Substantial shareholders

	Capacity	Number of shares held in the company	% of total number of shares in issue of the company
Acorn Group Holdings Limited	Interest of controlled corporation	266,194,977	15.97(i)
Acorn Holdings Corporation	Beneficiary	266,194,977	15.97(i)
Bermuda Trust Company Limited	Trustee/Interests of controlled corporations	350,261,699	21.01(i)
Guardian Limited	Beneficiary/Interest of controlled corporation	84,066,722	5.04(ii)
Harneys Trustees Limited	Trustee/Interests of controlled corporations	943,691,785	56.61(ii)
Lawrencium Holdings Limited	Beneficiary	498,411,812	29.90(iii)
Lawrencium Mikado Holdings Limited	Beneficiary	361,213,251	21.67(iii)
The Magna Foundation	Beneficiary	361,213,251	21.67(iii)
The Mikado Private Trust Company Limited	Trustee/Interests of controlled corporations	859,625,063	51.57(iii)
The Oak Private Trust Company Limited	Trustee/Interests of controlled corporations	84,066,722	5.04(iv)
Oak (Unit Trust) Holdings Limited	Trustee	84,066,722	5.04(i)
Oak HSH Limited	Beneficiary	84,066,722	5.04(iv)

Notes:

(i) Bermuda Trust Company Limited was deemed to be interested in the shares in which Acorn Group Holdings Limited, Acorn Holdings Corporation, Oak (Unit Trust) Holdings Limited and The Oak Private Trust Company Limited were deemed to be interested, either in the capacity as trustee of various discretionary trusts and/or by virtue of having direct or indirect control over such companies

(ii) Harneys Trustees Limited was deemed to be interested in the shares in which The Mikado Private Trust Company Limited and Guardian Limited were deemed to be interested, either by virtue of having direct or indirect control over such companies and/or in the capacity as trustee of a discretionary trust

(iii) The Mikado Private Trust Company Limited was deemed to be interested in the shares in which Lawrencium Holdings Limited and Lawrencium Mikado Holdings Limited were deemed to be interested, either in the capacity as trustee of a discretionary trust and/or by virtue of having direct or indirect control over such companies. The Magna Foundation was also deemed to be interested in the shares in which Lawrencium Mikado Holdings Limited was deemed to be interested

The interests of The Mikado Private Trust Company Limited in the shares of the company include the shares held by a discretionary trust of which The Hon. Sir Michael Kadoorie and/or Mr Philip L. Kadoorie are among the discretionary beneficiaries and/or a founder as disclosed in "Interests of Directors"

(iv) The Oak Private Trust Company Limited was deemed to be interested in the shares in which Oak HSH Limited was deemed to be interested, either in the capacity as trustee of a discretionary trust and/or by virtue of having direct or indirect control over such company

Directors' Report

(b) Other substantial shareholders

	Capacity	Number of shares held in the company	% of total number of shares in issue of the company
Mr Ng Chee Siong	Trustee	85,909,519	5.15
Mr Philip Ng Chee Tat	Trustee	85,909,519	5.15
Sino Hotels (Holdings) Limited	Interests of controlled corporations	85,909,519	5.15

Note:

Mr Ng Chee Siong and Mr Philip Ng Chee Tat, had trustee interest in their capacity as the co-executors of the estate of Mr Ng Teng Fong, who controlled Sino Hotels (Holdings) Limited and therefore they were both deemed to be interested in the 85,909,519 shares in which Sino Hotels (Holdings) Limited was deemed to be interested. Hence, the share interests of Mr Ng Chee Siong, Mr Philip Ng Chee Tat and Sino Hotels (Holdings) Limited as disclosed were duplicated

Except as set out above, as at 31 December 2025, the company had not been notified of any substantial shareholder (other than Directors of the company) who had interests or short positions in the shares or underlying shares of the company that were recorded in the register required to be kept under section 336 of the SFO.

Interests of Any Other Person

As at 31 December 2025, the company had not been notified of any person other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the company, which are required to be recorded in the register required to be kept under section 336 of the SFO.

Directors' Interests in Transactions, Arrangements or Contracts

No transaction, arrangement or contract of significance to which the company or its subsidiaries was a party and in which a Director of the company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted as at 31 December 2025 or at any time during the year.

Directors' Indemnities

The company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against its Directors. The level of the coverage is reviewed annually by Finance Committee. The company has also granted indemnities to each Director of the company (including former Director) and some of the Directors of its associated companies to the extent permitted by law. The indemnity was in force throughout the financial year and is currently in force.

Employee Retirement Benefits

Details of the group's employee retirement benefits are shown in note 27 to the financial statements.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the company was entered into or existed during the year.

Corporate Governance Report

The Corporate Governance Report outlines the company's approach to governance and is set out on pages 142 to 160.

Loan Agreements with Covenants Relating to Specific Performance of the Controlling Shareholder

The company has not entered into any new loan agreements containing any covenant relating to specific performance of the controlling shareholder, which is required to be disclosed in accordance with rule 13.18 of the Listing Rules.

Directors' Responsibilities for the Financial Statements

The Directors are responsible for preparing the financial statements for each financial period that present a true and fair view of the state of affairs of the group and of the results and cashflows of the relevant period. They are also accountable for ensuring that the group maintains an effective financial reporting system and proper accounting records that, with reasonable accuracy, reflect the financial position of the group.

In preparing the financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies and applied them consistently, making judgements and estimates that are prudent, fair and reasonable and ensured the financial statements were prepared on a going concern basis.

Auditor

The financial statements for the year ended 31 December 2025 have been audited by KPMG who will retire at the 2026 AGM and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the 2026 AGM to re-appoint KPMG (a Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance) as the company's auditor and to authorise the Directors to fix their remuneration.

By Order of the Board

Till Lembke
Company Secretary
18 March 2026

Independent Auditor's Report

Independent Auditor's Report to the members of
The Hongkong and Shanghai Hotels, Limited
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of The Hongkong and Shanghai Hotels, Limited ("the company") and its subsidiaries ("the group") set out on pages 190 to 253, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, 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, comprising material accounting policy information and other explanatory 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 HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Independent Auditor's Report

Recoverability of the carrying value of hotel properties owned by the group, joint ventures and associates
(Refer to notes 12, 14, 15 and 34 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The group owns interests in various hotel properties around the world either directly or through its investments in joint ventures and associates. These hotel properties, which are stated at cost less accumulated depreciation and impairment, are significant to the group in terms of their values. At the year end management assesses if there are any indicators of potential impairment of hotel properties. In such cases, management assesses the recoverability of the carrying value of hotel properties based on valuations prepared by an external property valuer in accordance with recognised industry standards. The valuation of hotel properties is complex and involves a significant degree of judgement and estimation, particularly given the diverse locations of the hotel properties and the particular economic and political circumstances at each location which can affect, inter alia, occupancy rates, average room rates and future growth rates. We identified assessing the recoverability of the carrying value of hotel properties owned by the group and its investees as a key audit matter because of the complexity of the valuations and because of the significant judgement and estimation required and the potential for management bias in the selection of the assumptions.	Our audit procedures to assess the recoverability of the carrying value of hotel properties owned by the group and its investees included the following: • discussing triggering events and/or indicators of potential impairment of hotel properties with management and inspecting the operating results and cash flow forecasts of the respective hotels; • where such triggering events or indicators were determined to exist: – meeting the external property valuer to discuss the valuations and assess the valuation methodology applied and considering the valuer's qualifications, expertise in the properties being valued and objectivity; – challenging the key estimates and assumptions adopted in the valuations, including occupancy rates, average room rates, future growth rates and the discount rates applied, by comparing these with budgets approved by the directors, market available data for comparable properties and the current year's operating results; and – performing sensitivity analyses by making adjustments to the key estimates and assumptions to assess the risk of possible management bias in the valuation exercise.

Valuation of investment properties owned by the group
(Refer to notes 12 and 34 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The group holds a portfolio of investment properties comprising office, residential and commercial properties in various locations around the world. These investment properties, which are stated at fair value, are significant to the group in terms of their values. Management's assessment of the fair value of investment properties is based on valuations performed by external property valuers in accordance with recognised industry standards. These valuations are complex and involve a significant degree of judgement and estimation in respect of capitalisation rates and market rents, particularly given the number and diversity of locations and nature of the investment properties. We identified assessing the valuation of investment properties owned by the group as a key audit matter because of the complexity of the valuations and because of the significant judgement and estimation required.	Our audit procedures to assess the valuation of investment properties owned by the group included the following: • discussing with management their assessment of the valuations, including the key assumptions adopted and recent market developments at each location where the investment properties are situated; • meeting the external property valuers to discuss the valuations and assess the valuation methodologies applied and considering the valuers' qualifications, expertise in the properties being valued and objectivity; • with the assistance of our property valuations specialists, challenging the key estimates and assumptions adopted in the valuations, including the capitalisation rates and market rents, by comparing the key estimates with market available data, government produced market statistics and the current year's operating results.

Information other than the consolidated financial statements and auditor's report thereon

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the selected sustainability information that forms part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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.

Independent Auditor's Report

Responsibilities of the directors 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 HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Tsz Kei (practising certificate number: P07071).

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

18 March 2026

Consolidated Statement of Profit or Loss (HK$M)

	Note	Year ended 31 December 2025	2024
Revenue	3	**7,978**	10,290
Cost of inventories	4	**(897)**	(3,595)
Staff costs and related expenses		**(2,951)**	(2,749)
Rent and utilities		**(532)**	(524)
Other operating expenses		**(1,923)**	(1,976)
Operating profit before interest, taxation, depreciation and amortisation (EBITDA)		**1,675**	1,446
Depreciation and amortisation		**(714)**	(686)
Operating profit		**961**	760
Interest income		**17**	28
Financing charges	5	**(693)**	(782)
Net financing charges		**(676)**	(754)
Profit after net financing charges	4	**285**	6
Share of results of joint ventures	14	**(84)**	(92)
Share of results of associates	15	**10**	(16)
Provision for impairment	12(a)	**–**	(158)
Increase/(decrease) in fair value of investment properties	12(a)	**287**	(569)
Profit/(loss) before taxation		**498**	(829)
Taxation			
Current tax	6	**(150)**	(143)
Deferred tax	6	**(33)**	(21)
Profit/(loss) for the year		**315**	(993)
Profit/(loss) attributable to:			
Shareholders of the company		**320**	(943)
Non-controlling interests		**(5)**	(50)
Profit/(loss) for the year		**315**	(993)
Earnings/(loss) per share, basic and diluted (HK$)	9	**0.19**	(0.57)

The notes on pages 195 to 253 form part of these Financial Statements.

Consolidated Statement of Comprehensive Income (HK$M)

	Note	Year ended 31 December 2025	2024
Profit/(loss) for the year		**315**	(993)
Other comprehensive income for the year, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of			
– financial statements of overseas subsidiaries		**332**	(20)
– financial statements of joint ventures		**76**	220
– financial statements of and loans to an associate		**47**	(28)
– hotel operating rights and trademarks		**48**	(26)
		503	146
Cash flow hedges:			
– effective portion of changes in fair values		**(70)**	65
– transfer from equity to profit or loss		**(45)**	(125)
		(115)	(60)
Item that will not be reclassified to profit or loss:			
Remeasurement of net defined benefit retirement obligations		**1**	1
		1	1
Other comprehensive income	8	**389**	87
Total comprehensive income for the year		**704**	(906)
Total comprehensive income attributable to:			
Shareholders of the company		**709**	(856)
Non-controlling interests		**(5)**	(50)
Total comprehensive income for the year		**704**	(906)

The notes on pages 195 to 253 form part of these Financial Statements.

Consolidated Statement of Financial Position (HK$M)

	Note	As at 31 December 2025	As at 31 December 2024
Non-current assets			
Investment properties		**33,211**	32,629
Other properties, plant and equipment		**15,854**	15,235
	12	**49,065**	47,864
Interest in joint ventures	14	**1,933**	1,862
Interest in associates	15	**462**	404
Hotel operating rights and trademarks	16	**453**	419
Derivative financial instruments	17	**–**	153
Deferred tax assets	18(b)	**152**	153
		52,065	50,855
Current assets			
Properties held for sale	13	**1,229**	1,472
Derivative financial instruments	17	**32**	13
Inventories	19	**138**	123
Trade and other receivables	20	**825**	818
Cash at banks and in hand	21(a)	**762**	895
		2,986	3,321
Current liabilities			
Trade and other payables	22	**(1,802)**	(1,823)
Derivative financial instruments	17	**(38)**	–
Interest-bearing borrowings	23	**(5,504)**	(7,388)
Current taxation	18(a)	**(57)**	(72)
Lease liabilities	24	**(173)**	(160)
		(7,574)	(9,443)
Net current liabilities		**(4,588)**	(6,122)
Total assets less current liabilities		**47,477**	44,733
Non-current liabilities			
Interest-bearing borrowings	23	**(7,951)**	(6,001)
Trade and other payables	22	**(139)**	(145)
Derivative financial instruments	17	**(23)**	–
Net defined benefit retirement obligations	27	**(22)**	(21)
Deferred tax liabilities	18(b)	**(686)**	(668)
Lease liabilities	24	**(2,498)**	(2,452)
		(11,319)	(9,287)
Net assets		**36,158**	35,446
Capital and reserves			
Share capital	25	**5,947**	5,947
Reserves		**30,163**	29,454
Total equity attributable to shareholders of the company		**36,110**	35,401
Non-controlling interests		**48**	45
Total equity		**36,158**	35,446

Approved by the Board of Directors on 18 March 2026 and signed on its behalf by:

The Hon. Sir Michael Kadoorie, Benjamin Vuchot, Keith Robertson, Directors

The notes on pages 195 to 253 form part of these Financial Statements.

