



Tao Heung Holdings Limited

稻香控股有限公司\*

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code : 573

2025

ANNUAL REPORT



\*For identification purposes only



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## Board of Directors

### Executive Directors

Mr. Chung Wai Ping  
*(Chairman and Chief Executive Officer)*  
Mr. Wong Ka Wing  
Mr. Ho Yuen Wah  
Mr. Chung Chun Fung

### Non-Executive Directors

Mr. Fong Siu Kwong  
Mr. Chan Yue Kwong, Michael

### Independent Non-Executive Directors

Professor Chan Chi Fai, Andrew  
Mr. Mak Hing Keung, Thomas  
Mr. Ng Yat Cheung  
Ms. Wong Fun Ching

## Company Secretary

Mr. Lai Chi Kin

## Authorised Representatives

Mr. Chung Chun Fung  
Mr. Lai Chi Kin

## Members of Audit Committee

Mr. Mak Hing Keung, Thomas *(Chairman)*  
Professor Chan Chi Fai, Andrew  
Mr. Chan Yue Kwong, Michael  
Ms. Wong Fun Ching

## Members of Nomination Committee

Professor Chan Chi Fai, Andrew *(Chairman)*  
Mr. Ng Yat Cheung  
Mr. Chan Yue Kwong, Michael  
Ms. Wong Fun Ching  
*(Appointed with effective from 1 July 2025)*

## Members of Remuneration Committee

Mr. Ng Yat Cheung *(Chairman)*  
Mr. Fong Siu Kwong  
Mr. Mak Hing Keung, Thomas

## Registered Office

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

## Principal Place of Business in Hong Kong

No. 18 Dai Fat Street, Tai Po Industrial Estate  
Tai Po, New Territories, Hong Kong

## Principal Share Registrar

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court  
49 Market Street, Camana Bay  
Grand Cayman KY1-1100, Cayman Islands

## Hong Kong Branch Share Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## Principal Bankers

Bank of China (Hong Kong) Limited  
China CITIC Bank Corporation Limited  
Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited

## Auditor

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## Stock Code

573

## Website

[www.taoheung.com.hk](http://www.taoheung.com.hk)

# FINANCIAL HIGHLIGHTS AND CALENDAR



	Notes	2025 HK\$'000	2024 HK\$'000	Increase/ (Decrease) in %
Revenue		2,319,120	2,425,635	(4.4)
Loss attributable to equity holders of the Company		(59,932)	(52,801)	13.5
Gross profit margin		6.5%	5.5%	18.2
Net loss margin	1	(2.6%)	(2.2%)	18.2

Per Share Data		HK cents	HK cents	
Loss per share				
— Basic		(5.91)	(5.21)	13.4
— Diluted		(5.91)	(5.21)	13.4

	Notes	2025 HK\$'000	2024 HK\$'000	Increase/ (Decrease) in %
Total assets		1,880,454	1,874,536	0.3
Net assets		1,103,893	1,154,163	(4.4)
Cash and cash equivalents		201,961	213,316	(5.3)
Net cash	2	168,376	158,223	6.4
<b>Liquidity and Gearing</b>				
Current ratio	3	0.99	1.04	(4.8)
Quick ratio	4	0.80	0.81	(1.2)
Gearing ratio	5	3.0%	4.8%	(37.5)

Per Share Data		HK cents	HK cents	
Net assets per share	6	108.83	113.78	(4.4)
Net cash per share	7	16.60	15.60	6.4

Notes:

1. Net loss margin is calculated as net loss attributable to equity holders of the Company divided by revenue.
2. Net cash is cash and cash equivalents less interest-bearing bank borrowings.
3. Current ratio is calculated as current assets divided by current liabilities.
4. Quick ratio is calculated as current assets less inventories divided by current liabilities.
5. Gearing ratio is calculated as interest-bearing bank borrowings divided by total equity attributable to equity holders of the Company.
6. Net assets per share is calculated based on the number of 1,014,348,000 shares (2024: 1,014,348,000 shares).
7. Net cash per share is calculated based on the number of 1,014,348,000 shares (2024: 1,014,348,000 shares).



## CALENDAR

28 August 2025	Announcement of interim results
25 March 2026	Announcement of annual results
24 April 2026	Despatch of annual report to shareholders
22 May 2026 to 28 May 2026	Closure of register of members for attending the annual general meeting
28 May 2026	Annual general meeting



On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Tao Heung Holdings Limited (the “**Company**”) together with its subsidiaries (“**Tao Heung**” or the “**Group**”), I hereby present the annual results of the Group for the year ended 31 December 2025 (the “**Year**”).

## Business Review

The Year under review was marred by persistent headwinds across the food and beverage (“**F&B**”) industry in both Hong Kong and the Chinese mainland. Although certain macroeconomic indicators showed signs of stabilising, consumer sentiment remained cautious, and the F&B industry continued to face growing competition and structural shifts in consumption behaviour. In Hong Kong, real GDP grew by 3.5% over 2024<sup>1</sup>; however, private consumption expenditure recorded only moderate and uneven growth, reflecting subdued household spending amid ongoing macroeconomic and geopolitical uncertainties. The continued “outbound travel” and “northbound consumption” trends further diverted local spending away from the retail and F&B sectors, with outbound travel increasing by approximately 12.3% year-on-year in 2025<sup>2</sup>. As a result, consumption within the local F&B market remained soft despite overall economic growth. In the Chinese mainland, the recovery was also muted, with revenue from catering enterprises above a designated size rising by only 2.0% in 2025, lagging both the 3.2% growth of the overall catering sector and the 3.7% increase in retail sales of consumer goods<sup>3</sup>, indicating weaker demand for large-scale corporate banquets and celebratory events. Meanwhile, industry competition intensified under ongoing pricing pressure, accompanied by an ongoing shift in consumer preference toward takeaway services over dine-in experiences.



During the Year, the Group implemented a range of marketing initiatives aimed at driving customer traffic and spending. Store renovations were carried out to elevate the dine-in experience, complemented by value-for-money offerings and promotional programmes designed to strengthen competitiveness. Revenue from the Hong Kong market remained relatively stable despite a challenging operating environment. In the Chinese mainland, where market competitions were more intense, the Group stepped up its digital marketing efforts and traffic acquisition strategies to increase brand visibility and stimulate sales.

1 [https://www.censtatd.gov.hk/en/web\\_table.html?id=310-30001](https://www.censtatd.gov.hk/en/web_table.html?id=310-30001)

2 [https://www.censtatd.gov.hk/en/data/stat\\_report/product/B1010002/att/B10100022026MM01B0100.pdf](https://www.censtatd.gov.hk/en/data/stat_report/product/B1010002/att/B10100022026MM01B0100.pdf)

3 [https://www.stats.gov.cn/sj/zxfb/202601/t20260119\\_1962323.html](https://www.stats.gov.cn/sj/zxfb/202601/t20260119_1962323.html)



The Group remained focused on disciplined cost management and boosting operational efficiency. Continuous efforts were made to optimise rental agreements, strengthen control of food costs through strategic menu planning, and improve labour productivity by refining workforce management practices. While these initiatives helped mitigate cost pressures, profit margins were nonetheless affected by the combination of softer revenue performance and promotional campaigns undertaken to support sales.

In light of structural shifts in the Hong Kong market and evolving consumption patterns in the Chinese mainland, the management will continue to take a prudent and disciplined approach. The Group will pursue selective store openings in Hong Kong where suitable opportunities arise, further reinforce its digital presence in the Mainland, and maintain stringent cost controls to safeguard profitability and ensure long-term sustainability.

### Financial Results

The Group recorded revenue of HK\$2,319.1 million (2024: HK\$2,425.6 million) for the Year, representing a year-on-year decline of 4.4%. Gross profit margin (defined as total revenue less cost of inventories sold divided by total revenue) was 64% (2024: 67%). The Group also reported a loss attributable to equity holders of the Company of HK\$59.9 million (2024: HK\$52.8 million) for the Year.

The Board has resolved not to propose a final dividend for the year ended 31 December 2025.

### Hong Kong Operations

The Hong Kong operations recorded revenue of HK\$1,620.0 million (2024: HK\$1,624.3 million), which was at a similar level to the preceding year. Earnings before interest, tax, depreciation and amortisation (EBITDA) were increased by 5.8% year-on-year to HK\$233.5 million (2024: HK\$220.8 million). A loss attributable to equity holders of the Company of HK\$8.4 million (2024: Profit of HK\$2.2 million) was reported, which was primarily due to the impairment of deferred tax assets recognised in the Year.

During the Year, the Group expanded its restaurant portfolio with the opening of two new “Hakka Bistro” (客館) outlets, adopting a relatively smaller store area of approximately 3,000 to 4,000 square feet. This streamlined model enhances operational efficiency and cost control while delivering the same high-quality menu offerings expected by customers. The initial performance of these outlets has been encouraging, testifying to the viability of this optimised format. To further elevate the customer experience and productivity, the Group completed renovations at a total of 11 restaurants during the Year. The upgrades focused on improving dining ambience and workflow efficiency. Selected outlets introduced takeaway counters and BBQ display stations at storefronts to capture growing takeaway demand and increase foot traffic. The renovated locations recorded a noticeable improvement in sales performance, underscoring the effectiveness of these enhancements. In addition, various promotional campaigns were launched throughout the Year to broaden the customer base and improve table turnover. Value-driven initiatives, such as two-dish takeaway menus (兩餸飯) and three-dish dinner sets (晚市三重奏), allowed customers to enjoy restaurant-quality meals at affordable prices. Early dining discounts (早啲開飯) were also introduced to encourage earlier patronage and enable additional dinner seatings each evening. Other promotional offers, including signature HK\$9.9 pigeons, lamb pots, and special dim sum priced at seven, eight, and nine dollars (\$7/8/9 點心), proved effective in attracting value-conscious consumers and stimulating traffic throughout the day.

Overall, operating costs remained relatively stable during the Year. Food costs were effectively managed through global sourcing strategies, disciplined menu planning, and ongoing efforts to reduce wastage. Rental expenses declined modestly in line with prevailing market trends, while labour costs were contained through refined workforce management and productivity enhancement initiatives. Although these measures helped alleviate cost pressures, overall margins were nonetheless impacted by competitive pricing strategies and a softer consumption environment.



As at 31 December 2025, the Group had a total of 45 restaurants in Hong Kong (2024: 45). As for Tai Cheong bakeries, there were a total of 6 in Hong Kong (2024: 5) and 11 in Singapore (2024: 11).

The OEM business recorded growth in both the number of customers and the average order volume per customer during the Year. Also, the customer base expanded beyond restaurants, hotels, private clubs, canteens, theme park resorts, and retail chain stores to include organisers of large-scale events in the city. In terms of product portfolio, the Group also launched a new corporate meal service, offering high-quality meal solutions designed for corporate clients. Under this model, employees place advance orders from curated menus featuring restaurant-quality dishes that are centrally prepared under stringent quality control and delivered directly to client premises. While initial corporate orders have been encouraging, the service remains at an early stage of development. The Group will continue to cultivate this segment as part of its broader strategy to diversify revenue streams and enhance utilisation of its production facilities. Given the growing number of international and large-scale events being held in Hong Kong under strong government support, the Group believes its OEM segment, particularly in relation to supplying event organisers, holds significant growth potential.

## Chinese Mainland Operations

The Chinese mainland operations recorded revenue of HK\$699.1 million (2024: HK\$801.3 million) for the Year, down by approximately 12.8% year on year, with EBITDA at HK\$34.4 million (2024: HK\$90.1 million), down 61.8%. Also, a loss attributable to equity holders of the Company of HK\$51.5 million (2024: HK\$55.0 million) was recorded.

The operating environment in the Chinese mainland remained challenging during the Year, weighed down by weaker consumer sentiment and modest discretionary spending. Corporate banquets, wedding celebrations, and business entertainment activities declined sharply, leading to subdued demand for traditional large-scale dining events. Following the closure of over ten restaurants in the previous financial year and a further lowering of same-store sales, segment revenue recorded an appreciable decline. In response, the management continued to consolidate the Chinese mainland restaurant business by streamlining operations and reviewing overall strategies. To enhance customer appeal amid changing consumption trends, the Group introduced new product offerings to broaden its customer base and refresh its brand positioning. This included the rollout of some creative items such as roast goose leg rice noodle rolls (燒鵝腿腸粉) and late-night dim sum buffets targeted at younger consumers to stimulate non-peak traffic.

Apart from competitive in-store promotions, the Group strengthened its digital marketing efforts to boost brand visibility and customer traffic. Also, extra resources were directed towards paid advertising campaigns on major online platforms, including Douyin (抖 音) and Xiaohongshu (小 紅 書), while sustaining promotional engagement on Dianping.com (大 眾 點 評) through voucher-based offers.

As at 31 December 2025, the Group had a total of 23 restaurants (2024: 26) in the Chinese mainland. Three underperforming outlets were closed as part of ongoing portfolio optimisation and consolidation efforts.

The chilled and packaged food segment, which includes supplying both the Group's own restaurants and packaged products for end customers, continued to operate steadily. The Group has remained committed to developing new products and collaborating with external brands to introduce appealing offerings that stimulate sales. E-commerce channels continued to serve as a key sales platform for packaged and frozen food products, maintaining broad coverage across major online marketplaces such as Douyin (抖 音), Tmall (天 貓), JD.com (京 東), and Pinduoduo (拼 多 多). In terms of overseas development, the Group began small-scale expansion in the Australian market, where contributions remained modest at this stage. Moving forward, the Group will pursue international expansion in a gradual and prudent manner, focusing on markets with stronger demand visibility and scalable distribution potential.



### Corporate Social Responsibility

Giving back to society has long been one of Tao Heung's core corporate missions. Reflecting this commitment, the Group collaborated with The Project Futurus during the Year to develop soft meal dishes tailored for the elderly and patients with swallowing difficulties. A total of nine meal options were introduced that comply with the standard set by the International Dysphagia Diet Standardisation Initiative (IDDSI). They feature premium ingredients such as abalone and lobster, signature dishes like Shrimp Roe Pomelo Peel and Lion's Head Stewed Meatballs, as well as familiar favourites including barbecue pork and dim sum. These specially designed meals are served at the Group's premium dining outlet, "Chung's House" (鍾菜館), enabling families with elderly members to enjoy restaurant-quality cuisine together and share joyful moments during festive celebrations and family gatherings. Separately, the Group launched a series of volunteer and community support initiatives, encouraging staff participation in activities such as food distribution to underprivileged groups and providing daily necessities to those in need. Also, to promote cultural appreciation and community engagement, museum visits and interactive local programmes were organised.

In recognition of its excellence in catering quality and service, the Group received several prestigious awards during the Year. "Chung's Kitchen" (鍾廚), the Group's distinctive dining brand catering for customers who appreciate quality cuisine at sensible value, was named among Dining City's Best Restaurants. "Chung's House" was also honoured at the 2025 20th Asian King of Catering Award Ceremony and listed among the Food Guide Top 100 Like List (Hong Kong). In addition, both Tao Heung and "HAK-KA-HUT" (客家好棧) were recognised as Quality Merchants by the Hong Kong Tourism Board for the 20th consecutive year, reaffirming the Group's unwavering commitment to service excellence and quality assurance.

### Financial Resources and Liquidity

As at 31 December 2025, the total assets increased by 0.3% to approximately HK\$1,880.5 million (2024: approximately HK\$1,874.5 million) while the total equity decreased by 4.4% to approximately HK\$1,103.9 million (2024: approximately HK\$1,154.2 million). As at 31 December 2025, the Group's total current assets and current liabilities were approximately HK\$473.7 million (2024: approximately HK\$520.2 million) and approximately HK\$476.9 million (2024: approximately HK\$499.3 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 0.99 (2024: approximately 1.04). Funding for the Group's operation was sourced mainly from internally generated cash flows, with flexibility through the use of bank loans. As at 31 December 2025, the Group had cash and cash equivalents amounted to approximately HK\$202.0 million (2024: approximately HK\$213.3 million). After deducting the total interest-bearing bank borrowings of approximately HK\$33.6 million (2024: approximately HK\$55.1 million), the Group had a net cash surplus position of approximately HK\$168.4 million (2024: approximately HK\$158.2 million). As at 31 December 2025, the Group's total interest-bearing bank borrowings were decreased to approximately HK\$33.6 million (2024: approximately HK\$55.1 million) during the year. The gearing ratio (defined as the total of interest-bearing bank borrowings divided by the total equity attributable to the owners of the Company) was decreased to approximately 3.0% (2024: 4.8%). The Group maintains prudent funding and treasury policies towards its overall business operations and continues to apply measure to control costs, enhance cash flow and operational efficiency.

### Capital Expenditure

Capital expenditure for the year ended 31 December 2025 amounted to approximately HK\$80.4 million (2024: approximately HK\$74.6 million) and the capital commitments as at 31 December 2025 amounted to approximately HK\$2.0 million (2024: approximately HK\$3.4 million). The capital expenditure and the capital commitments were mainly for the renovation of the Group's new and existing restaurants and logistics centres.



## Contingent Liabilities

As at 31 December 2025, the Group had contingent liabilities in respect of bank guarantees given in lieu of rental and utility deposits amounting to approximately HK\$25.6 million (2024: approximately HK\$31.1 million).

## Foreign Exchange Risk Management

The Group's sales and purchases for the year ended 31 December 2025 were mostly denominated in Hong Kong Dollars ("HK\$") and Renminbi ("RMB"). The RMB is not a freely convertible currency. Future exchange rates of the RMB could vary significantly from the current or historical exchange rates as a result of the controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and the demand and supply of the RMB. The appreciation or devaluation of the RMB against HK\$ may have impact on the Group results.

The Group currently does not maintain a foreign currency hedging policy. However, the management monitors the foreign exchange exposure and arranges foreign exchange forward contracts to minimise foreign currency exposure when appropriate.

## Human Resources

As at 31 December 2025, the Group had 3,793 employees. In order to attract and retain the high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis. In addition, the Group also adopted share option schemes, where eligible employees are entitled to various share options to subscribe for the ordinary shares in the Company for their past and potential contribution to the growth of the Group. As at 31 December 2025, there are 5,600,000 outstanding options granted under the Share Option Scheme which have not been exercised yet.

