



嘉里建設有限公司

KERRY PROPERTIES LIMITED

*(Incorporated in Bermuda with limited liability)*

Stock Code : 683

# ANNUAL REPORT 2025





Report Cover Image: Shanghai Huangpu Mixed-Use Development (Artist's Impression)



# KERRY PROPERTIES LIMITED

**Kerry Properties Limited** (“KPL”) is a well-established property company with significant investments in Asia. The Company is known for its property development activities in the Chinese Mainland and Hong Kong. In both markets, KPL focuses on investing in premium quality property developments in prime locations. The Company has developed a successful business model for doing this over many years and has considerable experience as a developer and manager of quality properties. We act on principles of fairness and integrity, and we value the many relationships we have developed over our long history with staff, suppliers, partners, government agencies, and other key stakeholders.

# CONTENTS

4	<b>Financial Highlights</b>
6	<b>Chairman's Statement</b>
8	<b>Management Discussion &amp; Analysis</b>
8	Business Review
22	Capital Resources and Liquidity
24	<b>Business at a Glance</b>
32	<b>Corporate Sustainability</b>
40	<b>Major Awards and Recognitions</b>
42	<b>Corporate Governance Report</b>
97	<b>Directors and Senior Management</b>
99	<b>Report of Directors</b>
114	<b>Financials</b>
114	Independent Auditor's Report
120	Consolidated Income Statement
121	Consolidated Statement of Comprehensive Income
122	Consolidated Statement of Financial Position
124	Consolidated Statement of Cash Flows
126	Consolidated Statement of Changes in Equity
128	Notes to the Consolidated Financial Statements
218	<b>Particulars of Properties Held</b>
228	<b>Five-Year Financial Summary</b>
229	<b>Definitions</b>
231	<b>Corporate Information &amp; Financial Calendar</b>

SCAN AND  
DOWNLOAD  
THIS REPORT





Hong Kong Kerry Centre

# FINANCIAL HIGHLIGHTS

<b>Results</b> (for the year ended 31 December)	<b>2025</b> HK\$ million	2024 HK\$ million	Change
Combined revenue <sup>N1</sup>	<b>25,015</b>	21,361	17%
<i>Property sales</i>	<b>17,674</b>	13,830	28%
<i>Property rental and others</i>	<b>5,193</b>	5,355	-3%
<i>Hotel operations</i>	<b>2,148</b>	2,176	-1%
Revenue <sup>N2</sup>	<b>19,568</b>	19,499	0.4%
<i>Property sales</i>	<b>13,108</b>	12,928	1%
<i>Property rental and others</i>	<b>4,800</b>	4,894	-2%
<i>Hotel operations</i>	<b>1,660</b>	1,677	-1%
Underlying profit <sup>N3</sup>	<b>2,008</b>	2,576	-22%
Profit attributable to shareholders	<b>938</b>	808	16%

<b>Financial information</b> (for the year ended 31 December)	<b>2025</b> HK\$	2024 HK\$	Change
EPS	<b>0.65</b>	0.56	16%
Adjusted EPS	<b>1.39</b>	1.77	-22%
Dividend per share	<b>1.35</b>	1.35	–
<i>Interim</i>	<b>0.40</b>	0.40	–
<i>Final</i>	<b>0.95</b>	0.95	–
Net asset value per share (as at 31 December)	<b>72.54</b>	71.18	2%

<b>Financial information</b> (as at 31 December)	<b>2025</b> HK\$ million	2024 HK\$ million	Change
Cash and bank deposits	<b>16,099</b>	11,207	44%
Undrawn bank loan facilities	<b>31,061</b>	26,929	15%
Total debt	<b>55,770</b>	59,581	-6%
Net debt	<b>39,671</b>	48,374	-18%
Shareholders' equity	<b>105,272</b>	103,311	2%
Total equity	<b>119,191</b>	116,647	2%
Gearing ratio <sup>N4</sup>	<b>33.3%</b>	41.5%	-8.2% pts

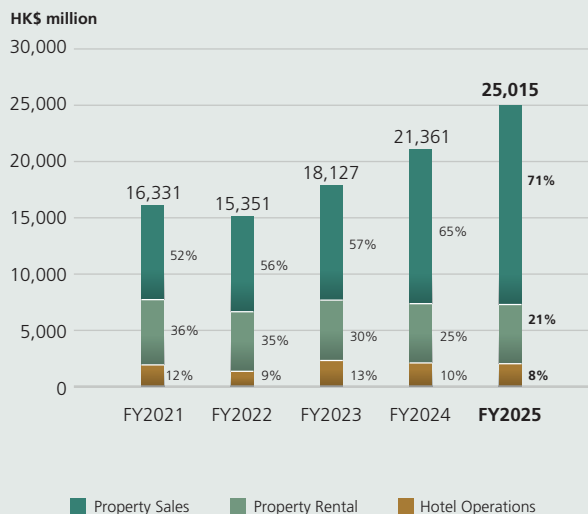
N1: Combined revenue includes revenue from the Company, its subsidiaries and share of associates and joint ventures in the Chinese Mainland and Hong Kong.

N2: Revenue includes revenue from the Company and its subsidiaries only.

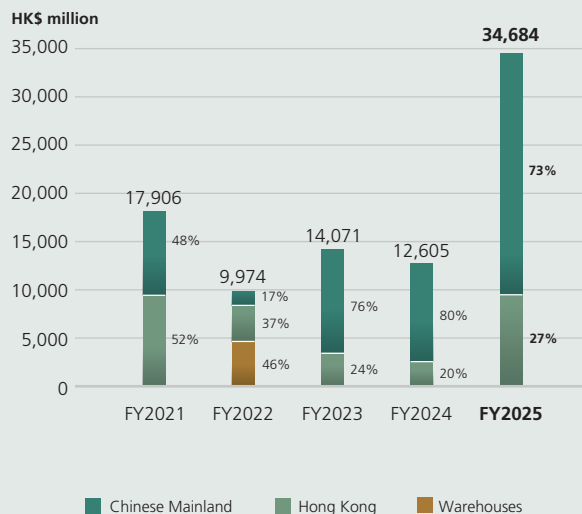
N3: Underlying profit represents profit attributable to shareholders excluding the non-cash change in fair value of investment properties.

N4: Calculated as net debt to total equity.

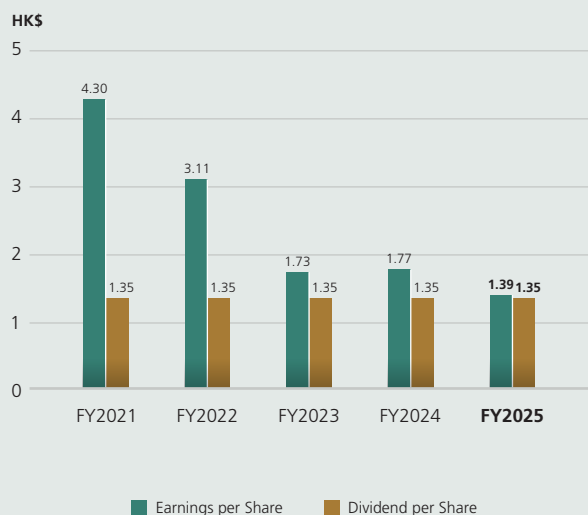
### Combined Revenue by Principal Activities <sup>N1</sup>



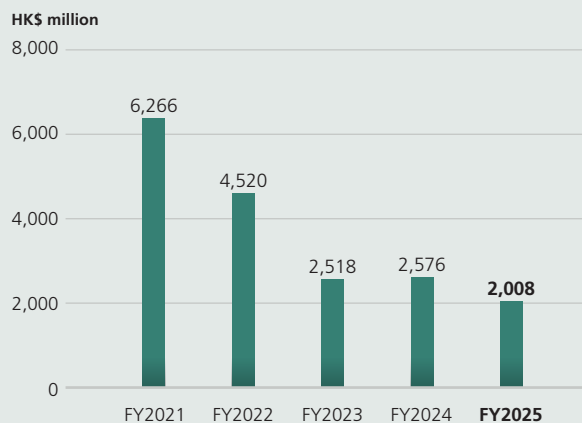
### Contracted Sales



### EPS (excluding fair value change of investment properties) <sup>N2</sup> and Dividend per Share <sup>N3</sup>



### Profit Attributable to Shareholders (excluding fair value change of investment properties) <sup>N2</sup>



N1: Combined revenue includes revenue from the Company, its subsidiaries and share of associates and joint ventures in the Chinese Mainland and Hong Kong.

N2: Excluding gain on disposal of partial interest in an associate in FY2021.

N3: Excluding special dividend of HK\$2.30 per share for FY2021.

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of Kerry Properties Limited I am pleased to present our annual results of 2025.

## Financial Results and Dividend

For the year, the Group recorded profit attributable to shareholders of HK\$938 million (2024: HK\$808 million), representing a year over year increase of 16%. Excluding non-cash changes in the fair value of investment properties, underlying profit declined by 22% year over year to HK\$2,008 million (2024: HK\$2,576 million). The decrease in underlying profit was attributable to the softer rental performance of our office segment as well as a higher tax charge in 2025, following a one-off reversal of tax provisions in the prior year. We also incurred pre-operating expenses for new investment property projects and capitalised a lower level of finance costs during the year, while lower development property impairment provisions, as compared with 2024, mitigated the decrease somewhat. EPS for 2025 was HK\$0.65 per share (2024: HK\$0.56 per share), while Adjusted EPS based on underlying profit was HK\$1.39 per share (2024: HK\$1.77 per share).

The Board has recommended the payment of a final dividend of HK\$0.95 per share for the year. Together with the interim dividend of HK\$0.40 per share, the total dividend for the year amounts to HK\$1.35 per share (2024: HK\$1.35 per share).

The Group's contracted sales for the year reached HK\$34,684 million (2024: HK\$12,605 million) contributed mainly by the strong performance from the presales of our Jinling Residences in Shanghai. Combined revenue increased by 17% year over year to HK\$25,015 million (2024: HK\$21,361 million) contributed by 28% more sales being recognised from development properties mainly in Hong Kong, including Mont Verra, La Montagne and HAVA in 2025. This growth was partially offset by a 3% decline in combined rental revenue from investment properties and hotels, reflecting continued headwinds in the commercial properties space.

## Hong Kong Business Performance

The Hong Kong residential market showed gradual improvement during the year, with moderate price appreciation and a rebound in transaction volumes. Developers became more active in land tenders, signalling a much improved sentiment in the residential sector. Nevertheless, buyers remained highly selective given the sizable inventory of completed units in the market – location, quality and differentiation continued to drive buyer demand.

In 2025, we lightened our foot on the sales gas pedal for certain development property projects to seek better margins. This is based on improving supply and demand dynamics for a few of our higher-end developments, supported by the Group's improved cashflow and gearing position.

Performance across our Hong Kong investment property portfolio was mixed. Our apartment segment performed well with firm rental levels and occupancies, benefiting from rising demand for premium rental properties. On the other hand, our office and retail segments continued to soften, more or less in line with the wider market.

## Chinese Mainland Business Performance

The residential market on the Chinese Mainland remained weak in 2025. The improvement in primary transaction volumes in tier-1 cities in the first half reversed sharply in the second half to close the year down about 15% from the previous year, while property prices edged lower over the full year. Overall economic sentiment remained sluggish as evidenced by the continued accumulation of household savings. RMB deposits expanded to RMB329 trillion by December 2025, up 9% from a year ago and 45% from June 2021<sup>(1)</sup>, when economic sentiment peaked.

We were greatly encouraged by the market reception of our Jinling Residences in Shanghai. This demonstrated the enduring attractiveness and resilience of ultra high-quality residential projects in core locations of the few top cities. However our sales in other cities were slower than expected.

In investment properties, our office segment continued to perform well relative to the market, however, persistent headwinds of rising city-wide vacancies and decreasing rents resulted in a decrease in rental income year over year. On the retail front, we continued to improve our positioning and operations and were generally pleased with sustained growth in tenant sales and higher occupancies.

## Sustainable Development

In 2025, we continued to advance along our journey towards a lower-carbon future through tangible and measurable initiatives. We were pleased to have our science-based emissions reduction targets validated, giving us a clear roadmap for decarbonisation. In addition, we were encouraged to have the opportunity to obtain renewable energy supplies for several of our major mixed-use developments in the Chinese Mainland which, together with our broader sustainability efforts, contributed to a reduction in operational carbon emissions of over 20% year over year.

Note:

(1) Source: The People's Bank of China



**Mr Kuok Khoon Hua**  
Chairman

## Outlook

Over the long run, we remain confident and optimistic on the prospects of the Chinese Mainland and Hong Kong. The Chinese Mainland continues to strengthen its economic foundation and resilience while placing great focus on the wellbeing of its citizens. Importantly, the recently announced 15th Five-Year Plan emphasises structural reforms to further open up its market and industries to the private sectors, enabling the market and the state to jointly play complementary and significant roles in resource allocation. The plan also prioritises the expansion of domestic demand.

What is less widely talked about is the incredible dismantling of the Chinese Mainland's real estate "time-bomb" since 2021 that put an end to the rapid expansion of low-quality, and ultimately unwanted, housing supply and the accompanied speculative bubble that had been steadily forming over many years. The real estate sector's contribution to GDP is estimated to have fallen from over 20% in 2020 to below 10% in the first half of 2025<sup>(2)</sup> – without causing a systemic financial crisis. With national development now focused squarely on new innovative industries, the Chinese Mainland economy is on a much better footing to embark on the next phase of growth—one that prioritises quality over quantity, and sustainability.

Having said that, the "poverty effect" of the bursting of the real estate bubble continues to drag on overall economic sentiment, hampering investment and consumption. Given the significant oversupply in the overall real estate market it remains to be seen when the property market will truly stabilise and with it the gradual improvement in domestic investment and consumption.

In Hong Kong we have observed sentiment improving markedly brought about by lower interest rates, a buoyant stock market, and a positive residential property outlook. We remain optimistic on Hong Kong's prospects, given its unique role as the super-connector between the Chinese Mainland and global markets. Mainland investors and homebuyers, driven by comparatively lower interest rates on the Chinese Mainland, have increasingly turned to Hong Kong for wealth management, investment products, and real estate. Going forward we would also expect foreign capital inflows into Hong Kong to increase as global investors seek exposure to China. This inflow of liquidity alongside improving demand-supply dynamics for residential properties, is fostering a positive outlook for the Hong Kong economy and property sector.

Despite our overall constructive outlook, we remain cautious given the challenges still posed by the real estate sector to the overall economy on the Chinese Mainland. While Hong Kong's prospects are looking up, sentiment is still fragile and the impact of the recent extreme geopolitical events in the Middle East are already being felt in the stock and property markets. As we have done so over the past few years, we will continue to adopt a prudent approach prioritising the financial resiliency of the Group, while selectively pursuing high-quality investment opportunities to feed our growth.

Last but not least, I would like to express my appreciation to my colleagues for their continued dedication, discipline and professionalism, and to my fellow directors for their continued guidance and support as we navigate through these choppy waters.

## **Kuok Khoon Hua**

*Chairman*

Hong Kong, 23 March 2026

Note:

(2) Source: DBS Bank

# MANAGEMENT DISCUSSION & ANALYSIS

## BUSINESS REVIEW

### KEY HIGHLIGHTS

HK\$ million	2025	2024	Change, favourable/ (unfavourable)
<b>Combined revenue</b>	<b>25,015</b>	21,361	17%
<b>Combined results</b>	<b>6,779</b>	6,850	-1%
<i>Gross margin (%)</i>	<b>27%</b>	32%	-5% pts
<b>Underlying profit excluding provision on development properties</b>	<b>2,455</b>	3,973	-38%
<b>Provision on development properties</b>	<b>(447)</b>	(1,397)	68%
<b>Underlying profit</b>	<b>2,008</b>	2,576	-22%
<b>Fair value changes of investment properties</b>	<b>(1,070)</b>	(1,768)	39%
<b>Profit attributable to shareholders</b>	<b>938</b>	808	16%
<i>Further details regarding underlying profit are provided below:</i>			
<b>Net finance costs</b>	<b>(714)</b>	(378)	-89%
<b>Taxation</b>	<b>(1,624)</b>	(1,070)	-52%
<b>Contracted sales</b>	<b>34,684</b>	12,605	175%
	<b>As of 31 December 2025</b>	As of 31 December 2024	Change
<b>Gearing ratio (%)</b>	<b>33.3%</b>	41.5%	-8.2% pts

## Combined revenue

Combined revenue rose by 17% to HK\$25,015 million (2024: HK\$21,361 million). Combined revenue for development properties increased by 28% year-on-year to HK\$17,674 million (2024: HK\$13,830 million) primarily driven by higher revenue recognition from Hong Kong projects, namely Mont Verra, La Montagne, HAVA and FLORA. Conversely, combined revenue from investment properties and hotels declined by 3% year-on-year, amounting to HK\$7,341 million (2024: HK\$7,531 million).

Combined revenue in the Chinese Mainland and Hong Kong				
HK\$ million	2025	2024	% Change Reporting currency basis	% Change Constant exchange rate basis
<b>Development properties</b>				
Chinese Mainland	5,897	7,457	-21%	-25%
Hong Kong	11,777	6,373	85%	85%
<b>Sub-total</b>	<b>17,674</b>	13,830	28%	25%
<b>Investment properties and hotels</b>				
Chinese Mainland rental properties	4,043	4,069	-1%	-1%
Hong Kong rental properties	1,150	1,286	-11%	-11%
Hotel operations	2,148	2,176	-1%	-2%
<b>Sub-total</b>	<b>7,341</b>	7,531	-3%	-4%
<b>Group total</b>	<b>25,015</b>	21,361	17%	15%

## Combined results

The Group's combined results amounted to HK\$6,779 million (2024: HK\$6,850 million), with a corresponding gross margin of 27% (2024: 32%). The decline in gross margin was primarily due to reduced rental revenue from investment properties while fixed costs were maintained to uphold high property standards, alongside increased marketing and pre-opening expenses.