Consolidated Statement of Changes in Equity (HK$M)

	Note	Attributable to shareholders of the company						Non-controlling interests	Total equity
			Reserves						
		Share capital	Hedging reserve	Exchange and other reserves	Retained profits	Total reserves	Total		
At 1 January 2024		5,837	183	(219)	30,478	30,442	36,279	100	36,379
Changes in equity for 2024:									
Loss for the year		–	–	–	(943)	(943)	(943)	(50)	(993)
Other comprehensive income	8	–	(60)	147	–	87	87	–	87
Total comprehensive income for the year		–	(60)	147	(943)	(856)	(856)	(50)	(906)
Dividend approved in respect of the previous year		110	–	–	(132)	(132)	(22)	–	(22)
Dividend paid to non-controlling interests		–	–	–	–	–	–	(6)	(6)
Capital contribution from a non-controlling shareholder of a subsidiary		–	–	–	–	–	–	1	1
Balance at 31 December 2024 and 1 January 2025		5,947	123	(72)	29,403	29,454	35,401	45	35,446
Changes in equity for 2025:									
Profit/(loss) for the year		**–**	**–**	**–**	**320**	**320**	**320**	**(5)**	**315**
Other comprehensive income	8	**–**	**(115)**	**504**	**–**	**389**	**389**	**–**	**389**
Total comprehensive income for the year		**–**	**(115)**	**504**	**320**	**709**	**709**	**(5)**	**704**
Dividend paid to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**(4)**	**(4)**
Capital contribution from a non-controlling shareholder of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**12**	**12**
Balance at 31 December 2025		**5,947**	**8**	**432**	**29,723**	**30,163**	**36,110**	**48**	**36,158**

The notes on pages 195 to 253 form part of these Financial Statements.

Consolidated Statement of Cash Flows (HK$M)

	Note	Year ended 31 December 2025	2024
Operating activities			
Profit after net financing charges		**285**	6
Adjustments for:			
Depreciation	12(a)	**700**	672
Amortisation of hotel operating rights	16	**14**	14
Interest income	4	**(17)**	(28)
Financing charges	5	**693**	782
EBITDA		**1,675**	1,446
Changes in working capital in connection with			
The Peninsula London Residences sold		**378**	3,086
Increase in inventories		**(12)**	(12)
(Increase)/decrease in trade and other receivables		**(27)**	29
Increase in trade and other payables		**25**	15
Total changes in working capital		**364**	3,118
Cash generated from operations		**2,039**	4,564
Net tax paid:			
Hong Kong Profits Tax		**(87)**	(140)
Overseas tax		**(69)**	(33)
Net cash generated from operating activities		**1,883**	4,391
Investing activities			
Capital expenditure on The Peninsula London Complex		**(328)**	(428)
Capital expenditure on The Peninsula New York for hotel refurbishment		**(27)**	(289)
Capital injection into The Peninsula Istanbul joint venture		**(79)**	(205)
Capital expenditure on other existing assets		**(460)**	(360)
Capital contribution from a non-controlling shareholder of a subsidiary		**12**	–
Receipt from associates		**–**	5
Net cash used in investing activities		**(882)**	(1,277)
Financing activities			
Drawdown of term loans		**4,584**	2,226
Repayment of term loans		**(6,159)**	(3,579)
Proceeds from issuance of bonds		**869**	–
Net movement in revolving loans		**299**	(851)
Net deposit of interest-bearing bank deposits with maturity of more than three months		**(82)**	(24)
Interest paid and other financing charges		**(574)**	(708)
Interest received		**16**	23
Capital element of lease rental paid		**(40)**	(26)
Interest element of lease rental paid		**(149)**	(136)
Dividend paid to shareholders of the company		**–**	(22)
Dividends paid to holders of non-controlling interests		**(4)**	(6)
Net cash used in financing activities		**(1,240)**	(3,103)
Net (decrease)/increase in cash and cash equivalents		**(239)**	11
Cash and cash equivalents at 1 January		**710**	720
Effect of changes in foreign exchange rates		**25**	(21)
Cash and cash equivalents at 31 December	21(a)	**496**	710

The notes on pages 195 to 253 form part of these Financial Statements.

Notes to the Financial Statements

1. Company-level statement of financial position (HK$m)

	Note	At 31 December 2025	2024
Non-current asset			
Investment in subsidiaries	33	**–**	–
Current assets			
Amounts due from subsidiaries		**17,795**	17,180
Other receivables		**13**	4
Cash at banks and in hand		**2**	12
		17,810	17,196
Current liabilities			
Amounts due to subsidiaries		**(20)**	(196)
Other payables and accruals		**(39)**	(50)
		(59)	(246)
Net assets		**17,751**	16,950
Capital and reserves			
Share capital	25	**5,947**	5,947
Reserves	26(a)	**11,804**	11,003
Total equity		**17,751**	16,950

Approved by the Board of Directors on 18 March 2026 and signed on its behalf by:

The Hon. Sir Michael Kadoorie, Benjamin Vuchot, Keith Robertson, Directors

Notes to the Financial Statements

2. Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the group are disclosed in note 34.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the group. Note 35 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current accounting periods reflected in these financial statements.

3. Revenue (HK$m)

The company is an investment holding company; its subsidiary companies, joint ventures and associates are engaged in the ownership, management and operation of hotels, commercial properties and Peak Tram, retail and other services.

Revenue represents the consideration expected to be received in respect of the transfer of goods and services, including the sales of residential apartments, in accordance with HKFRS 15, *Revenue from contracts with customers* and rental income derived from the hotels' retail arcades and offices and commercial properties recognised in accordance with HKFRS 16, *Leases*. Note 34(s) further describes the accounting policy in relation to each revenue stream, including point in time and over time measurement basis. Set out below is a breakdown of the group's revenue for the years ended 31 December 2025 and 2024:

	2025				2024			
	Recognise at a point in time	**Recognise over time**	**Rental income on leases**	**Total**	Recognise at a point in time	Recognise over time	Rental income on leases	Total
Hotels								
– Rooms	**–**	**3,064**	**–**	**3,064**	–	2,669	–	2,669
– Food and beverage	**1,539**	**–**	**–**	**1,539**	1,354	–	–	1,354
– Retail arcades and offices	**–**	**34**	**523**	**557**	–	33	508	541
– Others	**315**	**155**	**–**	**470**	291	125	–	416
	1,854	**3,253**	**523**	**5,630**	1,645	2,827	508	4,980
Commercial properties								
– Residential properties	**–**	**76**	**437**	**513**	–	67	411	478
– Offices	**–**	**12**	**73**	**85**	–	14	86	100
– Retail arcades and others	**203**	**48**	**80**	**331**	197	34	79	310
– Sales of residential apartments	**395**	**–**	**–**	**395**	3,452	–	–	3,452
	598	**136**	**590**	**1,324**	3,649	115	576	4,340
Peak Tram, Retail and Others								
– Golf club	**173**	**104**	**–**	**277**	149	87	–	236
– Peak Tram operation	**344**	**–**	**–**	**344**	312	–	–	312
– Peninsula Merchandising	**334**	**–**	**–**	**334**	353	–	–	353
– Others	**63**	**6**	**–**	**69**	63	6	–	69
	914	**110**	**–**	**1,024**	877	93	–	970
	3,366	**3,499**	**1,113**	**7,978**	6,171	3,035	1,084	10,290

4. Profit after net financing charges (HK$m)

Profit after net financing charges is arrived at after charging/(crediting):

	2025	2024
Cost of inventories		
Residential apartments	**378**	3,086
Others	**519**	509
Amortisation	**14**	14
Depreciation		
Other properties, plant and equipment	**650**	622
Right-of-use assets	**50**	50
Auditor's remuneration:		
Audit services	**12**	12
Taxation and other services	**3**	3
Interest income	**(17)**	(28)
Rentals receivable from investment properties less direct outgoings of HK$21 million (2024: HK$22 million)	**(1,092)**	(1,062)

5. Financing charges (HK$m)

	2025	2024
Interest on bank borrowings	**619**	830
Interest on guaranteed bonds	**10**	–
Derivative financial instruments:		
– cash flow hedges, transfer from equity	**(118)**	(150)
	511	680
Interest on lease liabilities	**149**	136
Other borrowing costs	**33**	32
	693	848
Less: Interest expenses capitalised into		
– properties under development	**–**	(66)
	693	782

Notes to the Financial Statements

6. Income tax in the consolidated statement of profit or loss (HK$m)

(a) Taxation in the consolidated statement of profit or loss represents:

	2025	2024
Current tax – Hong Kong Profits Tax		
Provision for the year	**99**	89
Under/(over)-provision in respect of prior years	**2**	(5)
	101	84
Current tax – Overseas		
Provision for the year	**50**	50
(Over)/under-provision in respect of prior years	**(1)**	9
	49	59
	150	143
Deferred tax		
Decrease in net deferred tax liabilities relating to revaluation of overseas investment properties	**(9)**	(1)
Increase in net deferred tax liabilities relating to other temporary differences	**42**	22
	33	21
Total	**183**	164

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

(b) Pillar Two income taxes

The Pillar Two model rules introduce a new taxing mechanism under which multinational enterprises (MNEs) that meet the EUR750 million consolidated revenue threshold in at least two of the previous four years is considered as an in-scope MNE group. Pursuant to the Pillar Two model rules, in-scope MNE groups are subject to a top-up tax if the effective tax rate in the jurisdictions in which they operate falls below 15%.

To alleviate the compliance challenges faced by MNEs with the implementation of the Pillar Two model rules, the OECD has also introduced transitional safe harbours, including the Transitional Country-by-Country Reporting Safe Harbour (TCSH), which exempts MNE groups from conducting full Global Anti-Base Erosion (GloBE) calculations under certain conditions. If a jurisdiction of an MNE group qualifies for the TCSH, the GloBE top-up tax is deemed to be zero. Should the jurisdictions not meet the requirements of the TCSH assessment, it will be necessary to proceed with the detailed Pillar Two top-up tax calculation.

Pillar Two legislation has been enacted in certain jurisdictions in which the group operates. The group is within the scope of the Pillar Two model rules for the year ended 31 December 2025 and has applied the temporary mandatory exception to recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the July 2023 amendments to HKAS 12.

The group has conducted a TCSH assessment based on its latest financial information for the year ended 31 December 2025. The results indicate that the group met the TCSH criteria in all jurisdictions in which it operates. Accordingly, the group is not liable to any top-up tax calculation for the year ended 31 December 2025.

6. Income tax in the consolidated statement of profit or loss (HK$m) continued

(c) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2025	2024
Profit/(loss) before taxation	**498**	(829)
Notional tax at the domestic income tax rate of 16.5%	**82**	(137)
Tax effect of non-deductible expenses	**12**	32
Tax effect of non-taxable income	**(4)**	(2)
Tax effect of share of losses of joint ventures and associates	**12**	18
Tax effect of (non-taxable)/non-deductible fair value change on Hong Kong investment properties	**(48)**	94
Tax effect of tax losses not recognised	**117**	126
Effect of different tax rates of subsidiaries operating in other jurisdictions	**8**	27
Under-provision in respect of prior years	**1**	4
Others	**3**	2
Actual tax expense	**183**	164

7. Remuneration of key management personnel (HK$000)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company and the group. It comprises the Board of Directors of the company and the Executive Committee (ExCom), previously named as Group Management Board (GMB). ExCom comprises the Executive Directors and five (2024: five) senior management. The total remuneration of the key management personnel is shown below:

	2025		2024	
	Executive and Non-executive Directors	**ExCom members other than Executive Directors**	Executive and Non-executive Directors	GMB members other than Executive Directors
Directors' fees	**6,720**	**–**	6,375	–
Basic compensation	**26,925**	**21,916**	25,026	20,619
Bonuses and incentives	**46,222**	**4,572**	19,114	3,736
Retirement benefits	**2,617**	**1,989**	3,201	1,863
Other benefits	**2,749**	**1,196**	947	921
	85,233	**29,673**	54,663	27,139

Further details of the remuneration of the Directors (on a named basis) and senior management, and remuneration paid to the five highest paid individuals by bands are disclosed on pages 175 to 177 of the Remuneration Committee Report, which forms an integral part of these audited financial statements.

Notes to the Financial Statements

8. Other comprehensive income and the related tax effects (HK$m)

	2025			2024		
	Gross amount before tax	**Tax (expense)/ benefit**	**Net-of-tax amount**	Gross amount before tax	Tax (expense)/ benefit	Net-of-tax amount
Exchange differences on translation of:						
– financial statements of overseas subsidiaries	**332**	**–**	**332**	(20)	–	(20)
– financial statements of joint ventures	**76**	**–**	**76**	220	–	220
– financial statements of and loans to an associate	**47**	**–**	**47**	(28)	–	(28)
– hotel operating rights and trademarks	**48**	**–**	**48**	(26)	–	(26)
	503	**–**	**503**	146	–	146
Cash flow hedges						
– effective portion of changes in fair values	**(84)**	**14**	**(70)**	78	(13)	65
– transfer from equity to profit or loss	**(54)**	**9**	**(45)**	(150)	25	(125)
	(138)	**23**	**(115)**	(72)	12	(60)
Remeasurement of net defined benefit retirement obligations	**1**	**–**	**1**	1	–	1
Other comprehensive income	**366**	**23**	**389**	75	12	87

9. Earnings/(loss) per share

(a) Earnings/(loss) per share – basic

	2025	2024
Earnings/(loss) attributable to shareholders of the company (HK$m)	**320**	(943)
Weighted average number of shares in issue (million shares)	**1,667**	1,659
Earnings/(loss) per share (HK$)	**0.19**	(0.57)

(b) Earnings/(loss) per share – diluted

There were no potential dilutive ordinary shares in existence during the years ended 31 December 2025 and 2024 and hence the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share.