## Pledge of Assets

As at 31 December 2025, the Group pledged its bank deposits of approximately HK\$11.1 million (2024: approximately HK\$14.7 million), right-of-use assets of approximately HK\$44.5 million (2024: approximately HK\$45.3 million) and buildings of approximately HK\$25.8 million (2024: approximately HK\$26.9 million) and investment properties of approximately HK\$18.9 million (2024: approximately HK\$18.9 million) to secure the banking facilities granted to the Group.

## Prospects

Looking ahead, the external environment is expected to remain highly competitive and continue undergoing structural changes in both Hong Kong and the Chinese mainland. Consumer preferences are increasingly shifting toward value, convenience, and experiential dining. In response, the Group will prioritise strengthening operational efficiency, enhancing brand differentiation, and maintaining financial flexibility, while pursuing growth opportunities in a prudent and disciplined manner.



In Hong Kong, the Group will continue to pursue selective expansion guided by stringent investment criteria. New outlets will be developed only where rental conditions are commercially viable and locations demonstrate sustainable demand potential. Capital allocation will remain firmly return-driven, with each project required to meet clearly defined profitability and performance targets. With labour cost pressures easing compared with previous years, the Group's operating model remains fundamentally sound. The management will therefore maintain focus on rigorous site selection, productivity enhancement, and continuous cost optimisation to safeguard margins while supporting steady and sustainable network development.

In the Chinese mainland, the Group will observe a consolidation-focused approach. Given the heightened competitive landscape and ongoing structural shifts in dining behaviour, no expansion is planned in the near term. Instead, efforts will concentrate on strengthening operational efficiency and improving the performance of the existing portfolio. Strategic priorities include enhancing digital marketing capabilities, expanding online traffic acquisition and membership engagement, and accelerating product innovation to better align with evolving consumer preferences. Continued investment in digital initiatives will further enhance brand visibility, customer retention, and sales conversion, reinforcing the competitiveness and productivity of the current network.

Looking ahead, the Group will further expand its corporate catering business to capture opportunities arising from business events and institutional demand. The management will also continue exploring adjacent product categories and strategic partnerships to diversify revenue streams and broaden customer base. Across Hong Kong and the Chinese mainland, maintaining cost discipline will remain a core priority, with focused efforts on enhancing procurement efficiency, optimising labour deployment, managing rental costs, and exercising prudent control of cash flows.

The management is well aware that many of the challenges the industry is facing are structural rather than cyclical in nature. Sustainable progress will therefore rely on adaptability, operational excellence, and disciplined capital allocation. By upholding these principles, the Group aims to reinforce its competitive position, enhance shareholder value, and promote steady long-term development. The Board remains confident that enduring demand for quality Chinese cuisine will provide a strong foundation for continued resilience and future growth.

## APPRECIATION

Amid a challenging operating environment, the dedication demonstrated across the Group have been both inspiring and commendable. The progress made would not have been possible without the professionalism and perseverance of our employees, to whom I extend my sincere appreciation. I would also like to express my heartfelt gratitude to our shareholders, customers, business partners, and stakeholders for their continued trust and unwavering support. Together, we will build on this foundation and strive towards sustainable growth in the years ahead.

### **Chung Wai Ping**

*Chairman and Chief Executive Officer*

Hong Kong  
25 March 2026



## Executive Directors

**Mr. Chung Wai Ping (“Mr. WP Chung”)**, BBS, MH, JP, aged 66, is an Executive Director and was appointed on 29 December 2005. Mr. WP Chung is the Chairman of our Board and Chief Executive Officer and one of our founders. Mr. WP Chung is primarily responsible for overall corporate strategies, planning and business development. Mr. WP Chung established our Group in 1991 and has over 50 years of experience in the Chinese restaurant industry. Mr. WP Chung started his career as an apprentice cook of a local restaurant in Hong Kong from 1975 and became the Sous Chef of the Garden Hotel, Guangzhou, China in 1985. In 1991, Mr. WP Chung co-founded the first Tao Heung Seafood Hotpot Restaurant in Hong Kong. Mr. WP Chung is currently the Emeritus Honorary President of the Chinese Cuisine Management Association, the President of Association of Restaurant Managers. Mr. WP Chung was given the VTC Honorary Fellow Awards and the VTC Honorary Degree of Doctorate in 2011 and 2014, respectively. Mr. WP Chung was also awarded a “Medal of Honour” by the HKSAR Government. Mr. WP Chung was appointed as Justice of Peace in 2017. Mr. WP Chung was awarded Bronze Bauhinia Star by the HKSAR Government in 2019. Mr. WP Chung was given “Honorary University Fellowship” by the Hong Kong Metropolitan University in 2023. Mr. WP Chung is the father of Mr. CF Chung and Mr. Chung Ling Fung as well as the uncle of Mr. Chung Shing Tat. They are an Executive Director of the Board, Operations Director and Supply Chain Director of the Group, respectively.

**Mr. Wong Ka Wing**, aged 68, is an Executive Director and was appointed on 1 March 2007. Mr. Wong is one of our founders. Mr. Wong is primarily responsible for the overall operation of our Dongguan food processing and Logistics Centre. Mr. Wong has over 30 years of experience in the Chinese restaurant industry. Mr. Wong obtained a diploma in production and industry engineering from Hong Kong Polytechnic University.

**Mr. Ho Yuen Wah**, aged 64, is an Executive Director and was appointed on 1 March 2007. Mr. Ho is the Deputy Chief Officer, Operation (China) and is primarily responsible for management and development of restaurants chain in Chinese mainland. Mr. Ho joined the Group in December 1991 as restaurant manager and was promoted to be the Director of Business Management department in 2003. Mr. Ho has over 30 years of experience in the Chinese restaurant industry.

**Mr. Chung Chun Fung (“Mr. CF Chung”)**, aged 39 is an Executive Director and was appointed on 19 November 2019. Mr. CF Chung is the Deputy Chief Officer, Operation (China) and is primarily responsible for management and development of restaurants chain, marketing, purchasing, human resources and administration functions in Chinese mainland. Mr. CF Chung joined the Group in January 2013 as management trainee and began his career in the joint venture business Ringer Hut, then later he worked in the restaurants chain. Prior to joining the Group, Mr. CF Chung had 4 years of experience in the catering industry, working in McDonald’s restaurant chain as a Store Assistant Manager. Mr. CF Chung holds a Bachelor degree of Arts (Honours) in Business Management from the University of Essex in the United Kingdom. Mr. CF Chung is the son of Mr. WP Chung, Chairman of the Board and Chief Executive Officer, the brother of Mr. Chung Ling Fung, Operations Director and the cousin of Mr. Chung Shing Tat, the Supply Chain Director of the Group.

## Non-Executive Directors

**Mr. Fong Siu Kwong**, aged 68, is a Non-Executive Director and was appointed on 1 March 2007. Besides, he was also appointed as a member of Remuneration Committee on 9 June 2007. Mr. Fong holds a Bachelor degree of Laws of the University of Wolverhampton, a Postgraduate Certificate in Laws of The University of Hong Kong and a Master degree of Laws in Chinese and Comparative Law of the City University of Hong Kong. He was admitted as a solicitor in Hong Kong in 1996. Mr. Fong is currently the Principal of Howell & Co., Solicitors.



Mr. Fong has over 45 years of legal service experience. Mr. Fong is also the Honorary legal adviser to the Hong Kong Chinese Civil Servants' Association, HKU MACJS Alumni Association, Concentric Education Foundation (Hong Kong) Limited, Chinese History and Culture Enhancement Fund Limited and Centre of National History Education (Hong Kong), National History Education Centre (Youyou Villa) Limited and Hong Kong Rangers Football Club Ltd.

**Mr. Chan Yue Kwong, Michael**, aged 74, is a Non-Executive Director and was appointed on 6 March 2007. Besides, he was also appointed as a member of Nomination Committee on 9 June 2007 and a member of Audit Committee on 15 October 2008. Mr. Chan was the former Chairman and is currently the Non-Executive Director of Cafe de Coral Holdings Limited, as well as an independent Non-Executive Director of Starlite Holdings Limited, Pacific Textiles Holdings Limited, Tse Sui Luen Jewellery (International) Limited, Modern Dental Group Limited and Human Health Holdings Limited, all of which are listed on the Main Board of the Stock Exchange. Mr. Chan holds a double major degree in Sociology and Political Science, a Master degree in City Planning, an Honorary Doctorate degree in Business Administration, and is bestowed as Honorary Fellow from Lingnan University.

Mr. Chan has many years of professional experience in the public sector and over 30 years of managerial experience in the food and catering industry. He is currently the Adviser of the Quality Tourism Services Association and the Honorary Chairman of the Hong Kong Institute of Marketing.

### Independent Non-Executive Directors

**Professor Chan Chi Fai, Andrew**, SBS, JP, aged 72, is an Independent Non-Executive Director and was appointed on 9 March 2007. Besides, he was also appointed as a member of both Audit Committee and Nomination Committee on 9 June 2007. Professor Chan holds a Master degree of Business Administration from the University of California, Berkeley, U.S., a Bachelor degree of Business Administration and a Doctorate degree of Philosophy from the Chinese University of Hong Kong ("CUHK"). Professor Chan is currently the Emeritus Professor of the Department of Marketing at CUHK, the Honorary Fellow of Shaw College, the Honorary University Fellow of the Hong Kong Metropolitan University and Founding President of the Left-Right Circles Academy. He was a member of the Energy Advisory Committee, Assessment Panel of Public Policy Research Funding Scheme, and an Art Advisor for Xiqu of the Arts Development Council. Professor Chan has over 40 years of experience in tertiary education.

**Mr. Mak Hing Keung, Thomas**, aged 63, is an Independent Non-Executive Director and was appointed on 1 March 2007. Besides, he was also appointed as a member of both Audit Committee and Remuneration Committee on 9 June 2007. Mr. Mak holds a Bachelor degree of Commerce from Queen's University, Canada. Mr. Mak is a member of Chartered Professional Accountants of Canada, a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Hong Kong Business Accountants Association. Mr. Mak was the Chief Financial Officer of Global New Material International Holdings Limited, a company listed on the Main Board from September 2022 to July 2025. Mr. Mak was the Chief Financial Officer of Fortunet e-Commerce Group Limited, a company listed on the Main Board from January 2017 to January 2020. Prior to Fortunet e-Commerce Group Limited, Mr. Mak was the Chief Financial Officer and Company Secretary in various listed and private companies. Mr. Mak worked for an investment bank and Listing Division of the Stock Exchange respectively. Mr. Mak has also worked for an international accounting firm in Hong Kong, Singapore and Canada for over seven years. Mr. Mak was appointed as an independent non-executive director and a member of each of the audit committee and nomination committee of China PengFei Group Limited, a company listed on the Main Board with effect from 25 October 2019.

On 23 August 2023, Mr. Mak was appointed as an Executive Director of CQV Co. Ltd, a Korean company with its common shares listed on Korean KOSDAQ market (KOSDAQ: 101240).



**Mr. Ng Yat Cheung**, JP, aged 70, is an Independent Non-Executive Director and was appointed on 1 March 2007. Besides, he was also appointed as a member of Nomination Committee on 9 June 2007 and a member of Remuneration Committee on 21 May 2015. Mr. Ng holds an Associate degree in Arts in Business Data Processing from Chabot College in the United States. He holds offices as a director with a number of private companies which are principally engaged in technology, property development, finance and property holding.

**Ms. Wong Fun Ching**, aged 63, is an Independent Non-Executive Director and was appointed on 1 January 2023. Besides, she was also appointed as a member of Audit Committee on 1 January 2023 and a member of Nomination Committee on 1 July 2025. Ms. Wong joined the Group as the deputy director of logistics operation and began her career in the Chinese restaurant industry in August 2005, and then was promoted as an Executive Director from March 2007 till May 2015. She then founded i-Health Living Company Limited, and was a director of i-Health from September 2015 to October 2022. Ms. Wong holds a Master's degree of Science in Engineering Business Management from the Hong Kong Polytechnic University jointly with the University of Warwick, United Kingdom and a Bachelor's degree of Business Administration with Honors in Business Information Systems from the Hong Kong Metropolitan University.

### Senior Management

**Mr. Lai Chi Kin ("Mr. Lai")**, aged 45, is the Financial Controller, Company Secretary and the authorized representative of the Group and is primarily responsible for our overall finance, accounting and taxation functions. Mr. Lai joined the Group in October 2024. Prior to joining the Group, Mr. Lai had held senior management positions in fin-tech companies and various companies of which the securities are listed on the main board of the Stock Exchange. Mr. Lai has over 20 years of experience in financial management, accounting, taxation, auditing and internal control. Mr. Lai holds a Bachelor of Arts in Accountancy from the Hong Kong Polytechnic University and is currently a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

**Ms. Yau Ching Man**, aged 42, is the Vice President (Administration) and is responsible for our information technology matters and promoting continuous improvement projects in our food processing and logistics centres. Ms. Yau joined the Group in October 2018. Ms. Yau has over 15 years of experience in corporate management in both Chinese mainland and Hong Kong. Ms. Yau holds a Bachelor's degree in Computer Engineering from The University of Hong Kong. From March 2024, she was also appointed as an independent non-executive director at Yip's Chemical Holdings Limited, which is listed on the Main Board of the Stock Exchange.

**Mr. Chung Ling Fung**, aged 36, is the Operations Director and is responsible for the sales and marketing of the OEM business as well as the overall management of food processing and logistics centre in Hong Kong. Mr. Chung joined the Group in 2012 and had worked at different positions from front line restaurant management to back-office operations. Mr. Chung holds a Bachelor degree of Arts (Honours) in Economics and Marketing Management from Oxford Brookes University in the United Kingdom. Mr. Chung is the son of Mr. WP Chung, Chairman of the Board and Chief Executive Officer, the brother of Mr. CF Chung, Executive Director of the board, and the cousin of Mr. Chung Shing Tat, Supply Chain Director of the Group.

**Mr. Chung Shing Tat**, aged 36, is the Supply Chain Director and is responsible for the sales and marketing of the chilled and packaged food as well as the overall management of food processing and logistics centre in Dongguan. Mr. Chung joined the Group in 2017 and had held senior management role within the Group's restaurant, warehouse and purchasing department. Mr. Chung holds a Bachelor degree of Science (Honours) in psychology from Southampton University in the United Kingdom. Mr. Chung is the nephew of Mr. WP Chung, Chairman of the Board and Chief Executive Officer, the cousin of Mr. CF Chung and Chung Ling Fung, Executive Director of the board and Operations Director of the Group.



## Compliance with Corporate Governance Code

The Board is committed to maintaining a high standard of corporate governance practices to safeguard the interests of the Company's shareholders and to enhance corporate value and accountability. These can be achieved through an effective Board, segregation of duties with clear accountability, sound internal controls, appropriate risk assessment procedures and transparency to all the shareholders.

During the year ended 31 December 2025, the Company has adopted the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong (the "Hong Kong Stock Exchange") and complied with all applicable code provisions of the Code, save and except for the deviation from the code provision C.2.1 of the Code. Under the code provision C.2.1, the roles of Chairman and Chief Executive Officer ("CEO") should be separated and should not be performed by the same individual. Currently, the Company does not comply with code provision C.2.1, i.e., the roles of the Chairman and CEO have not been separated. Considering that Mr. Chung Wai Ping has been operating and managing the Group since its incorporation, the Board believes that it is in the best interest of the Group to have Mr. Chung Wai Ping taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 is appropriate in such circumstance.

## Corporate Purpose, Culture and Values

Tao Heung has become one of the most esteemed Chinese restaurant group. We are committed to providing talent training for the food and beverage (F&B) industry, driving continuous innovation, and providing customers with high-quality food and restaurant services.

Our corporate culture is the spirit of Tao Heung: Be resilient, be adventurous, and be innovative, so we can thrive towards the same goal. Our staff recognise Tao Heung's culture and have full confidence in the development of the food and beverage (F&B) industry, which empowers us to move forward and face future challenges.

Our management team proactively promote and implement our core values: Three-High Quality Standards, Talent Training, Integrity and Creating value.

### 1. Three-High Quality Standards

Three-High Quality Standards consists of high-quality food production, high-quality service, and high-quality environment. We persist in providing superior food and service as well as giving customers the best dining environment and experience.

### 2. Talent Training

We make investment in training talented fellows as well as put focus in raising the competency of our staff and embracing those who wish to develop their careers in the food and related industries.

### 3. Integrity

Integrity is a valuable asset for both businesses and society at large. We uphold integrity in all our actions.

### 4. Creating Value

We aim to add value for staff, customers, shareholders, and community through a steadfast commitment to excellence in product quality and service delivery.



The Board ensures these values are embedded throughout the Group and aligns our purpose, culture and values across all levels and in all aspects of operations, which underpins sustainable growth and development.

## Board of Directors

The Board is responsible for formulating overall strategic decisions of the Company, setting objectives for the management, monitoring and controlling the performance of the management. The management of the Company implements the strategic decisions and deals with operational matters of the Group under the delegation and authority of the Board.

The Board has a balanced composition of Executive and Non-executive Directors to ensure independent viewpoints in all discussions. The Board currently comprises ten directors, including four Executive Directors, two Non-executive Directors and four Independent Non-executive Directors. The Board members are listed below:

### Executive Directors:

Mr. Chung Wai Ping (*Chairman and Chief Executive Officer*)  
Mr. Wong Ka Wing  
Mr. Ho Yuen Wah  
Mr. Chung Chun Fung

### Non-Executive Directors:

Mr. Fong Siu Kwong  
Mr. Chan Yue Kwong, Michael

### Independent Non-Executive Directors:

Professor Chan Chi Fai, Andrew  
Mr. Mak Hing Keung, Thomas  
Mr. Ng Yat Cheung  
Ms. Wong Fun Ching

Biographical information of the Directors is set out on pages 11 to 13 of this annual report.

The Company has renewed the service contract of each of the Non-executive Directors and Independent Non-executive Directors for a term of two to three years commencing from 29 June 2023 or from 29 June 2024, unless terminated by either party giving the other not less than three months' prior notice in writing.

Exceed one-third of the Board member is made up of Independent Non-executive Directors, one of whom has appropriate professional qualifications, or accounting or related financial management expertise, as required by the Listing Rules.

Each of the Independent Non-executive Directors has given an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guideline set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.