## Provision on development properties

As a result of the weak market conditions in the residential sector, an impairment provision of HK\$447 million on development properties in the Chinese Mainland was recorded in 2025 (2024: HK\$986 million). Meanwhile, a one-off non-cash provision of HK\$411 million for certain land sites held by the Group in the Kwu Tung North New Development Area was made in 2024, stemming from the resumption of these sites by the Hong Kong government.

## Investment property revaluation

The Group's investment property portfolio was valued at HK\$87,199 million as of 31 December 2025 (2024: HK\$84,273 million). This includes the Chinese Mainland portfolio valued at HK\$58,192 million (2024: HK\$55,839 million), and the Hong Kong portfolio valued at HK\$29,007 million (2024: HK\$28,434 million).

Due to the persistent downturn in the office and retail sectors, an attributable share of non-cash fair value loss of investment properties (net of deferred tax) of HK\$1,070 million was recognised in 2025 (2024: HK\$1,768 million). Capitalisation rates remained steady.

### Finance costs

Gross finance costs decreased by 17% to HK\$2,220 million (2024: HK\$2,660 million) primarily due to lower gross debt following the receipt of sales proceeds from various development property projects, as well as lower interest rates. However, net finance costs charged to the consolidated income statement rose to HK\$714 million (2024: HK\$378 million) as the proportion of capitalised finance costs decreased upon the completion and presale of various projects. Hence, capitalised finance costs declined to HK\$1,506 million (2024: HK\$2,282 million).

Through active management of treasury activities, the effective interest rate declined to 3.8% (2024: 4.6%). The average debt maturity as of 31 December 2025 was 2.5 years (31 December 2024: 2.6 years). Further details regarding the Group's treasury policies and activities can be found in the "Capital Resources and Liquidity" section.

### Taxation

Taxation increased to HK\$1,624 million (2024: HK\$1,070 million) primarily due to a substantially reduced write-back of tax provision of HK\$1 million (2024: HK\$318 million), higher profits tax in Hong Kong and higher land appreciation tax in the Chinese Mainland.

### Contracted sales

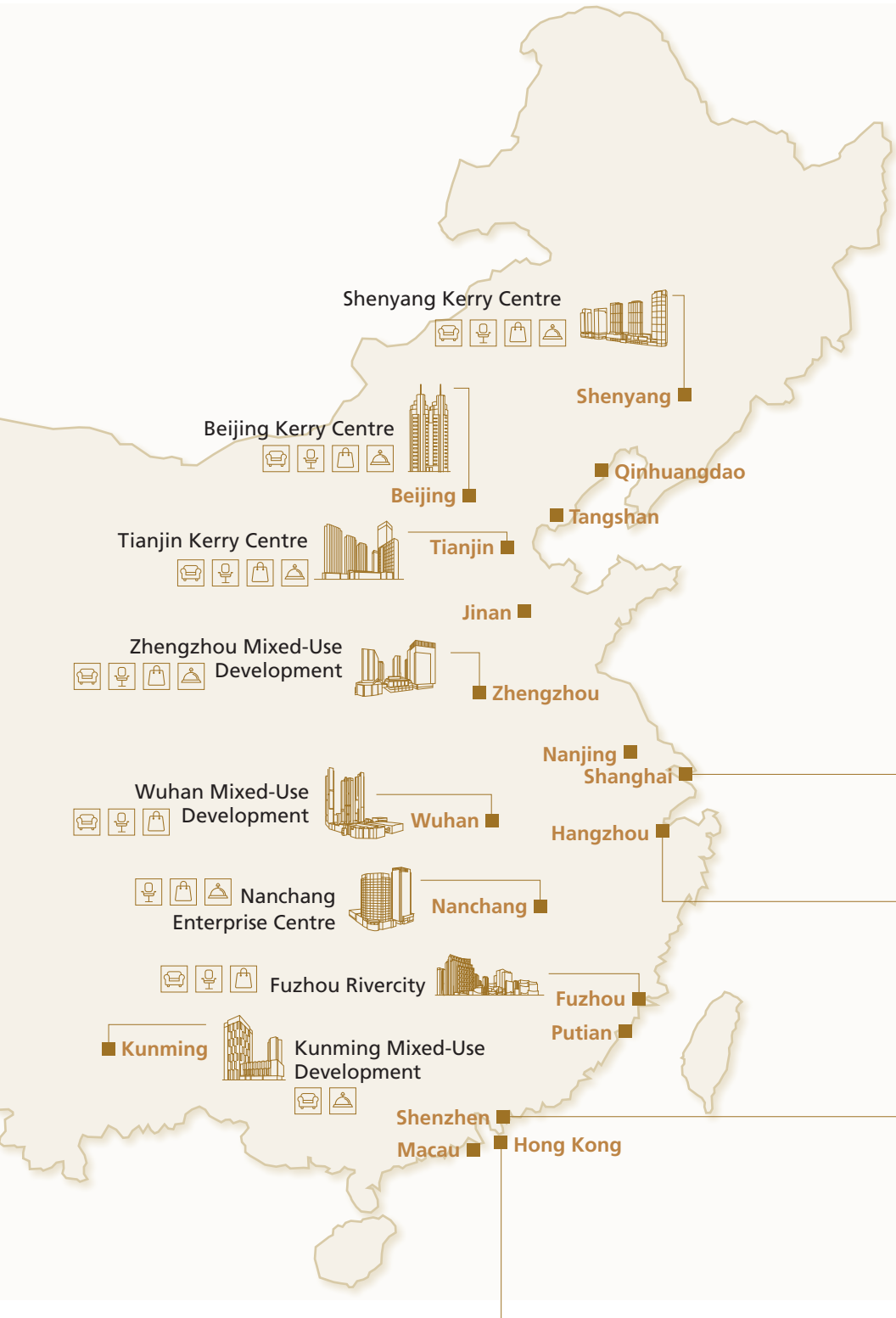
The Group recorded contracted sales of HK\$34,684 million (2024: HK\$12,605 million), marking an increase of 175% year-on-year, primarily attributable to higher contracted sales in the Chinese Mainland.

Contracted sales in the Chinese Mainland and Hong Kong					
HK\$ million	2025	2024	% Change	2025 % of total	2024 % of total
<b>Development properties</b>					
Chinese Mainland	<b>25,277</b>	2,477	920%	<b>73%</b>	20%
Hong Kong	<b>9,407</b>	10,128	-7%	<b>27%</b>	80%
<b>Total</b>	<b>34,684</b>	12,605	175%	<b>100%</b>	100%

As of 31 December 2025, contracted sales yet to be recognised amounted to approximately HK\$25,400 million, of which 88% was generated from the Chinese Mainland and 12% from Hong Kong projects. Revenue recognition is expected from 2026 to 2028 upon handover of the completed units to buyers.

### Gearing ratio

The Group's gearing ratio as of 31 December 2025 decreased to 33.3% (31 December 2024: 41.5%) as sales proceeds from various development property projects were received. The Group remains on track with executing its deleveraging plan and will uphold disciplined financial management to maintain gearing at a reasonable level.



Residential 
 Office 
 Retail 
 Hotel

- Huangpu Mixed-Use Development**
- Jing An Kerry Centre**
- Pudong Kerry Parkside**
- Shanghai PRISMA**  
 (formerly Pudong Mixed-Use Development)
- Kerry Everbright City**
- Hangzhou Kerry Centre**
- Hangzhou Kerry Plaza**
- Shenzhen Kerry Plaza**
- Qianhai Kerry Centre**
- Kerry Centre**
- MegaBox / Enterprise Square Five**

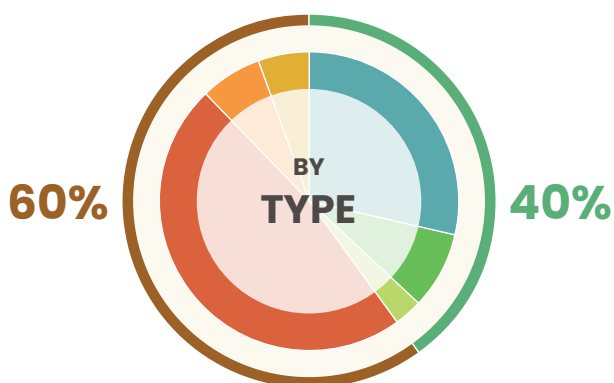
## LANDBANKING STRATEGY

The Group maintains a diversified landbank of development properties and investment properties in Hong Kong, as well as in key cities on the Chinese Mainland, including Beijing, Hangzhou, Shanghai, Shenyang and Shenzhen.

The Group’s landbanking strategy focuses on building a portfolio of premium mixed-use projects, comprising office, retail, hotel and apartments-for-lease in the Chinese Mainland, while also operating a balanced pipeline of development properties in both the Chinese Mainland and Hong Kong. The Group presides over a landbank capable of sustaining growth for years to come and will be pursuing a prudent and selective landbanking strategy to support long-term sustainable growth.

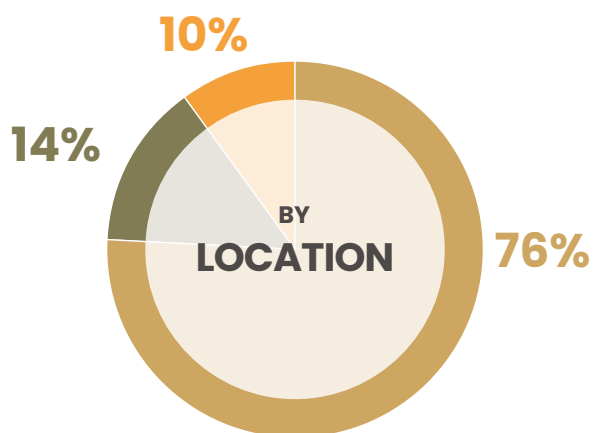
## PROPERTY PORTFOLIO COMPOSITION

**47.20 million sq ft in attributable GFA**



<b>Under Development</b>	
18.70 million sq ft in attributable GFA	<b>40%</b>
Chinese Mainland	72%
Overseas	21%
Hong Kong	7%

<b>Completed investment properties/ Hotel properties/ Properties held for sale</b>	
28.50 million sq ft in attributable GFA	<b>60%</b>
Chinese Mainland	80%
Hong Kong	11%
Overseas	9%



Chinese Mainland	76%
Overseas	14%
Hong Kong	10%

The Group's property portfolio comprised 47.2 million sq ft of attributable GFA as of 31 December 2025 (31 December 2024: 50.1 million sq ft) across the Chinese Mainland, Hong Kong and other overseas locations.

Of the 13.4 million sq ft of attributable GFA of properties under development in the Chinese Mainland, approximately 5.0 million sq ft was allocated for a mixed-use project in Shanghai's Huangpu district comprising residential and commercial components. This strategic project is expected to deliver healthy sales revenue from development properties in the near to medium term, while enhancing the Group's investment property portfolio in downtown Shanghai with progressively increasing recurrent rental revenue in the longer-term.

In 2025, the land exchange procedures for the redevelopment of the Group's 50%-owned joint venture project, Kerry Hung Kai Warehouse in Cheung Sha Wan, Hong Kong, were successfully completed. The project will be transformed into a residential-cum-commercial development with an attributable GFA of approximately 230,000 sq ft.

A summary of the Group's property portfolio in attributable GFA follows:

<b>The Group's property portfolio in attributable GFA</b>					
('000 sq ft)	<b>As of 31 December 2025</b>				As of 31 December 2024
	<b>Chinese Mainland</b>	<b>Hong Kong</b>	<b>Overseas</b>	<b>Total</b>	Total
Properties under development	13,435	1,375	3,912	<b>18,722</b>	24,106
Investment properties	13,332	2,804	1,990	<b>18,126</b>	15,899
Hotel properties	4,881	38	504	<b>5,423</b>	5,176
Properties held for sale	4,521	389	61	<b>4,971</b>	4,926
<b>Total GFA</b>	<b>36,169</b>	<b>4,606</b>	<b>6,467*</b>	<b>47,242</b>	50,107

Note: \* Includes 6,351,000 sq ft of attributable GFA held through Shang Properties, Inc., a listed company in the Philippines.

## DEVELOPMENT PROPERTY PIPELINE

Based on its existing portfolio of properties under development, the Group maintains a healthy sales pipeline sufficient for the next six years and beyond. As of 31 December 2025, the total attributable GFA of for-sale development properties in the Chinese Mainland and Hong Kong was 7.2 million sq ft.

Looking into the Chinese Mainland, the Group's pipeline will yield 5.9 million sq ft of attributable GFA. All of the Chinese Mainland development properties are integral to master-planned mixed-use developments in key city areas, offering convenient access to transport networks. They will feature high-quality homes with the added benefit of amenities from their commercial components, such as shopping malls and well-designed public spaces.

In Hong Kong, the Group oversees a pipeline of high-quality projects totalling approximately 1.3 million sq ft of attributable GFA. This allows the Group to sustain a balanced pipeline comprising a diverse mix of premium and middle-market developments.

### The Group's attributable development property completion pipeline

Target completion	Location	Region	Equity stake	Attributable GFA ('000 sq ft)
2026 onwards	Shenyang	Chinese Mainland	60%	890
2026 onwards	Wuhan	Chinese Mainland	100%	2,307
2027	Tseung Kwan O	Hong Kong	25%	387
2027 onwards	Qinhuangdao	Chinese Mainland	60%	1,341
2027 onwards	Shanghai Huangpu	Chinese Mainland	100%	1,332
2028	To Kwa Wan	Hong Kong	100%	370
2029	Tsuen Wan	Hong Kong	100%	314
2031	Cheung Sha Wan	Hong Kong	50%	230
				<b>7,171</b>
			Chinese Mainland Total	5,870
			Hong Kong Total	1,301
			<b>Group Total</b>	<b>7,171</b>

Subsequent to the financial year end, the Group won the government tender for a site in Shau Kei Wan, Hong Kong in February 2026, expected to yield over 130,000 sq ft of residential GFA.

## INVESTMENT PROPERTY AND HOTEL PIPELINE

As of 31 December 2025, the Group held 21.1 million sq ft of attributable GFA within its major investment property and hotel portfolio. This includes office, retail, apartment and hotel assets across both Hong Kong and the Chinese Mainland. The Chinese Mainland accounted for 87% or 18.2 million sq ft, while Hong Kong accounted for 13% or 2.8 million sq ft of the major investment property and hotel portfolio. The portfolio's composition follows:

The Group's major investment property and hotel portfolio in Hong Kong and the Chinese Mainland (attributable GFA)*									
('000 sq ft)	As of 31 December 2025								As of 31 December 2024
	Hong Kong	Beijing	Shanghai	Shenzhen	Hangzhou	Shenyang	Others	Total	Total
Office	778	711	1,519	3,485	337	354	639	<b>7,823</b>	6,662
Retail	1,197	98	959	437	1,807	486	1,252	<b>6,236</b>	5,098
Hotel	38	500	759	121	621	395	2,485	<b>4,919</b>	4,672
Apartment	829	277	774	–	197	–	–	<b>2,077</b>	1,850
Warehouse	–	–	–	–	–	–	–	–	299
<b>Total</b>	<b>2,842</b>	<b>1,586</b>	<b>4,011</b>	<b>4,043</b>	<b>2,962</b>	<b>1,235</b>	<b>4,376</b>	<b>21,055</b>	18,581

Note:\* Excludes 2,494,000 sq ft of attributable GFA from investment properties and hotels overseas.

Over the next six years and beyond, the Group anticipates adding approximately 7.6 million sq ft of attributable GFA to its investment property and hotel portfolio from major mixed-use projects in the Chinese Mainland. This encompasses approximately 4.4 million sq ft for office properties, 2.9 million sq ft for retail and 0.3 million sq ft for hotels and others. Key cities driving this expansion are Shanghai (Pudong and Huangpu districts), Wuhan and Shenyang.

The Group's major mixed-use projects under development in the Chinese Mainland (attributable GFA)						
Target completion	City	Office	Retail	Hotel	Total	
			('000 sq ft)			
2026	Shanghai Pudong	110	981	–	<b>1,091</b>	
From 2026	Shenyang	447	594	–	<b>1,041</b>	
From 2027	Zhengzhou	349	–	226	<b>575</b>	
From 2029	Shanghai Huangpu	2,359	1,336	–	<b>3,695</b>	
From 2031	Wuhan	1,163	–	–	<b>1,163</b>	
	<b>Total</b>	<b>4,428</b>	<b>2,911</b>	<b>226</b>	<b>7,565</b>	

The Group has established a solid pipeline of mixed-use projects in major cities, attributable to its strategic vision and disciplined landbanking. The upcoming launches of premium offices, malls and hotels are anticipated to serve as growth catalysts for the long term, delivering steadily increasing recurrent revenue. Furthermore, the Group will concentrate on asset enhancement to maintain the competitiveness of its properties. Efficient management of current assets and high-quality service for tenants will also underpin the Group's rental levels, occupancies and tenant loyalty.

## CHINESE MAINLAND PROPERTY DIVISION

### Overview

The Chinese Mainland Property Division recorded combined revenue of HK\$12,057 million (2024: HK\$13,665 million) and combined results of HK\$4,968 million (2024: HK\$4,446 million) for 2025. The decline in combined revenue was primarily driven by lower recognised sales from development properties.