10. Dividend payable to shareholders of the company attributable to the year (HK$m)

	2025	2024
No interim dividend declared and paid (2024: Nil)	–	–
Final dividend proposed after the end of the reporting period of Nil HK cents per share (2024: Nil HK cents)	–	–

No interim dividend was declared and paid by the company for the six months ended 30 June 2025 (2024: Nil). In view of the group's financial position and future funding needs, the Board of Directors has resolved not to recommend a final dividend for the year ended 31 December 2025 (2024: Nil). The dividend decisions made by the Board for the six months ended 30 June 2025 and the year ended 31 December 2025 were in line with the company's dividend policy.

11. Segment reporting (HK$m)

The group is organised on a divisional basis. In a manner consistent with the way in which information is reported internally to the group's senior executive management for the purposes of resource allocation and performance assessment, the group's reportable segments are as follows:

Hotels	This segment includes revenue generated from operating hotels, leasing of commercial retail arcades and office premises located within the hotel buildings.
Commercial Properties	This segment is engaged in the development, leasing and sale of luxury residential apartments, leasing of retail and office premises (other than those in hotel properties), as well as operating food and beverage outlets in such premises.
Peak Tram, Retail and Others	This segment is engaged in the operation of the Peak Tram, wholesaling and retailing of food and beverage products, The Quail, laundry services and the provision of management and consultancy services for clubs.

No operating segments have been aggregated to form the reportable segments.

Notes to the Financial Statements

11. Segment reporting (HK$m) continued

(a) Segment results

The results of the group's reportable segments for the years ended 31 December 2025 and 2024 are set out as follows:

	Hotels		Commercial Properties		Peak Tram, Retail and Others		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Reportable segment revenue*	**5,630**	4,980	**1,324**	4,340	**1,024**	970	**7,978**	10,290
Reportable segment operating profit before interest, taxation, depreciation and amortisation (EBITDA)	**1,113**	695	**476**	716	**142**	114	**1,731**	1,525
Depreciation and amortisation	**(590)**	(556)	**(16)**	(29)	**(108)**	(101)	**(714)**	(686)
Segment operating profit before project expenses and other non-recurring expenses	**523**	139	**460**	687	**34**	13	**1,017**	839
Project expenses and other non-recurring expenses	**(1)**	(79)	**(44)**	–	**(11)**	–	**(56)**	(79)
Segment operating profit	**522**	60	**416**	687	**23**	13	**961**	760

Reconciliation of consolidated segment operating profit to the profit/(loss) before taxation in the consolidated statement of profit or loss is not presented, since the consolidated segment operating profit is the same as the operating profit presented in the consolidated statement of profit or loss for the year.

* Analysis of segment revenue is disclosed in note 3

11. Segment reporting (HK$m) continued

(b) Segment assets

Segment assets include all tangible and current assets and hotel operating rights held directly by the respective segments. The group's segment assets and unallocated assets as at 31 December 2025 and 2024 are set out as follows:

	Note	2025	2024
Reportable segment assets			
Hotels		**29,306**	28,545
Commercial properties		**23,672**	23,259
Peak Tram, Retail and Others		**1,127**	1,158
Unallocated assets		**54,105**	52,962
Derivative financial instruments	17	**32**	166
Deferred tax assets	18(b)	**152**	153
Cash at banks and in hand	21(a)	**762**	895
Consolidated total assets		**55,051**	54,176

(c) Geographical information

The following table sets out information about the geographical location of (i) the group's revenue from external customers and (ii) the group's properties held for sale and total reportable non-current assets.

	Revenue from external customers		Reportable non-current assets and properties held for sale	
	2025	2024	2025	2024
Greater China	**3,069**	2,932	**33,490**	33,088
Europe	**1,487**	4,426	**13,478**	12,837
United States of America	**1,867**	1,567	**3,475**	3,423
Asia (excluding Greater China)	**1,555**	1,365	**2,699**	2,673
	7,978	10,290	**53,142**	52,021

Notes to the Financial Statements

12. Investment properties and other properties, plant and equipment (HK$m)

(a) Movements of investment properties and other properties, plant and equipment

	Land	Right-of-use assets (note 12(e))	Hotel and other buildings held for own use	Motor vehicles, plant and equipment	Construction in progress	Sub-total	Investment properties (notes 12(b), (c) &(d))	Total
Cost or valuation:								
At 1 January 2024	683	2,884	13,937	7,718	995	26,217	33,170	59,387
Exchange adjustments	(2)	(161)	(323)	(105)	(18)	(609)	(82)	(691)
Additions	–	55	43	185	563	846	110	956
Disposals	–	–	(3)	(40)	–	(43)	–	(43)
Transfer/reclassification	–	–	1,951	(1,208)	(743)	–	–	–
Fair value adjustment	–	–	–	–	–	–	(569)	(569)
At 31 December 2024	681	2,778	15,605	6,550	797	26,411	32,629	59,040
Representing:								
Cost	681	2,778	15,605	6,550	797	26,411	–	26,411
Valuation – 2024	–	–	–	–	–	–	32,629	32,629
	681	2,778	15,605	6,550	797	26,411	32,629	59,040
At 1 January 2025	**681**	**2,778**	**15,605**	**6,550**	**797**	**26,411**	**32,629**	**59,040**
Exchange adjustments	**42**	**82**	**694**	**119**	**–**	**937**	**137**	**1,074**
Additions	**–**	**24**	**217**	**368**	**–**	**609**	**158**	**767**
Disposals	**–**	**–**	**(1)**	**(454)**	**–**	**(455)**	**–**	**(455)**
Transfer/reclassification	**–**	**–**	**(181)**	**181**	**–**	**–**	**–**	**–**
Fair value adjustment	**–**	**–**	**–**	**–**	**–**	**–**	**287**	**287**
At 31 December 2025	**723**	**2,884**	**16,334**	**6,764**	**797**	**27,502**	**33,211**	**60,713**
Representing:								
Cost	**723**	**2,884**	**16,334**	**6,764**	**797**	**27,502**	**–**	**27,502**
Valuation – 2025	**–**	**–**	**–**	**–**	**–**	**–**	**33,211**	**33,211**
	723	**2,884**	**16,334**	**6,764**	**797**	**27,502**	**33,211**	**60,713**
Accumulated depreciation and impairment losses:								
At 1 January 2024	247	431	4,695	4,503	679	10,555	–	10,555
Exchange adjustments	(1)	(23)	(79)	(63)	–	(166)	–	(166)
Charge for the year	–	50	304	318	–	672	–	672
Impairment provision	–	40	–	–	118	158	–	158
Written back on disposals	–	–	(3)	(40)	–	(43)	–	(43)
At 31 December 2024	246	498	4,917	4,718	797	11,176	–	11,176
At 1 January 2025	**246**	**498**	**4,917**	**4,718**	**797**	**11,176**	**–**	**11,176**
Exchange adjustments	**21**	**4**	**128**	**64**	**–**	**217**	**–**	**217**
Charge for the year	**–**	**50**	**331**	**319**	**–**	**700**	**–**	**700**
Written back on disposals	**–**	**–**	**–**	**(445)**	**–**	**(445)**	**–**	**(445)**
At 31 December 2025	**267**	**552**	**5,376**	**4,656**	**797**	**11,648**	**–**	**11,648**
Net book value								
At 31 December 2025	**456**	**2,332**	**10,958**	**2,108**	**–**	**15,854**	**33,211**	**49,065**
At 31 December 2024	435	2,280	10,688	1,832	–	15,235	32,629	47,864

12. Investment properties and other properties, plant and equipment (HK$m) continued

(a) Movements of investment properties and other properties, plant and equipment continued

During the year, the group acquired items of properties, plant and equipment with a cost of HK$767 million (2024: HK$956 million), of which HK$256 million related to development costs for The Peninsula London and HK$118 million related to The Peninsula Hong Kong. The Peninsula London soft opened on 12 September 2023 and we are in the process of preparing and agreeing final accounts with our trade contractors and consultants, which will include finalisation of programme delay costs.

The net book value for other items of properties, plant and equipment disposed of during the years ended 31 December 2025 and 2024 was insignificant in value.

The group assessed the recoverable amounts of its other properties, plant and equipment and construction in progress at the reporting date in accordance with the accounting policy as disclosed in note 34(i).

In 2024, an impairment provision of HK$158 million was made in respect of the group's investment in The Peninsula Yangon project following a review of the recoverability of The Peninsula Yangon's book value conducted by management.

(b)

All investment properties of the group were revalued as at 31 December 2025. The changes in fair value of the investment properties during the year were accounted for in the consolidated statement of profit or loss. The valuations were carried out by valuers independent of the group who have staff with recent experience in the location and category of the property being valued. Discussions have been held with the valuers on the valuation assumptions and valuation results when the valuation is performed at each reporting date. Details of the valuers are as follows:

Description of investment properties	Name of valuers	Qualification of the staff of the valuer conducting the valuation
Greater China		
Retail shops, offices and residential apartments	Savills Valuation and Professional Services Limited (Savills)	Members of the Hong Kong Institute of Surveyors
Europe		
Retail shops, offices and residential apartments	Newmark Real Estate Singapore Pte. Ltd. (Newmark)	Members of the Royal Institution of Chartered Surveyors
United States of America		
Retail shops and vacant land	Newmark	Members of the Royal Institution of Chartered Surveyors
Asia (excluding Greater China)		
Retail shops, offices, and vacant land	Savills	Members of the Hong Kong Institute of Surveyors
	Newmark	Members of the Royal Institution of Chartered Surveyors

Notes to the Financial Statements

12. Investment properties and other properties, plant and equipment (HK$m) continued

(c) Fair value measurement of investment properties

The fair value of the group's investment properties is mainly determined using the income capitalisation approach by applying the expected rental income with a capitalisation rate adjusted for the quality and location of the buildings, which is a level 3 fair value measurement under HKFRS 13. The fair value measurement is positively correlated to the expected rental income and negatively correlated to the capitalisation rate. The following table summarises the valuation parameters adopted by the valuers in assessing the fair value of the group's investment properties as at 31 December 2025:

Valuation parameters	Range
Capitalisation rate	
– Retail arcades	4.2% – 6.3% (2024: 4.0% – 6.5%)
– Offices	3.9% – 4.3% (2024: 3.9% – 4.0%)
– Residential properties	2.6% – 3.4% (2024: 2.6% – 3.4%)
Expected monthly market rental per square foot	
– Retail arcades	HK$28 – HK$1,209 (2024: HK$33 – HK$1,209)
– Offices	HK$24 – HK$69 (2024: HK$24 – HK$56)
– Residential properties	HK$37 – HK$69 (2024: HK$37 – HK$69)

Details of the movement of the group's investment properties are disclosed in note 12(a) above.

The net fair value adjustment of investment properties is recognised as a non-operating item in the consolidated statement of profit or loss.

(d) Investment properties rented out under operating leases

The group rents out its investment properties to third party tenants for rental income under operating leases. The rental agreements with tenants typically run for an initial period of one to five years, with or without options to renew after that date at which time all terms are renegotiated. Certain rental agreements include variable rentals that are based on the revenue of tenants.

Undiscounted rentals receivable by the group under non-cancellable operating lease arrangements at the reporting date are as follows:

	2025	2024
Within one year	**791**	766
After one year but within two years	**469**	378
After two years but within three years	**311**	251
After three years but within four years	**245**	183
After four years but within five years	**210**	146
After five years	**16**	147
	2,042	1,871

12. Investment properties and other properties, plant and equipment (HK$m) continued

(e) Right-of-use assets

The group is the lessee in respect of a number of properties which are leased from third party landlords. Pursuant to its accounting policy, the group capitalises the present value of the future minimum lease payments of its leased properties as right-of-use assets. A majority of the carrying value of the right-of-use assets is attributable to the hotel in New York which has a lease term of 90 years commencing in 1988, the hotel in Tokyo which has a lease term of 70 years commencing in 2015 and the hotel in London which has a lease term of 146 years commencing in 2016. The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of their respective useful life or the end of the lease term.

The net book value of right-of-use assets by class of underlying asset is analysed as follows:

	2025	2024
Classified as properties leased for own use, carried at depreciated cost	**2,332**	2,280

The analysis of expense items in relation to leased properties charged to the consolidated statement of profit or loss is as follows:

	2025	2024
Depreciation charge of right-of-use assets for properties leased for own use	**50**	50
Interest on lease liabilities	**149**	136
Variable lease payments not included in the measurement of lease liabilities	**23**	23

Notes to the Financial Statements

12. Investment properties and other properties, plant and equipment (HK$m) continued

(f) Hotel and investment properties, all held through subsidiaries, are as follows:

	Usage
Held in Hong Kong:	
Long-term leases (over 50 years):	
St. John's Building, 33 Garden Road	Office
Medium-term lease (between 10 and 50 years):	
The Peninsula Hong Kong, Salisbury Road	Hotel and commercial rentals
The Peninsula Office Tower, 18 Middle Road	Office
The Repulse Bay, 109 Repulse Bay Road	Residential and commercial rentals
Repulse Bay Garage, 60 Repulse Bay Road	Commercial rentals
Repulse Bay Apartments, 101 Repulse Bay Road	Residential
Short-term lease (less than 10 years):	
The Peak Tower, 128 Peak Road	Commercial rentals
Held in Mainland China:	
Short-term lease (less than 10 years):	
The Peninsula Beijing, 8 Goldfish Lane, Wangfujing, Beijing	Hotel and commercial rentals
Medium term lease (between 10 and 50 years):	
The Peninsula Shanghai apartments, No. 32 The Bund, 32 Zhong Shan Dong Yi Road, Shanghai	Residential
Held in Japan:	
Long-term lease (over 50 years):	
The Peninsula Tokyo, 1-8-1 Yurakucho, Chiyoda-ku, Tokyo	Hotel and commercial rentals
Held in Thailand:	
Freehold:	
The Peninsula Bangkok, 333 Charoennakorn Road, Klongsan, Bangkok 10600	Hotel
Vacant land, near The Peninsula Bangkok	Undetermined
Held in The Philippines:	
Short-term lease (less than 10 years):	
The Peninsula Manila, Corner of Ayala and Makati Avenues, 1226 Makati City, Metro Manila	Hotel and commercial rentals
Held in Vietnam:	
Short-term lease (less than 10 years):	
The Landmark, 5B Ton Duc Thang Street, District 1, Ho Chi Minh City	Residential and commercial rentals

12. Investment properties and other properties, plant and equipment (HK$m) continued

(f) Hotel and investment properties, all held through subsidiaries, are as follows: continued

	Usage
Held in the United States of America:	
Freehold:	
The Quail	Golf club and resort
8205 Valley Greens Drive, Carmel, California	
Vacant land, near the Quail	Undetermined
The Peninsula Chicago,	
108 East Superior Street	
(at North Michigan Avenue), Chicago, Illinois	Hotel
Long-term lease (over 50 years):	
The Peninsula New York,	
700 Fifth Avenue at 55th Street, New York	Hotel and commercial rentals
Held in France:	
Freehold:	
21 avenue Kléber, Paris	Commercial rentals
21 Rue de Longchamp, Paris	Residential
Held in the United Kingdom:	
Long-term lease (over 50 years):	
1-5 Grosvenor Place,	
London SW1X 7YL	Hotel
Held in Myanmar:	
Medium term lease (between 10 and 50 years):	
371-380 Bogyoke Aung San Road, Yangon	Redevelopment on hold

Notes to the Financial Statements

13. Properties held for sale (HK$m)

	2025	2024
At 1 January	**1,472**	4,382
Additions	**24**	181
Cost of inventories sold	**(378)**	(3,086)
Exchange adjustments	**111**	(5)
	1,229	1,472

The group owns a 100% interest in The Peninsula London Complex which comprises a 190-room Peninsula hotel and 24 luxury Peninsula-branded Residences. The land area of the overall site is approximately 67,000 square feet and the gross floor area of the Peninsula Residences is approximately 119,000 square feet.