### The Chairman and Chief Executive Officer

During the year ended 31 December 2025, the Company has adopted the Corporate Governance Code (the “Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong (the “Hong Kong Stock Exchange”) and complied with all applicable code provisions under the Code, save and except for the deviation from the code provision C.2.1 of the Code. Under the code provision C.2.1, the roles of Chairman and Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual. Currently, the Company does not comply with code provision C.2.1, i.e., the roles of the Chairman and CEO have not been separated. Considering that Mr. Chung Wai Ping has been operating and managing the Group since its incorporation, the Board believes that it is in the best interest of the Group to have Mr. Chung Wai Ping taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 is appropriate in such circumstance.

### Board Diversity

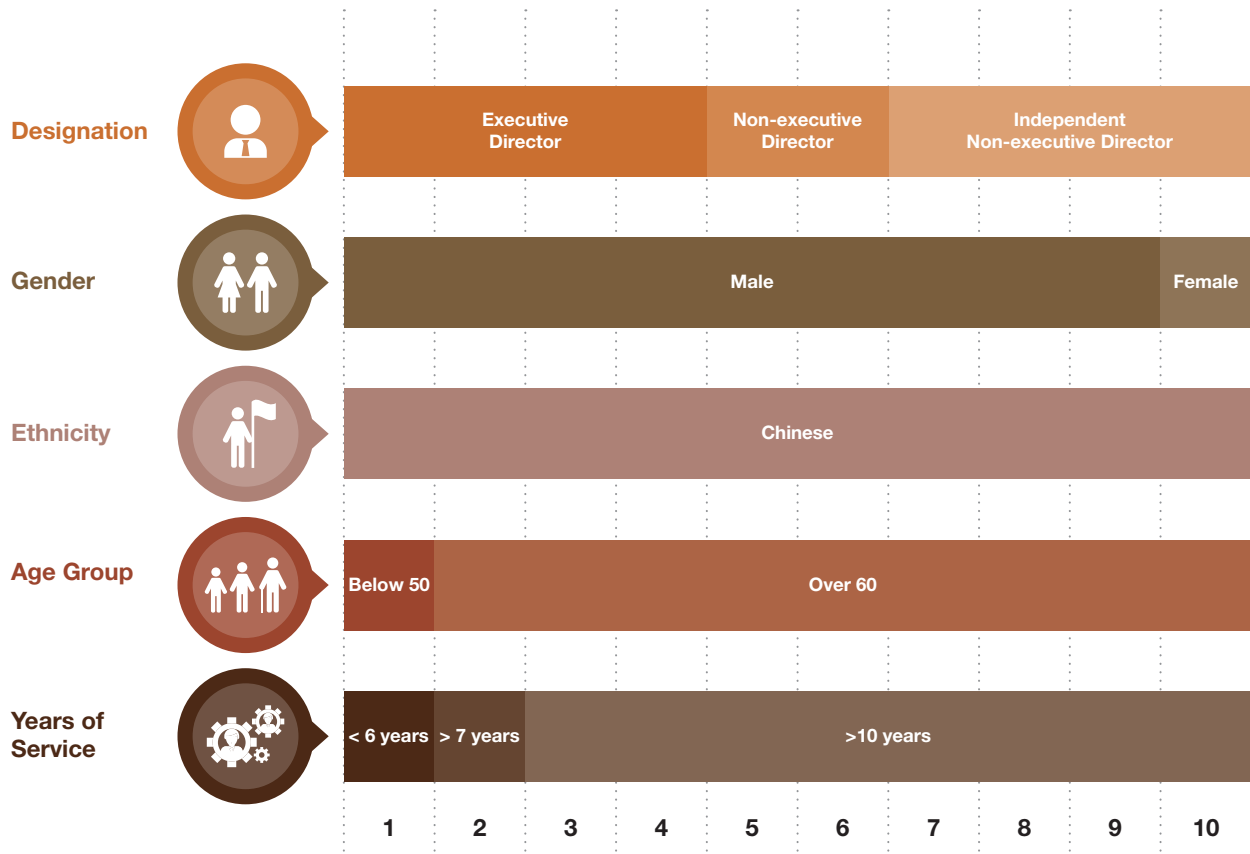
The Company recognises that increasing diversity at the Board level will support the attainment of the Company’s strategic objectives and sustainable development. The Board has adopted a Board Diversity Policy which sets out the approach to achieve and maintain diversity on the Board.

Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other qualities. The Company also takes into consideration its own business model and specific needs from time to time in determining the optimal composition of the Board.

Measurable objectives based on four focus areas: gender, ethnicity, age, length of service were considered. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.



The Board Diversity Policy is available on the website of the Company for public information. As at 31 December 2025, the following is a chart showing the diversity profile of the Board:



### Induction and Development of Directors

On appointment to the Board, Directors receive a package of orientation materials on the Group and provided with a comprehensive induction on the business operations and practices of the Group, as well as the general and specific duties of directors under general law and the Listing Rules.

To assist Directors’ continuing professional development, details on legal and regulatory changes are provided to all Directors. Directors are also recommended and encouraged to attend forums or seminars relating to the rules, functions and duties of a listed company director.

According to the information provided by the Directors, they have read seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements for the year ended 31 December 2025.



## Board Committees

To facilitate the work of the Board, Board committees have been set up with written terms of reference which clearly define the role, authority and functions of each committee. Each Board committee is required to report their decisions or recommendations to the Board. Details of Directors' attendances at the Board committee meetings are shown on above.

The composition, role and function and summary of work done of each Board committee are set out below:

## Audit Committee

### Composition

The Company established the Audit Committee on 9 June 2007 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee include the review and supervision of the financial reporting processes, the internal control systems and licensing issues of the Group. Currently, Mr. Mak Hing Keung, Thomas, Professor Chan Chi Fai, Andrew, and Ms. Wong Fun Ching, all being Independent Non-Executive Directors, and Mr. Chan Yue Kwong, Michael, a Non-Executive Director are members of the Audit Committee with Mr. Mak Hing Keung, Thomas, being the chairman.

### Role and Function

The primary duties of the Audit Committee include reviewing the financial statements of the Company, reviewing the Company's financial reporting process, internal control and risk management system and review of the remuneration and terms of engagement of external auditors.

### Summary of Work Done

Two meetings of the Audit Committee were held during the year ended 31 December 2025.

The following is a summary of the work performed by the Audit Committee:

1. Review external auditor's management letter and management response;
2. Review the interim and annual reports before submission to the Board for approval; and
3. Review the progress and effectiveness of the Group's internal control and risk management.

## Nomination Committee

### Composition

The Company established the Nomination Committee on 9 June 2007 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix C1 to the Listing Rules. The Nomination Committee has four members comprising Professor Chan Chi Fai, Andrew, Mr. Ng Yat Cheung and Ms. Wong Fun Ching, being Independent Non-Executive Directors and Mr. Chan Yue Kwong, Michael, a Non-Executive Director. The chairman of the Nomination Committee is Professor Chan Chi Fai, Andrew.



## Role and Function

The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the management of the Board succession.

## Summary of Work Done

One meeting of the Nomination Committee was held during the year ended 31 December 2025.

The Nomination Committee has reviewed and made recommendation on the re-election of the directors to be proposed for shareholders' approval at the annual general meeting on 28 May 2026.

## Remuneration Committee

### Composition

The Company established the Remuneration Committee on 9 June 2007 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix C1 to the Listing Rules. The Remuneration Committee has three members comprising Mr. Ng Yat Cheung, and Mr. Mak Hing Keung, Thomas, being Independent Non-Executive Directors and Mr. Fong Siu Kwong, a Non-Executive Director. The Remuneration Committee is currently chaired by Mr. Ng Yat Cheung.

### Role and Function

The primary duties of the Remuneration Committee include making recommendations to the Board on the policy and structure of the company for all remuneration of Directors and on the establishment of a formal and transparent procedure for developing policy on such remuneration, determining the specific remuneration package of all Executive Directors, including without limitation — base salaries, share options and benefits in kind, incentive payments and making recommendations to the Board on the remuneration of Non-Executive Directors and Independent Non- Executive Directors.

### Summary of Work Done

One meeting of the Remuneration Committee was held during the year ended 31 December 2025.

The Remuneration Committee has reviewed the current salaries and benefits (including discretionary bonus and incentive scheme) of all Executive Directors and fees of all Non-Executive Directors and Independent Non-Executive Directors.

## Board and Board Committee Meetings

Regular Board and Board Committee meetings are scheduled a year ahead to facilitate maximum attendance by the Directors. Formal notices of at least 14 clear calendar days are given in respect of regular meetings and arrangement is in place to invite Directors to include matters in the agenda. For special Board or Board Committee meetings, reasonable notices are given.

Agenda of the meetings and the accompanying papers for regular Board and Board Committee meetings are sent in full to Directors at least three clear calendar days before the date of the meetings.



Minutes of Board and Board Committee meetings record in sufficient details the matter considered and decision reached, including any concern raised by Directors or dissenting views expressed. Drafts and final versions of minutes are sent to all Directors for comments within a reasonable time after the meetings and kept by the Company Secretary.

During the year, the Board held four regular meetings at approximately quarterly intervals. Director's attendance of the Board Meetings and Board Committee Meetings during the year ended 31 December 2025 are set out below:

Meetings attended during the year ended 31 December 2025

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings held during the year	4	2	1	1
<b>Executive Directors:</b>				
Mr. Chung Wai Ping <i>(Chairman and Chief Executive Officer)</i>	4/4	N/A	N/A	N/A
Mr. Wong Ka Wing	4/4	N/A	N/A	N/A
Mr. Ho Yuen Wah	4/4	N/A	N/A	N/A
Mr. Chung Chun Fung	4/4	N/A	N/A	N/A
<b>Non-executive Directors:</b>				
Mr. Fong Siu Kwong	4/4	N/A	1/1	N/A
Mr. Chan Yue Kwong, Michael	4/4	2/2	N/A	1/1
<b>Independent Non-executive Directors:</b>				
Professor Chan Chi Fai, Andrew	3/4	2/2	N/A	1/1
Mr. Mak Hing Keung, Thomas	3/4	2/2	1/1	N/A
Mr. Ng Yat Cheung	4/4	N/A	1/1	1/1
Ms. Wong Fun Ching	4/4	2/2	N/A	N/A



## Training and Support for Directors

Directors' training is an ongoing process. During the year, all directors received regular updates and presentations on the developments of the Group's business and important amendments to the Listing Rules and other applicable regulatory requirements. These updates aim at enhancing directors' knowledge and skills; and assisting them to comply with good corporate governance practices.

During the year ended 31 December 2025, all the current directors have participated in various training and continuous professional development activities in the following manner in compliance with code provision C.1.4 of the Code and the summary of which is as follows:

<b>Directors</b>	<b>Type of training received</b>
<b>Executive Directors:</b>	
Mr. Chung Wai Ping	(1),(2)
Mr. Wong Ka Wing	(1),(2)
Mr. Ho Yuen Wah	(1),(2)
Mr. Chung Chun Fung	(1),(2)
<b>Non-executive Directors:</b>	
Mr. Fong Siu Kwong	(1),(2)
Mr. Chan Yue Kwong, Michael	(1),(2)
<b>Independent Non-executive Directors:</b>	
Professor Chan Chi Fai, Andrew	(1),(2)
Mr. Mak Hing Keung, Thomas	(1),(2)
Mr. Ng Yat Cheung	(1),(2)
Mr. Wong Fun Ching	(1),(2)

Note:

- (1) Attending training sessions, including but not limited to, briefings, seminars and relevant conferences
- (2) Reading relevant newspaper, journals and other relevant publications relating to industry and business, corporate governance or directors' duties

## Accountability and Audit

### Financial Reporting

The Directors understand and acknowledge their responsibility for making sure that the financial statements for each financial year are prepared to reflect the true and fair view of the state of affairs, results and cash flow of the Group and in compliance with relevant law and disclosure provisions of the Listing Rules. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable, and have prepared the financial statements on a going concern basis. The Directors also ensure that the financial statements of the Group are published in a timely manner.



## External Auditors

The Group appointed Ernst & Young as the Group’s principal auditors. The acknowledgement of their responsibilities on the financial statements is set out in the Independent Auditor’s Report on pages 33 to 37 of this annual report.

The remuneration paid to Ernst & Young, and its affiliated firms, for services rendered in respect of the year ended 31 December 2025 is as follows:

	2025 HK\$'000	2024 HK\$'000
Audit fee		
— provision for the year	2,700	3,200
Non-audit service fees	200	255
<b>Total</b>	<b>2,900</b>	<b>3,455</b>

Non-audit services are agreed upon procedures.

## Risk Management and Internal Controls

Maintaining sound risk management and internal control system is pivotal to the fulfillment of the Group’s business objectives and its long term sustainable growth. The Board has an overall responsibility for evaluating and determining the nature and extent of the risk according to the Board’s risk appetite in achieving the Group’s strategic objectives, ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems to safeguard shareholders’ interests and the Group’s assets. To this end, the Board continuously reviews and makes improvements in its risk management and internal control systems.

The Audit Committee, delegated by the Board, provides oversight and review on the risk management, financial reporting and internal control system.

The Company’s internal audit team is an independent function reporting directly to the Audit Committee. It provides independent, objective and assurance on the risk management and internal control.

## Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set forth in Appendix C3 of the Listing Rules as its own code of conduct for dealing in securities by the Directors of the Company. Based on specific enquiry with Directors, all Directors have confirmed that they had complied with the required standards as set forth in the Model Code during the year ended 31 December 2025.



## Company Secretary

Mr. Lai Chi Kin, our Company Secretary, is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed.

During the year ended 31 December 2025, Mr. Lai has undertaken over 15 hours of relevant professional training.

## Communication with Shareholders and Shareholder's Rights

### Shareholders' Meeting

At the last annual general meeting of the Company held on 29 May 2025, the Chairman of the Board and all other Board members, including Chairman and representatives of the Board Committees as well as Senior management and the external auditor were present to communicate with Shareholders. Procedures for the poll voting on the proposed resolutions were explained at the meeting by the Chairman. The Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, acted as scrutineer to ensure the votes were properly counted and the poll results of the meeting were published on both the websites of the Company and the Hong Kong Stock Exchange.

### Shareholder's Rights

Subject to the applicable laws and regulations, the Listing Rules and the Byelaws, Shareholders may convene general meetings of the Company and put forward proposals at general meetings. The procedures for Shareholders to convene a special general meeting, put forward proposals at Shareholders' meetings and propose a person for election as director of the Company are available on the website of the Company at [www.taoheung.com.hk](http://www.taoheung.com.hk).

Shareholders may also send their enquiries and concern to the Board by addressing them to the Company Secretary of the Company at the Company's head office. Shareholders can also make enquires to the Board directly at general meetings.

### Investor Relations

To enhance transparency and effectively communicate with the investment community, management of the Company meets with institutional investors, financial analysts and media from time to time and provides updates on the business progress and development of the company. Investors are welcome to share their views with the Board by writing to the Company at its Hong Kong head office or sending enquiries to the Company's website at [www.taoheung.com.hk](http://www.taoheung.com.hk). Investors and shareholders are welcome to review the Company's recent announcements at the Company's website at [www.taoheung.com.hk](http://www.taoheung.com.hk).



The Board is pleased to present their annual report together with the audited consolidated financial statements of Tao Heung Holdings Limited (the “Company”) and its subsidiaries (“Tao Heung” or the “Group”) for the year ended 31 December 2025.

## Principal Activities

The principal activity of the Company is investment holding. The Group is principally involved in the restaurant and bakery operations, provision of food catering services, production, sale and distribution of food products and other items related to restaurant operations and poultry farm operations in Hong Kong and Chinese mainland. The principal activities of the principal subsidiaries are set out in note 1 to the financial statements.

## Business Review

Further discussion and analysis of principal activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group’s business, can be found in the Chairman’s Statement set out on pages 5 to 10 of this annual report. This discussion forms part of this directors’ report.

In light of the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), a separate Environmental, Social and Governance Report will be published in due course.

## Compliance with Laws and Regulations

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals. During the year, there was no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

## Results and Dividends

The Group’s loss for the year ended 31 December 2025 and the Group’s financial position at that date are set out in the financial statements on pages 38 to 41.

The Board has resolved not to propose a final dividend for the year ended 31 December 2025.



## Closure of Register of Members

The register of members of the Company will be closed during the following period:

From Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, for the purpose of ascertaining shareholders' entitlements to attend and vote at the 2025 Annual General Meeting. In order to be eligible to attend and vote at the 2025 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 May 2026.

During the period mentioned above, no transfer of shares will be registered.

## Five-Year Financial Summary

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 124. This summary does not form part of the audited financial statements.

## Issued Capital and Share Options

Details of movements in the Company's issued capital and share options during the year are set out in notes 27 and 28 to the financial statements, respectively.

## Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.



## Purchase, Redemption or Sale of Listed Securities of the Company

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

### Share Option Schemes

#### (A) Share Option Scheme

Pursuant to a share option scheme adopted by the Company on 9 June 2007 (the "Share Option Scheme"), 20,130,000 options have been granted and accepted by eligible directors, senior management and employees of the Group to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated under the Share Option Scheme. No options were exercised during the year under review. 430,000 options were forfeited upon the termination of employment during the year under review. Share options granted under the Share Option Scheme shall vest in 2 tranches, as to 50% and 50% on 1 December 2017 and 1 December 2018, respectively, subject to the fulfilment of certain vesting conditions and are exercisable at HK\$2.08 per share and the holders of the said share options may exercise the share options during the period from 2 December 2017 to 1 December 2026, both days inclusive.

Share Option Scheme expired on 8 June 2017 and no further options could be granted under the Share Option Scheme thereafter. However, the share options granted under the Share Option Scheme which have not been fully exercised remain valid until such time when such share options are fully exercised or have lapsed and will continue to be administered under the rules of the Share Option Scheme.

Details of the share options outstanding as at 31 December 2025 which have been granted under the Share Option Scheme are as follows:

Name	Date of grant	Number of options					Options outstanding at 31 December 2025
		Options outstanding at 1 January 2025	Granted during the year	Options exercised during the year	Options lapsed on expiry	Options forfeited upon termination of employment	
<b>Executive Directors</b>							
Mr. Ho Yuen Wah	2 December 2016	400,000	-	-	-	-	400,000
<b>Connected Person</b>							
Mr. Chung Wai Leung	2 December 2016	300,000	-	-	-	-	300,000
<b>Other employees</b>	2 December 2016	5,330,000	-	-	-	(430,000)	4,900,000
<b>Total</b>		6,030,000	-	-	-	(430,000)	5,600,000



## (B) 2017 Share Option Scheme

On 25 May 2017, the Company adopted a new share option scheme (the “2017 Share Option Scheme”). Pursuant to the 2017 Share Option Scheme, the Directors may invite participants to take up options at a price determined by the Board of Directors but in any event shall not be less than the highest of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day; (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares. The option may be exercised in accordance with the terms of the 2017 Share Option Scheme at any time during the option period which may be determined and notified by the Board to the grantee at the time of making an offer which shall not expire later than 10 years from the grant date. As at the date of this report, no options have been granted or agreed to be granted pursuant to the 2017 Share Option Scheme.