#### (i) Development Property Portfolio Performance

Combined revenue from development properties in the Chinese Mainland Property Division amounted to HK\$5,897 million (2024: HK\$7,457 million). This reduction was due to decreased sales revenue recognition on completion of relevant projects and handover of completed units to buyers. Majority of the combined revenue in 2025 was recognised during the second half of the year and contributed by Wuhan River Mansion, Shanghai Park Towers and Shenyang The Arcadia. Combined results amounted to HK\$1,653 million (2024: HK\$817 million), with a corresponding gross margin of 28% (2024: 11%) mainly due to a different product mix.

The Chinese Mainland Property Division delivered attributable contracted sales of HK\$25,277 million (2024: HK\$2,477 million), mainly contributed by the Shanghai Jinling Residences presales. Sales momentum for other projects in the second and third-tier cities remained slow. A summary of major attributable contracted sales in the Chinese Mainland for 2025 follows:

Project name	Group's attributable interest	Location	Approximate total saleable area (sq ft)	Total contracted sales in 2025 (HK\$ million)
Jinling Residences	100%	Shanghai	1,331,000	23,612
The Arcadia	60%	Shenyang	3,283,000	610
The Bayside	100%	Shenzhen Qianhai	459,000	334
River Mansion	100%	Wuhan	1,560,000	306
Habitat Phase II	60%	Qinhuangdao	1,954,000	256
Arcadia Terrace	49%	Tianjin	299,000	90*
Others	–	–	–	69
<b>Total</b>				<b>25,277</b>

Note: Others include sales from projects in Kunming, Fuzhou, Qinhuangdao and other cities.

\* Group's attributable share in associates and joint ventures.

**(ii) Investment Property and Hotel Portfolio Performance**

In the Chinese Mainland, the Group's investment property and hotel portfolio primarily comprises office, retail, apartments-for-lease and hotel properties in key cities. In 2025, combined revenue from the Chinese Mainland investment property and hotel portfolio amounted to HK\$6,160 million (2024: HK\$6,208 million).

Excluding hotels, Chinese Mainland investment properties contributed combined rental revenue of HK\$4,043 million (2024: HK\$4,069 million) and combined results of HK\$2,613 million (2024: HK\$2,910 million). The corresponding gross margin was 65% (2024: 72%), with the decrease largely attributable to reduced rental revenue while fixed costs were maintained to uphold high property standards, alongside increased marketing and pre-opening expenses. A summary of Chinese Mainland combined rental revenue follows:

Combined rental revenue of the Chinese Mainland Property Division (excluding hotel revenue)				
	2025 HK\$ million	2024 HK\$ million	% Change Reporting currency basis	% Change Constant exchange rate basis
Office	2,192	2,239	-2%	-3%
Retail	1,355	1,324	2%	2%
Apartment	351	359	-2%	-3%
Carpark and others	145	147	-1%	-2%
<b>Total</b>	<b>4,043</b>	<b>4,069</b>	<b>-1%</b>	<b>-1%</b>

Note: During 2025, certain property management fees were classified to rental revenue. For comparability purposes, excluding the impact of this classification, Chinese Mainland total combined rental revenue decreased by 4% year-on-year on a constant exchange rate basis. On the same adjusted basis, combined rental revenue in the office, retail and apartment segments declined by 5%, 1% and 12% year-on-year respectively.

The office segment, the Group's major revenue driver in its investment property portfolio, remained under pressure amid continued economic uncertainties and oversupply of office buildings. Corporate tenants have prioritised cost cutting and space optimisation, leading to instances of lease restructuring, downsizing or relocation. To secure recurring revenue in this challenging market, the Group concentrated on lease renewals, aiming for favourable leasing terms based on current market prices while adapting flexibly to address tenants' needs to maintain stable occupancy levels.

Performance of the retail segment was largely stable, characterised by higher occupancy levels, improved tenant sales and steady foot traffic, despite soft consumer sentiment. This was partly attributable to the premium locations and quality of our assets, alongside property enhancements, an effective tenant mix optimisation strategy and successful placemaking marketing events.

Meanwhile, two apartment-for-lease projects commenced renovations during 2025, leading to some loss in rental income. Excluding the impact of these renovations and property management fee classification, the apartment leasing portfolio delivered stable performance, with combined revenue in line with the previous year and a stable occupancy level on a like-for-like basis.

The Group will continue to prioritise revenue management by optimising its retail brand mix, executing effective marketing strategies and focusing on renewals within its established blue-chip and red-chip tenant base.

The Chinese Mainland investment property portfolio GFA increased during 2025 mainly due to the completion of new mixed-use developments in Hangzhou, Tianjin and Shenzhen Qianhai. A breakdown of attributable GFA by asset type and respective occupancy rates follows:

	As of 31 December 2025		As of 31 December 2024	
	Group's attributable GFA ('000 sq ft)	Occupancy rate	Group's attributable GFA ('000 sq ft)	Occupancy rate
Office	7,045	90%	5,884	90%
Retail	5,039	92%	3,901	89%
Apartment	1,248	92%	1,051	91%
	<b>13,332</b>		10,836	

Note: As of 31 December 2025, occupancy rates excluded the area under renovation at Shanghai Central Residences Phase II and the service apartments of Shanghai Pudong Kerry Parkside, as well as newly completed projects in Hangzhou, Tianjin and Shenzhen Qianhai, which were not yet fully operational.

A summary of overall occupancy rates for the Group's major mixed-use developments in key Chinese Mainland cities is as follows:

Property name	Occupancy rate as of 31 December 2025	Occupancy rate as of 31 December 2024
Shanghai Jing An Kerry Centre *	95%	94%
Shanghai Pudong Kerry Parkside *	96%	97%
Beijing Kerry Centre *	87%	87%
Hangzhou Kerry Centre *	92%	90%
Shenzhen Kerry Plaza	92%	92%
Shenzhen Qianhai Kerry Centre Phases I and II *	89%	87%

Note: \* Excludes the hotel portion.

The Group's hotel business in the Chinese Mainland recorded combined revenue of HK\$2,117 million (2024: HK\$2,139 million). On a constant exchange rate basis, combined revenue dropped mildly by 2%, mainly due to lower food and beverage contributions.

## HONG KONG PROPERTY DIVISION

### Overview

The Hong Kong Property Division reported combined revenue of HK\$12,958 million (2024: HK\$7,696 million) and combined results of HK\$1,811 million (2024: HK\$2,404 million), with the increase in combined revenue mainly due to higher sales recognition from development properties.

#### (i) Development Property Portfolio Performance

The Group recorded development property combined revenue of HK\$11,777 million (2024: HK\$6,373 million), with majority of the sales bookings contributed by Mont Verra, the Yuen Long projects (HAVA and FLORA) as well as La Montagne. Combined results amounted to HK\$963 million (2024: HK\$1,423 million), with a gross margin of 8% (2024: 22%). The changes in combined revenue and gross margin were mainly attributed to a different product mix.

The Hong Kong Property Division achieved total attributable contracted sales of HK\$9,407 million (2024: HK\$10,128 million). This was contributed by various projects: Ongoing sales at the Mont Verra high-end project amounted to HK\$4,078 million, although the sales pace was slower compared to the prior year when pent-up demand was unleashed following the removal of property cooling measures. HAVA and FLORA in Yuen Long, launched during the year, together delivered HK\$2,811 million of contracted sales.

The Group's Wong Chuk Hang MTR station projects, namely La Montagne and La Marina, together recorded HK\$2,291 million in attributable contracted sales. Lastly, the remaining units at The Aster in Happy Valley have been sold out during the year, contributing HK\$144 million in contracted sales.

A summary of Hong Kong's contracted sales achieved for 2025 follows:

Project name	Group's attributable interest	Location	Approximate total saleable area (sq ft)	Total contracted sales in 2025 (HK\$ million)
Mont Verra	100%	Beacon Hill	325,000	4,078
HAVA	100%	Yuen Long	215,000	2,472
La Montagne	50%	Wong Chuk Hang	559,000	2,082*
FLORA	100%	Yuen Long	30,000	339
La Marina	50%	Wong Chuk Hang	426,000	209*
The Aster	100%	Happy Valley	71,000	144
Others	–	–	–	83
<b>Total</b>				<b>9,407</b>

\* Group's attributable share in associates and joint ventures.

**(ii) Investment Property Portfolio Performance**

In Hong Kong, the Group maintains an investment property portfolio of office and retail assets primarily from the MegaBox/Enterprise Square Five mixed-use development and Kerry Centre, along with apartments-for-lease mainly from the Mid-Levels apartment portfolio.

For 2025, the Hong Kong investment property portfolio achieved combined rental revenue of HK\$1,150 million (2024: HK\$1,286 million) and combined results of HK\$842 million (2024: HK\$972 million), resulting in a gross margin of 73% (2024: 76%). The lower revenue reflected the persistent weak market conditions for office and retail properties in the non-core districts. Additionally, the portfolio was impacted by reduced rental revenue from certain development property units that transitioned to sales during the year, as well as the loss of rental revenue from the conversion of The Aster. Excluding these exceptional factors, Hong Kong combined rental revenue decreased by 8% year-on-year on a like-for-like basis. Although rental revenue declined, fixed costs were maintained to uphold high property standards, leading to a reduction in gross margin.

A summary of the Hong Kong Property Division's combined rental revenue follows:

Combined rental revenue of the Hong Kong Property Division			
	2025	2024	% Change
	HK\$ million	HK\$ million	
Apartment	474	513	-8%
Retail	305	366	-17%
Office	233	246	-5%
Carpark, warehouse and others	138	161	-14%
<b>Total</b>	<b>1,150</b>	<b>1,286</b>	<b>-11%</b>

The apartment portfolio performed decently, primarily driven by sustained demand fuelled by the Hong Kong government's talent admission schemes and a resurgence in expatriate relocations, which supported improved occupancy and rent levels. However, the portfolio's revenue was impacted by the exceptional factors stated above. Excluding these factors, Hong Kong combined rental revenue for the apartment segment delivered a 4% year-on-year growth on a like-for-like basis.

MegaBox was affected by increased competition from new shopping malls in nearby districts and ongoing partial refurbishment, resulting in lower revenue. However, supported by its positioning as a family-oriented mall, it maintained a high occupancy level if excluding the area under refurbishment. The refurbishment works have progressively completed since late 2025, introducing new outlet and food and beverage operators to the mall.

Significant challenges persisted in the office segment throughout the year amid an oversupply of office space and the still subdued demand for office properties in the non-core districts. Office rents were adjusted downward in order to support occupancy level.

The Hong Kong investment property portfolio GFA decreased during 2025 primarily due to the conversion of a warehouse to development property for sale. This reduction was partially offset by the addition of a new apartment building for lease following its completion. A breakdown of attributable GFA by asset type and respective occupancy rates follows:

	As of 31 December 2025		As of 31 December 2024	
	Group's attributable GFA ('000 sq ft)	Occupancy rate	Group's attributable GFA ('000 sq ft)	Occupancy rate
Retail <sup>(1)</sup>	1,197	97%	1,197	100%
Apartment <sup>(2) (3)</sup>	829	99%	799	95%
Office	778	81%	778	78%
Warehouse	–	N/A	299	24%
	<b>2,804</b>		3,073	

A summary of the occupancy rates for the Group's major investment properties in Hong Kong is as follows:

Property name	Occupancy rate as of 31 December 2025	Occupancy rate as of 31 December 2024
MegaBox <sup>(1)</sup>	97%	100%
Enterprise Square Five	82%	77%
Kerry Centre	77%	82%
Mid-Levels Portfolio <sup>(2)</sup>	100%	95%

Notes:

(1) As of 31 December 2025 and 31 December 2024, occupancy rate excluded area undergoing refurbishment at MegaBox.

(2) As of 31 December 2025 and 31 December 2024, occupancy rate excluded Branksome Crest due to major refurbishments.

(3) As of 31 December 2025, occupancy rate excluded a newly completed apartment-for-lease project, THE HILLTOP, which was not yet fully operational.

# MANAGEMENT DISCUSSION & ANALYSIS

## CAPITAL RESOURCES AND LIQUIDITY

### Treasury Policies

The Group adopts prudent policies for liquidity and financial risk management. These policies, approved by the Finance Committee of the Company and regularly reviewed by the Group's internal audit function, are designed to mitigate liquidity, foreign exchange, interest rate and credit risks as part of normal operations. Liquidity management and financing activities are centrally coordinated at the corporate level, providing oversight and reducing funding costs. It is the Group's policy to avoid entering derivatives transactions for speculative purposes.

### Foreign Exchange Management

The Group primarily operates in Hong Kong and the Chinese Mainland, with cash flows, assets and liabilities largely denominated in HK\$ and RMB. Foreign exchange exposure arises mainly from RMB-denominated property developments and investments in the Chinese Mainland, as well as bank loans denominated in RMB, AUD and JPY.

As at 31 December 2025, the Group's foreign currency borrowings amounted to HK\$29,024 million, comprising RMB24,783 million (equivalent to HK\$27,653 million), AUD187 million (equivalent to HK\$973 million) and JPY8,000 million (equivalent to HK\$398 million). Non-RMB foreign currency borrowings and RMB bank loans represented approximately 2% and 50% respectively of the Group's total borrowings of HK\$55,770 million.

To mitigate exchange rate risks, the Group entered into cross currency swap contracts totalling AUD187 million and JPY8,000 million for bank borrowings drawn in Hong Kong. RMB bank borrowings also serve as a natural hedge against net investment in the Chinese Mainland, where a significant portion of assets and revenues are denominated in RMB. The Group maintains RMB-denominated resources to meet funding requirements in the Chinese Mainland, sourced from local operations and RMB borrowings. Funding needs are reviewed regularly, taking into account regulatory developments, project timelines, and broader macroeconomic conditions.

### Interest Rate Management

In 2025, global financial markets experienced significant volatility, influenced by macroeconomic developments, monetary policy shifts, and geopolitical factors. HIBOR for the interest period of 1 month for HK\$ fluctuated sharply, falling from above 4.1% in January to near zero in May before rising again to above 3.5% in September. These movements affected the Group's capital management strategies and funding costs.

The Group oversaw subsidiaries' cash flow projections and reallocated surplus funds to the corporate level to reduce gross debt. Intra-group loans were arranged from cash-rich entities to meet funding requirements, supporting efficient cash utilisation and lowering overall interest expenses. These arrangements were reviewed and adjusted regularly to reflect changes in foreign exchange and interest rates.

Interest rate risk was managed through fixed-rate funding and floating-to-fixed interest rate swap contracts, with hedge accounting applied. As at 31 December 2025, outstanding interest rate swap contracts amounted to HK\$13,220 million (2024: HK\$18,410 million). The Group's fixed rate debt ratio, incorporating both swap contracts and fixed rate loans, stood at 53% (2024: 46%) on a gross debt basis and 74% (2024: 56%) on a net debt basis. All interest rate swaps qualified for hedge accounting.

For the year ended 31 December 2025, the Group's average all-in borrowing cost improved to 3.8%, down from 4.6% in the prior year. This reduction reflected the combined effect of financing strategies, interest rate management and the lower interest rate environment.

### Liquidity and Financing Management

As at 31 December 2025, total borrowings amounted to HK\$55,770 million (2024: HK\$59,581 million) comprising HK\$26,746 million in HK\$ borrowings, HK\$27,653 million in RMB borrowings, HK\$973 million in AUD borrowings and HK\$398 million in JPY borrowings.

Total cash and bank deposit balances reached HK\$16,099 million (2024: HK\$11,207 million), resulting in a net debt balance of HK\$39,671 million (2024: HK\$48,374 million). The reduction in net debt balance was primarily attributable to proceeds from the presale of residential units of Shanghai Jinling Residences.

The Group continues to adopt a disciplined liquidity management strategy, ensuring sufficient capital resources to meet financing needs, pursue investment opportunities and maintain resilience against external challenges. In January 2025, the Group secured a RMB7.5 billion 10-year onshore project loan with three leading domestic banks in the Chinese Mainland. This was followed in June 2025 by a HK\$8 billion 5-year sustainability-linked club loan arranged with seven major banks. These transactions extended the debt maturity profile and strengthened the funding platform for future expansion.

As at 31 December 2025, all borrowings remained unsecured, with no asset pledged as collateral. The Group will continue to prioritise unsecured financing, supplemented by secured project financing where appropriate. Available financial resources amounted to HK\$47,160 million (2024: HK\$38,136 million), comprising undrawn bank loan facilities of HK\$31,061 million and cash and bank deposits of HK\$16,099 million, increasing by 15% and 44% respectively compared to 2024. These financial resources covered approximately 85% of total borrowings as at 31 December 2025.

### Sustainable Finance Initiatives

The Group recognises sustainable finance as an important enabler for long-term investments in sustainable economic activities and projects. In 2022, a sustainable finance framework was established to align financing instruments with the Group's sustainability strategy.

During 2025, the Group secured approximately HK\$17,993 million in sustainability-linked loans and HK\$1,116 million in project-specific green loans. As at 31 December 2025, total sustainable financing reached HK\$60,229 million (2024: HK\$50,277 million), representing 69% (2024: 58%) of the Group's total loan facilities. These facilities are tied to sustainability performance targets, with proceeds allocated to long-term initiatives, climate resilience measures, and general corporate financing needs. The Group benefits from discounted interest rates upon achieving pre-determined sustainability milestones and aims to expand the proportion of sustainable finance within the debt portfolio.