During the year, one (2024: seven) Peninsula Residence was handed over to the buyer and the related carrying amount of inventory of HK$378 million (2024: HK$3,086 million) was charged as cost of inventories in the consolidated statement of profit or loss.

14. Interest in joint ventures (HK$m)

	2025	2024
Share of net assets	**1,475**	1,404
Loans to PSW (note 31(b))	**458**	458
	1,933	1,862

(a) Details of the joint ventures, which are accounted for using the equity method in the group's consolidated financial statements, are as follows:

Company name	Form of business structure	Place of incorporation and operation	Particulars of issued and paid-up capital	Group's effective interest	Principal activities
The Peninsula Shanghai Waitan Hotel Company Limited (PSW)	Incorporated	People's Republic of China (PRC)	RMB808,953,750 (31 December 2024: US$117,500,000)	50%	Hotel investment and apartments held for sale
PIT İstanbul Otel İşletmeciliği Anonim Şirketi (PIT)	Incorporated	Türkiye	TRY6,814,197,428 (31 December 2024: TRY6,110,197,428)	50%	Hotel investment

(b) PSW has pledged its properties inclusive of the land use rights as security for an initial loan facility amounting to RMB1,220 million (HK$1,357 million) (2024: RMB1,220 million (HK$1,297 million)). As at 31 December 2025, the loan drawdown amounted to RMB914 million (HK$1,016 million) (2024: RMB934 million (HK$993 million)). The net carrying amount of these pledged assets amounted to RMB2,004 million (HK$2,228 million) (2024: RMB2,077 million (HK$2,208 million)).

14. Interest in joint ventures (HK$m) continued

(c) Set out below is a summary of the aggregate financial information of joint ventures, of which the group has a 50% share:

	2025	2024
EBITDA	**184**	132
Net loss before revaluation of investment properties	**(144)**	(148)
Unrealised loss on revaluation of PSW's arcade, net of tax	**(24)**	(36)
Net loss	**(168)**	(184)
The group's share of results of the joint ventures	**(84)**	(92)

15. Interest in associates (HK$m)

	2025	2024
Interest in associates	**462**	404

(a) Details of the principal unlisted associates, which are accounted for using the equity method in the group's consolidated financial statements, are as follows:

Company name	Form of business structure	Place of incorporation and operation	Particulars of issued and paid-up capital	Group's effective interest*	Principal activities
19 Holding SAS (19 Holding)**	Incorporated	France	EUR1,000	20%	Investment holding
Majestic EURL (Majestic)	Incorporated	France	EUR80,000,000	20%	Hotel investment and investment holding
Le 19 Avenue Kléber	Incorporated	France	EUR100,000	20%	Hotel operation
The Belvedere Hotel Partnership (BHP) #	Partnership	United States of America	US$46,500,000	20%	Hotel investment

* The group's effective interest is held indirectly by the company

** 19 Holding holds a 100% direct interest in Majestic which owns The Peninsula Paris

BHP holds a 100% interest in The Peninsula Beverly Hills

Notes to the Financial Statements

15. Interest in associates (HK$m) continued

(b) Included in the balance of interest in associates are long-term unsecured loans to 19 Holding of HK$404 million (2024: HK$365 million). These loans were made pro rata to the group's shareholding in 19 Holding and are interest-bearing at 2.9% (2024: 2.9%) and are repayable in December 2027.

(c) Majestic has pledged its hotel property as security for a loan facility amounting to EUR227 million (HK$2,075 million) (2024: EUR227 million (HK$1,834 million)). As at 31 December 2025, the loan drawdown amounted to EUR227 million (HK$2,075 million) (2024: EUR227 million (HK$1,834 million)). As at 31 December 2025, the net carrying amount of the pledged asset amounted to EUR432 million (HK$3,949 million) (2024: EUR448 million (HK$3,619 million)).

(d) BHP has pledged its hotel property to an independent financial institution as security for BHP's loan facility, amounting to US$110 million (HK$858 million) (2024: US$110 million (HK$858 million)). As at 31 December 2025, the loan drawdown amounted to US$100 million (HK$780 million) (2024: US$110 million (HK$858 million)). The net carrying amount of the pledged asset amounted to US$37 million (HK$289 million) (2024: US$34 million (HK$265 million)).

(e) Set out below is a summary of the aggregate financial information of the associates, of which the group has a 20% share:

	2025	2024
EBITDA	**348**	261
Net profit/(loss)	**50**	(79)
The group's share of results of the associates	**10**	(16)

16. Hotel operating rights and trademarks (HK$m)

	2025	2024
Cost		
At 1 January	**663**	696
Exchange adjustments	**61**	(33)
At 31 December	**724**	663
Accumulated amortisation		
At 1 January	**(244)**	(237)
Exchange adjustments	**(13)**	7
Amortisation for the year	**(14)**	(14)
At 31 December	**(271)**	(244)
Net book value	**453**	419

Hotel operating rights and trademarks represent the cost attributable to securing the group's rights to operate The Peninsula Beverly Hills and The Peninsula Paris as well as the cost of acquisition of certain trademarks for The Peninsula Istanbul. Hotel operating rights and trademarks are amortised on a straight-line basis over the terms of the relevant operating periods of The Peninsula Beverly Hills, The Peninsula Paris and The Peninsula Istanbul respectively.

The amortisation charge for the year is included in "Depreciation and amortisation" in the consolidated statement of profit or loss.

17. Derivative financial instruments (HK$m)

	2025		2024	
	Assets	**Liabilities**	Assets	Liabilities
Cash flow hedges:				
Interest rate swaps	**32**	**(23)**	153	–
Cross currency interest rate swaps	**–**	**(38)**	–	–
Forward foreign exchange contracts	**–**	**–**	13	–
	32	**(61)**	166	–
Less: Portion to be settled within one year				
Cash flow hedges:				
Interest rate swaps	**(32)**	**–**	–	–
Cross currency interest rate swaps	**–**	**38**	–	–
Forward foreign exchange contracts	**–**	**–**	(13)	–
	(32)	**38**	(13)	–
Amount to be settled after one year	**–**	**(23)**	153	–

Notes to the Financial Statements

18. Income tax in the consolidated statement of financial position (HK$m)

(a) Current taxation

	2025	2024
Provision for Hong Kong Profits Tax net provisional profits tax paid	**32**	18
Provision for overseas taxes	**17**	43
	49	61
Represented by:		
Tax recoverable (note 20)	**(8)**	(11)
Current tax payable	**57**	72
	49	61

(b) Deferred tax assets and liabilities recognised

The components of deferred tax (assets)/liabilities of the group recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Revaluation of investment properties	Tax allowances in excess of the related depreciation	Provisions and others	Tax losses	Cash flow hedges	Right-of-use assets	Lease liabilities	Total
Deferred tax arising from:								
At 1 January 2024	246	1,000	(7)	(758)	34	422	(430)	507
Exchange adjustments	(6)	(11)	–	10	–	(42)	45	(4)
Credited to reserve	–	–	–	–	(9)	–	–	(9)
Charged/(credited) to profit or loss	5	53	9	(42)	–	–	(4)	21
At 31 December 2024 and at 1 January 2025	**245**	**1,042**	**2**	**(790)**	**25**	**380**	**(389)**	**515**
Exchange adjustments	**5**	**23**	**2**	**(24)**	**–**	**2**	**1**	**9**
Credited to reserve	**–**	**–**	**–**	**–**	**(23)**	**–**	**–**	**(23)**
Charged/(credited) to profit or loss	**2**	**49**	**(37)**	**24**	**–**	**(1)**	**(4)**	**33**
At 31 December 2025	**252**	**1,114**	**(33)**	**(790)**	**2**	**381**	**(392)**	**534**

Deferred tax assets and liabilities are netted off when the taxes relate to the same taxation authority and where offsetting is legally enforceable.

The following amounts, determined after appropriate offsetting, are shown separately on the consolidated statement of financial position.

	2025	2024
Deferred tax assets	**152**	153
Deferred tax liabilities	**(686)**	(668)
	(534)	(515)

18. Income tax in the consolidated statement of financial position (HK$m) continued

(b) Deferred tax assets and liabilities recognised continued

In accordance with the accounting policy set out in note 34(q), the group has not recognised deferred tax assets totalling HK$520 million (2024: HK$562 million) in respect of certain accumulated tax losses of HK$1,958 million (2024: HK$2,102 million) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The expiry dates of these tax losses are as follows:

	2025	2024
Expiring in one year	**212**	200
After one year but within five years	**637**	503
After five years but within 20 years	**427**	930
Without expiry date	**682**	469
	1,958	2,102

The group does not have any deferred tax liabilities arising from any undistributable profit in 2025 and 2024.

19. Inventories (HK$m)

	2025	2024
Food and beverage and others	**138**	123

The cost of inventories recognised as expenses in the consolidated statement of profit or loss amounted to HK$519 million (2024: HK$509 million).

20. Trade and other receivables (HK$m)

	2025	2024
Trade debtors	**403**	424
Rental deposits, payments in advance and other receivables	**414**	383
Tax recoverable (note 18(a))	**8**	11
	825	818

Notes to the Financial Statements

20. Trade and other receivables (HK$m) continued

The amount of the group's trade and other receivables expected to be recovered or recognised as expenses after more than one year is HK$166 million (2024: HK$187 million). All the other trade and other receivables are expected to be recovered or recognised as expenses within one year.

The ageing analysis of trade debtors is as follows:

	2025	2024
Current	**354**	369
Less than one month past due	**22**	25
One to three months past due	**15**	12
More than three months but less than 12 months past due	**12**	18
Amounts past due	**49**	55
	403	424

Trade debtors are normally due within 30 days from the date of billing. Further details on the group's credit policy and credit risk arising from trade debtors are set out in note 28(d).

21. Cash and cash equivalents and other cash flow information (HK$m)

(a) Cash at banks and in hand

	2025	2024
Interest-bearing bank deposits	**393**	519
Cash at banks and in hand	**369**	376
Total cash at banks and in hand	**762**	895
Less: Bank deposits with maturity of more than three months	**(266)**	(185)
Cash and cash equivalents in the consolidated statement of cash flows	**496**	710

Cash at banks and in hand (including interest-bearing bank deposits) at the end of the reporting period include amounts of HK$421 million (2024: HK$328 million) held by subsidiaries in Mainland China which are subject to prevailing regulations on profit repatriation and foreign exchange restrictions.

21. Cash and cash equivalents and other cash flow information (HK$m) continued

(b) Reconciliation of liabilities arising from financing activities

	Interest-bearing borrowings (note 23)	Lease liabilities (note 24)	Derivative financial instruments (note 17)	Interest payable (note 22)	Total
At 1 January 2024	15,914	2,733	(220)	43	18,470
Changes from financing cashflows					
Drawdown of term loans	2,226	–	–	–	2,226
Repayment of term loans	(3,579)	–	–	–	(3,579)
Net decrease in revolving loans	(851)	–	–	–	(851)
Interest paid and other financing charges	(15)	–	–	(693)	(708)
Capital element of lease rental paid	–	(26)	–	–	(26)
Interest element of lease rental paid	–	(136)	–	–	(136)
Change in fair value	–	–	54	–	54
Other changes					
Exchange difference	(332)	(150)	–	–	(482)
Financing charges	26	136	–	620	782
Capitalised borrowing costs (note 5)	–	–	–	66	66
Increase in lease liabilities arising from new leases during the year	–	55	–	–	55
At 31 December 2024 and 1 January 2025	**13,389**	**2,612**	**(166)**	**36**	**15,871**
Changes from financing cashflows					
Drawdown of term loans	**4,584**	**–**	**–**	**–**	**4,584**
Repayment of term loans	**(6,159)**	**–**	**–**	**–**	**(6,159)**
Net increase in revolving loans	**299**	**–**	**–**	**–**	**299**
Proceeds from issuance of bonds	**869**	**–**	**–**	**–**	**869**
Interest paid and other financing charges	**(42)**	**–**	**–**	**(532)**	**(574)**
Capital element of lease rental paid	**–**	**(40)**	**–**	**–**	**(40)**
Interest element of lease rental paid	**–**	**(149)**	**–**	**–**	**(149)**
Change in fair value	**–**	**–**	**195**	**–**	**195**
Other changes					
Exchange difference	**488**	**75**	**–**	**–**	**563**
Financing charges	**27**	**149**	**–**	**517**	**693**
Increase in lease liabilities arising from new leases and lease modification during the year	**–**	**24**	**–**	**–**	**24**
At 31 December 2025	**13,455**	**2,671**	**29**	**21**	**16,176**

Notes to the Financial Statements

22. Trade and other payables (HK$m)

	2025	2024
Trade creditors	**205**	176
Interest payable	**21**	36
Accruals for properties, plant and equipment and properties held for sale	**128**	196
Tenants' deposits	**356**	352
Guest deposits and gift vouchers	**271**	203
Provision for bonus and other staff costs	**356**	321
VAT and other taxes payable	**159**	143
Other payables	**445**	541
Financial liabilities measured at amortised cost	**1,941**	1,968
Less: Non-current portion of trade and other payables	**(139)**	(145)
Current portion of trade and other payables	**1,802**	1,823

As at 31 December 2025, trade and other payables of the group expected to be settled or recognised as income after more than one year amounted to HK$139 million (2024: HK$145 million). The other trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The Directors consider that the carrying amount of all trade and other payables approximates their fair value.