## Distributable Reserves

At 31 December 2025, the Company’s reserves available for distribution, calculated in accordance with the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to HK\$796,570,000. In addition, the amount of HK\$752,378,000 included the Company’s share premium account and other reserves which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off debts as and when they fall due in the ordinary course of business.

## Charitable Contributions

During the year, the Group made charitable contributions totaling HK\$888,000.

## Major Customers and Suppliers

For the year ended 31 December 2025, the percentage of total sales attributable to the Group’s five largest customers was less than 30% while the five largest suppliers and the single largest supplier of the Group accounted for approximately 12.3% and 4.8% of the total purchases of the Group, respectively.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company’s issued share capital) had any beneficial interest in the Group’s five largest suppliers or customers.



## Directors

The directors of the Company during the year and up to date of this report were:

### Executive Directors:

Mr. Chung Wai Ping (*Chairman and Chief Executive Officer*)  
Mr. Wong Ka Wing  
Mr. Ho Yuen Wah  
Mr. Chung Chun Fung

### Non-Executive Directors:

Mr. Fong Siu Kwong  
Mr. Chan Yue Kwong, Michael

### Independent Non-Executive Directors:

Professor Chan Chi Fai, Andrew  
Mr. Mak Hing Keung, Thomas  
Mr. Ng Yat Cheung  
Ms. Wong Fun Ching

Pursuant to article 87(1) of the Company's articles of association, the following Executive director Mr. Chung Wai Ping and Mr. Chung Chun Fung, the following Non-executive director Mr. Chan Yue Kwong, Michael and the following Independent Non-executive director Mr. Ng Yat Cheung will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. The Non-executive Directors and Independent Non-executive Directors are appointed for periods of two to three years.

The Company has received annual confirmations of independence from Professor Chan Chi Fai, Andrew, Mr. Mak Hing Keung, Thomas, Mr. Ng Yat Cheung and Ms. Wong Fun Ching and as at the date of this report still considers them to be independent.

## Permitted Indemnity Provision

Pursuant to the articles of association of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Such permitted indemnity provision has been in force throughout the year. The Company has arranged appropriate Directors' liability insurance coverage for the Directors of the Group.

## Directors' Service Contracts

None of the Directors who are proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.



## Directors' Remuneration

Details of the Directors' and senior management's emoluments and the five highest paid individuals in the Group are set out in notes 8 and 9 to the financial statements respectively. The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and prevailing market conditions.

## Directors' Interests in Transactions, Arrangements or Contracts

Saved as disclosed under the section headed "Connected Transactions" on pages 31 to 32 of the annual report, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group and the Company to which the holding company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

## Directors' Interests in Competing Business

None of the directors of the Company is interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the year or at 31 December 2025.

## Directors and Chief Executives' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2025, the interests and short positions of the directors in the share capital and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") were as follows:

Long positions in ordinary shares of the Company:

Name of Directors	Notes	Number of shares held, capacity and nature of interest					Total	% of the Company's share capital
		Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Equity derivatives		
<b>Executive Directors</b>								
Mr. Chung Wai Ping	(a) and (b)	17,736,000	12,174,222	–	423,434,689	–	453,344,911	44.69
Mr. Wong Ka Wing	(c)	5,522,679	–	103,283,124	–	–	108,805,803	10.73
Mr. Chung Chun Fung		3,000,000	–	–	–	–	3,000,000	0.30
Mr. Ho Yuen Wah	(d)	2,000,000	–	–	–	400,000	2,400,000	0.24
<b>Non-executive Director</b>								
Mr. Fong Siu Kwong		180,000	–	–	–	–	180,000	0.02
<b>Independent Non-executive Director</b>								
Ms. Wong Fun Ching		800,000	–	–	–	–	800,000	0.08



## Notes:

- (a) Billion Era International Limited is wholly-owned by Tin Tao Investments Limited ("Tin Tao") which in turn is wholly-owned by Sapphire Skye Holdings Limited ("Sapphire"). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trust Company (Singapore) Limited ("Zedra Trust") as trustees for a discretionary trust, the discretionary objects of which include Mr. Chung Wai Ping and certain members of his family. For the purposes of the SFO, Mr. Chung is the settlor of this trust.
- (b) 12,174,222 shares were held by Ms. Chan Sai Ying, spouse of Mr. Chung Wai Ping.
- (c) Of these shares, 5,522,679 shares were held by Mr. Wong Ka Wing personally and 103,283,124 shares were held by Joy Mount Investments Limited, which is wholly-owned by Mr. Wong Ka Wing.
- (d) These represented outstanding options granted to Directors under the Share Option Scheme to subscribe for shares of the Company, further details of which are set forth under the section headed "Share Option Schemes" to this report.

Save as disclosed above, as at 31 December 2025, none of the directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2025, the interests and short positions of every person, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Notes	Number of ordinary shares (long position)			% of total issued shares
		Directly beneficially owned	Through controlled corporation	Total	
Billion Era International Limited	(a)	423,434,689	–	423,434,689	41.74
Tin Tao Investments Limited	(a)	–	423,434,689	423,434,689	41.74
Sapphire Skye Holdings Limited	(a)	–	423,434,689	423,434,689	41.74
Zedra Trust Company (Singapore) Limited	(a)	–	423,434,689	423,434,689	41.74
Joy Mount Investments Limited	(b)	103,283,124	–	103,283,124	10.18
Perfect Plan International Limited	(c)	102,053,976	–	102,053,976	10.06
Whole Gain Holdings Limited		56,795,068	–	56,795,068	5.60

## Notes:

- (a) Billion Era International Limited is wholly-owned by Tin Tao Investments Limited ("Tin Tao") which in turn is wholly-owned by Sapphire Skye Holdings Limited ("Sapphire"). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trust Company (Singapore) Limited ("Zedra Trust") as trustees for a discretionary trust, the discretionary objects of which include Mr. Chung Wai Ping and certain members of his family. For the purposes of the SFO, Mr. Chung is the settlor of this trust.
- (b) These shares were wholly-owned by Joy Mount Investments Limited, which is beneficially owned by Mr. Wong Ka Wing.
- (c) These shares were wholly-owned by Perfect Plan International Limited, which is an indirect wholly owned subsidiary of Cafe de Coral Holdings Limited whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.



Save as disclosed above, as at 31 December 2025, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section “Directors’ Interests and Short Positions in Shares and Underlying Shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

## Directors’ Rights to Acquire Shares or Debentures

Save as disclosed above and in the share option scheme disclosed in note 28 to the financial statements, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors or the spouse or children under 18 years of age to acquired benefits by means of the acquisition of shares in, or debentures of the Company, or any other body corporate.

## Connected Transactions

The Group had the following continuing connected and connected transactions with connected parties during the year:

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Continuing connected transaction</b>			
Legal fee to a related party	(i)	846	681
<b>Connected transactions</b>			
Lease payment to a related party	(ii)	8,583	10,138
Management fee to a related party	(ii)	8,373	8,282

Notes:

- (i) The legal fee to a related party, Howell & Co., of which Mr. Fong Siu Kwong, a Non-executive Director of the Company is a principal, was charged based on mutually agreed terms.
- (ii) The lease payment and management fee to a related party, Dongguan Tian Yao Property Management Limited (“Dongguan Tian Yao”), a Company of which Mr. Chung Chun Fung, an executive Director of the Company, is holding 35.15% of the issue shares, was charged based on mutually agreed terms.

These transactions are exempt from the reporting, announcement or independent shareholders’ approval requirements under Rule 14A.76 of the Listing Rules and the details of the transactions are included herein for information only.



On 5 June 2024, the Company, as tenant, and Dongguan Tian Yao, as landlord, entered into the Master Tenancy Agreement in respect of the Premises for a term of two years commencing on 6 June 2024 and expiring on 5 June 2026 (both days inclusive). As at the date of this announcement, 35.15% of the issue shares of the Landlord is held by Mr Chung Chun Fung, who is also a Director of the Tenant of which 43.176% of the issued share capital is held by Billion Era International Limited which is wholly owned by Tin Tao Investment Limited (“Tin Tao”) which is in turn wholly owned by Sapphire Skye Holdings Limited (“Sapphire”). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trust Company (Singapore) Limited (“Zedra Trust”) which is a trustee for a discretionary trust, the discretionary objects of which include Mr Chung Wai Ping and certain members of his family and Mr Chung Chun Fung is one of the sons of Mr Chung Wai Ping who, for the purpose of the Securities and Future Ordinance, is the settlor of the discretionary trust. Hence, Dongguan Tian Yao is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the tenancy as contemplated under the Master Tenancy Agreement constitute connected transaction for the Company under Chapter 14A of the Listing Rules.

Details of the tenancy agreement with Dongguan Tian Yao are set out in the announcement of the Company dated 5 June 2024.

### Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company’s total number of issued shares were held by the public as at the date of this report.

### Auditor

Ernst & Young retire and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

#### **Chung Wai Ping**

*Chairman and Chief Executive Officer*

Hong Kong  
25 March 2026



## To the shareholders of Tao Heung Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

### Opinion

We have audited the consolidated financial statements of Tao Heung Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 38 to 122, which comprise the consolidated statement of financial position as at 31 December 2025, and 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 to the consolidated financial statements, including material accounting policy information.

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

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



## Key Audit Matters (continued)

### Key audit matter

### How our audit addressed the key audit matter

#### ***Impairment of property, plant and equipment and right-of-use assets***

As at 31 December 2025, the net carrying amounts of property, plant and equipment and right-of-use assets amounted to HK\$649.2 million and HK\$512.9 million, respectively. The Group's management performed impairment assessment of property, plant and equipment and right-of-use assets for identified restaurants and shops that continued to underperform by estimating the recoverable amounts of the relevant cash-generating units ("CGUs") based on the higher of the value in use calculations and fair value less costs of disposal. Net impairment losses of approximately HK\$1.8 million and HK\$7.1 million, have been recorded during the year to reduce the carrying amounts of certain property, plant and equipment and right-of-use assets to their estimated recoverable amounts.

Significant judgements and estimates were involved in the assessment of the recoverable amounts of the property, plant and equipment and right-of-use assets of those restaurants and shops. Significant assumptions include the budgeted forecast of respective restaurants and shops and discount rates.

Relevant disclosures of impairment assessment of property, plant and equipment and right-of-use assets are set out in notes 2.4, 3, 13 and 14 to the financial statements.

In evaluating management's impairment assessment, we tested the key assumptions adopted, in particular those relating to the cash flow forecasts, by reviewing the impairment methodologies, discount rates and time factors. In addition, we also involved our internal valuation specialists to assist us in evaluating the methodologies and discount rates used to determine the recoverable amounts of the property, plant and equipment and right-of-use assets of those restaurants and shops. Our procedures also included a comparison of the cash flow forecasts with historical data of the Group.



## Key Audit Matters (continued)

### Key audit matter

### How our audit addressed the key audit matter

#### **Recognition of deferred tax assets**

As at 31 December 2025, the Group recognised deferred tax assets of approximately HK\$117.5 million. Recognition of deferred tax assets is made to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Significant management judgement is involved to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Relevant disclosures of deferred tax assets are set out in notes 2.4, 3 and 19 to the financial statements.

Our audit procedures included: (i) reviewing management's assessment on the recognition of deferred tax assets based on the Group's projection of future taxable profits within the statutory time limits in the jurisdictions in which the tax losses or deductible temporary differences had arisen; and (ii) comparing the Group's projection to its tax planning strategies, tax reconciling adjustments and historical financial information.

## Other Information Included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

## Responsibilities of the Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company 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. Our 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, 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.



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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Kee Wendy Wing Shi (practising certificate number: P07757).

### **Ernst & Young**

*Certified Public Accountants*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

25 March 2026

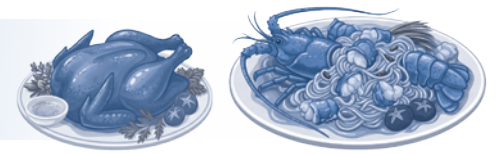


# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>REVENUE</b>	5	<b>2,319,120</b>	2,425,635
Cost of sales		(2,167,718)	(2,292,565)
Gross profit		<b>151,402</b>	133,070
Other income and gains, net	5	<b>27,338</b>	60,823
Selling and distribution expenses		(57,664)	(58,271)
Administrative expenses		(132,287)	(133,421)
Other expenses		(13,964)	(15,579)
Finance costs	6	(16,863)	(18,517)
Fair value loss on investment properties		—	(2,000)
Share of profits and losses of associates		<b>1,518</b>	(616)
<b>LOSS BEFORE TAX</b>	7	<b>(40,520)</b>	(34,511)
Income tax expense	10	(18,133)	(11,257)
<b>LOSS FOR THE YEAR</b>		<b>(58,653)</b>	(45,768)
Attributable to:			
Equity holders of the Company		(59,932)	(52,801)
Non-controlling interests		<b>1,279</b>	7,033
		<b>(58,653)</b>	(45,768)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
— Basic (HK cents)	12	<b>(5.91)</b>	(5.21)
— Diluted (HK cents)	12	<b>(5.91)</b>	(5.21)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



Year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>LOSS FOR THE YEAR</b>	<b>(58,653)</b>	(45,768)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	10,601	(13,495)
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(48,052)</b>	(59,263)
Attributable to:		
Equity holders of the Company	(50,487)	(65,703)
Non-controlling interests	2,435	6,440
	<b>(48,052)</b>	(59,263)



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	649,191	659,409
Right-of-use assets	14(a)	512,928	452,120
Investment properties	15	23,100	23,100
Goodwill	16	36,761	36,134
Other intangible asset	17	—	—
Investments in associates	18	13,077	11,559
Deferred tax assets	19	117,527	125,385
Deposits and other receivables	22	53,424	43,010
Deposits for purchases of items of property, plant and equipment		727	3,579
Total non-current assets		1,406,735	1,354,296
<b>CURRENT ASSETS</b>			
Inventories	20	90,565	117,655
Trade receivables	21	53,428	45,770
Prepayments, deposits and other receivables	22	113,472	122,206
Tax recoverable		3,179	6,635
Pledged deposits	23	11,114	14,658
Cash and cash equivalents	23	201,961	213,316
Total current assets		473,719	520,240
<b>CURRENT LIABILITIES</b>			
Trade payables	24	120,450	89,828
Other payables and accruals	25	176,858	188,219
Interest-bearing bank borrowings	26	14,812	21,342
Lease liabilities	14(b)	156,887	190,158
Tax payable		7,892	9,732
Total current liabilities		476,899	499,279
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(3,180)</b>	20,961
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,403,555</b>	1,375,257

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION



31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Other payables and accruals	25	7,909	8,679
Interest-bearing bank borrowings	26	18,773	33,751
Lease liabilities	14(b)	249,622	158,859
Deferred tax liabilities	19	23,358	19,805
Total non-current liabilities		299,662	221,094
Net assets		1,103,893	1,154,163
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	27	101,435	101,435
Reserves	29	984,980	1,035,467
Non-controlling interests		1,086,415	1,136,902
		17,478	17,261
Total equity		1,103,893	1,154,163

**Chung Wai Ping**  
Chairman and Chief Executive Officer

**Chung Chun Fung**  
Director



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to equity holders of the Company										Non-controlling interests	Total equity HK\$'000
	Notes	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000 (note 29)	Other reserve HK\$'000 (note 29)	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 January 2024		101,435	324,851	110,748	(21,455)	3,531	509	(60,720)	774,135	1,233,034	21,221	1,254,255
Loss for the year		–	–	–	–	–	–	–	(52,801)	(52,801)	7,033	(45,768)
Other comprehensive loss for the year:												
Exchange differences on translation of foreign operations		–	–	–	–	–	–	(12,901)	–	(12,901)	(594)	(13,495)
Total comprehensive (loss)/income for the year		–	–	–	–	–	–	(12,901)	(52,801)	(65,702)	6,439	(59,263)
Dividends paid to a non-controlling shareholder of a subsidiary		–	–	–	–	–	–	–	–	–	(10,399)	(10,399)
Transfer of share option reserve upon forfeiture of share options	28	–	–	–	–	(671)	–	–	671	–	–	–
Final 2023 dividend	11	–	–	–	–	–	–	–	(30,430)	(30,430)	–	(30,430)
At 31 December 2024		101,435	324,851*	110,748*	(21,455)*	2,860*	509*	(73,621)*	691,575*	1,136,902	17,261	1,154,163

	Attributable to equity holders of the Company										Non-controlling interests	Total equity HK\$'000
	Notes	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000 (note 29)	Other reserve HK\$'000 (note 29)	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 January 2025		101,435	324,851	110,748	(21,455)	2,860	509	(73,621)	691,575	1,136,902	17,261	1,154,163
Loss for the year		–	–	–	–	–	–	–	(59,932)	(59,932)	1,279	(58,653)
Other comprehensive income for the year:												
Exchange differences on translation of foreign operations		–	–	–	–	–	–	9,445	–	9,445	1,156	10,601
Total comprehensive income/(loss) for the year		–	–	–	–	–	–	9,445	(59,932)	(50,487)	2,435	(48,052)
Dividends paid to a non-controlling shareholder of a subsidiary		–	–	–	–	–	–	–	–	–	(2,218)	(2,218)
Transfer of share option reserve upon forfeiture of share options	28	–	–	–	–	(203)	–	–	203	–	–	–
At 31 December 2025		101,435	324,851*	110,748*	(21,455)*	2,657*	509*	(64,176)*	631,846*	1,086,415	17,478	1,103,893

\* These reserve accounts comprise the consolidated reserves of HK\$984,980,000 (2024: HK\$1,035,467,000) in the consolidated statement of financial position.