### Debt Maturity Profile, Gearing and Deleveraging

As at 31 December 2025, the Group's total borrowings amounted to HK\$55,770 million (2024: HK\$59,581 million) with an average tenor of 2.5 years (2024: 2.6 years). The debt maturity profile, with around 62% of the borrowings repayable after two years, is set out below:

Repayable:	2025		2024	
	HK\$ million		HK\$ million	
Within 1 year	6,429	11%	9,700	16%
In the second year	14,858	27%	11,869	20%
In the third to fifth year	34,399	62%	38,012	64%
Over 5 years	84	–	–	–
<b>Total</b>	<b>55,770</b>	<b>100%</b>	<b>59,581</b>	<b>100%</b>

The Group's gearing ratio, calculated as net debt to total equity, improved to 33.3% (2024: 41.5%), based on net debt of HK\$39,671 million and total equity of HK\$119,191 million. This improvement was supported by stable operating cash flows, active debt management, and proceeds from property presales.

The Group has provided guarantees in respect of (i) banking facilities granted to certain associates and joint ventures; and (ii) mortgage facilities extended by banks to first-hand buyers of certain properties developed by the Group in the Chinese Mainland.

Deleveraging remains a key financial priority. By reducing overall debt levels, extending maturities, and diversifying funding sources, the Group has strengthened its capital structure and lowered refinancing risk. These measures enhance financial resilience, support shareholder value, and provide a foundation for sustainable long-term growth.

Details of contingent liabilities are set out in note 39 to the consolidated financial statements of the Group included in this annual report.

# BUSINESS AT A GLANCE



## Property Sales

### Chinese Mainland

#### Major Projects with Recent Sales

1. Shanghai Jinling Residences
2. Shenyang The Arcadia
3. Wuhan River Mansion
4. Tianjin Arcadia Terrace
5. Shenzhen The Bayside
6. Qinhuangdao Habitat Phase II
7. Fuzhou Rivercity
8. Kunming Peakview

#### Major Project in the Pipeline

1. Wuhan Project Phase II

### Hong Kong

#### Major Projects with Recent Sales

1. LA MIRABELLE
2. FLORA
3. HAVA
4. Mont Verra
5. La Montagne
6. La Marina
7. The Aster

#### Major Projects in the Pipeline

1. To Kwa Wan Project
2. Tsuen Wan Project
3. Cheung Sha Wan Project
4. Shau Kei Wan Project



## Property Rental

### Chinese Mainland

#### Major Projects in Operation

1. Shanghai Jing An Kerry Centre
2. Shanghai Pudong Kerry Parkside
3. Hangzhou Kerry Centre
4. Shenzhen Kerry Plaza
5. Shenzhen Qianhai Kerry Centre Phases I-III
6. Beijing Kerry Centre
7. Shenyang Kerry Centre Phase II
8. Tianjin Kerry Centre Phases I and II

#### Major Projects in the Pipeline

Commercial Portions in:

1. Shanghai Huangpu MUD
2. Shanghai PRISMA
3. Hangzhou Kerry Plaza\*
4. Shenyang Kerry Centre Phase III
5. Wuhan MUD
6. Zhengzhou MUD

### Hong Kong

#### Major Projects in Operation

1. MegaBox / Enterprise Square Five
2. Kerry Centre
3. Mid-Levels Portfolio
4. The Bonham
5. THE HILLTOP



## Hotel Operation

### Chinese Mainland

#### Major Projects in Operation

1. Shanghai Jing An Shangri-La
2. Shanghai Pudong Kerry Hotel
3. Hangzhou Midtown Shangri-La
4. Beijing Kerry Hotel
5. Shenzhen Qianhai JEN by Shangri-La
6. Nanjing Shangri-La
7. Shenyang Shangri-La
8. Tianjin Shangri-La
9. Tangshan Shangri-La
10. Putian Shangri-La
11. Jinan Shangri-La
12. Nanchang Shangri-La
13. Kunming JEN by Shangri-La
14. Kunming Shangri-La

#### Major Projects in the Pipeline

1. Hangzhou JEN by Shangri-La\*
2. Hotel Portion in Zhengzhou MUD

### Hong Kong

#### Project in Operation

1. JEN Hong Kong

Note: MUD = mixed-use development

\* Completed but not yet operational

## CHINESE MAINLAND PORTFOLIO – KEY HIGHLIGHTS

### Property Sales



#### Shanghai Jinling Residences

Shanghai Jinling Residences is the residential component of the Shanghai Huangpu Mixed-Use Development, featuring four iconic high-rise towers and restored shikumen-style villas. This high-end project is currently under development with a phased completion from 2027 onwards. The high-rise units have been launched for pre-sale in 2025.

<b>Total saleable area:</b>	<b>1,331,000 sq ft</b>
<b>Target completion:</b>	<b>2027 onwards</b>
<b>Equity stake:</b>	<b>100%</b>



#### Shenyang The Arcadia

Shenyang The Arcadia is the residential component of the mixed-use development, Shenyang Kerry Centre Phase III. This project is located to the east of Shenyang's famous Youth Avenue and south of Youth Park. A portion of the project has been completed and sold. Construction of the remaining portion is expected to be completed in phases from 2026 onwards, and pre-sale is currently underway.

<b>Total saleable area:</b>	<b>3,283,000 sq ft</b>
<b>Target completion:</b>	<b>2026 onwards (remaining portion)</b>
<b>Equity stake:</b>	<b>60%</b>



#### Wuhan River Mansion

Wuhan River Mansion is the residential portion of the first phase of the Wuhan Mixed-Use Development. It is situated in the Jiangnan District, a prime commercial area, and enjoys direct metro access to the city centre. A portion of the project has been completed and the remaining portion is expected to be completed in phases from 2026 onwards with pre-sale currently ongoing.

<b>Total saleable area:</b>	<b>1,560,000 sq ft</b>
<b>Target completion:</b>	<b>2026 onwards (remaining portion)</b>
<b>Equity stake:</b>	<b>100%</b>



#### Shenzhen The Bayside

The Bayside is the last apartment building for sale in the Shenzhen Qianhai Mixed-Use Development. The project has been completed, with sales currently underway.

<b>Total saleable area:</b>	<b>187,000 sq ft</b>
<b>Equity stake:</b>	<b>100%</b>

Note: Total saleable area is on 100% basis.

## Property Rental



### Shanghai Jing An Kerry Centre

Jing An Kerry Centre is located in the heart of Shanghai's Nanjing Road business district. One of the Group's most iconic mixed-use developments, the site integrates Grade-A office, luxury apartments for lease, and exclusive retail space with a Shangri-La Hotel.

<b>Total GFA:</b>	<b>Phase I:</b>	<b>747,000 sq ft</b>
	<b>Phase II:</b>	<b>2,990,000 sq ft</b>
<b>Equity stake:</b>	<b>Phase I:</b>	<b>74.25%</b>
	<b>Phase II:</b>	<b>51%</b>



### Shanghai Pudong Kerry Parkside

A multi-function development built to international standards, Pudong Kerry Parkside comprises a shopping mall, residential and retail space, and a Kerry Hotel. It is located in the vibrant hub of Pudong, surrounded by green open spaces, and a spectrum of cultural, educational and expo facilities.

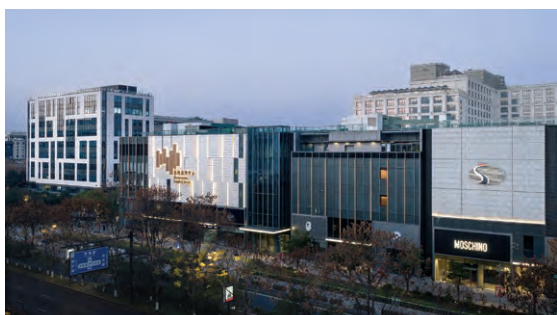
<b>Total GFA:</b>	<b>2,728,000 sq ft</b>
<b>Equity stake:</b>	<b>40.8%</b>



### Beijing Kerry Centre

Comprising office, residential and retail properties and a Kerry Hotel, Beijing Kerry Centre is an iconic presence in Chaoyang district at the heart of Beijing. It is designed to provide an innovative and effective work-life balance for the community in the central business district.

<b>Total GFA:</b>	<b>2,227,000 sq ft</b>
<b>Equity stake:</b>	<b>71.25%</b>



### Hangzhou Kerry Centre

Bordering the West Lake, Hangzhou Kerry Centre is a mixed-use property situated at the busy junction of Yan'an Road and Qingchun Road. It comprises office, retail properties and a Shangri-La Hotel.

<b>Total GFA:</b>	<b>1,815,000 sq ft</b>
<b>Equity stake:</b>	<b>75%</b>

Note: Total GFA is on 100% basis.



### Shenzhen Kerry Plaza

Comprising three office towers and retail properties, Shenzhen Kerry Plaza lies at the core of the Futian central business district and is conveniently connected with the Guangzhou–Shenzhen–Hong Kong Express Rail Link Futian station.

**Total GFA:** 1,654,000 sq ft

**Equity stake:** 100%



### Shenzhen Qianhai Kerry Centre

Located in the vibrant Qianhai District of Shenzhen, this project comprises a mix of office, retail and hotel properties across three phases, with Phase III, the final phase, completed in 2025.

**Total GFA:** Phase I: 1,510,000 sq ft

Phase II: 962,000 sq ft

Phase III: 797,000 sq ft

**Equity stake:** Phase I: 100%

Phase II: 25%

Phase III: 70%

Note: Total GFA is on 100% basis.

## Mixed-Use Developments in the Pipeline



### Shanghai Huangpu Mixed-Use Development

A rare placemaking opportunity in the heart of Shanghai, the development is designed to deliver high-rise apartments overlooking The Bund and restored shikumen-style villas, as well as commercial elements. Located along Jinling Road in the Bund area of Huangpu, the site has direct access to Yuyuan Station, an important interchange for two major metro lines, and good vehicular connection via expressway and tunnels. The project is set for phased completion, with the residential portion expected from 2027 onwards and the commercial elements from 2029 onwards.

<b>Total GFA:</b>	<b>5,027,000 sq ft</b>
<b>Target completion:</b>	<b>2027 onwards</b>
<b>Equity stake:</b>	<b>100%</b>



### Hangzhou Kerry Plaza

Situated in the Gongshu District of Hangzhou, this development offers a blend of retail experiences, Grade A office buildings, residential units (Riverside), long-leased apartments, and a hotel. Retail experiences are designed with a unique mix of shopping, dining and entertainment. The project has been completed, with all Riverside residential units sold, while the commercial components are scheduled to be fully operational by 2026.

<b>Total GFA:</b>	<b>2,607,000 sq ft</b>
<b>Target opening:</b>	<b>2026</b>
<b>Equity stake:</b>	<b>100%</b>



### Shanghai PRISMA

(formerly Shanghai Pudong Mixed-Use Development)

The project is a transit-oriented mixed-use development held through a joint venture with GIC (Realty) Pte. Ltd. Located in the Jinqiao sub-district of Pudong, the site enjoys a high degree of accessibility through direct access to the Jufeng Road interchange station and a bus terminus. The retail and office components are slated for completion in 2026.

<b>Total GFA:</b>	<b>2,728,000 sq ft</b>
<b>Target completion:</b>	<b>2026</b>
<b>Equity stake:</b>	<b>40%</b>



### Wuhan Mixed-Use Development

This project in the Jiangnan District of Wuhan is designed to deliver a complex with residential and commercial components. The site is located in a prime commercial area at the intersection of the Yangtze and Han Rivers, and in the vicinity of the city-centre with direct metro access. The complex is being developed in phases, with Phase I being completed from 2024 onwards and Phase II from 2031 onwards.

<b>Total GFA:</b>	<b>Phase I: 1,624,000 sq ft</b>
	<b>Phase II: 3,122,000 sq ft</b>
<b>Target completion:</b>	<b>Phase I: 2024 onwards</b>
	<b>Phase II: 2031 onwards</b>
<b>Equity stake:</b>	<b>100%</b>

Note: Total GFA is on 100% basis.

## HONG KONG PORTFOLIO – KEY HIGHLIGHTS

### Property Sales



#### FLORA

FLORA is the second phase of the Group's Yuen Long residential project, located near the Yuen Long South Development Area. It comprises a single residential tower. The project was launched for sale and completed in 2025.

**Total saleable area: 30,000 sq ft**

**Equity stake: 100%**



#### HAVA

HAVA is the first phase of the Group's Yuen Long residential project, located near the Yuen Long South Development Area. The project comprises two residential towers and was launched for sale and completed in 2025.

**Total saleable area: 215,000 sq ft**

**Equity stake: 100%**



#### Mont Verra

This ultra-luxurious residential project sits atop Beacon Hill and enjoys panoramic views of Victoria Harbour and Kowloon East. It features an exclusive collection of low-density typical units, penthouse units and mansions. The project has been completed and sales are currently ongoing.

**Total saleable area: 325,000 sq ft**

**Equity stake: 100%**



#### La Montagne

La Montagne is the Group's second Wong Chuk Hang Station transit-oriented residential project, in co-development with Sino Land and Swire Properties. Its units offer magnificent views of Shouson Hill and Deep Water Bay. The project has been completed in 2025, with sales currently underway.

**Total saleable area: 559,000 sq ft**

**Equity stake: 50%**

Note: Total saleable area is on 100% basis.



**LA MIRABELLE**

(formerly LOHAS Park Package Thirteen)

A consortium comprising the Group, Sino Land, K. Wah International and China Merchants Land is jointly developing LA MIRABELLE with an expected completion in 2027. This residential project is the largest waterfront development atop LOHAS Park station.

**Total saleable area: 1,361,000 sq ft**  
**Target completion: 2027**  
**Equity stake: 25%**



**To Kwa Wan Project**

This project is a key component of the Urban Renewal Authority’s urban renewal plan in To Kwa Wan. It includes both residential and commercial elements and is scheduled for completion in 2028.

**Total GFA: 444,000 sq ft**  
**Target completion: 2028**  
**Equity stake: 100%**



**Tsuen Wan Project**

This project is nestled in lush green hills in Tsuen Wan, offering views of the Tsing Yi and Ting Kau waterfront. The residential site is located near the Tsuen Wan town centre and offers convenient access to public transportation. Completion of the project is expected in 2029.

**Total GFA: 314,000 sq ft**  
**Target completion: 2029**  
**Equity stake: 100%**



**Cheung Sha Wan Project**

Our group has partnered with Sun Hung Kai Properties to redevelop the Kerry Hung Kai Warehouse in Cheung Sha Wan into a mixed-use residential and commercial complex. Located in the well-established neighbourhood of Cheung Sha Wan, the site benefits from good connectivity, within walking distance of Lai Chi Kok, Cheung Sha Wan and Nam Cheong MTR stations. The project is expected to be completed in 2031.

**Total GFA: 461,000 sq ft**  
**Target completion: 2031**  
**Equity stake: 50%**

Note: Total saleable area and GFA are on 100% basis.

## Property Rental



### MegaBox / Enterprise Square Five

Located in the central business district in Kowloon East, this mixed-use development is comprised of two Grade-A office towers – Enterprise Square Five, and its shopping mall MegaBox. Both the office and shopping mall offer views of the harbour and the bustling Kowloon East skyline.

**Total GFA:** 1,665,000 sq ft

**Equity stake:** 100%



### Kerry Centre

This project is located in Island East and is the Group's flagship Grade-A office property in Hong Kong. This landmark development offers a panoramic harbour view of Kowloon East, while offering convenient access to the MTR and the highways.

**Total GFA:** 511,000 sq ft

**Equity stake:** 40%



### Mid-Levels Portfolio

Centrally located along the Mid-Level's May Road and Tregunter Path, this exclusive collection of five high-end residences includes Aigburth, Branksome Crest, Branksome Grande, Gladdon, and Tavistock. Each residence provides a high degree of privacy and security, while offering coveted views of the harbour and award-winning concierge services.

**Total GFA:** 722,000 sq ft

**Equity stake:** 100%

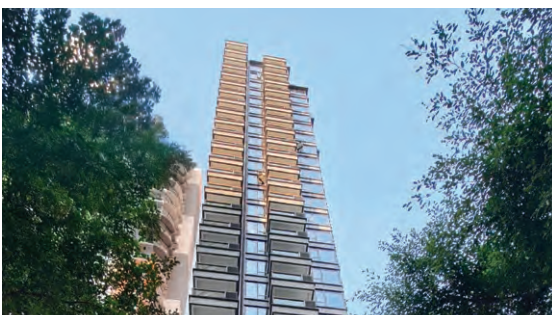


### The Bonham

Located in the chic and artsy Sai Ying Pun district, The Bonham is an apartment building for lease, complemented by a comprehensive clubhouse and all-rounded concierge services.

**Total GFA:** 68,000 sq ft

**Equity stake:** 100%



### THE HILLTOP

Nestled on an elevated Mid-Levels West site adjacent to The University of Hong Kong, THE HILLTOP is an apartment building for lease offering seamless connectivity to Central, Sheung Wan and key business districts across Hong Kong Island, as well as convenient access to the Western District waterfront. Following the completion of its redevelopment, the project has been available for leasing since early 2026.

**Total GFA:** 38,000 sq ft

**Equity stake:** 100%

Note: Total GFA is on 100% basis.

# CORPORATE SUSTAINABILITY

In 2025, we made significant strides towards our sustainability goals. Our achievements — including ESG ratings and enhanced stakeholder engagement — underscore the momentum of our sustainability strategy. Building on this progress, we are now translating commitments into action through our carbon neutrality roadmap and renewable energy adoption, laying a robust foundation for a sustainable future.