The ageing analysis of trade creditors is as follows:

	2025	2024
Less than three months	**191**	166
Three to six months	**11**	8
More than six months	**3**	2
	205	176

23. Interest-bearing borrowings (HK$m)

	2025	2024
Total facilities available:		
Term loans and revolving credits	**14,515**	16,076
Guaranteed bonds	**796**	–
Uncommitted facilities, including bank overdrafts	**248**	232
	15,559	16,308
Utilised at 31 December:		
Term loans and revolving credits	**12,533**	13,258
Guaranteed bonds	**796**	–
Uncommitted facilities, including bank overdrafts	**168**	162
	13,497	13,420
Less: Unamortised financing charges	**(42)**	(31)
	13,455	13,389
Represented by:		
Long-term bank loans and bonds, repayable within one year	**5,504**	7,388
Short-term bank loans and overdrafts, repayable on demand	**–**	–
	5,504	7,388
Long-term bank loans and bonds, repayable:		
Between one and two years	**1,178**	2,927
Between two and five years	**6,566**	3,105
Over five years	**249**	–
	7,993	6,032
Less: Unamortised financing charges	**(42)**	(31)
Non-current portion of long-term bank loans and bonds	**7,951**	6,001
Total interest-bearing borrowings	**13,455**	13,389

All of the interest-bearing borrowings are unsecured.

As at 31 December 2025, the group's committed facilities included green loans and sustainability linked loan facilities of HK$5,000 million (2024: HK$5,111 million) and HK$3,298 million (2024: HK$4,855 million) respectively. The sustainability facility with maximum 4 basis points margin discount are determined with reference to the key performance indicators relating to the group's carbon intensity, energy intensity, waste diversion and status of sustainability certificates.

Notes to the Financial Statements

24. Lease liabilities (HK$m)

The group is the lessee in respect of a number of properties which are leased from third party landlords. Pursuant to its accounting policy, the group capitalises the present value of the future minimum lease payments of its leased properties as right-of-use assets (note 12(e)) and the corresponding credit is recognised as lease liabilities. The group remeasures its lease liabilities at each accounting period end to reflect the interest accrued on the outstanding lease liabilities and the lease payments made.

The following table shows the remaining contractual maturities of the group's minimum lease liabilities at the end of the current and previous reporting periods:

	2025	2024
Carrying value		
Current portion	**173**	160
Non-current portion	**2,498**	2,452
	2,671	2,612
Contractual undiscounted cash outflow		
Within one year	**173**	160
After one year but within two years	**154**	160
After two years but within five years	**306**	277
After five years	**42,931**	11,219
Total lease liabilities	**43,564**	11,816

25. Share capital

	2025		2024	
	No. of shares (million)	**HK$m**	No. of shares (million)	HK$m
Ordinary shares, issued and fully paid:				
At 1 January	**1,667**	**5,947**	1,649	5,837
Shares issued under scrip dividend scheme (note)	**–**	**–**	18	110
At 31 December	**1,667**	**5,947**	1,667	5,947

In accordance with Section 135 of the Companies Ordinance, the ordinary shares of the company do not have a par value.

All shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

Note
During 2024, the company issued and allotted new shares under the 2023 scrip dividend scheme at scrip price of HK$6.276

26. Reserves (HK$m)

The reconciliation between the opening and closing balances of each component of the group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the company's individual components of equity between the beginning and the end of the year are set out below:

(a) Company

	Capital reserve	Retained profits	Total
At 1 January 2024	4,975	5,932	10,907
Profit for the year	–	228	228
Total comprehensive income for the year	–	228	228
Dividends approved in respect of the previous year	–	(132)	(132)
At 31 December 2024	4,975	6,028	11,003
At 1 January 2025	**4,975**	**6,028**	**11,003**
Profit for the year	**–**	**801**	**801**
Total comprehensive income for the year	**–**	**801**	**801**
At 31 December 2025	**4,975**	**6,829**	**11,804**

Capital reserve

The Company capital reserve represents the profit recognised on the intra-group transfer of properties as a result of the corporate restructuring in 1991.

Reserves available for distribution

At 31 December 2025, the aggregate amount of reserves available for distribution to equity shareholders of the company, as calculated under the provisions of Part 6 of the Hong Kong Companies Ordinance, was HK$6,829 million (2024: HK$6,028 million). After the end of the reporting period, the Board of Directors has resolved not to recommend a final dividend for the year (2024: Nil).

(b) Nature and purpose of reserves of the group

Capital reserve

The group's capital reserve represents the profit recognised on the intra-group transfer of properties as a result of the corporate restructuring in 1991.

Hedging reserve

The hedging reserve includes cash flow hedges and cost of hedging. The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges, pending subsequent recognition of the hedged cash flows in accordance with the accounting policy adopted for cash flow hedges in note 34(d). The cost of hedging reserve comprises the cumulative gain or loss on the portion excluded from the designated hedging instrument.

Exchange and other reserves

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 34(t). Other reserves mainly comprise other comprehensive income recognised for the remeasurement of net defined benefit retirement obligations and the surplus on revaluation of land and building held for own use arising upon their transfer to investment properties. The relevant accounting policies for which are set out in notes 34(p) and 34(f) respectively.

Notes to the Financial Statements

26. Reserves (HK$m) continued

(c) Capital management

The group takes a long-term view of its business and consequently the planning of the use of capital. The group's primary objectives when managing its capital are to safeguard the group's ability to continue as a going concern, to secure access to finance at a reasonable cost relative to risk and to provide an appropriate return to shareholders. In so doing, it seeks to achieve an appropriate balance between shareholders' equity and external debt by taking into account the cost of capital and the efficiency of using the capital.

The group regularly reviews its capital structure and actively monitors current and expected liquidity requirements to ensure its obligations and commitments are met. A proactive approach is taken to forecasting future funding requirements and, when funds are needed, market conditions are evaluated to determine the best form of finance to be secured.

In addition, the group maintains sufficient cash reserves and adequate committed borrowing facilities from major financial institutions to ensure funds are available to meet its financial obligations and to finance its growth and development.

The group monitors its capital structure based on the ratio of net debt to equity attributable to shareholders. The group's share of net borrowings of the non-consolidated entities (associates and joint ventures), if any, are also taken into account. The calculations of the ratios of net debt to equity attributable to shareholders before and after the non-consolidated entities as at 31 December 2025 and 2024 are as follows:

	2025	2024
Interest-bearing borrowings	**13,455**	13,389
Less: Cash at banks and in hand	**(762)**	(895)
Net borrowings per the statement of financial position	**12,693**	12,494
Share of net borrowings of non-consolidated entities	**889**	886
Net borrowings adjusted for non-consolidated entities	**13,582**	13,380
Equity attributable to shareholders of the company per the consolidated statement of financial position	**36,083**	35,401
Net debt to equity attributable to shareholders ratio based on the consolidated financial statements	**35%**	35%
Net debt to equity attributable to shareholders ratio adjusted for non-consolidated entities	**38%**	38%

During 2025, the group continued to operate within its long-term treasury management guidelines.

The group is subject to certain covenants that are commonly found in lending arrangements with financial institutions. The group complied with such covenants as at 31 December 2024 and 2025. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

27. Employee retirement benefits (HK$m)

(a) Defined benefit retirement obligations

The group maintains a non-contributory defined benefit retirement plan covering 200 active members (2024: 315 active members) of Manila Peninsula Hotel, Inc. (MPHI), a Philippine subsidiary of the company. Such plan is administered by an independent trustee with the assets, if any, held separately from those of the group. The defined benefit retirement obligations as at 31 December 2025 of MPHI are estimated by qualified staff of Actuarial Advisers, Inc. who are members of the Actuarial Society of the Philippines using the projected unit credit method. The present value of the uncovered obligations was fully provided for as at 31 December 2025.

The amounts recognised in the group's consolidated statement of financial position are as follows:

	2025	2024
Present value of wholly or partly funded obligations	**31**	30
Fair value of plan assets	**(9)**	(9)
	22	21
Fair value of plan assets as a percentage of obligation	**29%**	30%

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

The principal actuarial assumptions used as at 31 December 2025 and 2024 are as follows:

	2025	2024
Discount rate	**from 1.9% to 6.5%**	from 2.4% to 6.5%
Future salary increases	**4.0% to 4.5%**	4.0% to 4.5%

The analysis below shows how the defined benefit obligations as at 31 December 2025 would have increased/(decreased) as a result of changes in the significant actuarial assumptions:

	Defined benefit obligations	
	Increase	Decrease
Discount rate (0.5% change)	–	1
Future salary (1% change)	2	(1)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

Notes to the Financial Statements

27. Employee retirement benefits (HK$m) continued

(b) Defined contribution retirement plans

The group has a defined contribution retirement plan covering 1,517 employees (2024: 1,549 employees), most of whom are in Hong Kong. The defined contribution retirement plan is formally established under an independent trust with the assets of the funds held separately from those of the group by an independent trustee. The plan is registered under the Occupational Retirement Schemes Ordinance in Hong Kong and is exempted under the Mandatory Provident Fund Schemes (Exemption) Regulation. Employees covered by this plan are not required to make contributions and funds contributed by employers are fully vested with their employees immediately. The average contribution rate against employees' relevant income for the year was 12% (2024: 12%).

In addition, the group participates in the Mandatory Provident Fund Scheme (the MPF Scheme) under the Mandatory Provident Fund Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance, which is operated by an independent service provider to cover 140 employees (2024: 150 employees) in Hong Kong who are not covered by the above defined contribution retirement plan. The MPF Scheme is a defined contribution retirement plan administrated by independent trustees. Contributions at a fixed rate of 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 per employee, are made to the Scheme by both the employer and the employee and vest immediately.

The group also operates several defined contribution retirement plans, including union pension schemes for its overseas subsidiaries covering 2,987 employees (2024: 2,783 employees) in other Asian countries and the United States of America, in accordance with the respective applicable labour regulations.

Total contributions to all of the above defined contribution retirement plans made by the group amounted to HK$174 million (2024: HK$165 million) and was charged to the consolidated statement of profit or loss during the year.

28. Financial risk management and fair values

The group is exposed to foreign exchange, interest rate, liquidity and credit risks in its normal course of business. The group's exposure to these risks, as well as various techniques and derivative financial instruments used to manage these risks, are described below.

(a) Foreign exchange risk

The group manages its foreign exchange exposure with a view to protecting its net assets and profitability against adverse fluctuations in exchange rates. The company reports its results in Hong Kong Dollars. In the light of the Hong Kong Dollar peg, the group does not hedge United States Dollar exposures and it aims to preserve its value in Hong Kong Dollar and/or United States Dollar terms.

Foreign exchange risk may arise in sale and purchase transactions which give rise to receivables, payables and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States Dollars, Euros, British Pounds, Renminbi, Japanese Yen, Thai Baht and Philippine Pesos.

28. Financial risk management and fair values continued

(a) Foreign exchange risk continued

Hedge of foreign exchange risk in forecast transactions

In respect of committed future transactions and highly probable forecast transactions, the group usually hedges its estimated foreign currency transaction exposures if the foreign exchange risk of these exposures is considered to be significant. The group mainly uses forward exchange contracts to hedge this type of foreign exchange risk and classifies these contracts as cash flow hedges. In respect of the bank borrowings in British Pounds, the group uses GBP/HKD floating-to-floating cross currency interest rate swaps to hedge the foreign exchange risk and classifies the swaps as cash flow hedges. The currency forward element of the swaps is designated as the hedging instrument and the remaining elements of the swaps are separately accounted for as cost of hedging.

The group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instruments and the highly probable forecast transactions based on their currency amounts and the timing of their respective cash flows.

The main source of ineffectiveness in these hedging relationships are:

(i) the effect of the counterparty's and the group's own credit risk on the fair value of the forward exchange contracts and cross currency interest rate swaps which are not reflected in the change in the value of the hedged cash flows attributable to the forward rate; and

(ii) changes in the timing of the hedging transactions.

The following table provides a reconciliation of the hedging reserve (including cost of hedging reserve) in respect of foreign currency risk and shows the effectiveness of the hedging relationships:

	2025	2024
Balance at 1 January	**(4)**	–
Effective portion of the cash flow hedge recognised in other comprehensive income	**(42)**	(5)
Cost of hedging – changes in fair value	**17**	–
Cost of hedging – transfer to profit or loss	**(17)**	–
Related tax	**(1)**	1
Transfer to profit or loss	**47**	–
Balance at 31 December*	**–**	(4)
Hedge ineffectiveness recognised in profit or loss	**–**	–
Change in fair value of the hedging instruments during the year	**(42)**	(5)
Effective portion of the cash flow hedge recognised in other comprehensive income	**(42)**	(5)

* Included in hedging reserve as at 31 December 2025 was a balance of HK$0.4 million in respect of the group's cost of hedging (31 December 2024: nil)

Notes to the Financial Statements

28. Financial risk management and fair values continued

(a) Foreign exchange risk continued

Recognised assets and liabilities

The group has foreign currency monetary assets and liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. Exchange differences arising on settling or translating these foreign currency monetary items at rates different from those at dates of transactions giving rise to these monetary items are recognised in the statement of profit or loss.