# CONSOLIDATED STATEMENT OF CASH FLOWS



Year ended 31 December 2025

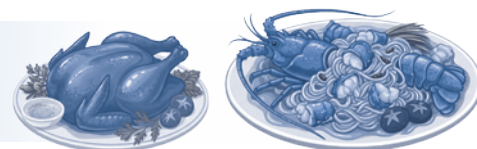
	Notes	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(40,520)	(34,511)
Adjustments for:			
Fair value loss on investment properties		—	2,000
Interest income	5	(2,616)	(6,181)
Gain on termination of leases	5	(7,712)	(21,423)
Finance costs	6	16,863	18,517
Impairment of items of property, plant and equipment, net	7	1,773	1,898
Impairment of right-of-use assets, net	7	7,107	8,911
Reversal of impairment of trade receivables, net	7	(223)	(324)
Write-off of items of property, plant and equipment	7	5,307	2,633
Depreciation of property, plant and equipment	7	103,083	129,784
Depreciation of right-of-use assets	7	188,544	197,061
Share of profits and losses of associates		(1,518)	616
		<b>270,088</b>	<b>298,981</b>
Decrease in inventories		29,274	13,320
(Increase)/decrease in trade receivables		(6,011)	9,430
Decrease in prepayments, deposits and other receivables		1,510	1,983
Increase/(decrease) in trade payables		17,821	(41,469)
Decrease in other payables and accruals		(25,852)	(32,608)
		<b>286,830</b>	<b>249,637</b>
Cash generated from operations		<b>286,830</b>	<b>249,637</b>
Interest paid		(2,629)	(2,291)
Hong Kong profits tax paid		(3,150)	(10,490)
PRC taxes paid		(625)	(3,070)
		<b>280,426</b>	<b>233,786</b>
Net cash flows from operating activities		<b>280,426</b>	<b>233,786</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(76,793)	(70,933)
Deposits paid for purchases of items of property, plant and equipment		(727)	(3,579)
Dividend received		–	850
Decrease/(increase) in pledged deposits		3,544	(141)
Interest received		2,616	6,181
Withdrawal of non-pledged deposits with original maturity over three months when acquired		–	548
<b>Net cash flows used in investing activities</b>		<b>(71,360)</b>	<b>(67,074)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		49,500	11,000
Repayment of bank loans		(71,008)	(41,614)
Principal portion of lease payments		(189,491)	(207,152)
Interest element of lease payments		(14,234)	(16,226)
Dividends paid		–	(30,430)
Dividends paid to a non-controlling shareholder of a subsidiary		(2,218)	(10,399)
<b>Net cash flows used in financing activities</b>		<b>(227,451)</b>	<b>(294,821)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		213,316	344,598
Effect of foreign exchange rate changes, net		7,030	(3,173)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>201,961</b>	<b>213,316</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	23	196,628	180,316
Non-pledged time deposits with original maturity of less than three months when acquired	23	5,333	33,000
Cash and cash equivalents as stated in the consolidated statement of financial position	23	201,961	213,316



Year ended 31 December 2025

## 1. Corporate and Group Information

Tao Heung Holdings Limited was incorporated in the Cayman Islands on 29 December 2005 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at No. 18 Dai Fat Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong.

During the year, the Group was involved in the following principal activities:

- restaurant operations and provision of food catering services
- bakery operations
- production, sale and distribution of food products and other items related to restaurant operations
- poultry farm operations

### Information about principal subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

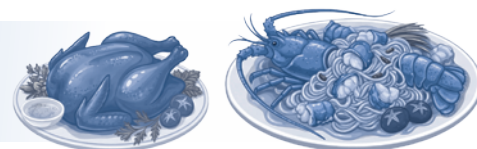
Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ registered paid-up capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
<i>Directly held:</i>					
Sky Cheer Group Limited	British Virgin Islands/ Hong Kong	Ordinary US\$1	100	100	Investment holding
<i>Indirectly held:</i>					
Best Harvest Food Limited	Hong Kong	Ordinary HK\$2	100	100	Production, sale and distribution of products related to restaurant operations
Charm Sky Enterprise Limited	Hong Kong	Ordinary HK\$1	100	100	Investment holding, production, sale and distribution of food products related to restaurant operations
Elite Sky International Development Limited	Hong Kong	Ordinary HK\$2	100	100	Restaurant operations and provision of food catering services
Great Sky International Enterprise Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services



1. Corporate and Group Information (continued)

Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ registered paid-up capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
Sky Castle Development Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services
Sky Fine International Industrial Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services
Sky Great Development Limited	Hong Kong	Ordinary HK\$2	100	100	Restaurant operations and provision of food catering services
Sky Hero Development Limited	Hong Kong	Ordinary HK\$2	100	100	Restaurant operations and provision of food catering services
Sky Leader Industrial Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of catering services
Sky Triumph International Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services
Sky Well International Investment Limited	Hong Kong	Ordinary HK\$2	100	100	Restaurant operations and provision of food catering services
Skyford Enterprises Limited	Hong Kong	Ordinary HK\$2	100	100	Restaurant operations and provision of food catering services
Skyland Investments Limited	Hong Kong	Ordinary HK\$2	100	100	Property investment
Skymart Limited	Hong Kong	Ordinary HK\$10,000	100	100	Investment holding
Skywell Enterprise Limited	Hong Kong	Ordinary HK\$500,000	100	100	Investment holding, restaurant operations and provision of food catering services
Starway International Development Limited	Hong Kong	Ordinary HK\$2	100	100	Restaurant operations and provision of food catering services



Year ended 31 December 2025

## 1. Corporate and Group Information (continued)

### Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ registered paid-up capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
Tao Heung Seafood Hotpot Restaurant Limited	Hong Kong	Ordinary HK\$38,000	100	100	Investment holding, provision of management and promotion services, trading of food and other operating items related to restaurant operations and property investment
Tensel Investment Limited	Hong Kong	Ordinary HK\$58,749,053	100	100	Investment holding and provision of treasury services
Top Eagle Development Limited	Hong Kong	Ordinary HK\$40,000	100	100	Property investment
Triumph Sky Holdings Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding
Skyera International Holdings Limited	Hong Kong	Ordinary HK\$10,000	100	100	Restaurant operations and provision of food catering services
Tao Heung Management Limited	Hong Kong	Ordinary HK\$2	100	100	Property investment
Tao Heung Development Limited	Hong Kong	Ordinary HK\$2	100	100	Provision of human resources support, restaurant operations and provision of food catering services
Sky Gain Investment Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, production, sale and distribution of food products related to restaurant operations
Sky Talent Enterprise Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services
東莞萬好食品有限公司*	People's Republic of China ("PRC")/ Chinese mainland	HK\$322,100,000 and Renminbi ("RMB") 22,050,000	100	100	Production, sale and distribution of food products, restaurant operations and provision of food catering services
深圳領鮮稻香飲食有限公司*	PRC/Chinese mainland	HK\$32,000,000	100	100	Restaurant operations and provision of food catering services
Basic Tech Limited	Hong Kong	Ordinary HK\$28,000	100	100	Property investment
Huge Sky Investments Limited	Hong Kong	Ordinary HK\$291,000	100	100	Property investment and investment holding

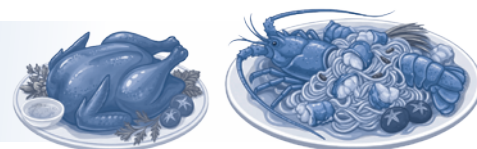


Year ended 31 December 2025

## 1. Corporate and Group Information (continued)

### Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ registered paid-up capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
Nature Lion Limited	Hong Kong	Ordinary HK\$250,000	100	100	Property investment and sale and distribution of food products and operating items related to restaurant operations
Poly Sky Investment Limited	Hong Kong	Ordinary HK\$48,000	100	100	Restaurant operations and provision of food catering services
Skyking Restaurant Limited	Hong Kong	Ordinary HK\$71,000	100	100	Investment holding, restaurant operations and provision of food catering services
Tin Shing Company Limited	Hong Kong	Ordinary HK\$67,500	100	100	Restaurant operations and provision of food catering services
Miracle Time Enterprise Limited	Hong Kong	Ordinary HK\$1,000,000	100	100	Restaurant operations and provision of food catering services
Skybest International Investment Enterprise Limited	Hong Kong	Ordinary HK\$10,000	100	100	Restaurant operations and provision of food catering services
Glory Rainbow International Trading Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services
Loyal Sky Holdings Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding
Sky Rich (China) Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding
Skymark Asia Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services
Sky Tai International Catering Company Limited	Hong Kong	Ordinary HK\$10,000	100	100	Investment holding
深圳濱海稻香飲食有限公司	PRC/Chinese mainland	HK\$7,000,000	100	100	Restaurant operations and provision of food catering services
迎喜皇宮飲食(深圳)有限公司*	PRC/Chinese mainland	HK\$33,000,000	100	100	Restaurant operations and provision of food catering services



Year ended 31 December 2025

## 1. Corporate and Group Information (continued)

### Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ registered paid-up capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
廣州市新港稻香海鮮火鍋酒家 有限公司*	PRC/Chinese mainland	HK\$8,250,000	100	100	Restaurant operations and provision of food catering services
廣州市僑光稻香海鮮火鍋酒家 有限公司*	PRC/Chinese mainland	HK\$8,250,000	100	100	Restaurant operations and provision of food catering services
Hongyet Limited	Hong Kong	Ordinary HK\$100,000	100	100	Investment holding, restaurant operations and provision of food catering services
Sky Trend Holdings Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services
東莞地王稻香飲食有限公司*	PRC/Chinese mainland	HK\$30,264,000	100	100	Restaurant operations and provision of food catering services
東莞天景稻香飲食有限公司*	PRC/Chinese mainland	HK\$36,000,000	100	100	Restaurant operations and provision of food catering services
Tai Cheong Holdings Group Limited	British Virgins Islands	Ordinary US\$10,000	100	100	Investment holding
Tai Cheong Bakery Company Limited	Hong Kong	Ordinary HK\$300,000	100	100	Production and retail of bakery products
Tai Cheong (TM) Co., Limited	Hong Kong	Ordinary HK\$10,000	100	100	Provision of promotion services
廣州天暉稻香飲食有限公司*	PRC/Chinese mainland	HK\$18,000,000	100	100	Restaurant operations and provision of food catering services
廣州市百興畜牧飼料 有限公司** Guangzhou Baixing Pasturage and Feed Co., Ltd.	PRC/Chinese mainland	RMB3,000,000	70	70	Slaughtering, processing and sale of livestock
穗香(廣州)農業發展 有限公司** Suixiang (Guangzhou) Agricultural Development Co., Ltd.	PRC/Chinese mainland	RMB2,000,000	70	70	Sale of livestock
瀋陽迎喜餐飲有限公司*	PRC/Chinese mainland	HK\$18,000,000	—***	100	Restaurant operations and provision of food catering services

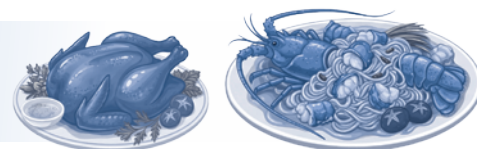


Year ended 31 December 2025

## 1. Corporate and Group Information (continued)

### Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ registered paid-up capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
武漢漢街稻香飲食有限公司*	PRC/Chinese mainland	HK\$18,000,000	100	100	Restaurant operations and provision of food catering services
廣州東匯城稻香飲食 有限公司*	PRC/Chinese mainland	HK\$12,400,000	100	100	Restaurant operations and provision of food catering services
佛山南海天勝稻香飲食有限 公司*	PRC/Chinese mainland	HK\$18,000,000	100	100	Restaurant operations and provision of food catering services
Keen Port International Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding, restaurant operations and provision of food catering services
中山健港稻香飲食有限公司*	PRC/Chinese mainland	HK\$18,000,000	100	100	Restaurant operations and provision of food catering services
Sky Joy Enterprise Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding
鶴山天欣稻香飲食有限公司*	PRC/Chinese mainland	RMB24,000,000	100	100	Restaurant operations and provision of food catering services
Baker Limited	Hong Kong	Ordinary HK\$10,000	100	100	Investment holding
Winsky Creation Limited	Hong Kong	Ordinary HK\$22,000,000	100	100	Restaurant operations and provision of food catering services
上海愚園迎喜餐飲管理 有限公司*	PRC/Chinese mainland	RMB15,000,000	—***	100	Restaurant operations and provision of food catering services
Tang Dynasty Ceramics Co., Limited	Hong Kong	Ordinary HK10,000	80	80	Trading of products related to restaurant operations



Year ended 31 December 2025

## 1. Corporate and Group Information (continued)

### Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ registered paid-up capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
上海迎喜天浩餐飲管理 有限公司*	PRC/Chinese mainland	RMB20,000,000	100	100	Restaurant operations and provision of food catering services
上海淞滬迎喜餐飲管理有限 公司*	PRC/Chinese mainland	RMB18,000,000	100	100	Restaurant operations and provision of food catering services
無錫海岸城稻香餐飲管理有限 公司*	PRC/Chinese mainland	HK\$14,000,000	100	100	Restaurant operations and provision of food catering services
Sky Ascent Development Limited	Hong Kong	Ordinary HK\$1	100	100	Restaurant operations and provision of food catering services
Winsky Enterprise Limited	Hong Kong	Ordinary HK\$2	100	100	Restaurant operations and provision of food catering services
Sky Earth Development Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding
深圳市天宜稻香飲食有限 公司*	PRC/Chinese mainland	RMB10,000,000	100	100	Restaurant operations and provision of food catering services
Tao Heung Group Limited	Hong Kong	Ordinary HK\$2	100	100	Restaurant operations and provision of food catering services
東莞巧味餐飲管理有限公司*	PRC/Chinese mainland	RMB1,000,000	100	100	Restaurant operations and provision of food catering services

\* These companies are wholly-foreign-owned enterprises established in the PRC.

\*\* These companies are Sino-foreign co-operative joint ventures established in the PRC.

\*\*\* These companies have been deregistered during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.



Year ended 31 December 2025

## 2. Accounting Policies

### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 December 2025, the Group had net current liabilities of HK\$3,180,000. The directors believe that the Group has sufficient cash flows from operations based on cash flow projections, which covered a period of not less than twelve months from 31 December 2025, and available bank facilities to meet its liabilities as and when they fall due. Therefore, the consolidated financial statements have been prepared on a going concern basis.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

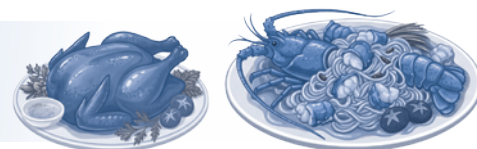
- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

### 2.3 Issued But Not Yet Effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption



## 2. Accounting Policies (continued)

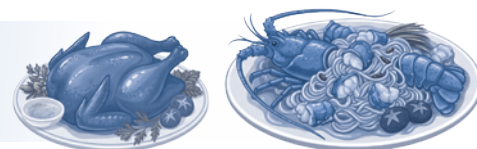
### 2.3 Issued But Not Yet Effective HKFRS Accounting Standards (continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.3 Issued But Not Yet Effective HKFRS Accounting Standards (continued)

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

*Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lease distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.



## 2. Accounting Policies (continued)

### 2.3 Issued But Not Yet Effective HKFRS Accounting Standards (continued)

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects of these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

### 2.4 Material Accounting Policies

#### **Investments in associates**

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

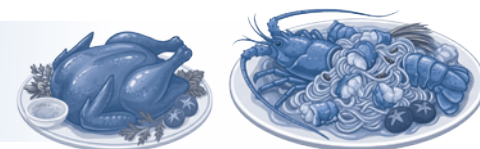
The Group’s investments in associates are stated in the consolidated statement of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group’s share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group’s investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group’s investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### **Business combinations and goodwill (continued)**

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.



## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### **Fair value measurement**

The Group measures its investment properties at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than investment properties, inventories, financial assets and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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 charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

#### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group 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 (a);
  - (vii) a person identified in (a)(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); and
  - (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 parent of the Group.



## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	Over the shorter of the land lease and 2%–5%
Leasehold improvements	Over the shorter of the lease terms and 10%–33 <sup>1</sup> / <sub>3</sub> %
Furniture, fixtures and equipment	20%–33 <sup>1</sup> / <sub>3</sub> %
Motor vehicles	20%–25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### **Investment properties**

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

#### **Intangible asset (other than goodwill)**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

#### *Trademark*

Purchased trademark is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 17 years.

#### **Leases**

The Group assesses at contract inception whether a 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.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Leases (continued)

##### *Group as a lessee (continued)*

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying assets or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	Over the lease terms
Leasehold properties	Over the lease terms

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Leases (continued)

##### *Group as a lessee (continued)*

##### (c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

##### *Group as a lessor*

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. 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. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income and gains in the statement of profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

#### Financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.



## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### **Financial assets (continued)**

##### *Initial recognition and measurement (continued)*

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

##### *Subsequent measurement of financial assets at amortised cost*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

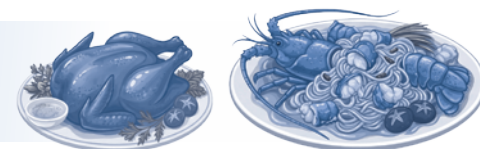
#### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk with contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

#### *Simplified approach*

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### **Financial liabilities**

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

##### *Financial liabilities at amortised cost (trade and other payables, and borrowings)*

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the statement of profit or loss.

##### *Financial guarantee contracts*

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

#### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.



## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.



## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Revenue recognition

##### *Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for these goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(i) Restaurant and bakery operations

Revenue from restaurant and bakery operations is recognised at the point in time when control of the goods and services are transferred to the customer, being at the point the customer purchases the goods or when the food catering services are completed at the restaurants and bakery shops.

(ii) Sale of food and other items and poultry farm operations

Revenue from sale of food and other items and poultry farm operations is recognised at the point in time when control of the asset is transferred to the customer, generally being at the point the customer purchases the goods at shops or upon delivery of the goods.

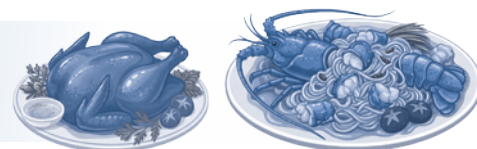
##### *Other income*

Rental income is recognised on a time proportion basis over the lease terms. 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 incurred.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Sponsorship income is recognised when there is reasonable assurance that the sponsorship income will be received and all attaching conditions will be complied with. Where the sponsorship income relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching condition will be complied with, as further explained in the accounting policies for “Government grants” above.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### Share-based payments

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

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

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

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



## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### **Share-based payments (continued)**

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

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

#### **Other employee benefits**

##### *Retirement benefit schemes*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

#### **Dividends**

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company’s memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.