## SUSTAINABILITY AT A GLANCE

### 2025 Top Accreditations



#### 2025 GRESB Sector Leaders (Standing Investments)

- **Global Sector Leader – Listed** (Diversified)
  - **Regional Sector Leader** (Asia Diversified)
  - **Regional Sector Leader – Listed** (Asia Diversified)
- 
- Highest **5-Star Rating** for the 5<sup>th</sup> consecutive year
  - Public Disclosure Score: **100/100**



#### MSCI ESG Rating

- Maintained **AA Rating**



#### CDP

- Maintained **A- Rating** for Climate Change



#### S&P Global

- Sustainability Yearbook 2026 Member
- Sustainability Yearbook (China Edition) 2025 Member
- **Top 15%** of Real Estate Management and Development Industry in both editions



#### Hang Seng Corporate Sustainability Index Series Member 2025-2026

- Hang Seng ESG 50 Index – Constituent
- Hang Seng Corporate Sustainability Benchmark Index – Constituent
- **AA+ ESG Rating** for the 5<sup>th</sup> consecutive year



#### FTSE4Good

#### FTSE4Good Index Series

- Constituent



#### Greater Bay Area Business Sustainability Index (GBABS)

#### Greater Bay Area Business Sustainability Index (GBABS)

- Pace-setter (Top 15)



#### Real Estate Business Sustainability Index (REBSI)

#### Real Estate Business Sustainability Index (REBSI)

- Exemplar (Top 5)



#### Sustainalytics

- Maintained **Low Risk** ESG Risk Rating

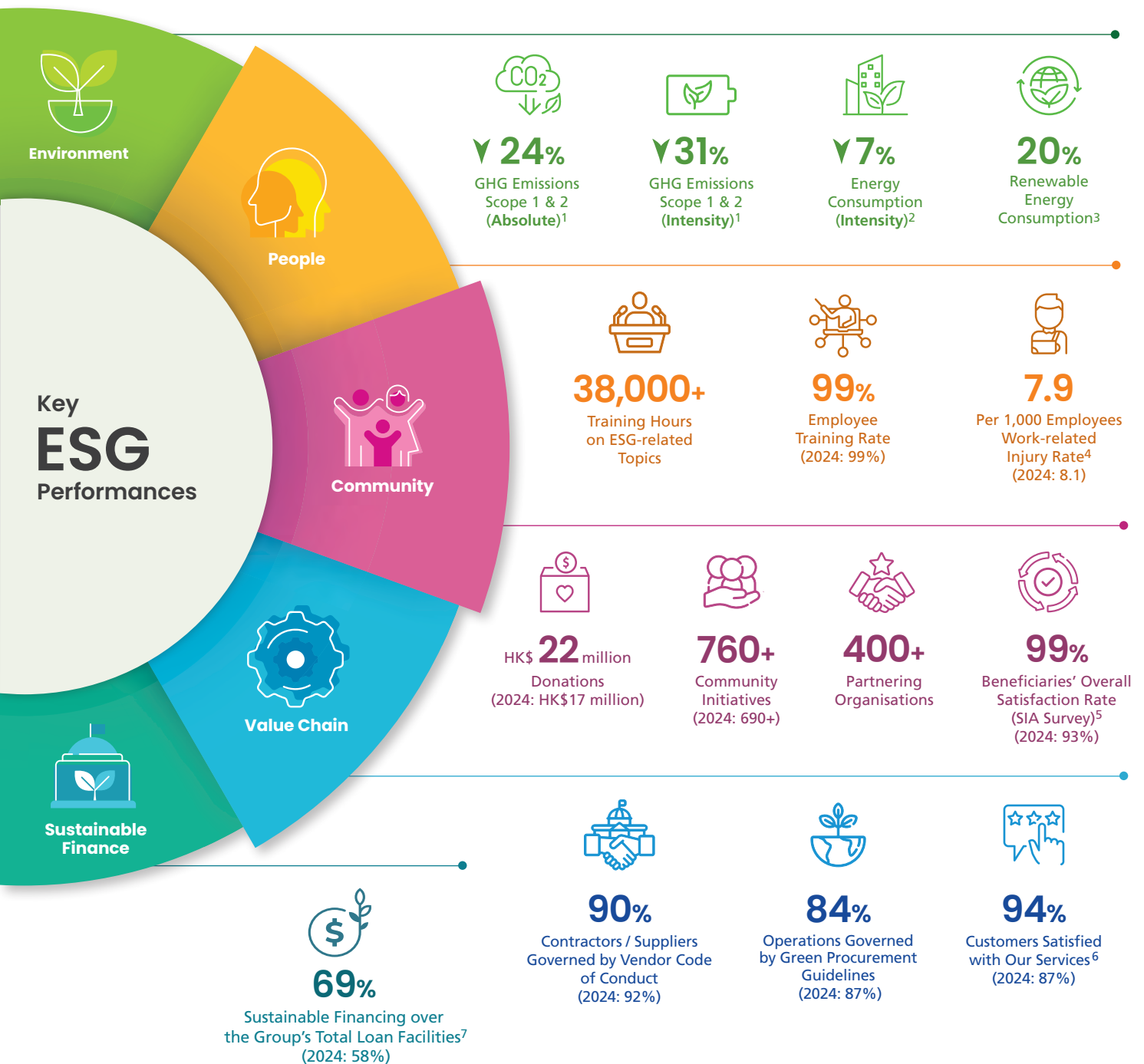


Scan to read our Sustainability Report 2025 for more details



#### Remarks:

The inclusion of KPL in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of KPL by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.























Our environmental performance data mentioned in this section primarily covers investment properties in Hong Kong and the Chinese Mainland that are owned and managed by the Group with operational control and have reached the predetermined occupancy level or operating period. Properties that are being held for sale are not included. The reporting scope of social performance data covers our managed properties and projects under development in both Hong Kong and the Chinese Mainland. People-related data illustrated in this section pertains solely to employees directly employed by the Group (excluding hotels).

- <sup>1</sup> As compared to 2024. For details, please refer to the Performance Data Summary in our Sustainability Report 2025. The decrease in GHG emissions is due to green electricity purchased in Beijing directly from the power grid and Green Electricity Certificates ("GECs") purchased in Shanghai.
- <sup>2</sup> As compared to 2024.
- <sup>3</sup> Calculated based on the energy from renewable sources against the total energy consumption of our investment properties. Energy from renewable sources includes green electricity purchased in Beijing directly from the power grid, GECs purchased in Shanghai, and on-site generated solar power in Hong Kong and the Chinese Mainland.
- <sup>4</sup> Recordable employees work-related injuries that resulted in incapacity for a period of exceeding 3 days.
- <sup>5</sup> Social Impact Assessment survey conducted for donation initiatives of the Group.
- <sup>6</sup> Our satisfaction surveys cover offices, retail, and residential properties managed by the Group.
- <sup>7</sup> As at 31 December 2025, the Group's total sustainable financing reached approximately HK\$60,229 million.

## SUSTAINABILITY VISION 2030 TARGETS AND PROGRESS

Our Sustainability Vision 2030 delivered strong results ahead of schedule through excellent collaboration. We are now developing a medium-term sustainability vision with new targets that align with global standards and stakeholder expectations.

Sub-category	Sustainability Vision 2030 Targets	Target Status	2025 Performance
<b>ENVIRONMENT</b>			
<b>GHG Emissions and Energy Efficiency</b>	Reduce 2% of our Scope 1 and 2 carbon emission intensity every year	 100%	▼31%
	Conduct carbon audits for office tenants across 100% of our investment properties <sup>8</sup>	 69%	69%
<b>Sustainable Buildings</b>	Achieve green certifications for 100% of new investment properties <sup>8,9</sup>	 100%	100%
	Adopt wellness features in building design across 100% of investment properties <sup>8</sup>	 97%	97%
	Adopt biophilic design features across 50% of new investment properties <sup>8,9</sup>	 100%	100%
<b>Climate Change and Resilience</b>	Conduct Climate Risk and Vulnerability Assessment across 100% of investment properties <sup>8</sup>	 100%	100%
	Adopt climate-resilient building features across 100% of investment properties <sup>8</sup>	 95%	95%
<b>Water Consumption and Conservation</b>	Implement rainwater harvesting system across 100% of investment properties <sup>8</sup>	 55%	55%
<b>PEOPLE</b>			
<b>Occupational Health and Safety</b>	Reduce work-related injury rate <sup>10</sup> of employees to 10 per 1,000	 100%	7.9
	Maintain record of zero work-related fatalities of all our employees	 100%	Zero
<b>Diversity, Equity, and Inclusion</b>	100% of employees receive gender equality, anti-sexual harassment, and related ethical training	 97%	97%
	Maintain zero discrimination cases in all operations by treating all people fairly, impartially and with dignity and respect	 100%	Zero
	At least one third of senior positions are held by women <sup>11</sup>	 100%	44%
	100% of employees receive labour rights, diversity, and social inclusion training	 97%	97%
<b>COMMUNITY</b>			
<b>Community Engagement, Development and Investment</b>	100% of new MUDs <sup>12</sup> are planned and designed with cultural and heritage conservation consideration	 100%	100%
	100% of new MUDs <sup>12</sup> are planned and designed through a mandatory community engagement process, with but not limited to women, children, elderly, and disabled persons	 100%	100%
<b>VALUE CHAIN</b>			
<b>Responsible Supply Chain Management</b>	100% of contractors/suppliers are governed by Vendor Code of Conduct which forbids forced labour, slave labour, and child labour	 90%	90%
	100% of operations are governed by green procurement guidelines which include use of sustainable resources throughout property development and operation	 84%	84%
	100% of construction projects implement waste recycling programmes	 100%	100%
	100% of building contractors/suppliers are governed by sustainable procurement guidelines which contain mandatory diversity requirements	 32%	32%

<sup>8</sup> Calculated based on gross floor area.

<sup>9</sup> New investment properties refers to our investment properties that are completed in or after 2019.

<sup>10</sup> Recordable employees work-related injuries that resulted in incapacity for a period of exceeding 3 days.

<sup>11</sup> Director grades or above. The percentage is calculated based on the total number of employees directly employed by the Group (excluding hotels).

The figure is 43% if hotel employees are included in the calculation. As at 31 December 2025, the Group (including hotels) had approximately 7,490 employees.

<sup>12</sup> New MUDs refers to MUDs that were completed in or after 2019.

## SUSTAINABLE BUILDING IN PRACTICE



**96%**  
Investment Properties Obtained Sustainable Building Certifications<sup>13,14</sup>  
(2024: 95%)



**82%**  
Investment Properties Achieved the Highest Ratings in Sustainable Building Certifications<sup>13,14</sup>

New Sustainable Building Certifications Obtained in 2025		
	<b>LEED O+M Platinum</b>	<ul style="list-style-type: none"> <li>Shenzhen Qianhai Kerry Centre Phase I</li> <li>Shenzhen Qianhai Kerry Centre Phase II</li> </ul>
	<b>LEED BD+C Platinum</b>	<ul style="list-style-type: none"> <li>Shenzhen Qianhai Kerry Centre Phase III</li> </ul>
	<b>LEED Communities Platinum</b>	<ul style="list-style-type: none"> <li>Shanghai Jing An Kerry Centre</li> </ul>
	<b>WELL Core Platinum</b>	<ul style="list-style-type: none"> <li>Shenzhen Kerry Plaza</li> </ul>
	<b>WELL Health-Safety Rating</b>	<ul style="list-style-type: none"> <li>Shenyang Kerry Centre Enterprise Square</li> <li>Shenyang Kerry Centre Phase II</li> </ul>
	<b>BEAM Plus New Buildings v2.0 Provisional Gold</b>	<ul style="list-style-type: none"> <li>THE HILLTOP</li> <li>To Kwa Wan Redevelopment Project</li> </ul>
	<b>Parksmart Pioneer</b>	<ul style="list-style-type: none"> <li>Hangzhou Kerry Centre</li> </ul>

## DOUBLE MATERIALITY ASSESSMENT

Building on the foundation of the 11 Tier-1 material topics identified in 2024, we conducted more in-depth, personalised interviews to better understand key stakeholder priorities. From these, six topics were identified as the most financially material to our business for 2025 Sustainability Report.



## FROM ACTION TO IMPACT

A series of initiatives across our operations, aligned with our sustainability values, progressed us towards Sustainability Vision 2030.



### Protecting Our Environment

- Our Carbon Neutrality Roadmap
- Powering a Cleaner Future
- Sustainable Building Excellence



### Creating Positive Communities

- From Commitment to Community Impacts
- WELL The Great Minds Meet
- From Placemaking to Community Building



### Putting People First

- Growing Together with Our People
- Weaving ESG into Our Talent DNA
- Prioritising Employee Well-being



### Empowering Our Business Partners

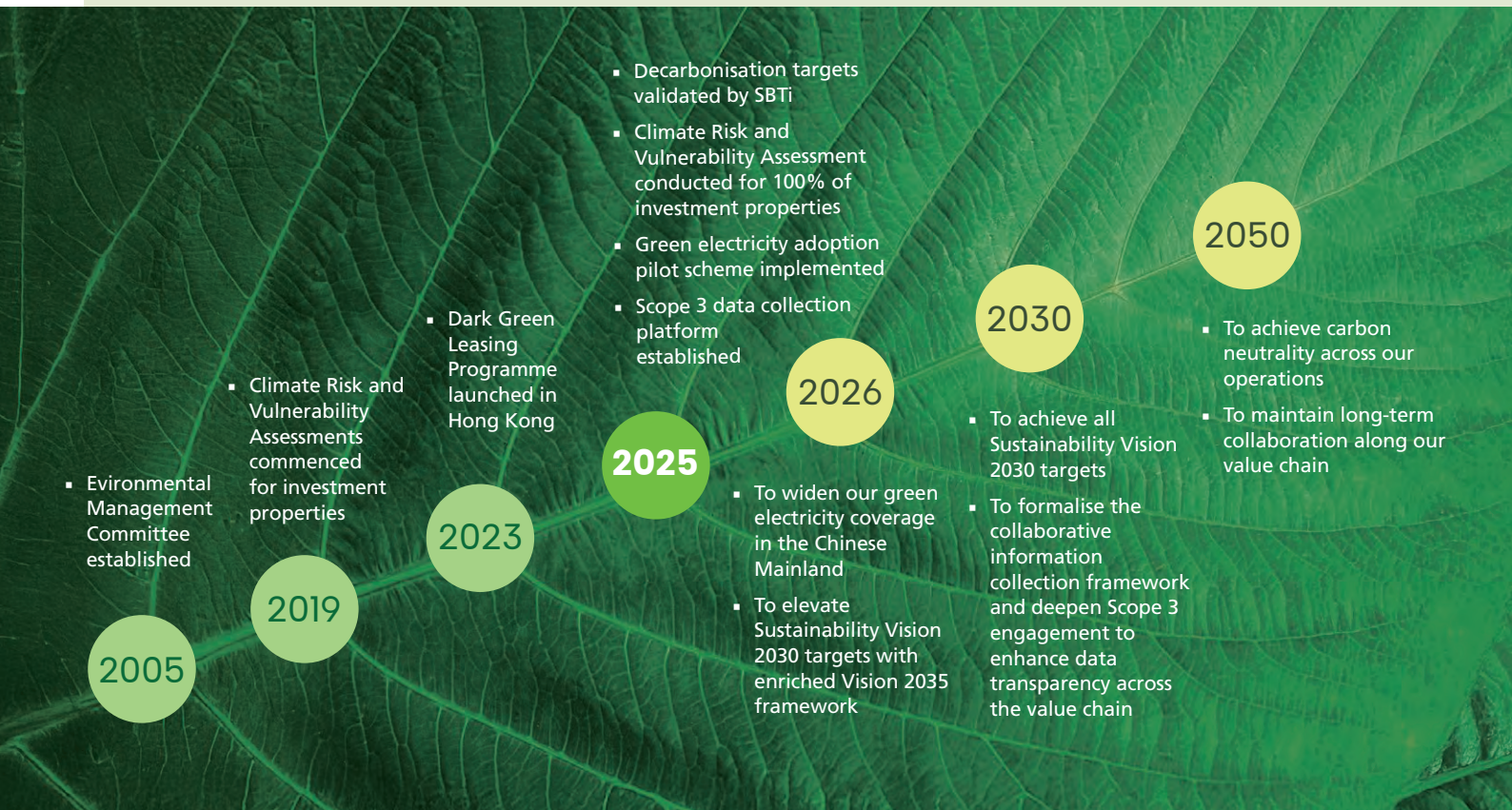
- Supply Chain Compliance
- Supporting Suppliers on Decarbonisation
- Capturing Data from Tenants
- Promoting Sustainable Tenancy

<sup>13</sup> Sustainable building certifications include BEAM / BEAM Plus, LEED, WELL, and China Green Building Evaluation Label.  
<sup>14</sup> Calculated based on gross floor area.



## Protecting Our Environment

### Our Carbon Neutrality Roadmap



### Powering a Cleaner Future



- We piloted green electricity adoption at Beijing Kerry Centre in 2025.
- GECs applied at Shanghai Jing An Kerry Centre and Shanghai Kerry Everbright City, further advancing our commitment to green energy in operations.



**20%** Renewable Energy Consumption<sup>15</sup>

<sup>15</sup> Calculated based on the energy from renewable sources against the total energy consumption of our investment properties. Energy from renewable sources includes green electricity purchased in Beijing directly from the power grid, GECs purchased in Shanghai, and on-site generated solar power in Hong Kong and the Chinese Mainland.

### Sustainable Building Excellence



**100%** New Investment Properties Achieved Green Building Certifications

#### Beijing Kerry Centre

- Received Beijing CBD's first LEED for Operations and Maintenance Platinum.
- First commercial complex in Beijing to attain LEED Community Platinum.

#### Shanghai Jing An Kerry Centre

- First property in Asia to achieve both LEED Zero Carbon and LEED Zero Waste certifications.
- First property in the Chinese Mainland to attain the LEED Zero Carbon certification.