The group usually hedges most of the foreign exchange exposures arising from significant foreign currency monetary assets and liabilities, including foreign currency borrowings. The group mainly uses cross currency swaps or forward exchange contracts to hedge this type of foreign exchange risk and classifies these derivative financial instruments as cash flow hedges or at fair value through profit or loss, depending on whether the future foreign currency cash flows are fixed or not.

Changes in the fair value of these cash flow hedges or derivative financial instruments at fair value through profit or loss are recognised in the hedging reserve or the statement of profit or loss respectively.

All of the group's borrowings are denominated in the functional currency of the operations to which they relate. Given the hedging arrangements put in place by the group, it is not expected that there will be any significant currency risk associated with the group's borrowings.

Net investment in foreign subsidiaries

At 31 December 2025 and 2024, the group did not hedge any net investment in foreign subsidiaries.

Exposure to foreign exchange risk

The following table details the group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The amounts of the exposure are shown in original currency. Differences resulting from the translation of the financial statements of the foreign operations into the group's presentation currency and exposures arising from inter-company balances which are denominated in a foreign currency and is considered to be in the nature of investment in the subsidiary, joint ventures and associates are excluded.

	2025			2024		
(million)	**United States Dollars**	**Euros**	**GBP**	United States Dollars	Euros	GBP
Trade and other receivables	**11**	**24**	**4**	12	28	3
Cash at banks and in hand	**8**	**2**	**1**	5	6	1
Trade and other payables	**(20)**	**(4)**	**(2)**	(45)	(7)	(2)
Net exposure arising from recognised assets and liabilities	**(1)**	**22**	**3**	(28)	27	2

Based on the sensitivity analysis performed as at 31 December 2025, it was estimated that an increase/decrease of 10% (2024: 10%) in foreign exchange rate in respect of financial instruments denominated in currency other than the functional currencies, with all other variables held constant, would not have significant impact on the group's post-tax profits and other components of equity.

(b) 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 borrowings. Borrowings bearing floating interest rates that are reset on a regular basis as market interest rates change expose the group to cash flow interest rate risk.

28. Financial risk management and fair values continued

(b) Interest rate risk continued

As at 31 December 2025, the group had interest rate swaps that are classified as cash flow hedges with a total notional contract amount of HK$5,897 million (2024: HK$4,969 million) maturing over the next 3 years (2024: 3 years). Changes in fair value of these swaps accounted for as cash flow hedges are recognised in the hedging reserve. The group locked in the following ranges of fixed rates by the swaps at 31 December 2025:

	31 December 2025	31 December 2024
British Pounds	**0.65% to 4.02%**	0.65% to 4.02%
Hong Kong dollars	**0.78% to 3.55%**	0.78% to 3.55%

The net fair value of all the interest rate swaps entered into by the group at 31 December 2025 and 2024 was as follows (HK$m):

	2025	2024
Cash flow hedges (note 17)	**9**	153

The existence of an economic relationship between the interest rate swaps and the variable rate borrowings is determined by matching their critical contract terms, including the reference interest rates, tenors, interest repricing dates, maturity dates, interest payment and/or receipt dates, the notional amounts of the swaps and the outstanding principal amounts of the loans. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the group's own credit risk on the fair value of the swaps which is not reflected in the fair value of the hedged cash flows attributable to the change in interest rates.

The following table provides a reconciliation of the hedging reserve in respect of interest rate risk and shows the effectiveness of the hedging relationships:

	2025	2024
Balance at 1 January	**127**	183
Effective portion of the cash flow hedge recognised in other comprehensive income	**(42)**	83
Related tax	**24**	11
Transfer to profit or loss	**(101)**	(150)
Balance at 31 December	**8**	127
Hedge ineffectiveness recognised in profit or loss	**–**	–
Change in fair value of the interest rate swaps during the year	**(42)**	83
Effective portion of the cash flow hedge recognised in other comprehensive income	**(42)**	83

Notes to the Financial Statements

28. Financial risk management and fair values continued

(b) Interest rate risk continued

The following table details the profile of the group's borrowings excluding lease liabilities at the end of the reporting period, after taking into account the effect of interest rate swaps designated as cash flow hedging instruments.

	2025 Effective interest rate	2025 HK$m	2024 Effective interest rate	2024 HK$m
Fixed rate borrowings:				
Bank loans and bonds	**3.0%**	**7,990**	3.7%	6,261
Floating rate borrowings:				
Bank loans	**4.6%**	**5,465**	5.1%	7,128
Total interest-bearing borrowings		**13,455**		13,389
Fixed rate borrowings as a percentage of total borrowings		**59%**		47%

On the other hand, as at 31 December 2025 and 2024, the group had short-term bank deposits. Since these deposits are placed for short-term liquidity purposes, the group has no intention to lock in their interest rates for the long-term. The interest rate profile of these bank deposits at the end of the reporting period is summarised as follows:

	2025 Effective interest rate	2025 HK$m	2024 Effective interest rate	2024 HK$m
Floating rate instruments:				
Bank deposits	**1.3%**	**324**	2.77%	516

Sensitivity analysis

The following table indicates the approximate changes in the group's profit/(loss) after taxation (and retained profits) and other components of consolidated equity in response to reasonably possible changes in the interest rates, with all other variables held constant, to which the group has significant exposure at the end of the reporting period. As at 31 December 2025 and 2024, the effects were attributable to changes in interest income and expense relating to floating rate financial instruments and gains or losses resulting from changes in the fair value of derivative financial instruments.

28. Financial risk management and fair values continued

(b) Interest rate risk continued

***Sensitivity analysis** continued*

	2025			2024		
	Increase/ (decrease) in interest rates (basis points)	**Increase/ (decrease) in profit after taxation and increase/ (decrease) in retained profits (HK$m)**	**Increase/ (decrease) in other components of equity (HK$m)**	Increase/ (decrease) in interest rates (basis points)	(Increase)/ decrease in loss after taxation and increase/ (decrease) in retained profits (HK$m)	Increase/ (decrease) in other components of equity (HK$m)
HK Dollars	**100**	**(9)**	**19**	100	(23)	28
	(100)	**9**	**(19)**	(100)	23	(28)
Renminbi	**100**	**3**	**–**	100	2	–
	(100)	**(3)**	**–**	(100)	(2)	–
Thai Baht	**100**	**(1)**	**–**	100	(1)	–
	(100)	**1**	**–**	(100)	1	–
Japanese Yen	**50**	**(1)**	**–**	50	(4)	–
	(50)	**1**	**–**	(50)	4	–
US Dollars	**100**	**(2)**	**–**	100	(4)	–
	(100)	**2**	**–**	(100)	4	–
Euros	**100**	**(4)**	**–**	100	(3)	–
	(100)	**4**	**–**	(100)	3	–
GBP	**100**	**(33)**	**30**	100	(20)	42
	(100)	**33**	**(30)**	(100)	20	(42)

The sensitivity analysis above indicates the instantaneous change in the group's profit/(loss) after taxation (and retained profits) and other components of consolidated equity that would have arisen, assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the group and which expose the group to fair value interest rate risk at the end of the reporting period. In respect of exposure to cash flow interest rate risk arising from the floating rate non-derivative financial instruments (which include bank borrowings and deposits) held by the group at the end of the reporting period, the impact on the group's profit/(loss) after taxation (and retained profits) and other components of consolidated equity is estimated as an annualised impact on interest expense or income of such changes in interest rates. The analysis has been performed on the same basis as for 2024.

Notes to the Financial Statements

28. Financial risk management and fair values continued

(c) Liquidity risk

Borrowings and cash management, including short-term investment of surplus cash, are arranged centrally to cover expected cash requirements. The group's policy is to regularly monitor current and expected liquidity requirements and compliance with loan covenants to ensure that it maintains sufficient cash reserves and adequate committed borrowing facilities from major financial institutions to meet its obligations and commitments in the short and longer term.

At 31 December 2025, total available borrowing facilities amounted to HK$15,559 million (2024: HK$16,308 million), of which HK$13,497 million (2024: HK$13,420 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totaled HK$1,982 million (2024: HK$2,818 million).

The following table details the remaining contractual maturities at the end of the reporting period of the group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the group can be required to pay:

	2025						2024					
		Contractual undiscounted cash outflow/(inflow)						Contractual undiscounted cash outflow/(inflow)				
(HK$m)	Statement of financial position carrying amount	Total	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Statement of financial position carrying amount	Total	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Trade creditors	205	205	205	–	–	–	176	176	176	–	–	–
Interest payable	21	21	21	–	–	–	36	36	36	–	–	–
Accruals for property, plant and equipment and properties held for sale	128	128	128	–	–	–	196	196	196	–	–	–
Tenants' deposits	356	356	218	24	50	64	352	352	207	32	40	73
Guest deposits and gift vouchers	271	271	271	–	–	–	203	203	203	–	–	–
Other payables	960	960	960	–	–	–	1,005	1,005	1,005	–	–	–
Lease liabilities	2,671	43,564	173	154	306	42,931	2,612	11,816	160	160	277	11,219
Interest-bearing borrowings	13,455	14,552	5,957	1,504	6,840	251	13,389	14,595	7,996	3,179	3,420	–
Interest rate swaps (net settled)	9	9	22	(12)	(1)	–	(153)	(158)	(116)	(43)	1	–
Cross currency interest rate swaps (net settled)	(38)	(27)	(27)	–	–	–	–	–	–	–	–	–
Forward foreign exchange contracts held as cash flow hedging instruments												
– outflow	–	–	–	–	–	–	–	297	297	–	–	–
– inflow	–	–	–	–	–	–	(13)	(309)	(309)	–	–	–
Current taxation	57	57	57	–	–	–	72	72	72	–	–	–
	18,095	60,096	7,985	1,670	7,195	43,246	17,875	28,281	9,923	3,328	3,738	11,292

28. Financial risk management and fair values continued

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the group. The group's credit risk is primarily attributable to bank deposits, trade and other receivables and derivative financial instruments and is monitored on an ongoing basis.

To minimise credit exposure for bank deposits and derivative financial instruments, the group transacts with financial institutions with good credit ratings and diversifies its exposure to various financial institutions in accordance with group guidelines. All bank deposits are subject to a single counterparty exposure limit and a composite counterparty exposure limit. The credit ratings of the financial institutions are closely monitored throughout the lives of the transactions.

At 31 December 2025, cash at banks and in hand amounted to HK$762 million (2024: HK$895 million), of which HK$324 million (2024: HK$516 million) was placed as time deposits with financial institutions with credit ratings of no less than BBB (issued by Standard & Poor's Rating Services (S&P)) or Baa2 (issued by Moody's Investors Services, Inc. (Moody's)) and there was no significant concentration risk to any single counterparty.

For derivative financial instruments, the credit ratings of the financial institutions were no less than A (S&P) or A1 (Moody's).

The group maintains a defined credit policy to ensure that credit is given only to customers with an appropriate credit history. Credit evaluations are performed for all significant customers. 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. Credit limits are set for customers based on their credit worthiness and past history. Trade receivables are normally due within 30 days from the date of billing. In respect of the group's rental income from operating leases, rentals are normally received in advance and sufficient rental deposits are held to cover potential exposure to credit risk. Other than this, as such, the group normally does not obtain collateral from its customers. The ageing of trade debtors at 31 December 2025 is summarised in note 20. The expected credit losses for these balances were not material at 31 December 2025, therefore no loss allowance was provided at 31 December 2025.

The group's exposure to credit risk is influenced mainly by individual characteristics of each customer rather than the industry or country in which the customers operate; therefore, it is considered that there is no concentration of credit risk as the group has no significant exposure to individual customers given the large number of customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including the derivative financial instruments, in the consolidated statement of financial position after deducting any impairment allowance. The group does not provide any other guarantee which would expose the group to any material credit risk.

Notes to the Financial Statements

28. Financial risk management and fair values continued

(e) Fair values

(i) Financial instruments carried at fair value

HKFRS 13, *Fair value measurement* requires disclosure of the fair value of the group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- 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.

All derivative financial instruments carried at fair value are categorised as falling under Level 2 of the fair value hierarchy.

During the years ended 31 December 2025 and 2024, there were no transfers among Levels 1, 2 and 3.

(ii) Fair values of financial instruments carried at other than fair value

Financial instruments are carried at amounts not materially different from their fair values as at 31 December 2025. Advances to the joint venture are unsecured, interest free and have no fixed repayment terms. Given these terms, it is not meaningful to disclose the fair values. The group has no intention of disposing these loans.

(f) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

Derivative financial instruments

Forward foreign exchange contracts and foreign exchange swaps are either marked to market using listed market prices, or by discounting the contractual forward price and deducting the current spot rate. The fair values of interest rate swaps and cross currency interest-rate swaps are the estimated amount that the group would receive or pay to terminate the swaps at the end of the reporting period, taking into account current interest rates, foreign exchange rates and the current creditworthiness of the swap counterparties.

When discounted cash flow techniques are used, estimated future cash flows are based on the management's best estimates and the discount rate is a market related rate for a similar instrument at the end of the reporting period. Where other pricing models are used, inputs are based on market related data at the end of the reporting period.

28. Financial risk management and fair values continued

(f) Estimation of fair values continued

Derivative financial instruments continued

The group used the following discount rates for determining fair value of derivative financial instruments.