Year ended 31 December 2025

## 2. Accounting Policies (continued)

### 2.4 Material Accounting Policies (continued)

#### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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



## 3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgement is involved in determining the provision for income taxes. Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation, interpretations and practices in respect thereof.

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.



Year ended 31 December 2025

### 3. Significant Accounting Judgements and Estimates (continued)

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the provision of services, or from a change in the market demand for the product or service output of an asset, the expected usage of the asset, the expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Adjustment of depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each reporting period, based on changes in circumstances.

#### Impairment of property, plant and equipment and right-of-use assets

The Group assesses whether there are any indicators of impairment for its property, plant and equipment and right-of-use assets at the end of each reporting period. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is determined based on the higher of value in use calculations and fair value less costs of disposal. In assessing value in use, management estimated the expected future cash flows from the asset or cash-generating unit based on key assumptions, such as budgeted revenue and earnings before interest, tax, depreciation, and amortisation ("EBITDA"), and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment and right-of-use assets at 31 December 2025 were HK\$649,191,000 (2024: HK\$659,409,000) and HK\$512,928,000 (2024: HK\$452,120,000), respectively. Further details are given in notes 13 and 14, respectively, to the financial statements.

#### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill are disclosed in note 16 to the financial statements.



## 3. Significant Accounting Judgements and Estimates (continued)

### Estimation uncertainty (continued)

#### **Impairment of non-financial assets (other than goodwill, property, plant and equipment and right-of-use assets)**

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits estimated using key assumptions such as budgeted revenue and EBITDA together with future tax planning strategies. The carrying amounts of deferred tax assets are disclosed in note 19 to the financial statements.

#### **Leases – Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

#### **Estimation of fair value of investment properties**

Investment properties are stated at their fair values. The fair value at the end of the reporting period was based on a valuation on these investment properties conducted by an independent firm of professionally qualified valuers using property valuation techniques which involve making assumptions on certain market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the gain or loss recognised in the statement of profit or loss. The carrying amounts of investment properties are disclosed in note 15 to the financial statements.



Year ended 31 December 2025

### 3. Significant Accounting Judgements and Estimates (continued)

#### Estimation uncertainty (continued)

##### Provision for expected credit losses (“ECLs”) on trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group’s historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The carrying amounts of trade receivables and other receivables are disclosed in notes 21 and 22, respectively, to the financial statements.

### 4. Operating Segment Information

The Group is principally engaged in the provision of food catering services through a chain of restaurants and bakery shops. Information reported to the Group’s chief operating decision maker (i.e., the chief executive officer) for the purpose of resource allocation and performance assessment focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

#### Geographical information

The following tables present revenue from external customers by geographic market for the years ended 31 December 2025 and 2024, and certain non-current asset information as at 31 December 2025 and 2024, by geographic area.

##### (a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Hong Kong	1,620,044	1,624,316
Chinese mainland	699,076	801,319
	<b>2,319,120</b>	2,425,635

The revenue information above is based on the locations of the customers.



Year ended 31 December 2025

## 4. Operating Segment Information (continued)

### Geographical information (continued)

#### (b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Hong Kong	609,559	506,538
Chinese mainland	626,225	679,363
	<b>1,235,784</b>	<b>1,185,901</b>

The non-current asset information above is based on the locations of assets and excludes financial assets and deferred tax assets.

### Information about major customers

No further information about any major customers is presented as no more than 10% of the Group's revenue was derived from sales to any single customer during the year (2024: Nil).

## 5. Revenue, Other Income and Gains, Net

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Restaurant and bakery operations	1,989,217	2,134,008
Sale of food and other items	206,860	190,744
Poultry farm operations	123,043	100,883
	<b>2,319,120</b>	<b>2,425,635</b>



Year ended 31 December 2025

## 5. Revenue, Other Income and Gains, Net (continued)

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

	2025 HK\$'000	2024 HK\$'000
<b>Geographical markets</b>		
Hong Kong	1,620,044	1,624,316
Chinese mainland	699,076	801,319
Total revenue from contracts with customers	2,319,120	2,425,635
<b>Timing of revenue recognition</b>		
At a point in time	2,319,120	2,425,635

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Restaurant and bakery operations	50,871	61,669
Sale of food and other items	430	121
	51,301	61,790

#### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

##### *Restaurant and bakery operations*

The performance obligation is satisfied when the customer obtains control of the promised goods or services being at the point the customer purchases the goods or when food catering services are completed at the restaurants and bakery shops. Payment of the transaction price is due immediately at the point the customer purchases the goods or when food catering services are completed.



Year ended 31 December 2025

## 5. Revenue, Other Income and Gains, Net (continued)

### Revenue from contracts with customers (continued)

#### (ii) Performance obligations (continued)

##### *Sale of food and other items and poultry farm operations*

The performance obligation is satisfied when the customer obtains control of the promised goods, being at the point the customer purchases the goods at shops or upon delivery of the goods. Payment of the transaction price is generally due at the point the customer purchases the goods at shops or within 30 to 90 days from delivery.

The Group has applied the practical expedient under HKFRS 15 and does not include information about revenue that the Group will be entitled to when it satisfied the remaining performance obligations for contracts with an original expected duration of one year or less.

An analysis of other income and gains, net is as follows:

	2025 HK\$'000	2024 HK\$'000
Bank interest income	2,616	6,181
Compensation received	975	17,127
Government grants*	517	2,265
Gross rental income	1,996	1,321
Sponsorship income	1,142	705
Gain on termination of leases <sup>#</sup>	7,712	21,423
Foreign exchange differences, net	3,242	–
Others	9,138	11,801
	<b>27,338</b>	<b>60,823</b>

\* Government grants mainly included various government grants received by certain subsidiaries in connection with setting up certain facilities at a poultry farm and restaurants. Certain grants are credited to a deferred income account and are released to the statement of profit or loss over the useful lives of the relevant facilities. There are no unfulfilled conditions or other contingencies attaching to the government grants recognised.

<sup>#</sup> The gain on termination of leases for the year ended 31 December 2024 included forfeiture of deposits and penalties on early termination amounting to HK\$4,559,000.



Year ended 31 December 2025

## 6. Finance Costs

An analysis of finance costs is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on bank loans	2,629	2,291
Interest on lease liabilities	14,234	16,226
	<b>16,863</b>	<b>18,517</b>

## 7. Loss Before Tax

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold		845,198	810,320
Depreciation of items of property, plant and equipment*	13	103,083	129,784
Depreciation of right-of-use assets*	14(a)	188,544	197,061
Employee benefit expense* (including directors' remuneration (note 8)):			
Salaries and bonuses		646,940	717,236
Retirement benefit scheme contributions (defined contribution schemes)^		44,454	49,266
		<b>691,394</b>	<b>766,502</b>
Lease payments not included in the measurement of lease liabilities*	14(c)	8,324	6,064
Foreign exchange (gains)/losses, net		(3,242)	2,461
Auditors' remuneration		4,241	5,163
Impairment of items of property, plant and equipment, net <sup>#</sup>	13	1,773	1,898
Impairment of right-of-use assets, net <sup>#</sup>	14(a)	7,107	8,911
Reversal of impairment of trade receivables, net <sup>#</sup>	21	(223)	(324)
Write-off of items of property, plant and equipment <sup>#</sup>	13	5,307	2,633

\* The cost of sales for the year ended 31 December 2025 amounting to HK\$2,167,718,000 (2024: HK\$2,292,565,000) included depreciation of items of property, plant and equipment of HK\$87,543,000 (2024: HK\$119,979,000), depreciation of right-of-use assets of HK\$188,544,000 (2024: HK\$197,061,000), employee benefit expense of HK\$653,900,000 (2024: HK\$693,961,000) and lease payments not included in the measurement of lease liabilities of HK\$8,324,000 (2024: HK\$6,064,000).

<sup>#</sup> Included in "Other expenses" in the consolidated statement of profit or loss.

<sup>^</sup> There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.



Year ended 31 December 2025

## 8. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of the Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 HK\$'000	2024 HK\$'000
Fees	1,224	1,224
Other emoluments:		
Salaries	2,878	2,865
Discretionary bonuses	–	1
Retirement benefit scheme contributions	36	47
	<b>2,914</b>	2,913
	<b>4,138</b>	4,137



Year ended 31 December 2025

## 8. Directors' Remuneration (continued)

2025	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Executive directors:					
Mr. Chung Wai Ping	–	221	–	–	221
Mr. Wong Ka Wing	–	736	–	–	736
Mr. Ho Yuen Wah	–	1,320	–	18	1,338
Mr. Chung Chun Fung	–	601	–	18	619
	–	2,878	–	36	2,914
Non-executive directors:					
Mr. Fong Siu Kwong	204	–	–	–	204
Mr. Chan Yue Kwong, Michael	204	–	–	–	204
	408	–	–	–	408
Independent non-executive directors:					
Professor Chan Chi Fai, Andrew	204	–	–	–	204
Mr. Mak Hing Keung, Thomas	204	–	–	–	204
Mr. Ng Yat Cheung	204	–	–	–	204
Ms. Wong Fun Ching	204	–	–	–	204
	816	–	–	–	816
	1,224	2,878	–	36	4,138



Year ended 31 December 2025

## 8. Directors' Remuneration (continued)

2024	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Executive directors:					
Mr. Chung Wai Ping	–	221	1	11	233
Mr. Wong Ka Wing	–	736	–	–	736
Mr. Ho Yuen Wah	–	1,300	–	18	1,318
Mr. Chung Chun Fung	–	608	–	18	626
	–	2,865	1	47	2,913
Non-executive directors:					
Mr. Fong Siu Kwong	204	–	–	–	204
Mr. Chan Yue Kwong, Michael	204	–	–	–	204
	408	–	–	–	408
Independent non-executive directors:					
Professor Chan Chi Fai, Andrew	204	–	–	–	204
Mr. Mak Hing Keung, Thomas	204	–	–	–	204
Mr. Ng Yat Cheung	204	–	–	–	204
Ms. Wong Fun Ching	204	–	–	–	204
	816	–	–	–	816
	1,224	2,865	1	47	4,137

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

There were no other emoluments payable to the directors during the year (2024: Nil).



Year ended 31 December 2025

## 9. Five Highest Paid Employees

The five highest paid employees during the year included one (2024: one) director, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries	3,670	5,378
Discretionary bonuses	8	3
Retirement benefit scheme contributions	72	81
	<b>3,750</b>	5,462

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	3	2
HK\$1,000,001 to HK\$1,500,000	1	2
	<b>4</b>	4



Year ended 31 December 2025

## 10. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Current — Hong Kong		
Charge for the year	4,162	10,509
Overprovision in prior years	(14)	(65)
Current — Chinese mainland	680	3,448
Deferred (note 19)	13,305	(2,635)
<b>Total tax charge for the year</b>	<b>18,133</b>	<b>11,257</b>

Pursuant to the PRC Corporate Income Tax Law and its interpretation rules, the assessable income generated from qualifying agricultural business is eligible for certain tax benefits, including full PRC Corporate Income Tax exemption. Certain PRC subsidiaries of the Group engaged in qualifying agricultural business are entitled to exemption of the PRC Corporate Income Tax.



Year ended 31 December 2025

## 10. Income Tax (continued)

A reconciliation of the tax expenses applicable to loss before tax at the Hong Kong statutory tax rate to the tax charge at the Group's effective tax rate is as follows:

	2025		2024	
	HK\$'000	%	HK\$'000	%
Loss before tax	(40,520)		(34,511)	
Tax at the Hong Kong statutory tax rate	(6,686)	16.5	(5,694)	16.5
Difference in tax rates applied for specific provinces in the Chinese mainland	(5,126)		(2,461)	
Effect of withholding tax on 5% or 10% on the distributable profits of the Group's subsidiaries in the Chinese mainland	(173)		(1,398)	
Adjustments in respect of current tax of previous years	(14)		(65)	
Income not subject to tax	(533)		(6,224)	
Expenses not deductible for tax	3,787		6,507	
Tax losses not recognised	21,415		21,347	
Derecognition of temporary differences previously recognised	6,371		1,540	
(Losses)/profits attributable to associates	(250)		102	
Others	(658)		(2,397)	
<b>Tax charge at the Group's effective rate</b>	<b>18,133</b>	<b>(44.8)</b>	11,257	(32.6)

The share of tax attributable to associates amounting to approximately HK\$267,000 (2024: HK\$528,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.



Year ended 31 December 2025

## 11. Dividends

	2025 HK\$'000	2024 HK\$'000
Dividend recognised as distribution during the year:		
2023 final dividend — HK3.00 cents per ordinary share	–	30,430

## 12. Loss Per Share Attributable to Ordinary Equity Holders of the Company

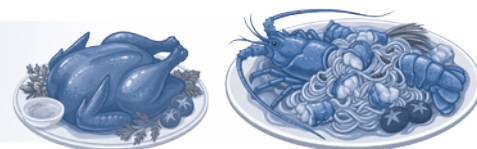
The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the number of ordinary shares of 1,014,348,000 (2024: 1,014,348,000) outstanding during the year.

No adjustment has been made to the basic loss per share amount in respect of a dilution as share options outstanding had no dilutive effect on the basic loss per share.

The calculation of basic and diluted loss per share is based on:

	2025 HK\$'000	2024 HK\$'000
<b>Loss</b>		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	(59,932)	(52,801)

	Number of shares	
	2025	2024
<b>Shares</b>		
Number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculation	1,014,348,000	1,014,348,000



Year ended 31 December 2025

### 13. Property, Plant and Equipment

	Buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<b>31 December 2025</b>						
Cost:						
At 1 January 2025	505,095	1,318,439	705,893	8,060	186	2,537,673
Additions	6,923	46,038	27,112	299	–	80,372
Write-off	(11,269)	(461,994)	(60,108)	(1,093)	(190)	(534,654)
Exchange realignment	15,153	17,702	17,622	147	4	50,628
At 31 December 2025	515,902	920,185	690,519	7,413	–	2,134,019
Accumulated depreciation and impairment:						
At 1 January 2025	185,035	1,113,025	572,452	7,752	–	1,878,264
Depreciation provided during the year	9,272	69,556	24,036	219	–	103,083
Write-off	(11,269)	(460,412)	(56,485)	(1,181)	–	(529,347)
Impairment	–	3,200	2,419	–	–	5,619
Reversal of impairment	–	(3,846)	–	–	–	(3,846)
Exchange realignment	3,508	14,339	13,070	138	–	31,055
At 31 December 2025	186,546	735,862	555,492	6,928	–	1,484,828
Net carrying amount: At 31 December 2025	329,356	184,323	135,027	485	–	649,191
<b>31 December 2024</b>						
Cost:						
At 1 January 2024	508,785	1,365,437	800,769	8,705	192	2,683,888
Additions	6,545	48,875	19,006	149	–	74,575
Write-off	–	(72,462)	(98,678)	(692)	–	(171,832)
Exchange realignment	(10,235)	(23,411)	(15,204)	(102)	(6)	(48,958)
At 31 December 2024	505,095	1,318,439	705,893	8,060	186	2,537,673
Accumulated depreciation and impairment:						
At 1 January 2024	177,730	1,122,755	642,986	8,303	–	1,951,774
Depreciation provided during the year	10,882	79,674	38,990	238	–	129,784
Write-off	–	(70,233)	(98,274)	(692)	–	(169,199)
Impairment	–	4,188	1,490	–	–	5,678
Reversal of impairment	–	(2,871)	(909)	–	–	(3,780)
Exchange realignment	(3,577)	(20,488)	(11,831)	(97)	–	(35,993)
At 31 December 2024	185,035	1,113,025	572,452	7,752	–	1,878,264
Net carrying amount: At 31 December 2024	320,060	205,414	133,441	308	186	659,409



Year ended 31 December 2025

## 13. Property, Plant and Equipment (continued)

As at 31 December 2025, buildings and leasehold land included in right-of-use assets (note 14(a)) with net carrying amounts of approximately HK\$25,802,000 (2024: HK\$26,854,000) and HK\$44,515,000 (2024: HK\$45,305,000) situated in Hong Kong were pledged to secure the banking facilities granted to the Group (note 26).

### Impairment of property, plant and equipment and right-of-use assets

As at 31 December 2025, the Group's management identified certain restaurants and shops which continued to underperform and estimated the corresponding recoverable amounts of their property, plant and equipment and right-of-use assets. Based on these estimates, net impairment losses of HK\$1,773,000 (2024: HK\$1,898,000) and HK\$7,107,000 (2024: HK\$8,911,000) were recognised during the year to write down the carrying amounts of these items of property, plant and equipment and right-of-use assets to their recoverable amounts of HK\$15,418,000 (2024: HK\$22,690,000) and HK\$115,719,000 (2024: 55,755,000), respectively, as at 31 December 2025. The estimates of the recoverable amounts were based on the value in use of these items of property, plant and equipment and right-of-use assets, determined using discount rates in the range of 12.6% to 14.0% (2024: 11.0% to 16.5%).

## 14. Leases

### The Group as a lessee

The Group has lease contracts for certain of its office premises, restaurants and bakery properties and equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 99 years, and no ongoing payments will be made under the terms of these land leases. Leases for leased properties are for a period of 1 year to 20 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.



Year ended 31 December 2025

## 14. Leases (continued)

### The Group as a lessee (continued)

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and movements during the year are as follows:

	<b>Leasehold land</b>	<b>Leased properties</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	163,609	374,585	538,194
Additions	–	70,940	70,940
Termination of leases	–	(52,014)	(52,014)
Modifications	–	109,034	109,034
Impairment	–	(8,911)	(8,911)
Depreciation charge	(3,666)	(193,395)	(197,061)
Exchange realignment	(3,042)	(5,020)	(8,062)
At 31 December 2024 and 1 January 2025	<b>156,901</b>	<b>295,219</b>	<b>452,120</b>
Additions	–	<b>262,115</b>	<b>262,115</b>
Termination of leases	–	<b>(11,902)</b>	<b>(11,902)</b>
Modifications	–	<b>(1,828)</b>	<b>(1,828)</b>
Impairment	–	<b>(9,433)</b>	<b>(9,433)</b>
Reversal of impairment	–	<b>2,326</b>	<b>2,326</b>
Depreciation charge	<b>(4,509)</b>	<b>(184,035)</b>	<b>(188,544)</b>
Exchange realignment	<b>3,468</b>	<b>4,606</b>	<b>8,074</b>
At 31 December 2025	<b>155,860</b>	<b>357,068</b>	<b>512,928</b>

Further details of the leasehold land pledged to secure banking facilities granted to the Group and impairment of right-of-use assets are disclosed in notes 26 and 13 to the financial statements, respectively.