#### Shenzhen Qianhai Kerry Centre Phase I and II

- Recognised by the Housing and Construction Bureau of Shenzhen Municipality as a pilot project for the Integrated Application of International Green & Low-Carbon Advanced Standards in Shenzhen.



## Putting People First

### Growing Together with Our People



2025 marked an exciting chapter with the introduction of our new Vision, Mission and Values (“VMV”) under the theme “Grow. Together.”.

To ensure the VMV becomes an integral part of our Company’s DNA, we developed a strategic roadmap to embed VMV through the stages of awareness, internalisation and integration.



**4** Town Halls  
**450+** Participants



**5** Activation Labs  
**7** Behavioural Expectations and  
**160+** Behavioural Indicators Created

### Prioritising Employee Well-being

We engaged our employees by providing wellness facilities at our properties and introducing a series of well-being initiatives. These initiatives fostered camaraderie through nationwide corporate games, wellness campaigns and activities.



### Weaving ESG into Our Talent DNA



To advance our commitment to sustainability, we go beyond foundational training for new joiners by implementing different phases of ESG training, such as Climate Fresk workshop, to imprint sustainability into our employees’ DNA.

In 2025, our ESG-related training hours increased tremendously, with cybersecurity being one of our key focuses to equip our employees for the AI trend.



**38,000+**  
Training Hours on ESG-related Topics

#### Step Challenge 2025

Step Challenge is an annual wellness initiative aimed at encouraging our employees to embrace healthy walking habits with funds raised for charities.



#### Impacts



**1,600+**  
Employees Participated



Approximately  
**600 million**  
Steps Accumulated



Approximately  
**HK\$1.2 million**  
Donated

#### Social Impact Assessment (“SIA”)

**95%**  
Agreed It Generated Positive Community Impact

**89%**  
Reported Improved Physical Wellness and Walking Habits

**93%**  
Agreed It Supported a Healthier Lifestyle and Enhanced Staff Well-being



## Creating Positive Communities

### From Commitment to Community Impacts

We deepen stakeholder connections and respond to community needs through strategic investments, donations, sponsorships, employee volunteering, and targeted support programmes, leveraging our resources and network to deliver measurable positive impact.

Our structured SIA framework evaluates donation initiatives by measuring the outcomes and stakeholder perceptions and optimising resource allocation.



**760+**  
Community Initiatives



**400+**  
Partnering Organisations

**HK\$ 22 million Donations**

### Encouraging SIA Results

#### Beneficiaries



**99%**  
Overall Satisfaction Rate

**99%**  
Found Our Donations Helpful

#### Volunteers



**100%**  
Overall Satisfaction Rate

**99%**  
Found Our Events Meaningful

### WELL The Great Minds Meet

- Shanghai Jing An Kerry Centre partnered with the International WELL Building Institute (IWBI) to launch the “WELL the Great Minds Meet”.
- The initiative translates the WELL standard’s ten core concepts into actions for healthy buildings, exercise, diet, and culture.
- Supported by 17 partners, this initiative has paved way for collaborative activities in 2026.



### From Placemaking to Community Building

We curated iconic programmes of beloved characters enhanced by technology to cultivate multicultural communities and implemented sustainability to connect people:

- Shanghai Jing An Kerry Centre hosted “100% Doraemon & FRIENDS”, one of the world’s largest Doraemon exhibitions, which attracted thousands of visitors.
- Hangzhou Kerry Centre launched the nation’s first “THE MONSTERS Forest Secret Base”, an experiential park at a 100:1 scale, and introduced the world’s first dedicated LABUBU drone show to deliver an immersive public experience.
- Salvaged branches and trees from our properties were upcycled in a creative way and displayed at Shenzhen Kerry Plaza and Hong Kong Enterprise Square Five, respectively.





## Empowering Our Business Partners

### Supply Chain Compliance

Across our operations in 2025, 90% of contractors / suppliers fell under the governance of our Vendor Code of Conduct. Furthermore, 84% of our operations adhered to green procurement guidelines, with sustainable procurement practices implemented.



### Supporting Suppliers on Decarbonisation

- Our Supplier Low Carbon Stewardship Scheme in Hong Kong provided our suppliers with practical support, including workshops, seminars, e-learning modules, and complimentary carbon analysis.
- With the new data collection platform, ESG Connect, jointly developed with HKQAA, we aim to better understand suppliers' ESG performance and monitor supply chain ESG risks. A designated team in Hong Kong was set up to address enquiries and monitor the data performance of our suppliers.
- We offered our suppliers a complimentary ESG Planner Certificate Course conducted by the Hong Kong Institute of Circular Economy, and received an overwhelming response. Participants are equipped to implement corporate sustainability into their operations and introduce new ESG initiatives within their companies.



Supplier Low Carbon Stewardship Scheme Number of Enrollment **More than Doubled** (As Compared to 2024)



**1<sup>st</sup>** Suppliers' Exclusive Data Collection Platform



**91%** Supplier Low Carbon Stewardship Scheme Member Companies Have Enrolled in the Course

### Capturing Data from Tenants



- In 2025, we successfully captured energy data from nearly 90% of the tenancy areas across our investment properties in the Chinese Mainland; and in Hong Kong, we continued broadening tenant data coverage through the Tenant Carbon Audit Programme and the Dark Green Leasing Programme.



**69%** Investment Properties with Audited Office Tenants<sup>16</sup>

16 Calculated based on gross floor area.



### Promoting Sustainable Tenancy

- Sustainable Fitting Out Guideline (Office) is available to office tenants across our investment properties with clear instructions on responsible renovation and fitting out.
- Modular fitting out measures have been adopted, and value-added green fit-out and move-in-ready services have been introduced, streamlining tenant onboarding procedures while embedding green elements into the process.



# MAJOR AWARDS AND RECOGNITIONS

At KPL, a dedication to operational excellence guides every aspect of our business. We are truly honoured and grateful for the recognition received throughout 2025. These accolades, outlined below, serve as a testament to our dedication and inspire us to reach new heights in the year ahead.

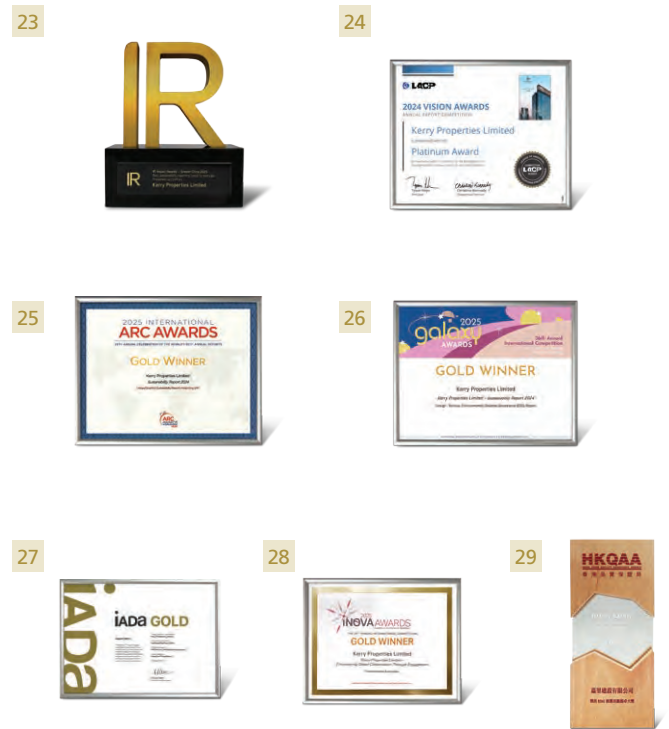


## Green

1. **Global Real Estate Sustainability Benchmark (GRESB) 2025**  
GRESB
  - Diversified Category (Standing Investments Benchmark) – Global Sector Leader – Listed
  - Asia Diversified Category (Standing Investments Benchmark) – Regional Sector Leader
  - Asia Diversified Category (Standing Investments Benchmark) – Regional Sector Leader – Listed
  - Highest 5-Star Rating, for the 5<sup>th</sup> consecutive year
2. **Sustainability Yearbook 2026**  
S&P Global
  - Yearbook Member
3. **Sustainability Yearbook (China) 2025**  
S&P Global
  - Yearbook Member
4. **Hong Kong Green Awards 2025**  
Green Council
  - Sustainable Procurement Award (Large Corporation) – Grand Award
  - Green Management Award – Corporate (Large Corporation) – Platinum
  - Sustained Performance (16 Years+)
5. **BEAM Plus New Buildings (NB) Version 2.0**  
Hong Kong Green Building Council
  - Provisional Gold Rating: 81 Hill Road Hong Kong
  - Provisional Gold Rating: Proposed Residential / Commercial Development at Hung Fook Street / Ngan Hon Street, To Kwa Wan, Kowloon
6. **Climate Action Award 2025**  
World Green Organisation
  - Climate Action Leadership Award

## Property Development and Management

7. **Hubexo Asia Awards 2025**  
Hubexo (formerly BCI Central)
  - Elite Awards
8. **11<sup>th</sup> CREDAWARD**  
DJSER and Shanghai Sinoexpo Informa Markets International Exhibition Co., Ltd.
  - Silver Award in Comprehensive Commercial Project – Comprehensive Development: Fuzhou Rivercity
9. **IWBI Awards 2025**  
International WELL Building Institute (IWBI)
  - Healthy Building Catalyst Award
10. **WELL Core Certification**  
International WELL Building Institute (IWBI)
  - Platinum: Shenzhen Kerry Plaza
11. **WELL Health-Safety Rating**  
International WELL Building Institute (IWBI)
  - Shenyang Kerry Centre Enterprise Square (T1 Building); and Shenyang Kerry Centre Phase II Office Tower
12. **Excellence in Facility Management Award 2025**  
The Hong Kong Institute of Facility Management (HKIFM)
  - Distinction Award in Small-scale Residential: Mont Rouge
  - Theme Award – Embracing ESG in Facility Management – Gold Award: Constellation Cove
13. **LEED v4.1 Operations and Maintenance: Existing Buildings Certification**  
U.S. Green Building Council
  - Platinum: Shenzhen Qianhai Kerry Centre Phase I (T1 & T2 Buildings); and Phase II (T7 & T8 Buildings)
14. **WiredScore Certification**  
WiredScore Ltd.
  - Platinum: Hong Kong Kerry Centre
  - Gold: Hong Kong Enterprise Square Five
15. **Parksmart Certification**  
Green Business Certification Inc. (GBCI)
  - Pioneer: Hangzhou Kerry Centre



### Corporate Governance and Citizenship

- 16. Hang Seng-related Index Series**  
Hang Seng Indexes Company Limited
  - Constituent Member of the Hang Seng ESG 50 Index
  - Constituent Member of the Hang Seng Corporate Sustainability Benchmark Index
  - AA+ ESG Rating, for the 5<sup>th</sup> consecutive year
- 17. 6<sup>th</sup> Greater Bay Area Business Sustainability Index**  
The Chinese University of Hong Kong and Centre for Business Sustainability, CUHK Business School
  - Pace-setter Level (Top 15)
- 2<sup>nd</sup> Greater China Real Estate Business Sustainability Index**  
The Chinese University of Hong Kong and Centre for Business Sustainability, CUHK Business School
  - Exemplar Level (Top 5)
- 18. Hong Kong Corporate Governance and ESG Excellence Awards 2025**  
The Chamber of Hong Kong Listed Companies and Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University
  - Award of Excellence in ESG (Hang Seng Composite Index Constituent Companies)
- 19. Best Corporate Governance and ESG Awards 2025**  
Hong Kong Institute of Certified Public Accountants
  - Most Sustainable Organizations Awards (Main Categories Section – Medium Market Capitalization Category) – Commendation
- 20. Hong Kong Sustainability Award 2025**  
Hong Kong Management Association
  - Distinction Award (Large Organisation Category)
  - Excellence in Innovation
- 21. LEED v4.1 Cities and Communities Certification: Existing**  
U.S. Green Building Council
  - Platinum: Shanghai Jing An Kerry Centre
- 22. The Caring Company Scheme 2024/2025**  
The Hong Kong Council of Social Service
  - Leading Performance
  - 20 Years Plus Caring Company
  - Caregiver-friendly Company

### Communications and Promotions

- 23. IR Impact Awards – Greater China 2025**  
IR Impact
  - Best Sustainability Reporting (Small to Mid-cap)
- 24. 2024 Vision Awards Annual Report Competition**  
League of American Communications Professionals (LACP)
  - Platinum Award in Real Estate / REIT category: Annual Report 2024
- 25. International ARC Awards 2025**  
MerComm, Inc.
  - Gold Award in Design / Graphics – Sustainability Report – Hong Kong: Sustainability Report 2024
- 26. Galaxy Awards 2025**  
MerComm, Inc.
  - Gold Award in Design – Various – Environmental / Societal Governance (ESG) Report: Sustainability Report 2024
- 27. The International Annual Report Design Awards 2025**  
IADA Global
  - Gold Award in Integrated Presentation: Sustainability Report 2024
- 28. iNOVA Awards 2025**  
MerComm, Inc.
  - Gold Award in Environmental Awareness: Empowering Ocean Conservation Through Engagement
- 29. Hong Kong Green and Sustainability Contribution Awards 2025**  
Hong Kong Quality Assurance Agency
  - Outstanding Award for Excellent ESG Disclosure Contribution

# CORPORATE GOVERNANCE REPORT

## PURPOSE, VALUES, AND CORPORATE CULTURE

### GROW. TOGETHER.

**We aim to build a company that nurtures and inspires people to grow and become better versions of themselves.**

At Kerry Properties, we are committed to fostering an ecosystem built on trust, diversity and shared purpose where our employees, clients, tenants, and communities can grow and flourish together, like in a vibrant garden.

### OUR VALUES – THE PILLARS OF OUR ECOSYSTEM

Our values are the bedrock of our culture, mirroring the interdependent elements of a healthy garden:

**Act with integrity** – We do what we say. We do what is right for the Company and society.

**Care** – We pride ourselves with the care that we place into our work. Knowing that what we **do directly impacts people's lives** – we develop homes, workplaces, hotels, retail and entertainment spaces, public realms, and natural environments. We show our care for the Company and for society through the quality of our work.

**Commit and take ownership** – We take ownership of the **Company's objectives** and commit to them as our own. We exercise sound judgement, and execute with speed and quality to get things done - building a people-first work environment to deliver outstanding results and sustainable growth.

**Remain curious and constantly learn** – Change is one of the rare constants in life. Whether we are a seasoned executive or a new trainee we must develop curiosity and an attitude of constant learning – learning from others, from successes, from failures – to improve our abilities, to work better with our teams, and to drive effectiveness and efficiency in the Company.

**Practice humility** – We are respectful, possess an attitude of openness, value the contribution of others, and are generous with assigning credit when due.

**Support and develop talent** – We work as a team; share knowledge; lead and develop others to succeed, and are grateful to those who have helped us along the way. The ability to attract, lead, and develop people will be the key to our long-term success in the Company.

### OUR CULTURE – A COLLABORATIVE ECOSYSTEM

We see KPL as a living, breathing ecosystem with a culture of trust, diversity, and shared purpose. Our teams are fueled by open communication, mutual respect, and care. We empower employees to take initiative, innovate, and grow – knowing that setbacks are opportunities to learn. At KPL, we lead by providing guidance, support, and mentorship, by fostering an environment where every voice is heard, and by recognising that every contribution enriches the whole.

As a property developer, we channel our purpose into creating premium, quality properties in prime locations – spaces that reflect the same care and intentionality as our cultural ethos.

**Just as a garden's beauty lies in its balance of design and functionality, our developments strive to blend timelessness with innovation. We select prime locations as the "fertile soil" where our gardens can take root, designing spaces that aim to inspire and promote well-being. Every project is a testament to our commitment to excellence, attention to detail, and respect for the environments we shape. By developing ecosystems, rather than just building structures, we aim to enhance lives and elevate neighbourhoods, ensuring that our developments stand as enduring landmarks.**

## CORPORATE GOVERNANCE

Corporate governance is the structure of roles, practices, and processes used to direct and manage a business ensuring that a company's objectives are met, and evolves with each business and operating environment. KPL is committed to the highest standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of the Company's businesses. KPL is also committed to ensuring that its affairs are conducted in accordance with the highest ethical standards so that its Shareholders' interests will be maximised in the long-term and that its employees, business partners, communities and stakeholders will all benefit. The Board strives to enhance KPL's corporate governance practices to ensure that its standards of ethics are maintained whilst at the same time optimising returns to its Shareholders.

The CG Code sets out (a) the mandatory requirements for disclosure in the Corporate Governance Report; and (b) the principles of good corporate governance, the code provisions on a "comply or explain" basis and certain recommended best practices.

KPL complied with all the code provisions set out in the CG Code throughout 2025, except for C.2.1 of the code provisions as Mr Kuok Khoon Hua ("**Mr Kuok**") has served as both the Chairman and the CEO.

As Mr Kuok has extensive experience in the business of the Group, the Company is of the view that it is in the best interest of the Company and is more efficient for Mr Kuok to perform the role of Chairman as well as CEO. It is also more favourable to the development and management of the business of the Group. Moreover, the powers and authorities have not been concentrated as all major decisions are made in consultation with the Board as well as the appropriate Board Committees and the senior management team, who possess the relevant knowledge and expertise. The Board believes that the balance of powers and authorities is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with more than half of them being INEDs.

More details about KPL's corporate governance structure, principles and practices are available on the website of KPL.

## THE BOARD OF DIRECTORS

### ROLE AND RESPONSIBILITIES OF THE BOARD

KPL is governed by the Board, which has the responsibility for providing strategic leadership and control. Responsibility for achieving KPL's objectives and running the business on a day-to-day basis is delegated to the senior management.