	31 December 2025	31 December 2024
Pounds	**3.4% to 3.8%**	4.1% to 4.7%
Hong Kong dollars	**1.9% to 2.0%**	2.9% to 3.4%

29. Commitments (HK$m)

Capital commitments outstanding as at 31 December 2025 and 2024 not provided for in the financial statements were as follows:

	2025			2024		
	Contracted for	**Authorised but not contracted for**	**Total**	Contracted for	Authorised but not contracted for	Total
Capital commitments in respect of:						
Existing properties	**86**	**417**	**503**	112	561	673
Special projects	**18**	**329**	**347**	75	320	395
	104	**746**	**850**	187	881	1,068
The group's share of capital commitments of joint ventures and associates	**1**	**71**	**72**	31	50	81
	105	**817**	**922**	218	931	1,149

30. Contingent liabilities

The Directors consider that there being no material contingent liabilities for the group as at 31 December 2025 and 2024.

31. Material related party transactions

Other than the Directors' remuneration and the loans advanced to an associate as disclosed in note 15, material related party transactions are set out as follows:

(a) Under a three-year tenancy agreement which commenced on 1 April 2024, a wholly-owned subsidiary of the company, HSH Management Services Limited (HMS), leased the entire storey on the 7th and 8th floors of St. George's Building, 2 Ice House Street, Central, Hong Kong at an average monthly rent of HK$1,650,037 and service charge of HK$266,761 from Kadoorie Estates Limited (KEL), which is controlled by one of the substantial shareholders of the company.

The present value of the future rentals of HK$54 million was recognised as an addition of right-of-use assets on the date of tenancy agreement in accordance with the group's accounting policy (note 34(h)) whereas the monthly service charges paid during the year were recognised as expenses in the company's consolidated statement of profit or loss.

Notes to the Financial Statements

31. Material related party transactions continued

The tenancy agreement falls under the Listing Rules as connected transaction. The company has complied with the disclosure requirements governing connect transaction under the Listing Rules. Details of these transactions are disclosed in relevant announcement issued by the company dated 26 March 2024.

(b) Unsecured and interest-free shareholder's loans amounting to US$58.75 million (HK$458 million) (2024: US$58.75 million (HK$458 million)) were granted by Peninsula International Investment Holdings Limited (PIIHL), a wholly-owned subsidiary of the company, to the holding company of The Peninsula Shanghai Waitan Hotel Company Limited (PSW), a foreign owned enterprise incorporated in the People's Republic of China, of which the group has a 50% indirect interest. PSW is engaged in the operation of The Peninsula Shanghai Complex. As at 31 December 2025, shareholder's loans amounting to US$58.75 million (HK$458 million) (2024: US$58.75 million (HK$458 million)) had been contributed as capital of PSW. The transaction does not fall under the Listing Rules as connected transaction.

(c) The company owns a 70% indirect interest in Peninsula Yangon Holdings Pte. Limited (PYH), a company incorporated in Singapore, which in turn holds a 100% direct interest in Peninsula Yangon Limited (PYL). PYL is incorporated in Myanmar and is engaged in the development and future operation of The Peninsula Yangon. As at 31 December 2025, unsecured and interest-free loans amounting to US$38 million (HK$296 million) (2024: US$36 million (HK$278 million)) were advanced to PYH by Yoma Strategic Investments Ltd. and First Myanmar Investment Public Company Limited, the 30% non-controlling shareholders of PYH. Such loans were fully injected by PYH into PYL to fund the development of The Peninsula Yangon. The transaction does not fall under the Listing Rules as connected transaction.

(d) On 1 December 2025, two wholly owned subsidiaries of the company entered into sale and purchase agreements to purchase two apartment units from PSW at a total consideration of USD17.1 million (HK$134 million). The price of each apartment unit was determined by reference to the fair market value based on a recent valuation conducted by an independent valuer. The transaction is expected to be completed in 2026. The transaction does not fall under the Listing Rules as connected transaction.

32. Key sources of estimation uncertainty

Notes 27(a) and 28 contain information about the assumptions and their risk factors relating to defined benefit retirement obligations and financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Valuation of investment properties

Investment properties are included in the consolidated statement of financial position at their open market value, which is assessed semi-annually by independent qualified valuers, after taking into consideration the net income allowing for reversionary potential. The assumptions adopted in the property valuations are based on the market conditions existing at the end of the reporting period, with reference to current market sales prices and the appropriate capitalisation rate.

(b) Estimated useful lives of other properties, plant and equipment

The group estimates the useful lives of its other properties, plant and equipment based on the periods over which the assets are expected to be available for use. The group reviews annually their estimated useful lives, based on factors that include asset utilisation, internal technical evaluation, technological changes as well as environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of properties, plant and equipment would increase depreciation charges and decrease non-current assets.

(c) Asset impairment

The group assesses the impairment of assets in accordance with the accounting policy set out in note 34(i) and as explained in note 12(a). The factors that the group considers important in identifying indications of impairment and in assessing the impairment include the following:

- significant under-performance relative to expected historical or projected future operating results; and
- significant negative industry or economic trends.

33. Investment in subsidiaries

The following list contains only the particulars of subsidiaries which principally affect the results, assets or liabilities of the group. The class of shares held is ordinary unless otherwise stated.

Company name	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest*	Principal activities
The Peninsula Hotel Limited	Hong Kong	2 shares	100%	Hotel investment
The Repulse Bay Apartments Limited	Hong Kong	2 shares	100%	Property investment
The Repulse Bay Company, Limited	Hong Kong	2 shares	100%	Property investment
The Peak Tower Limited	Hong Kong	2 shares	100%	Property investment
Peak Tramways Company, Limited	Hong Kong	450,000 shares	100%	Tramway operation
St. John's Building Limited	Hong Kong	2 shares	100%	Property investment
Peninsula Merchandising Limited	Hong Kong	2 shares	100%	Wholesaling and retailing of merchandise
Tai Pan Laundry & Dry Cleaning Services, Limited	Hong Kong	5,000,000 shares	100%	Laundry and dry cleaning services
HSH Financial Services Limited	Hong Kong	1 share	100%	Lending and borrowing of funds

Notes to the Financial Statements

33. Investment in subsidiaries continued

Company name	Place of incorporation and operation	Particulars of issued and paid up capital	Group's effective interest*	Principal activities
Peninsula Clubs and Consultancy Services Limited	Hong Kong	1,000,000 shares	100%	Club management
HSH Management Services Limited	Hong Kong	10,000 shares	100%	Management and marketing services
Peninsula New York Hotel LLC	United States of America	Contributed capital of US$323,500,000	100%	Hotel investment
Peninsula Chicago LLC	United States of America	Contributed capital of US$57,038,089	100%	Hotel investment
Quail Lodge, Inc.	United States of America	10,652 shares of US$100 each	100%	Golf club, resort and property investment
Peninsula of Tokyo Limited	Japan	200 shares of JPY50,000 each	100%	Hotel investment
The Palace Hotel Co., Ltd.	People's Republic of China	Registered capital of US$161,921,686	76.6%**	Hotel investment
Manila Peninsula Hotel, Inc.	The Philippines	111,840,386 shares of Pesos 10 each	77.36%	Hotel investment
Siam Chaophraya Holdings Company Limited	Thailand	250,000 ordinary shares of THB2,000 each	100%#	Hotel investment
International Burotel Company Limited	Vietnam	Registered capital of US$6,866,667	70%##	Property investment
Le 21 Avenue Kléber SNC	France	1,801,000 shares of EUR1 each	100%	Property investment
Peninsula London, LP	United Kingdom	Contributed capital of GBP1,000	100%	Property investment and hotel investment
Peninsula Yangon Limited	Myanmar	43,900,000 shares of US$1 each	70%	Hotel investment

* *Except for HSH Financial Services Limited, all subsidiaries are indirectly held*

** *The Palace Hotel Co., Ltd. is a sino-foreign co-operative joint venture with a reversionary interest to the PRC party at the end of the joint venture period*

\# *Siam Chaophraya Holdings Company Limited (SCH) owns 100% interest in The Peninsula Bangkok*

\#\# *The group owns 50% of the economic interest of International Burotel Company Limited with a reversionary interest to the Vietnam partner at the end of the joint venture period. The joint venture period ended on 15 January 2026*

The non-controlling interests in individual subsidiaries are considered immaterial to the group.

34. Material accounting policies

(a) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the company and its subsidiaries (together referred to as the group) and the group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

i) investment properties, including interest in leasehold/freehold land and buildings held as investment properties where the group is the registered owner of the property interest (see note 34(f)); and

ii) derivative financial instruments (see note 34(d)).

The preparation of financial statements in conformity with HKFRS 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 estimates are 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 HKFRS Accounting Standards that may have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 32.

(b) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Notes to the Financial Statements

34. Material accounting policies continued

(b) Subsidiaries and non-controlling interests continued

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the company, and in respect of which the group has not agreed any additional terms with the holders of those interests which would result in the group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the company. Non-controlling interests in the results of the group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the shareholders of the company.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 34(c)).

In the company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 34(i)), unless the investment is classified as held for sale.

(c) Associates and joint ventures

An associate is an entity in which the group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost, adjusted for any excess of the group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the group's share of the investee's net assets and any impairment loss relating to the investment (see note 34(i)). Any acquisition-date excess over costs, the group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

34. Material accounting policies continued

(c) Associates and joint ventures continued

When the group's share of losses exceeds its interest in the associates or the joint ventures, the group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the group's interest is the carrying amount of the investment under the equity method, together with the any other long-term interests that, in substance, form part of the group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of a financial asset.

(d) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify as cash flow hedge accounting.

The group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and variable rate borrowings (cash flow hedges).

Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss. The amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised). The other elements of the derivative financial instruments not designated as hedging instruments are separately accounted for as cost of hedging, recognised in other comprehensive income and accumulated in a separate component of equity.

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

Notes to the Financial Statements

34. Material accounting policies continued

(d) Derivative financial instruments continued

Cash flow hedges continued

For all other hedged forecast transactions, the amounts accumulated in the hedging reserve and cost of hedging reserve are reclassified through other comprehensive income to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve (including the related costs of hedging) are immediately reclassified from other comprehensive income to profit or loss.

(e) Properties, plant and equipment

Hotel and other properties held for own use (including buildings held for own use which are situated on leasehold land), right-of-use assets arising from leases over freehold or leasehold properties where the group is not registered owner of the property interest and plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 34(i)).

The cost of self-constructed items of properties, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located and an appropriate proportion of production overheads and borrowing costs (see note 34(u)).

Depreciation is calculated to write-off the cost of items of properties, plant and equipment, less their estimated residual values, if any, on a straight-line basis over the shorter of the unexpired period of the land lease and the anticipated remaining useful lives of the assets. The useful lives which have been adopted are summarised as follows:

- leasehold land is depreciated over the unexpired term of lease
- hotel buildings 75 to 150 years
- other buildings 50 years
- golf courses 100 years
- external wall finishes, windows, roofing and glazing works 10 to 40 years
- major plant and machinery 15 to 25 years
- furniture, fixtures and equipment 3 to 20 years
- operating equipment 3 to 5 years
- motor vehicles 5 to 10 years

No depreciation is provided on freehold land as it is deemed to have an indefinite life.

Where parts of an item of properties, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually. No depreciation is provided on properties under development.

34. Material accounting policies continued

(f) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 34(h)) to earn rental income and/or for capital appreciation. These include land held for currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the reporting date and their fair value cannot be reliably determined at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 34(s).

If a property occupied by the group as an owner-occupied property becomes an investment property, the group accounts for such property as described in note 34(e) up to the date of change in use, and any difference at the date between the carrying amount and the fair value of the property is accounted for as movements in the asset revaluation reserve (under exchange and other reserves). On disposal of a revalued assets, the relevant portion of the asset revaluation reserve realised in respect of previous valuation is transferred to retained profits as a movement in reserves.

(g) Hotel operating rights

Costs incurred for securing the group's rights to operate hotels are capitalised and are stated at cost less accumulated amortisation and impairment losses (see note 34(i)).

Amortisation of the operating rights is charged to profit or loss on a straight-line basis over the terms of the relevant operating periods.

(h) Leased assets

At inception of a contract, the group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the group, are primarily laptops and office furniture. When the group enters into a lease in respect of a low-value asset, the group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

Notes to the Financial Statements

34. Material accounting policies continued

(h) Leased assets continued

(i) *As a lessee* continued

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 34(e) and 34(i)), except for the following types of right-of-use asset:

– right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 34(f);

– right-of-use assets related to leasehold land and buildings where the group is the registered owner of the leasehold interest are carried at fair value;

– right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 34(j).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term liabilities is determined as contractual payments that are due to be settled within twelve months after the reporting date.

The group presents right-of-use assets that do not meet the definition of investment properties in "property, plant and equipment" and presents lease liabilities separately in the statement of financial position.

34. Material accounting policies continued

(h) Leased assets continued

(ii) As a lessor

When the group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 34(s).

When the group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described in note 34(h)(i), then the group classifies the sub-lease as an operating lease.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The group recognises a loss allowance for expected credit losses (ECLs) on the financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables) and lease receivables.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate;

– lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

In measuring ECLs, the group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements

34. Material accounting policies continued

(i) Credit losses and impairment of assets continued

(i) Credit losses from financial instruments and lease receivables continued

Measurement of ECLs continued

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the group considers that a default event occurs when 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). The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

34. Material accounting policies continued

(i) Credit losses and impairment of assets continued

(i) Credit losses from financial instruments and lease receivables continued

Write-off policy

The gross carrying amount of a financial asset and lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the investments in associates and joint ventures accounted for under the equity method (see note 34(c)), other non-financial assets, investment in subsidiaries in the company's statement of financial position may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

An impairment loss is reversed to profit or loss if the recoverable amount of an asset, or the cash-generating unit to which it belongs, exceeds its carrying amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 34(i)).

(j) Inventories

Inventory are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

Notes to the Financial Statements

34. Material accounting policies continued

(k) Properties held for sale

Property held for sale is carried at the lower of cost and net realisable value. Properties under held for sale included in the current assets when it is expected to be realised or is intended for sale in the normal operating cycle.