Year ended 31 December 2025

## 14. Leases (continued)

### The Group as a lessee (continued)

#### (b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	349,017	458,103
New leases	262,017	70,576
Modifications	(1,828)	109,034
Termination of leases	(19,614)	(77,996)
Accretion of interest recognised during the year	14,234	16,226
Payments	(203,725)	(223,378)
Exchange realignment	6,408	(3,548)
At 31 December	406,509	349,017
Analysed into:		
Current	156,887	190,158
Non-current	249,622	158,859
Carrying amount at 31 December	406,509	349,017

The maturity analysis of lease liabilities is as follows:

	2025 HK\$000	2024 HK\$000
Due within one year	156,887	190,158
Due in the second year	153,724	87,617
Due in the third to fifth years, inclusive	58,968	44,974
Beyond five years	36,930	26,268
	406,509	349,017



Year ended 31 December 2025

## 14. Leases (continued)

### The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	14,234	16,226
Depreciation of right-of-use assets	188,544	197,061
Expense relating to short-term lease (included in cost of sales)	6,840	–
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	1,484	6,064
Impairment of right-of-use assets, net	7,107	8,911
Gain on termination leases	(7,712)	(21,423)
<b>Total amount recognised in profit or loss</b>	<b>210,497</b>	<b>206,839</b>

(d) The total cash outflow for leases is disclosed in note 30(c) to the financial statements.

### The Group as a lessor

The Group leases certain of its investment properties in Hong Kong under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK\$1,996,000 (2024: HK\$1,321,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	38	38



## 15. Investment Properties

	2025 HK\$'000	2024 HK\$'000
Carrying amount at 31 December	23,100	23,100

The Group's investment properties consist of eleven (2024: eleven) car parking spaces in Hong Kong. The directors of the Company had determined that the investment properties consist of one (2024: one) class of asset, i.e., car parking spaces, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2025 based on valuations performed by Knight Frank Petty Limited (2024: Knight Frank Petty Limited), an independent professionally qualified valuer, at HK\$23,100,000 (2024: HK\$23,100,000). Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group has discussions with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

The investment properties are leased to third parties under operating lease arrangements, further summary details of which are included in note 14 to the financial statements.

At 31 December 2025, the Group's investment properties with a total carrying amount of HK\$18,900,000 (2024: HK\$18,900,000) were pledged to secure the banking facilities granted to the Group (note 26).

### Fair value hierarchy

All investment properties were classified under Level 3 in the fair value hierarchy. During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

Details of the fair value hierarchy are set out in note 2.4 to the financial statements.



Year ended 31 December 2025

## 15. Investment Properties (continued)

### Fair value hierarchy (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	<b>Car parking spaces</b> HK\$'000
Carrying amount at 1 January 2024	25,100
Fair value loss recognised in profit or loss	(2,000)
Carrying amount at 31 December 2024, 1 January 2025 and 31 December 2025	23,100

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Value	
			2025 HK\$'000	2024 HK\$'000
Car parking spaces	Market comparison approach	Price per car parking space	HK\$1,620 – HK\$2,350	HK\$1,620 – HK\$2,350

A significant increase/decrease in the price per car parking space would result in a significant increase/decrease in the fair value of the investment properties.



Year ended 31 December 2025

## 16. Goodwill

	HK\$'000
At 1 January 2024	
Cost	38,013
Accumulated impairment	(1,879)
Net carrying amount	36,134
Cost at 1 January 2024, net of accumulated impairment	36,557
Exchange realignment	(423)
Cost at 31 December 2024 and 1 January 2025, net of accumulated impairment	<b>36,134</b>
Exchange realignment	<b>627</b>
Cost at 31 December 2025, net of accumulated impairment	<b>36,761</b>
At 31 December 2025	
Cost	<b>38,640</b>
Accumulated impairment	<b>(1,879)</b>
Net carrying amount	<b>36,761</b>



Year ended 31 December 2025

## 16. Goodwill (continued)

### Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Restaurant operations;
- Bakery operations;
- Property investment; and
- Poultry farm operations.

The net carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	2025 HK\$'000	2024 HK\$'000
Restaurant operations	16,766	16,766
Bakery operations	5,193	5,193
Property investment	61	61
Poultry farm operations	14,741	14,114
	<b>36,761</b>	36,134

The recoverable amounts of the cash-generating units have been determined based on value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rates applied to cash flow projections are in the range of 12.0% to 13.3% (2024: 12.4% to 15.0%), and the cash flows beyond the five-year period are extrapolated using an average growth rate of 2.0% (2024: 2.0%).

Assumptions were used in the value in use calculation of the cash-generating units for the years ended 31 December 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

**Budgeted revenue and EBITDA** — The basis used to determine the value assigned to the budgeted revenue and EBITDA is the average revenue and EBITDA achieved in the year immediately before the budget year, adjusted for expected efficiency improvements and expected market development.

**Discount rates** — The discount rates used are before tax and reflect specific risks relating to the relevant units.

**Growth rates** — The growth rates used are with reference to the long term average growth rates for the relevant markets.

Management believes that a reasonably possible change in any of the above key assumptions would not cause the carrying amounts of the CGUs to materially exceed their respective recoverable amounts.



Year ended 31 December 2025

## 17. Other Intangible Asset

	Trademark	
	2025 HK\$'000	2024 HK\$'000
At 1 January and 31 December:		
Cost	1,393	1,393
Accumulated amortisation and impairment	(1,393)	(1,393)
Net carrying amount	–	–

## 18. Investments in Associates

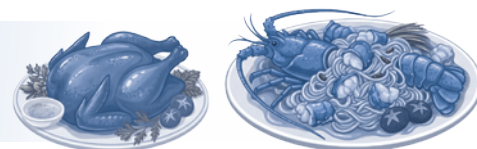
	2025 HK\$'000	2024 HK\$'000
Share of net assets	13,107	11,589
Goodwill on acquisition	122	122
Provision for impairment	(152)	(152)
	13,077	11,559

The Group's other receivable with an associate is disclosed in note 22 to the financial statements.

Particulars of the Group's associates are as follows:

Company name	Particulars of issued shares held	Place of incorporation	Percentage of ownership interest attributable to the Group		Principal activities
			2025	2024	
Tin Park Limited	Ordinary shares	Hong Kong	39	39	Inactive
World Wider International Limited	Ordinary shares	Hong Kong	39	39	Inactive
Tai Cheong Bakery Pte. Limited	Ordinary shares	Singapore	49	49	Production and retail of bakery products

The above associates are indirectly held by the Company.



Year ended 31 December 2025

## 18. Investments in Associates (continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Share of the associates' profit/(losses) for the year	1,518	(616)
Share of the associates' total comprehensive income/(losses)	1,518	(616)
Aggregate carrying amount of the Group's investments in associates	13,077	11,559

## 19. Deferred Tax

The movements in deferred tax assets and liabilities during the year are as follows:

### Deferred tax assets

	Lease liabilities HK\$'000	Depreciation in excess of related depreciation allowance HK\$'000	Losses available for offsetting against future taxable profits HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2024	62,954	23,821	84,350	–	171,125
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	(20,560)	3,865	5,172	1,388	(10,135)
Exchange realignment	(2,390)	–	728	–	(1,662)
At 31 December 2024 and 1 January 2025	40,004	27,686	90,250	1,388	159,328
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	(6,506)	9,048	(20,982)	962	(17,478)
Exchange realignment	1,877	302	324	–	2,503
At 31 December 2025	35,375	37,036	69,592	2,350	144,353



Year ended 31 December 2025

## 19. Deferred Tax (continued)

### Deferred tax liabilities

	Right-of-use assets HK\$'000	Depreciation allowance in excess of related depreciation HK\$'000	Withholding taxes HK\$'000	Total HK\$'000
At 1 January 2024	46,455	10,437	10,978	67,870
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	(13,858)	2,486	(1,398)	(12,770)
Exchange realignment	(1,093)	–	(259)	(1,352)
At 31 December 2024 and 1 January 2025	<b>31,504</b>	<b>12,923</b>	<b>9,321</b>	<b>53,748</b>
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	(5,784)	1,438	173	(4,173)
Exchange realignment	191	–	418	609
At 31 December 2025	<b>25,911</b>	<b>14,361</b>	<b>9,912</b>	<b>50,184</b>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Net deferred tax assets recognised in the consolidated statement of financial position	117,527	125,385
Net deferred tax liabilities recognised in the consolidated statement of financial position	(23,358)	(19,805)
Net deferred tax assets	<b>94,169</b>	105,580



Year ended 31 December 2025

## 19. Deferred Tax (continued)

### Deferred tax liabilities (continued)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses arising in Hong Kong of HK\$222,206,000 (2024: HK\$157,328,000), subject to agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has unrecognised tax losses arising in the Chinese mainland of HK\$238,450,000 (2024: HK\$319,552,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that future taxable profits will be available against which the tax losses can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group. Deferred tax has not been fully recognised for withholding taxes that would be payable on certain portions of the unremitted earnings that are subject to withholding taxes of certain of the Group's subsidiaries established in the Chinese mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute these unremitted earnings in the foreseeable future. The aggregate amount of temporary differences associated with the investments in subsidiaries in the Chinese mainland for which deferred tax liabilities have not been recognised totalled approximately HK\$18,264,000 (2024: HK\$18,949,000) as at 31 December 2025.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

## 20. Inventories

	2025 HK\$'000	2024 HK\$'000
Food and beverages and other operating items	82,730	101,130
Frozen poultry farm products	6,546	15,074
Raw materials for the production of animal feed	1,289	1,451
	<b>90,565</b>	117,655



Year ended 31 December 2025

## 21. Trade Receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables	54,747	47,312
Impairment	(1,319)	(1,542)
Net carrying amount	53,428	45,770

The Group's trading terms with its customers are mainly on cash and credit card settlement. The Group also grants a credit period of 30 to 90 days to certain customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

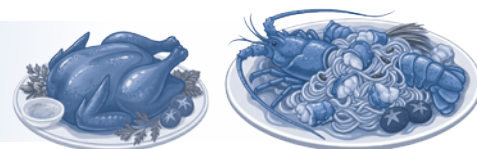
An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	32,638	24,947
1 to 3 months	16,466	14,369
Over 3 months	4,324	6,454
	53,428	45,770

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	1,542	1,866
Reversal of impairment losses, net (note 7)	(223)	(324)
At end of year	1,319	1,542

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.



Year ended 31 December 2025

## 21. Trade Receivables (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

### 31 December 2025

	Credit impaired receivables	Current	Past due			Total
			Less than 1 month	1 to 3 months	Over 3 months	
Expected credit loss rate	100.0%	0.06%	0.17%	1.30%	3.29%	2.41%
Gross carrying amount (HK\$'000)	1,092	32,665	13,435	3,298	4,257	54,747
Expected credit losses (HK\$'000)	1,092	21	23	43	140	1,319

### 31 December 2024

	Credit impaired receivables	Current	Past due			Total
			Less than 1 month	1 to 3 months	Over 3 months	
Expected credit loss rate	100.0%	0.07%	0.14%	0.16%	6.03%	3.26%
Gross carrying amount (HK\$'000)	1,092	25,406	10,028	3,966	6,820	47,312
Expected credit losses (HK\$'000)	1,092	18	14	7	411	1,542



Year ended 31 December 2025

## 22. Prepayments, Deposits and Other Receivables

	2025 HK\$'000	2024 HK\$'000
Prepayments	37,078	19,749
Deposits and other receivables	129,818	145,467
	166,896	165,216
Less: Portion classified as non-current assets	(53,424)	(43,010)
Portion classified as current assets	113,472	122,206

Included in other receivables was an amount due from an associate of HK\$33,000 (2024: HK\$36,000), which was unsecured, interest-free and repayable on demand.

The financial assets included in the above balances related to deposits and other receivables, for which there was no recent history of default. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.



Year ended 31 December 2025

## 23. Cash and Cash Equivalents and Pledged Time Deposits

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	196,628	180,316
Time deposits	16,447	47,658
	<b>213,075</b>	227,974
Less: Pledged deposits for short term bank borrowings	(11,114)	(14,658)
Cash and cash equivalents	<b>201,961</b>	213,316

At the end of the reporting period, cash and bank balances of the Group denominated in RMB amounted to HK\$111,406,000 (2024: HK\$127,247,000). The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between five days and twelve months (2024: one day and six months) depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

## 24. Trade Payables

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	83,046	84,572
1 to 2 months	32,530	2,165
2 to 3 months	773	350
Over 3 months	4,101	2,741
	<b>120,450</b>	89,828

The trade payables are non-interest-bearing and generally with payment terms within 60 days.



Year ended 31 December 2025

## 25. Other Payables and Accruals

	Notes	2025 HK\$'000	2024 HK\$'000
Contract liabilities	(a)	49,105	51,301
Accrued payroll		68,942	69,724
Other payables and accruals	(b)	53,402	61,894
Deferred income in respect of government grants		5,177	5,566
Provision for reinstatement cost	(c)	8,141	8,413
		<b>184,767</b>	196,898
Less: Portion classified as non-current liabilities		<b>(7,909)</b>	(8,679)
		<b>176,858</b>	188,219

Notes:

(a) Details of contract liabilities are as follows:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000	1 January 2024 HK\$'000
Short-term advances received from customers			
Restaurant and bakery operations	48,005	50,871	61,669
Sale of food and other items	1,100	430	121
	<b>49,105</b>	51,301	61,790

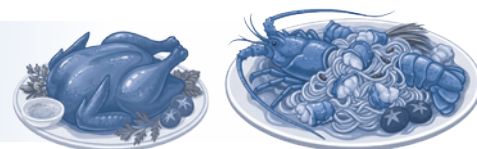
Contract liabilities include short-term advances received to deliver goods and catering services. The decrease in contract liabilities in 2025 and 2024, were mainly due to the decrease in short-term advances received from customers in relation to restaurant and bakery operations.

(b) Other payables are non-interest-bearing.

(c) The movements in the provision for reinstatement cost are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	8,413	8,291
Additional provision made	98	364
Provision utilised	(370)	(242)
At end of year	<b>8,141</b>	8,413

The provision represents management's best estimate of the Group's liabilities of the costs of dismantling and removing the leasehold improvements and restoring the sites on which they are located.



Year ended 31 December 2025

## 26. Interest-Bearing Bank Borrowings

	2025			2024		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
— Bank loans, secured	—	—	—	5.4	2025	7,000
— Current portion of long term bank loans, secured	2.8	2026	14,812	3.4	2025	14,342
			14,812			21,342
Non-current						
— Bank loans, secured	2.8	2027–2028	18,773	3.4	2026–2028	33,751
			33,585			55,093

Notes:

- (i) As at 31 December 2024, loans of the Group with a carrying amount of HK\$7,000,000 contained repayment on demand clauses.

Ignoring the effect of any repayment on demand clause and based on the maturity terms of the loans, the interest-bearing bank borrowings are repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Bank loans repayable:		
Within one year	14,812	21,342
In the second year	15,224	14,790
In the third to fifth years, inclusive	3,549	18,961
	33,585	55,093

- (ii) All bank loans were denominated in Hong Kong dollars.
- (iii) At the end of the reporting period, the Group's bank loans were secured by:
- mortgages over certain of the Group's leasehold land and buildings situated in Hong Kong, which had an aggregate net carrying value at the end of the reporting period of HK\$70,317,000 (2024: HK\$72,159,000);
  - mortgages over certain of the Group's investment properties situated in Hong Kong, which had an aggregate carrying value at the end of the reporting period of HK\$18,900,000 (2024: HK\$18,900,000); and
  - the pledge of certain of the Group's time deposits amounting to HK\$11,114,000 (2024: HK\$14,658,000).



Year ended 31 December 2025

## 27. Issued Capital

	2025 HK\$'000	2024 HK\$'000
Authorised: 23,400,000,000 ordinary shares of HK\$0.10 each	<b>2,340,000</b>	2,340,000
Issued and fully paid: 1,014,348,000 ordinary shares of HK\$0.10 each	<b>101,435</b>	101,435

## 28. Share Option Schemes

### Share options

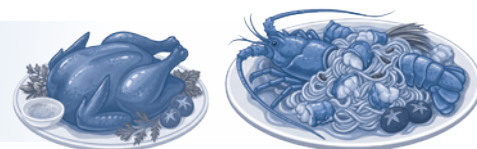
The Company operated two share option schemes, namely Share Option Scheme and 2017 Share Option Scheme (collectively, the “Schemes”) for the purpose of providing incentives and rewards to eligible participants who contributed to the success of the Group’s operations and to motivating eligible participants to work towards enhancing the value of the Group for the benefits of the Group and the shareholders as a whole. The Share Option Scheme expired on 8 June 2017 and 2017 Share Option Scheme became effective on 25 May 2017 and unless otherwise forfeited or amended, will remain in force for 10 years from that date.

Eligible participants of the Schemes include the Company’s directors, including executive directors, non-executive directors and independent non-executive directors, employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who, in the opinion of the board of directors, have contributed or will contribute to the Group.

The maximum number of unexercised share options currently permitted to be granted under the 2017 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue on the date of adoption of the 2017 Share Option Scheme on 25 May 2017. The maximum number of shares issuable under share options to each eligible participant in the 2017 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in advance in a general meeting.

Share options granted under the Schemes to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue on the date of such grant or with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options under the Schemes may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and may commence from the date of the offer of the share options, and ends on a date which is not later than 10 years from the date of the offer of the share options.