KPL has formalised the matters specifically reserved for the Board's approval. Major responsibilities of the Board include:

- Setting the tone and continuing KPL's corporate culture.
- Leading, directing and supervising KPL's affairs to enable its long-term success and aligning with KPL's desired corporate culture.
- Setting long-term strategic objectives and strategic policies with appropriate focus on value creation and risk management and alignment with KPL's values and standards.
- Ensuring appropriate and adequate reporting in the annual reports, including financial statements, ESG reporting and disclosures of the Board's practices (e.g. the terms of references of the Board Committees, and adoption of various policies of KPL as disclosed in KPL's website).
- Being accountable for its actions or inactions, and where appropriate, taking the Shareholders' and the stakeholders' views into account in its decisions.
- Ensuring adequacy of resources, staff qualifications and experience, training programmes and budget, especially for KPL's accounting, internal audit and financial reporting, and ESG performance and reporting functions.

- Overseeing KPL's business, corporate governance, financial performance and ESG matters.
- Ensuring efficient communication with the Shareholders and recognition of the Shareholders' interest.

To assist it in fulfilling its duties, the Board has delegated specific responsibilities to four Board Committees, which are:

- (1) Audit and Corporate Governance Committee;
- (2) Remuneration Committee;
- (3) Nomination Committee; and
- (4) Finance Committee.

An overview of the delegated responsibilities of each Board Committee is set forth on page 47 of this annual report.

### CHAIRMAN AND CHIEF EXECUTIVE

Mr Kuok, being the Chairman, is responsible for providing leadership to the Board in terms of establishing policies and business directions, and overseeing and monitoring the day-to-day business operations of KPL.

Mr Kuok ensures that all Directors are properly briefed on issues arising at the Board meetings and that they receive adequate information which is accurate, clear, complete and reliable in a timely manner. He works closely with other Board members and encourages them to make active and effective contributions to the Board's affairs and to voice their concerns during discussion to ensure that the Board discharges its responsibilities effectively and all key and appropriate issues are discussed by the Board timely. He defines long-term strategies for the Group, including business direction, sustainable business strategy and promotion of the Group's culture and values, and implements the strategies and policies set by the Board. He also drives sustainable long-term value to the Group, focusing on consistent performance and balancing the needs of stakeholders. He promotes a culture of openness and trust, and ensures that good corporate governance practices and procedures are established through the Board.

## NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT NON-EXECUTIVE DIRECTORS)

Non-executive Directors (including the INEDs) are responsible for bringing independent advice and judgement on issues relating to KPL's performance, strategies and policies, and potential conflict of interests in KPL through their regular attendance and active participation in Board meetings and Board Committee meetings, which enable them to give the Board and the Board Committees they serve the benefit of their skills, expertise and knowledge.

Apart from the appointments as INEDs, none of the INEDs has any form of service contract with KPL or any of its subsidiaries.

Each Director ensures that he or she can give sufficient time and attention to KPL's affairs. At the time of appointment, the Directors shall disclose to the Board the number and nature of offices held in other public companies or organisations and other significant external time commitments. Such disclosure is updated on a timely basis.

During the year, the Board reviewed the contributions from the Directors and confirmed that they spent sufficient time in performing their responsibilities.

## BOARD COMPOSITION AND CHANGES

The Board is structured with a view to ensuring it is of a high calibre and has a balance of key skills, experience and diverse perspectives.

As at 31 December 2025 and up to the date of this annual report, the Board comprises one ED, three INEDs and one NED. They are identified in all corporate communications to Shareholders that disclose the Directors' names.

During the year and up to the date of this annual report, there is no change to the Board composition.

Category	Directors	Length of Tenure (Approximately)	Current Period of Appointment* (Approximately)
<b>Executive Director</b>	Kuok Khoon Hua (Chairman and Chief Executive Officer)	10 years	1 year
<b>Independent Non-executive Directors</b>	Hui Chun Yue, David	6 years	2 years
	Chum Kwan Lock, Grant	4 years	1 year
	Li Rui	2.5 years	2 years
<b>Non-executive Director</b>	Tong Shao Ming	2.5 years	2 years

\* "Current Period of Appointment" refers to the period commenced from the AGM, in which a Director's respective re-election was approved by the Shareholders.

A list of all the Directors' roles, functions, titles and biographical details is set out in the section headed "Directors and Senior Management" on pages 97 and 98 of this annual report and is published on KPL's website.

## BOARD INDEPENDENCE

KPL recognises that independent views can bring constructive advice to the Board and management. In order to ensure that independent views and input are provided to the Board, several mechanisms are in place, the implementation and effectiveness of which are annually reviewed:

**Composition** – The Board ensures the appointment of at least three INEDs and at least one-third of its members being INEDs. The number of INEDs exceeded the requirement of the Listing Rules (i.e. one-third of the Board) throughout the year. INEDs will be appointed to the Board Committees as far as practicable to ensure independent views are available.

**Independence Assessment** – The Board considers that all three INEDs are independent in character and judgement and meet the independence guidelines set out in Rule 3.13 of the Listing Rules. Annual confirmations of independence with regard to the factors set out in Rule 3.13 of the Listing Rules have been received from all INEDs. The Nomination Committee has assessed their independence by reviewing potential conflicts of interests, and concluded that all INEDs are independent within the definition of the Listing Rules. None of the INEDs has significant links with other Directors through involvement in other companies or bodies, or has material/relevant relationships with other Directors.

**Chairman and INEDs Meetings** – The Chairman holds meetings with INEDs without the presence of other Directors or senior management at least once annually to facilitate the expression of independent views.

**Material Decisions** – Material decisions of the Company shall be dealt with by physical Board meetings, complemented with detailed presentations, if necessary, rather than written resolutions so as to enhance the Directors' understanding on the matters to be decided, to promote discussion and exchange of independent views.

**Conflict Management** – If a Director has a material conflict of interest in relation to a transaction or proposal to be considered by the Board, that Director is required to declare such interest and abstain from voting. The matter is considered at a Board meeting and voted on by the Directors who have no material interest in that transaction. When required by applicable rules or regulations, an Independent Board Committee of KPL comprising all INEDs will be formed to advise the independent Shareholders on a connected transaction or any other transaction to be approved by the independent Shareholders at a SGM.

**External Independent Professional Advice** – In order to assist the Directors in discharging their duties, the Directors can obtain external independent professional advice at KPL's expense as and when required.

## APPOINTMENT AND RE-ELECTION

Potential new directors shall be identified and considered for appointment by the Nomination Committee. A formal letter of appointment setting out key terms and conditions of the appointment should be provided to each newly appointed Director on his or her appointment. Pursuant to the Bye-laws, a Director appointed by the Board is subject to election by the Shareholders at the next AGM following his or her appointment, and every Director should be subject to retirement by rotation at least once every three years and be eligible for re-election at the AGM at which he or she retires.

If an INED has served KPL for more than nine years, his or her further appointment should be subject to a separate resolution to be approved by the Shareholders and the papers to the Shareholders accompanying that resolution should state why the Board, or the Nomination Committee, believes he or she is still independent and should be re-elected, including the factors considered, the process and the discussion of the Board or the Nomination Committee, in arriving at such determination.

## DIVERSITY

KPL has adopted the Board Diversity Policy since 2013. The policy was reviewed during the year to ensure its implementation and effectiveness and KPL is maintaining a diversified Board. When deciding on appointments of Board members and continuation of those appointments, the Board considers a number of board diversity criteria according to the policy, including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service and other factors that may be relevant from time to time towards achieving a diversified Board. Details of the principles of the Board Diversity Policy are set out in the section headed "Nomination Committee" of this corporate governance report.

To identify potential successors to the Board to maintain board diversity, the Company would search via internal resources and may engage professional search firms as and when required.

The Board currently has one female Director out of five Directors (20% of the Board members).

KPL is committed to improving gender diversity on the Board based on its needs and as and when suitable candidates are identified. KPL will strive to maintain an appropriate level of female representation on the Board with at least one female Director (i.e. over 15% of the Board members) in 2026.

KPL has adopted a Workforce Diversity Policy since May 2025. The policy is designed to outline our approach and commitment to establish and foster a diverse, inclusive, and supportive workplace at the Group and it applies to all employees across the Group. KPL dedicates to promote gender diversity across the Group's workforce and the Nomination Committee will review the policy from time to time.

As at 31 December 2025, the Group's workforce (excluding senior management) comprised of approximately 43% female and 57% male, whereas senior management of the Group comprised of 100% male <sup>(Note)</sup>.

Note: Only the Executive Director is regarded as the senior management of the Group.

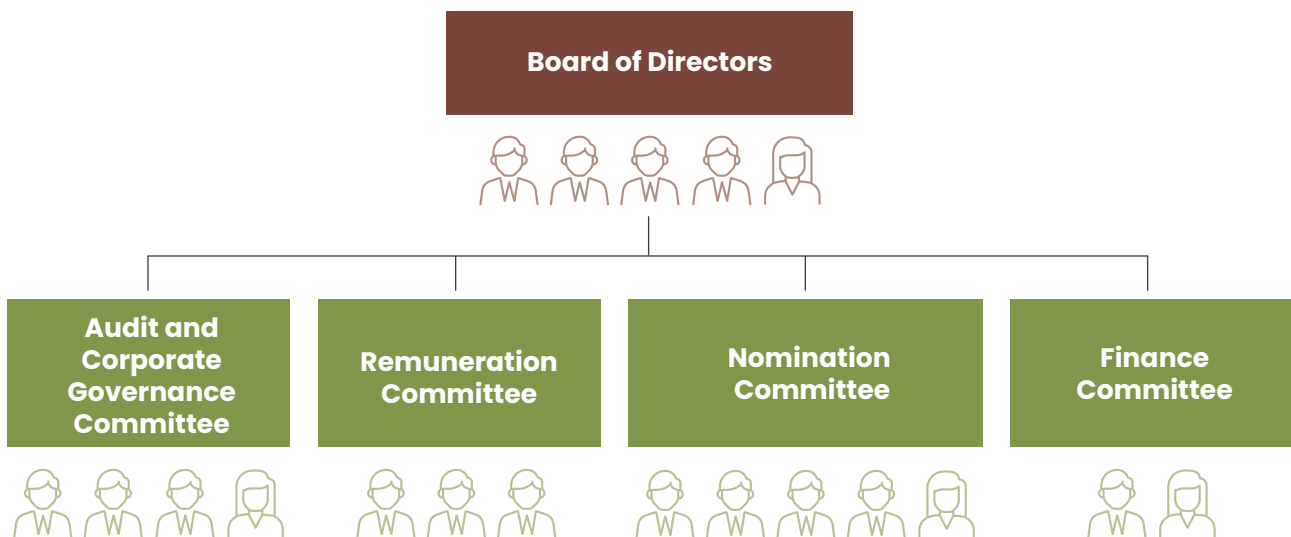
<b>Designation</b>	<b>Executive Director</b> 1 Director	<b>Independent Non-executive Directors</b> 3 Directors	<b>Non-executive Director</b> 1 Director
<b>Gender</b>	<b>Female</b> 1 Director	<b>Male</b> 4 Directors	
<b>Age Group</b>	<b>40-49</b> 1 Director	<b>50-59</b> 4 Directors	
<b>Length of Tenure</b> (Number of Years)	<b>0-5 years</b> 3 Directors		<b>6-10 years</b> 2 Directors

## DELEGATION BY THE BOARD

Specific responsibilities are delegated by the Board to its Board Committees through the Board's approval and adoption of written terms of references. The terms of references of the ACGC, Remuneration Committee and Nomination Committee are available on the websites of KPL and the Stock Exchange.

Below are major responsibilities rested with each Board Committee:

1. **Audit and Corporate Governance Committee** – delegated with responsibilities for, *inter alia*, reviewing the Group's financials and monitoring external audit, internal audit, risk management and internal controls systems and corporate governance related matters.
2. **Remuneration Committee** – delegated with responsibilities for, *inter alia*, reviewing and advising the Board on remuneration proposals for the ED and senior management with reference to individual performance, KPL's goals and objectives, market trend and other relevant factors, and making recommendations to the Board on the remuneration of INEDs and the NED.
3. **Nomination Committee** – delegated with responsibilities for, *inter alia*, reviewing the structure, size, composition and diversity of the Board and the Board Committees, assisting the Board in maintaining a board skills matrix, identifying and assessing potential Board members, making recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, assessing INEDs' independence in accordance with the Nomination Policy and the Board Diversity Policy and supporting the Company's regular evaluation of the Board's performance.
4. **Finance Committee** – this Committee comprises the ED and the CFO. All members of this Committee are appointed by the Board. The Board has approved and adopted the written terms of reference of the Finance Committee and this Committee is delegated with responsibilities for reviewing and approving certain financial matters for the Group, including investment of surplus funds, undertakings, determination and approval of investment, acquisitions and disposals with amounts not exceeding HK\$2.5 billion, arrangement of banking facilities and approval of guarantees and indemnities within designated limits.



## BOARD SKILLS MATRIX

To ensure that the Board maintains an appropriate balance of skills, experience and diversity necessary to meet the current and future needs of the Group, the Nomination Committee has conducted an assessment of the Board's collective skill set.

The following table provides an overview of the Board's skills matrix and illustrates the breadth and depth of the Directors' skills, experience, professional expertise and backgrounds. This demonstrates that the Board and Board Committees possess a broad and diverse mix of competencies relevant to KPL's strategic priorities and long-term development.

Skills/Experience	Relevance to KPL
<b>Business Management</b>	<ul style="list-style-type: none"> <li>Board and governance leadership experience contribute strategic value to the Board and Board Committees.</li> <li>Brings exposure to established governance practices gained from other listed board roles.</li> <li>Provides insights into executive leadership and management of KPL's business and operations.</li> </ul>
<b>Strategic Planning &amp; Risk Management</b>	<ul style="list-style-type: none"> <li>Supports the Board's responsibility to oversee the KPL's long-term strategy and ensure alignment with organisational objectives.</li> <li>Supports the Board in overseeing the implementation and effectiveness of the robust risk management and internal controls systems, a core governance obligation of the Board.</li> </ul>
<b>Financial Reporting</b>	<ul style="list-style-type: none"> <li>Facilitates the Board's review and understanding of the Group's business performance, financial operations and investment activities.</li> </ul>
<b>Legal/Regulatory</b>	<ul style="list-style-type: none"> <li>Contributes expertise in regulatory compliance, governance requirements and stakeholder engagement.</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Brings experience in addressing sustainability and climate-related issues, including knowledge of best practices, climate risks and opportunities, and relevant reporting standards.</li> </ul>
<b>Related Industry Knowledge/ Experience</b>	<ul style="list-style-type: none"> <li>Provides understanding of market dynamics, industry practices, development cycles and operational considerations relevant to the property and real-estate sector.</li> <li>Enhances the Board's ability to evaluate strategic opportunities and industry-specific risks.</li> </ul>
<b>Human Resources Management Expertise</b>	<ul style="list-style-type: none"> <li>Offers oversight, advisory and operational experience in talent acquisition, succession planning and human resources professional development.</li> </ul>

**BOARD SKILLS MATRIX** (Continued)

Directors	Skills/Experience						
	Business Management	Strategic Planning & Risk Management	Financial Reporting	Legal/Regulatory	Sustainability	Related Industry Knowledge/Experience	Human Resources Management Expertise
<b>Executive Director</b>							
Kuok Khoon Hua	✓	✓	✓		✓	✓	✓
<b>Independent Non-executive Directors</b>							
Hui Chun Yue, David	✓	✓	✓	✓	✓	✓	✓
Chum Kwan Lock, Grant	✓	✓	✓		✓	✓	✓
Li Rui	✓	✓	✓		✓	✓	
<b>Non-executive Director</b>							
Tong Shao Ming	✓	✓	✓	✓	✓	✓	

Having reviewed the current Board skills matrix, the Board considers that it currently possesses an appropriate balance of skills and experience and has not identified any immediate additional skills requirements.

**BOARD PERFORMANCE REVIEW**

The Board has not conducted a formal Board performance evaluation in prior years. Given the stability of the Board composition, the Board plans to conduct a formal evaluation in 2026 to assess the overall effectiveness and efficiency of the Board, as well as the collective skills, expertise and qualifications of the Board as a whole. During the year, the Board considered that its effectiveness was appropriately monitored through regular Board meetings, open discussions and ongoing interaction among the Directors.

The role and function, composition and full details of major activities carried out by the following Board Committees during the year are set out in the respective sections in this corporate governance report under the following headings:

- Audit and Corporate Governance Committee: pages 57 to 59.
- Remuneration Committee: pages 60 and 61.
- Nomination Committee: pages 61 to 63.

Responsibility for delivering KPL's strategies and objectives, as established by the Board, and responsibility for day-to-day management are delegated to the CEO and senior management, with division heads responsible for different

aspects of the Group's business. The CEO and senior management have been given clear guidelines and directions as to their powers and, in particular, the circumstances under which they should report back to, and obtain prior approval from, the Board before making significant decisions or commitments on behalf of KPL.

**BOARD MEETING PROCESSES**

The Board and all Board Committees follow the same meeting processes. Board meetings are structured so as to encourage open discussion and active participation by the Directors in meetings. Management provides the Board and the Board Committees with information and explanations as are necessary to enable the Directors to make an informed decision. Updates on the Company's performance, financial position and prospects in sufficient details are provided to all Directors on monthly basis to enable the Board as a whole and each Director to discharge his or her duties. Queries raised by the Directors are answered fully and promptly.