Incremental costs of obtaining a contract are those costs that the group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised as contract assets when incurred and is charged to profit or loss when the revenue to which the asset relates is recognised.

(l) Trade and other receivables

A receivable is recognised when the group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before the payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 34(i)(i)).

(m) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs using effective interest method. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost. Interest expense is recognised in accordance with the group's accounting policy for borrowing cost (see note 34(u)).

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, demand deposits with banks and other financial institutions and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses in accordance with policy set out in note 34(i).

(p) Employee benefits

Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Defined benefit retirement plan obligations

The group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

34. Material accounting policies continued

(p) Employee benefits continued

Defined benefit retirement plan obligations continued

Service cost and net interest expense (income) on the net defined liability (asset) are recognised in profit or loss and allocated by nature as part of "staff costs and related expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the group's obligations.

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and reflected immediately in other reserves. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

Termination benefits

Termination benefits are recognised when and only when, the group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities and are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

The group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the assets can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

Notes to the Financial Statements

34. Material accounting policies continued

(q) Income tax continued

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 34(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances and movements therein, are presented separately from each other and are not offset.

(r) 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, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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, whose existence 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.

Onerous contracts

An onerous contract exists when the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

34. Material accounting policies continued

(s) Revenue

Revenue is recognised when control over a product or service is transferred to the customer, or the leasee has the right to use the asset, at the amount of promised consideration to which the group is expected to be entitled, excluding those amounts collected on behalf of third parties. Further details of the group's revenue recognition policies are as follows:

Hotel operation

Revenue is recognised on a basis that reflects the timing, nature and value when the relevant services are transferred to the customer. Revenue in respect of hotel management and related services is recognised over time during the period when management services are delivered to the hotels. Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage sales and other ancillary services is recognised at the point in time when the services are rendered.

Golf club operation

Revenue in respect of membership income is recognised over time during the membership period. Revenue from other golf club operations, including food and beverage sales and pro shop sales, is recognised at the point in time when the services are rendered.

Sale of residential apartments

Revenue arising from the sale of residential apartments is recognised upon the completion of title transfer, which is the point in time when the customer has the ability to direct the use of the residential apartment and obtain substantially all of the remaining benefits of the residential apartment.

Sale of goods and wholesaling

Revenue is recognised when goods are delivered which is taken to be the point in time when the customer takes possession of and accepts the goods. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Interest income

Interest income is recognised as it accrues using the effective interest method.

Contract liabilities

A contract liability is recognised when the customer pays consideration before the group recognises the related revenue. Non-refundable golf membership deposits, gift vouchers and other deposits are recognised as contract liabilities in the group's financial statements. Non-refundable golf membership deposits are amortised as revenue in equal instalments over the duration of the membership. Other non-refundable deposits and gift vouchers sold are recognised as revenue when the conditions of forfeiture are met and when the gift vouchers are redeemed for goods or services respectively.

Notes to the Financial Statements

34. Material accounting policies continued

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities and non-monetary assets and liabilities that are stated at fair values and are denominated in foreign currencies, are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the group initially recognises such non-monetary assets or liabilities.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

When the functional currency of a foreign operation is the currency of a hyperinflationary economy, the foreign operation's financial statements are restated according to the accounting policy as disclosed in note 34 (x). All amounts in the foreign operation's financial statements are then translated into the group's reporting currency using applicable exchange rate at the current reporting date. Comparative figures are not restated.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to become ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(v) Related parties

(1) A person, or a close member of that person's family, is related to the group if that person:

(i) has control or joint control over the group;

(ii) has significant influence over the group; or

(iii) is a member of the key management personnel of the group or the group's parent.

34. Material accounting policies continued

(v) Related parties continued

(2) An entity is related to the group if any of the following conditions applies:

(i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

(vi) The entity is controlled or jointly controlled by a person identified in (1).

(vii) The entity identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Notes to the Financial Statements

34. Material accounting policies continued

(x) Financial reporting in hyperinflationary economies

When an entity's functional currency is the currency of a hyperinflationary economy, the historical cost of the entity's non-monetary assets, liabilities and equity items are adjusted to reflect the changes in purchasing power due to hyperinflation by reference to the change in general price index during the reporting period. Monetary items are not restated. All items in the statement of comprehensive income are restated by applying the change in general price index when the items were initially recorded in the financial statements. Gain or loss on net monetary position of the entity is included in the group's consolidated statement of profit or loss.

35. Changes in accounting policies

The HKICPA has issued the following amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the group:

- Amendments to HKAS 21, *The effects of changes in foreign exchange rate – Lack of exchangeability*

None of the above developments have had a material effect on how the group's results and financial position for the current or prior periods have been prepared or presented.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

36. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Contracts referencing nature – dependent electricity*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for the following:

36. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025 continued

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Independent Assurance Report

Independent Practitioner's Limited Assurance Report
To the Directors of The Hongkong and Shanghai Hotels, Limited

Report on selected information in The Hongkong and Shanghai Hotels, Limited's Corporate Responsibility and Sustainability Report and Sustainability Data Statement 2025 as of and for the year ended 31 December 2025

Conclusion

We have performed a limited assurance engagement on the following information in The Hongkong and Shanghai Hotels, Limited's ("HSH") Corporate Responsibility and Sustainability Report and Sustainability Data Statement 2025 as of and for the year ended 31 December 2025 (hereafter referred to as "the Assured Sustainability Information"):

Assured Sustainability Information		Applicable Criteria
A. Data points and relevant narratives: **Workforce:** • Full-time headcount • Headcount by gender • Employee turnover rate **Safety:** • Injury rate • Lost day rate **Community:** • Monetary Donations • In-kind donations • Other community contributions	**Environment:** • Greenhouse gas emissions (Scope 1 and 2) • Group carbon intensity • Total energy use • Energy intensity • Direct water consumption • Water intensity • Water recycled and other water sources • Waste generated • Waste diverted	• Environmental, Social and Governance Reporting Code, Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX ESG Code") • CRS data reporting scope and methodology as disclosed in the Sustainability Data Statements in the Report
B. Economic data points • Revenue (including interest income) • Operating costs • Employee wage and benefits • Capital expenditure	• Payments to providers of capital • Tax payments to governments • Total floor area • Total number of guest nights	• CRS data reporting scope and methodology as disclosed in the Sustainability Data Statements in the Report
C. Information in relation to green loan: • Amount of proceeds allocated to the Eligible Projects		• HSH Green Financing Framework

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Assured Sustainability Information of HSH as of and for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Our conclusion on the Assured Sustainability Information does not extend to any other information that accompanies or contains the Assured Sustainability Information and our assurance report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

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

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Intended use or purpose

This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.

Responsibilities for the Assured Sustainability Information

The Directors of HSH are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Assured Sustainability Information;
- selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria used; and
- preparing the Assured Sustainability Information in accordance with the Applicable Criteria.

Inherent limitations in preparing the Assured Sustainability Information

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Assured Sustainability Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to you.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Assured Sustainability Information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Assured Sustainability Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we:

- Evaluated the suitability in the circumstances of HSH's use of the Applicable Criteria, as the basis for preparing the Assured Sustainability Information;
- through inquiries of relevant staff at corporate and selected location responsible for the preparation of the Assured Sustainability Information, obtained an understanding of HSH's control environment, processes and information systems relevant to the preparation of the Assured Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- tested a limited number of items to or from supporting records, as appropriate;
- performed analytical procedures over the Assured Sustainability Information where appropriate by comparing the expected results to actual results reported and made inquiries of management to obtain explanations for any significant differences we identified;
- performed recalculations of selected data in the Assured Sustainability Information; and
- considered the presentation and disclosure of the Assured Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
18 March 2026

Sustainability Data Statements

This section provides statistical information on the group's sustainability performance. To facilitate stakeholders in understanding and benchmarking our corporate responsibility performance, our reporting follows the HKEX ESG Code and GRI Standards.

1. Performance Highlights [1]

			2025	2024	2023	2022	2021	2010 Baseline
Economic [2]	**Revenue (incl. interest income)**	HK$m	**7,995**	10,318	8,133	4,204	3,465	
	Operating costs	HK$m	**3,191**	5,959	4,431	1,706	1,388	
	Employee wage and benefits	HK$m	**2,951**	2,749	2,462	1,966	1,562	
	Capital expenditure	HK$m	**743**	901	1,708	2,030	2,050	
	Payments to providers of capital	HK$m	**578**	736	737	295	165	
	Tax payments to governments [3]	HK$m	**389**	383	241	261	229	
	Total floor area [4]	'000 m^2	**743**	743	743	647	646	
	Total number of guest nights [5]	'000	**1,287**	1,178	1,027	790	604	
Workforce	**Full-Time Headcount** [6]		**7,768**	7,836	7,695	6,439	5,866	
	Employee Turnover Rate [6]	%	**20.3%**	21.3%	21.9%	23.8%	24.3%	
	Headcount by Gender	% Female	**42.2%**	42.6%	41.6%	41.0%	40.5%	
	Injury rate [7]	incidents per 100 employees	**3.9**	3.3	3.8	3.6	3.0	
	Lost day rate [7]	days per 100 employees	**59.9**	46.4	41.3	49.6	71.1	
Environment	**Greenhouse gas emissions**	'000 tCO_2e	**70**	82	81	79	72	124
	Group carbon intensity [8]	kg CO_2e per m^2	**94**	110	126	122	112	213
	Total energy use [9]	'000 GJ	**920**	935	788	710	654	884
	Energy intensity [9]	MJ per m^2	**1,238**	1,246	1,218	1,097	1,012	1,518
	Direct water consumption	'000 m^3	**1,710**	1,759	1,562	1,302	1,168	1,674
	Water intensity							
	Hotels Division [10]	litres per guest night	**1,145**	1,271	1,315	1,395	1,636	1,346
	Commercial Properties, Peak Tram, Retail and Others	litres per m^2	**1,004**	1,099	1,088	962	839	962
	Water recycled and other water sources	'000 m^3	**393**	210	296	382	337	142
	Waste diversion rate [11]	%	**57.6%**	50.5%	53.5%	52.7%	48.3%	
Community	**Monetary Donations** [12]	HK$ '000	**17,314**	3,575	3,805	941	1,549	
	In-kind Donations [12]	HK$ '000	**5,292**	7,329	3,003	2,706	1,807	
	Other community contributions [12] [13]	HK$ '000	**3,212**	2,904	2,892	2,451	1,193	

Footnotes:

(1.) Please refer to p.50 of the Corporate Responsibility and Sustainability Report 2025 for the scope of businesses covered in the reporting of workforce, environment and community performance.

(2.) Reporting scope for Economic data includes financial information for all subsidiaries owned by the group, excluding joint ventures and associates for alignment with consolidated financial reporting in our Annual Report. As representative indicators of our areas of operation and business volume, reporting scope for total floor area includes all hotels and commercial properties owned and operated by HSH, and Tai Pan Laundry, while total number of guest nights includes all hotels.

(3.) Inclusive of corporate income tax, property and real estate tax, payroll tax and other corporate taxes.

(4.) Total floor area has been restated for 2023 and 2024 based on more accurate data becoming available for calculation.

(5.) Calculation based on actual number of guests that occupied each of the rooms and suites in the relevant year.

(6.) Year-end data as at 31 December 2025. Headcount data only covers full-time employees working full number of hours per week for that particular position. Voluntary turnover rate, which covers full-time employees left employment based on their own decision to resign is 13.7%.

(7.) Injury rate increased by 18%. Following root cause analysis, 99.3% of the reported incidents did not require a hospital stay, and thus not considered severe injuries. Most incidents were primarily driven by lapses in judgement rather than unsafe conditions of workplace. We plan to increase training at operations to improve awareness in the coming year. The injury rate for severe cases is at 0.05 per 100 employees.

(8.) Carbon intensity decreased by 14.6% compared to last year, primarily due to the addition of The Peninsula Manila commencing renewable electricity procurement this year. Renewable electricity now accounts for 28% of the Group's total electricity use. The solar farm at The Quail generated 1,347,993 kwh renewable energy was transfered to local grid instead of on-site usage.

(9.) Vehicle fuel consumption is not included in the total energy use and energy intensity reported.

(10.) Includes all water uses in the hotels, not just those used by guests directly.

(11.) Grease trap waste, hazardous waste and construction waste were not included in the waste data reported.

(12.) Monetary donations, which include contributions from the company, guests and employees, saw a significant increase from the past year. This is attributed to HK$15.4m donation made in 2025 through our *Hope for Türkiye* and *Hope for LA* fundraising campaigns. In-kind donations decreased by 28% compared last year with our US operations focusing on fundraising efforts to support the victims of the Los Angeles fires.

(13.) Relates to contributions made to non-charitable organisations on projects supporting the wider community, for example, the Hong Kong Heritage Project, an archive project for preserving valuable historical records of the Kadoorie family and its businesses, mostly based in Hong Kong.

Shareholder Information

Financial Calendar 2026

2025 annual results announcement	18 March
Dispatch of Annual Report	17 April
For entitlement to attend and vote at Annual General Meeting	
– Last day to register	7 May 4:30 p.m.
– Closure of register of members	8 May to 13 May (both days inclusive)
– Record date	13 May
Annual General Meeting	13 May 12:00 noon
2026 interim results announcement	August
Financial year end	31 December

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Share Information

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Request for Feedback

To improve the quality of our annual reporting, we welcome your feedback via email to ir@hshgroup.com or by post to our registered office.

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Shareholders can access the corporate communications of the company on the company website. They may at any time change their choice of language or means of receipt of the company's corporate communications, by notice in writing to the company's Share Registrar by email or by post. The "Shareholder Information" in "Investors" section on the company website sets out the relevant arrangement for shareholders to make such change request(s).

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Mobile dialing from Globelines, Globelines Payphones, Globe Handyphone, and Touch Mobile
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