Year ended 31 December 2025

## 28. Share Option Schemes (continued)

### Share Option Scheme

The exercise price of the share options under the Share Option Scheme is HK\$2.08 per share and the share options are exercisable in the following manner:

<b>Vesting period of the relevant percentage of the options</b>	<b>Maximum percentage of options exercisable</b>
From 2 December 2016 to 1 December 2017 (both days inclusive)	50
From 2 December 2016 to 1 December 2018 (both days inclusive)	50

The exercise price of the share options under the Share Option Scheme is determinable by the board of directors, but may not be less than the highest of (i) the closing price of the Company's shares on the Stock Exchange on the date of offer of the share options; (ii) the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Share Option Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Movements in the number of share options granted under the Share Option Scheme were as follows:

	2025		2024	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At 1 January	2.08	6,030	2.08	7,450
Forfeited during the year	2.08	(430)	2.08	(1,420)
At 31 December	2.08	5,600	2.08	6,030



Year ended 31 December 2025

## 28. Share Option Schemes (continued)

### Share Option Scheme (continued)

The exercise price and exercise period of the share options granted under the Share Option Scheme outstanding as at the end of reporting period are as follows:

	Number of options '000	Exercise price HK\$ per share	Exercise period
2025	5,600	2.08	2 December 2017 to 1 December 2026
2024	6,030	2.08	2 December 2017 to 1 December 2026

The forfeited share options with an aggregate carrying amount of HK\$203,000 (2024: HK\$671,000) were transferred from the share option reserve to retained profits during the year.

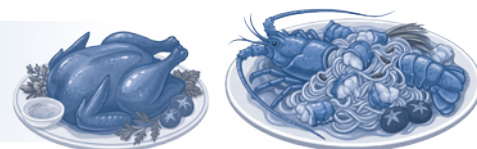
### 2017 Share Option Scheme

The exercise price of the share options under the 2017 Share Option Scheme is determinable by the board of directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

No share options under the 2017 Share Option Scheme were granted during the year.

The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 5,600,000 (2024: 6,030,000) additional ordinary shares of the Company and additional share capital of HK\$560,000 (2024: HK\$603,000) and share premium of HK\$11,088,000 (2024: HK\$11,939,000) (before share issue expenses).

At the date of approval of these financial statements, the Company had no share options outstanding under 2017 Share Option Scheme and 5,580,000 share options outstanding under the Share Option Scheme, which represented approximately 0.5% of the Company's shares in issue as at that date.



Year ended 31 December 2025

## 29. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 42 of the financial statements.

### Capital reserve

The capital reserve represents the waiver of an amount due to a shareholder of the Company of approximately HK\$110,748,000 pursuant to a declaration dated 31 December 2006 and a deed of release dated 12 March 2007.

### Other reserve

The other reserve of the Group represents (i) the aggregate of the nominal value of the paid-up capital of the subsidiaries acquired; (ii) the difference between the acquisition of equity interests attributable to these then non-controlling shareholders and the nominal value of the shares of a former holding company and an existing subsidiary of the Group issued in exchange therefor prior to the listing of the Company's shares; and (iii) the differences between the acquisitions of equity interests attributable to these then non-controlling shareholders of subsidiaries and the considerations paid by the Group after the listing of the Company's shares.

## 30. Notes to the Consolidated Statement of Cash Flows

### (a) Major non-cash transactions

During the year, the Group had the following non-cash transactions:

- (I) The Group had non-cash additions to right-of-use assets of HK\$262,017,000 (2024: HK\$70,576,000) and lease liabilities of HK\$262,017,000 (2024: HK\$70,576,000), respectively, in respect of new lease arrangements for leased properties.
- (II) The Group had non-cash derecognitions of (2024: non-cash additions to) right-of-use assets and lease liabilities of HK\$1,828,000 (2024: HK\$109,034,000) and HK\$1,828,000 (2024: HK\$109,034,000), respectively, in respect of lease modifications for leased properties.
- (III) The Group derecognised right-of-use assets and lease liabilities of HK\$11,902,000 (2024: HK\$52,014,000) and HK\$19,614,000 (2024: HK\$77,996,000), respectively, in respect of early termination of the leased properties. During the year ended 31 December, 2024, the Group paid HK\$4,559,000 to the landlord as cost for early termination, which netted off the gain on the event.
- (IV) Pursuant to the terms and conditions of certain rental agreements, the Group is required to restore the restaurant and bakery properties to the conditions as stipulated in the rental agreements. Accordingly, as at 31 December 2025, the Group had accrued and capitalised the estimated reinstatement cost of HK\$98,000 (2024: HK\$364,000) when such obligations arose.

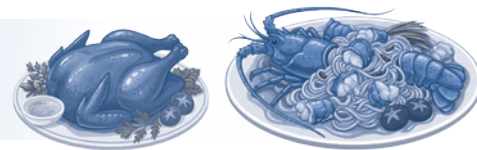


Year ended 31 December 2025

### 30. Notes to the Consolidated Statement of Cash Flows (continued)

#### (b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings HK\$'000	Lease liabilities HK\$'000
<b>2025</b>		
At 1 January 2025	55,093	349,017
Changes from financing cash flows	(21,508)	(203,725)
Termination of leases	–	(19,614)
New leases	–	262,017
Modifications	–	(1,828)
Interest expense	–	14,234
Foreign exchange movement	–	6,408
At 31 December 2025	<b>33,585</b>	<b>406,509</b>
	Interest-bearing bank borrowings HK\$'000	Lease liabilities HK\$'000
<b>2024</b>		
At 1 January 2024	85,707	458,103
Changes from financing cash flows	(30,614)	(223,378)
Termination of leases	–	(77,996)
New leases	–	70,576
Modifications	–	109,034
Interest expense	–	16,226
Foreign exchange movement	–	(3,548)
At 31 December 2024	55,093	349,017



Year ended 31 December 2025

### 30. Notes to the Consolidated Statement of Cash Flows (continued)

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 HK\$'000	2024 HK\$'000
Within operating activities	8,324	6,064
Within financing activities	203,725	223,378
	<b>212,049</b>	229,442

### 31. Contingent Liabilities

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	2025 HK\$'000	2024 HK\$'000
Bank guarantees given in lieu of utility and property rental deposits	25,560	31,094

### 32. Commitments

The Group had the following contractual commitments at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Leasehold improvements, furniture, fixtures and equipment	2,043	3,363



Year ended 31 December 2025

## 33. Related Party Transactions

- (a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	Notes	2025 HK\$'000	2024 HK\$'000
Legal fee to a related party	(i)	846	681
Lease payment to a related party	(ii)	8,583	10,138
Management fee to a related party	(ii)	8,373	8,282

Notes:

- (i) The legal fee to a related party, Howell & Co., of which Mr. Fong Siu Kwong, a non-executive director of the Company is a principal, was charged based on mutually agreed terms.
- (ii) The lease payment and management fee to a related party, Dongguan Tian Yao Property Management Limited, a company of which Mr. Chung Chun Fung, an executive director of the Company, holds 35.15% of the issued shares, were charged based on mutually agreed terms.
- (b) Compensation of key management personnel of the Group:

	2025 HK\$'000	2024 HK\$'000
Short term employee benefits	6,823	8,862
Post-employment benefits	96	130
<b>Total compensation paid to key management personnel</b>	<b>6,919</b>	<b>8,992</b>

Further details of director's remuneration are disclosed in note 8 to the financial statements.

The related party transactions mentioned in note (a) above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.



Year ended 31 December 2025

### 34. Financial Instruments by Category

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

#### Financial assets

	2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost:		
Trade receivables	53,428	45,770
Financial assets included in prepayments, deposits and other receivables	129,818	145,467
Pledged deposits	11,114	14,658
Cash and cash equivalents	201,961	213,316
	<b>396,321</b>	419,211

#### Financial liabilities

	2025 HK\$'000	2024 HK\$'000
Financial liabilities at amortised cost:		
Trade payables	120,450	89,828
Financial liabilities included in other payables and accruals	53,402	61,894
Interest-bearing bank borrowings	33,585	55,093
Lease liabilities	406,509	349,017
	<b>613,946</b>	555,832



Year ended 31 December 2025

## 35. Fair Value of Financial Instruments

Management has assessed that the fair values of trade receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits, cash and cash equivalents, trade payables, the current portion of financial liabilities included in other payables and accruals and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial assets included in prepayments, deposits and other receivables and interest-bearing bank borrowings and financial liabilities includes in other payables and accruals have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2025 were assessed to be insignificant. In the opinion of the directors, their carrying amounts are not significantly different from their respective fair values.

## 36. Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks periodically and they are summarised below.

### Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates. The Group's policy is to obtain the most favourable interest rates available for its borrowings.

For Hong Kong dollar floating-rate borrowings, assuming that the amount of liabilities outstanding at the end of the reporting period was outstanding for the whole year with all other variables held constant, a 50 basis point increase/decrease in interest rates at the end of the reporting periods would have increased/decreased the Group's loss before tax by HK\$168,000 (2024: HK\$275,000).



Year ended 31 December 2025

### 36. Financial Risk Management Objectives and Policies (continued)

#### Credit risk

The Group's major exposure to credit risk arises from default of trade receivables, with a maximum exposure equal to their carrying amounts in the consolidated statement of financial position. The Group has no significant concentration of credit risk with respect to its restaurant and bakery operations as it has a large number of diversified customers. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

#### Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

#### As at 31 December 2025

	12-month	Lifetime ECLs			Total
	ECLs	Stage 1	Stage 2	Stage 3	
	Stage 1	Stage 2	Stage 3	Simplified	Total
	HK\$'000	HK\$'000	HK\$'000	approach	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade receivables*	–	–	–	54,747	54,747
Financial assets included in prepayments, deposits and other receivables					
– Normal**	129,818	–	–	–	129,818
Pledged deposits					
– Not yet past due	11,114	–	–	–	11,114
Cash and cash equivalents					
– Not yet past due	201,961	–	–	–	201,961
	342,893	–	–	54,747	397,640



### 36. Financial Risk Management Objectives and Policies (continued)

#### Credit risk (continued)

##### Maximum exposure and year-end staging (continued)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
Trade receivables*	–	–	–	47,312	47,312
Financial assets included in prepayments, deposits and other receivables					
– Normal**	145,467	–	–	–	145,467
Pledged deposits					
– Not yet past due	14,658	–	–	–	14,658
Cash and cash equivalents					
– Not yet past due	213,316	–	–	–	213,316
	373,441	–	–	47,312	420,753

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the financial statements.

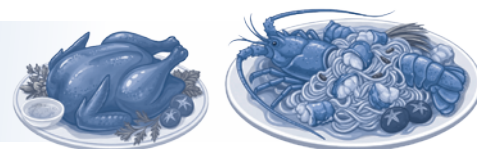
\*\* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

#### Foreign currency risk

The Group operates in Hong Kong and the Chinese mainland and is exposed to foreign exchange risk arising mainly from transactions in RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in operations in the Chinese mainland. The RMB is not a freely convertible currency. Future exchange rates of the RMB could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government. The exchange rates may also be affected by domestic and international economic and political changes, and the demand and supply of the RMB. The appreciation or devaluation of the RMB against the Hong Kong dollar may also have an impact on the operating results of the Group.

In addition, the Group's foreign exchange position is monitored on an ongoing basis in order to minimise the impact from the fluctuation of foreign currency rate. The Group currently does not maintain a foreign currency hedging policy. However, management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

For RMB denominated monetary assets and liabilities in Hong Kong, with all other variables held constant, a 5% increase/decrease in RMB rate against Hong Kong dollar at the end at the reporting period would have decreased/increased the Group's loss before tax by HK\$556,000 (2024: HK\$733,000).



Year ended 31 December 2025

### 36. Financial Risk Management Objectives and Policies (continued)

#### Liquidity risk

The Group's objective is to ensure that there are adequate funds to meet commitments associated with its financial liabilities and to maintain a balance between continuity of funding and flexibility through the use of bank loans. Cash flows of the Group are closely monitored by senior management on an ongoing basis. In addition, banking facilities have been put in place for contingency purposes.

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025				Total HK\$'000
	Repayable on demand HK\$'000	Less than 1 year HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	
Trade payables	–	120,450	–	–	120,450
Financial liabilities included in other payables and accruals	–	53,402	–	–	53,402
Interest-bearing bank borrowings	–	16,015	19,758	–	35,773
Lease liabilities	–	175,332	227,108	40,206	442,646
	–	365,199	246,866	40,206	652,271

	2024				Total HK\$'000
	Repayable on demand HK\$'000	Less than 1 year HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	
Trade payables	–	89,828	–	–	89,828
Financial liabilities included in other payables and accruals	–	61,894	–	–	61,894
Interest-bearing bank borrowings (note)	7,000	15,617	34,961	–	57,578
Lease liabilities	–	201,392	138,843	28,549	368,784
	7,000	368,731	173,804	28,549	578,084



### 36. Financial Risk Management Objectives and Policies (continued)

#### Liquidity risk (continued)

Note:

Included in the above interest-bearing bank borrowings as at 31 December 2024 are term loans with a carrying amount of HK\$7,000,000, of which the loan agreements contain a repayment on demand clause giving the bank the unconditional right to call in the loans at any time. Therefore, for the purpose of the above maturity profile, the total amount is classified as "repayable on demand".

In accordance with the terms of the loans which contain a repayment on demand clause, the maturity profile of the interest-bearing bank borrowings as at 31 December 2024, based on the contractual undiscounted payments and ignoring the effect of any repayment on demand clause, is as follows:

	Less than 1 year HK\$'000	1 to 5 years HK\$'000	Total HK\$'000
As at 31 December 2024	22,651	34,961	57,612

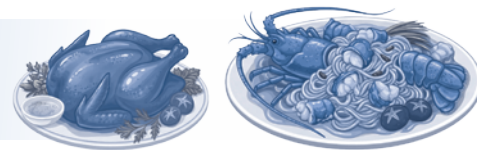
#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and business strategies. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is required to comply with certain externally imposed capital requirements set out in certain of its banking facility agreements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group regards the equity attributable to equity holders of the Company as capital and monitors capital using a gearing ratio, which is total borrowings to total shareholders' equity. Total borrowings include interest-bearing bank borrowings. Total shareholders' equity comprises all components of equity attributable to equity holders of the Company. The Group's policy is to maintain the gearing ratio at a reasonable level. The gearing ratios as at the end of the reporting periods were as follows:

	2025 HK\$'000	2024 HK\$'000
Total borrowings	33,585	55,093
Total equity attributable to equity holders of the Company	1,086,415	1,136,902
Gearing ratio	3.1%	4.8%



Year ended 31 December 2025

### 37. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSETS</b>		
Investments in subsidiaries	441,739	441,942
<b>CURRENT ASSETS</b>		
Prepayments	1,565	50
Due from a subsidiary	455,299	461,763
Cash and cash equivalents	2,848	3,842
Total current assets	459,712	465,655
<b>CURRENT LIABILITIES</b>		
Other payables and accruals	789	899
<b>NET CURRENT ASSETS</b>	458,923	464,756
Net assets	900,662	906,698
<b>EQUITY</b>		
Issued capital	101,435	101,435
Reserves (note)	799,227	805,263
Total equity	900,662	906,698



Year ended 31 December 2025

## 37. Statement of Financial Position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK\$'000	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Other reserve* HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2024	324,851	3,531	509	427,527	87,200	843,618
Loss and total comprehensive loss for the year	–	–	–	–	(7,254)	(7,254)
Transfer of share option reserve upon forfeiture of share options	–	(671)	–	–	–	(671)
Final 2023 dividend	–	–	–	–	(30,430)	(30,430)
At 31 December 2024	324,851	2,860	509	427,527	49,516	805,263
At 31 December 2024 and 1 January 2025	<b>324,851</b>	<b>2,860</b>	<b>509</b>	<b>427,527</b>	<b>49,516</b>	<b>805,263</b>
Loss and total comprehensive loss for the year	–	–	–	–	(5,833)	(5,833)
Transfer of share option reserve upon forfeiture of share options	–	(203)	–	–	–	(203)
At 31 December 2025	<b>324,851</b>	<b>2,657</b>	<b>509</b>	<b>427,527</b>	<b>43,683</b>	<b>799,227</b>

\* The other reserve of the Company represents the difference between the cost of investments in subsidiaries pursuant to the Group reorganisation in prior years and the nominal value of the Company's shares issued in exchange therefor.

## 38. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 25 March 2026.



## Principal Properties Held for Investment Purposes

Location	Existing use	Term of lease	Attributable interest of the Group
Car Parking Space No. 64 in the Basement, Causeway Center, 28 Harbour Road, Wanchai, Hong Kong	Commercial	Long	100%
Car Parking Spaces Nos. 107, 109, 110, 120, 121, 122, 123, 125, 126 and 127 on 1st Basement, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong	Commercial	Long	100%



# FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements is set out below.

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>RESULTS</b>					
REVENUE	2,319,120	2,425,635	2,949,362	2,401,849	2,836,098
Cost of sales	(2,167,718)	(2,292,565)	(2,623,696)	(2,391,379)	(2,613,079)
Gross profit	151,402	133,070	325,666	10,470	223,019
Other income and gains, net	27,338	60,823	85,551	137,295	65,850
Selling and distribution expenses	(57,664)	(58,271)	(74,854)	(96,498)	(93,595)
Administrative expenses	(132,287)	(133,421)	(165,492)	(149,720)	(179,921)
Other expenses	(13,964)	(15,579)	(28,479)	(34,391)	(11,149)
Finance costs	(16,863)	(18,517)	(24,798)	(27,024)	(30,703)
Fair value loss on investment properties	–	(2,000)	–	–	–
Share of profits and losses of associates	1,518	(616)	2,151	2,525	8,394
(LOSS)/PROFIT BEFORE TAX	(40,520)	(34,511)	119,745	(157,343)	(18,105)
Income tax credit/(expense)	(18,133)	(11,257)	(34,289)	20,324	(969)
(LOSS)/PROFIT FOR THE YEAR	(58,653)	(45,768)	85,456	(137,019)	(19,074)
Attributable to:					
Owners of the parent	(59,932)	(52,801)	73,655	(143,138)	(21,232)
Non-controlling interests	1,279	7,033	11,801	6,119	2,158
	(58,653)	(45,768)	85,456	(137,019)	(19,074)

## Assets, Liabilities and Non-Controlling Interests

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
TOTAL ASSETS	1,880,454	1,874,536	2,188,819	2,272,978	2,750,789
TOTAL LIABILITIES	(776,561)	(720,373)	(934,564)	(1,029,856)	(1,204,578)
NON-CONTROLLING INTERESTS	(17,478)	(17,261)	(21,221)	(21,567)	(17,585)
	1,086,415	1,136,902	1,233,034	1,221,555	1,528,626