Regular meeting dates for this coming year are agreed by all Directors. The Board normally schedules at least four meetings a year at approximately quarterly intervals and meets more frequently as and when required. Notice for each regular Board meeting is given to all Directors at least 14 days in advance to allow the Directors to include matters in the agenda for the Board meeting. The Board meeting agendas and accompanying Board papers are sent to all Directors, in the case of regular Board meetings, not less than three days in advance of the intended meeting date.

**BOARD MEETING PROCESSES** (Continued)

All Directors have access to the advice and services of the Company Secretary, who ensures that the Board receives appropriate and timely information for its decision-making and that the Board procedures, and all applicable laws, rules and regulations, are followed. The Directors can also obtain external independent professional advice at KPL's expense to ensure independent views and input are available to the Board. To facilitate decision-making process, the Directors are free to make enquiries to the management and obtain further information, when required.

Draft and final versions of minutes of Board meetings and Board Committee meetings are circulated for Directors' comment to ensure that all concerned matters are included. All signed minutes of the Board meetings and the Board Committee meetings are kept by the Company Secretary and are sent to the Directors for records and are open for inspections by the Directors.

In 2025, the timeline for the Board meetings, the Board Committee meetings and the 2025 AGM is set out below:

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
RCM		ACGCM		ACGCM			ACGCM			ACGCM	
NCM		BM		BM			BM			BM	
				AGM							

<b>ACGCM</b>	=	Audit and Corporate Governance Committee Meeting
<b>BM</b>	=	Board Meeting
<b>NCM</b>	=	Nomination Committee Meeting
<b>RCM</b>	=	Remuneration Committee Meeting
<b>AGM</b>	=	Annual General Meeting

During the year, the Directors participated extensively in KPL's affairs and the Board's discussions and decisions, as reflected in their high attendance records in the Board meetings and the Board Committee meetings.

In 2025, details of the attendance of each Director at the Board meetings, the Board Committee meetings and the 2025 AGM are set out in the table below:

Directors	Meetings Attended/Held				
	Board	ACGC	Remuneration Committee	Nomination Committee	AGM
<b>Executive Director</b>					
Kuok Khoon Hua	4/4	N/A	1/1	1/1	1/1
<b>Independent Non-executive Directors</b>					
Hui Chun Yue, David	4/4	4/4	1/1	1/1	1/1
Chum Kwan Lock, Grant	4/4	4/4	1/1	1/1	1/1
Li Rui	4/4	4/4	N/A	0/0*	1/1
<b>Non-executive Director</b>					
Tong Shao Ming	4/4	4/4	N/A	0/0*	1/1

◆ Appointed as a member of the Nomination Committee on 23 May 2025.

The Chairmen of the Audit and Corporate Governance Committee, Remuneration Committee and Nomination Committee attended the 2025 AGM in person.

## DIRECTORS' INDUCTION

To ensure newly appointed Directors are equipped to discharge their responsibilities, they are given a comprehensive, formal and tailored induction upon appointment, including:

- Meetings with Board members and senior management
- The role of the Board and the matters reserved for its decision
- The roles and terms of references of the Board Committees
- KPL's various governance policies and procedures
- The Group's latest financial information

## CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors update their skills and knowledge and familiarise themselves with KPL through active participation in meetings of the Board and Board Committees. KPL makes available continuous professional development opportunities and site visit tour(s) for all Directors at its expense so as to keep them abreast of industry trends, develop and refresh their knowledge and skills.

During the year, all Directors participated in continuous professional development as required under the Listing Rules. Details of the training courses and professional development attended by the Directors as recorded by KPL and/or confirmed by the Directors are set out in the table below:

Directors	Training Topics					Format/ Mode <sup>(Note)</sup>
	Legal and Regulatory Update	Board Roles, Responsibilities and Effectiveness	Corporate Governance and ESG Matters	Risk Management and Internal Controls	Updates on Business Trends and Strategies	
<b>Executive Director</b>						
Kuok Khoon Hua	✓	✓	✓	✓	✓	A, B, C
<b>Independent Non-executive Directors</b>						
Hui Chun Yue, David	✓	✓	✓	✓	✓	A, B
Chum Kwan Lock, Grant	✓	✓	✓	✓	✓	A, B
Li Rui	✓	✓	✓	✓	✓	A, B
<b>Non-executive Director</b>						
Tong Shao Ming	✓	✓	✓	✓	✓	A, B

Note:

- Internal or external seminars/training courses/webinars/other professional development
- Quarterly meetings covering regulatory and compliance updates
- Selected reading materials

Members of the management and the Company Secretary had access to a variety of training activities in 2025, including attending seminars and conferences and receiving legal and regulatory updates relevant to their business and duties. They received sufficient internal and external trainings to equip themselves for fulfilment of their roles in supporting KPL.

The Board considered that the training undertaken by each Director during the year was sufficient having regard to the Director's experience, role and responsibilities, and satisfied the continuous professional development requirements under the Listing Rules.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

KPL has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

## SECURITIES TRANSACTIONS

KPL has adopted the Model Code as the code for securities transactions by the Directors. A copy of the Model Code has been sent to all Directors by KPL. In addition, regular reminders are sent to the Directors regarding restrictions on dealings in the securities and derivatives of KPL during the black-out period before the interim and final results of KPL are published.

Under the Model Code, the Directors are required to notify the Chairman and receive a dated written acknowledgement before dealing in the securities and derivatives of KPL and, in case of the Chairman himself, he must notify a Director designated by the Board and receive a dated written acknowledgement before any dealing.

KPL made specific enquiries with all Directors and they have confirmed compliance with the required standards set out in the Model Code throughout 2025. KPL's employees who are likely to be in possession of unpublished and price-sensitive inside information have been requested to comply with provisions similar to those terms in the Model Code.

KPL is not aware of any non-compliance with the Model Code throughout 2025.

## ACCOUNTABILITY IN FINANCIAL REPORTING

The Board aims to present a balanced, clear and understandable assessment of the Group's performance, position and prospects in annual reports, interim reports and other financial disclosures required by the Listing Rules and acknowledges its responsibility for the following:

- Providing proper stewardship of the Group's affairs to ensure the integrity of financial information.
- Ensuring appropriate and adequate reporting in the Group's annual and interim financial statements and other related information.
- Selecting appropriate accounting policies and ensuring that these are consistently applied.
- Ensuring judgements and estimates are prudent and reasonable.
- Ensuring the application of going concern assumption is appropriate.

The external auditor has a primary responsibility for auditing and reporting on the financial statements and the Independent Auditor's Report to the Shareholders is included in this annual report. During 2025, the Board reviewed the Group's financial projections in respect of the next five financial years. On the basis of this review, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

## INTERNAL AUDIT DEPARTMENT

The Group has an efficient Internal Audit Department, which plays a crucial role in monitoring the Group's governance practice and provides independent and objective assurance on the adequacy and effectiveness of the risk management and internal control systems. The Internal Audit Department is staffed by eleven professionals, based in Hong Kong, Beijing and Shanghai, with appropriate internal audit, financial audit, IT audit and industry specific skillsets.

The Internal Audit Department reports directly to the ACGC without the need to consult with the management, and via the ACGC to the Board. The Internal Audit Department has unrestricted access to all areas of the Group's business units, assets, records and personnel in the course of conducting its work.

The Internal Audit Department adopts a risk-based audit approach and conducts annual risk assessment to devise a 3-years-rolling internal audit plan. The internal audit plan and resources are reviewed and agreed with the ACGC. Significant audit findings and recommendations are reported to the ACGC, the implementation of respective remediation actions are tracked and followed up regularly, and their respective status is reported to the ACGC.

The Group has adopted and regularly updated a Whistleblowing and Complaints Policy for its employees, customers, suppliers and the communities it connects with. A formalised procedure with the reporting line through the ACGC to the Board will be undertaken upon receipt of whistleblowing and complaint reports, which can be filed on an anonymous basis, to ensure the Group's affairs are conducted to a high ethical standard.

To promote a business culture with honesty, ethics and integrity, the Group has also adopted and regularly updated an Anti-Corruption Policy setting out the responsibilities of all business units and employees of the Group to comply with the applicable anti-corruption laws, rules and regulations. The Group's joint venture partners, associated companies' representatives, contractors and suppliers are also encouraged to abide by the principles of this policy.

## EXTERNAL AUDITOR

The ACGC acts as a point of contact, independent from management, for the external auditor. The external auditor has direct access to the Chairman of the ACGC, who meets with them periodically without management present.

The Group's external auditor is PricewaterhouseCoopers, Hong Kong ("PwC"). The ACGC has developed and implemented a policy on engaging PwC to supply non-audit services. All PwC non-audit services have to be reported to the ACGC for approval.

The ACGC considers and reviews PwC's independence and objectivity in relation to both audit and non-audit services provided to the Group and the effectiveness of the audit process in accordance with applicable standards. PwC writes annually to the members of the ACGC confirming that they are independent accountants within the meaning of Section 290 of the Code of Ethics for Professional Accountants of the Hong Kong Institute of Certified Public Accountants and they are not aware of any matters which may reasonably be thought to bear on their independence.

Fees paid/payable to PwC for the year ended 31 December 2025:

Nature of Services	HK\$ million
<b>Audit and audit related services</b>	13
<b>Non-audit services</b>	
– Taxation services	4
– Other services <sup>(Note)</sup>	1
<b>Total</b>	<b>18</b>

Note:  
Other services mainly represented consultancy services for cybersecurity.

The Auditor's remuneration is set out in note 7 to the consolidated financial statements of this annual report.

## INSIDE INFORMATION

With respect to procedures and internal controls for the handling and dissemination of inside information, the Group has adopted and regularly updated the Policy on Inside Information Disclosure and Insider Dealing. The procedures and internal controls for the handling and dissemination of inside information are summarised below:

- The Group shall disclose inside information as soon as reasonably practicable in accordance with the SFO and the Listing Rules.
- Business units are subject to policies designed to identify potential inside information in the course of conducting their affairs.
- All employees of the Group are subject to a strict prohibition on the unauthorised use of confidential or inside information.
- Practical measures, such as the use of codenames and limiting internal dissemination, are adopted to maintain the confidentiality of inside information.
- The Directors, CFO and/or the Company Secretary shall be informed immediately in any event of leakage of inside information so that remedial actions can be taken at the earliest opportunity.
- Inside information shall be reviewed by CEO, CFO and designated division heads in advance before its dissemination to external parties to ensure the appropriate handling and dissemination of inside information.
- The Group Finance Department shall keep track of the Group's threshold levels for disclosure pursuant to the size tests under the Listing Rules, so that announcements can be made as soon as practicable should a notifiable transaction arise.
- Inside information shall be announced promptly through the Stock Exchange's and KPL's websites.
- Briefing sessions on KPL's performance and results will be organised for analysts and the media in the afternoon on the same day after the announcement of interim and final results.

## SHAREHOLDERS ENGAGEMENT

The Group is committed to carefully evaluating the impact of its operations on its stakeholders, including the Shareholders, the employees and the investors, as well as the wider community. The Board has established the Shareholders Communication Policy since 2012 and is responsible for regular review of its effectiveness. The latest review was completed in November 2025.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

KPL aims to maintain open and constructive dialogue with Shareholders, and to provide them with the information they require to make sound investment decisions. The Board and senior management recognise their responsibility to represent the interests of all Shareholders and to maximise Shareholders' value.

Communication with Shareholders and accountability to Shareholders are of the highest priority to KPL. The methods used to communicate with Shareholders include the following:

---

### Interactive Engagement

- Briefings in relation to the interim and final results announcements are held twice a year, at which our CEO and CFO are available to answer questions regarding KPL's operation and financial performance.
- The CEO and the CFO make themselves available for meetings with major Shareholders, investors and analysts over a defined period immediately after the announcement of the interim and final results, and at other times during the year.
- KPL also avails itself of opportunities to communicate and explain its strategies to capital market stakeholders via investor conferences, one-on-one and group meetings, non-deal roadshows and property visits with financial analysts, Shareholders and potential investors. In 2025, through these channels of communication, KPL engaged with various investors from Hong Kong, the Chinese Mainland and overseas, fostering constructive two-way dialogues with the participants.

---

### Corporate Communications

- KPL's corporate communications will be provided to the Shareholders in plain language and in both English and Chinese versions to facilitate the Shareholders' understanding. The Shareholders have the right to choose the language (either English or Chinese) and means of receipt of the corporate communications (in hard copy or through electronic means).

---

### Corporate Website

- KPL's website includes important corporate information, key corporate governance policies, interim and annual reports and corporate governance matters as well as announcements, circulars and notices of general meetings issued by KPL to enable the Shareholders and the investor community to have timely access to the updated information about the Group.
-

---

**General Meetings**

- The general meetings are an important forum to engage with the Shareholders and are open to all Shareholders. Shareholders can raise any comments on the performance and future directions of KPL with the Directors at the general meetings.
- Board and Board Committee members or their duly appointed delegates are available at the general meetings to answer questions raised by Shareholders. The Chairman of the Board and the Chairmen of the Board Committees are also present to answer questions at any general meeting which is convened to approve a connected transaction or any other transaction that requires the independent Shareholders' approval. The external auditor also attends the AGM to answer questions relating to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.
- The most recent AGM was held on 23 May 2025 and all Shareholders could attend the 2025 AGM in person. We conducted all voting at the 2025 AGM by poll. The poll voting procedures were conducted and scrutinised by KPL's Hong Kong branch share registrar and transfer office and the poll results at the 2025 AGM were announced and published on the websites of KPL and the Stock Exchange. The 2025 AGM was chaired by Mr Kuok Khoon Hua, the Chairman, and all other Directors and the external auditor attended the 2025 AGM in person.
- KPL will send the notice of the AGM to the Shareholders not less than 21 clear days before the AGM. Shareholders who will be unable to attend the AGM can appoint proxies to attend and vote at the AGM.
- To facilitate enforcement of Shareholders' rights, significant issues, including the election of the Directors, will be dealt with under separate resolutions at the AGM. The procedures for conducting a poll will be explained at the AGM prior to the polls being taken. All resolutions will be passed by way of poll.

---

**Enquiries from the Shareholders**

- All Shareholders are welcome at all times to offer feedback to, communicate with and send their enquiries to the Corporate Communication Department of KPL by post or email to [communication@kerryprops.com](mailto:communication@kerryprops.com) and/or the Investor Relations Department of KPL by post or email to [ir@kerryprops.com](mailto:ir@kerryprops.com). The relevant contact details are set out on KPL's website and in the section headed "Corporate Information & Financial Calendar" of this annual report.
  - The Shareholders who wish to put enquiries to the Board can send their enquiries to the Company Secretary at KPL's head office and principal place of business as stated in the section headed "Corporate Information & Financial Calendar" of this annual report. The Company Secretary will ensure these enquiries are properly directed to the Board.
- 

The Board reviewed the implementation of the communication channels and, based on the above, considered that the Shareholders Communication Policy was effectively implemented during the year.

## SHAREHOLDERS' RIGHTS

Pursuant to Bye-law 62, one or more Shareholders holding, at the date of deposit of the requisition, in aggregate shares that represent not less than one-tenth of the voting rights at general meetings of KPL in the share capital of KPL may deposit a written requisition to the Board or the Company Secretary requiring the Board to convene a SGM for the transaction of any business or resolution specified in such requisition.

The Shareholders who wish to put forward proposals for KPL's consideration at the general meetings can send their proposals to the Board or the Company Secretary at KPL's head office and principal place of business as stated in the section headed "Corporate Information & Financial Calendar" of this annual report.

Pursuant to Bye-law 103, if a Shareholder wishes to propose a person, other than a retiring Director, for election as a Director at any general meeting, he or she should lodge a notice in writing of the intention to propose that person for election as a Director and that person should also lodge a notice in writing of his or her willingness to be elected, with his or her biographical details as required by Rule 13.51(2) of the Listing Rules at KPL's head office and principal place of business or at KPL's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, as stated in the section headed "Corporate Information & Financial Calendar" of this annual report. The period for lodgement of the notice required under the Bye-laws will be at least seven days commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting. The procedures for nominating candidates to stand for election as Directors at general meetings are available on KPL's website.

## DIVIDEND POLICY

The Board has adopted a Dividend Policy since 2019 which will be subject to review on a regular basis. In proposing any distribution of dividend, the Board will take into consideration of the following factors:

- The long-term interests of the Group.
- The general interests of all the Shareholders.
- The sustainable development of the Group.
- The earnings, cash flow, financial condition, capital requirement and distributable reserves of the Group.
- Any other factors that the Board deems relevant.

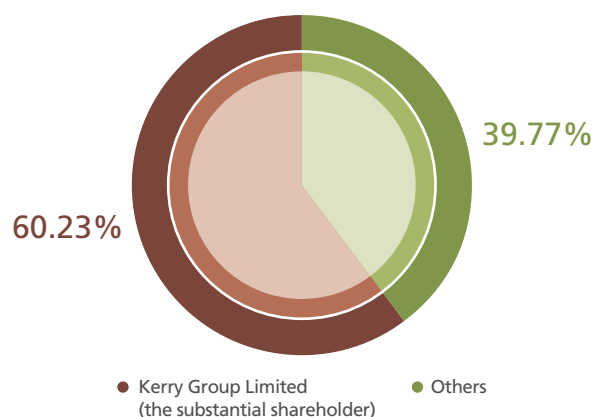
The Board confirms that all dividend decisions in 2025 were made in accordance with the Company's Dividend Policy.

## OTHER INFORMATION FOR SHAREHOLDERS

The Bye-laws was approved by the Shareholders in the 2025 AGM for the purposes of, among others, (i) providing the Company with flexibility to purchase or acquire Shares to be held as treasury shares, pursuant to the Bye-laws, in view of the amendments to the Listing Rules relating to treasury shares which took effect on 11 June 2024; (ii) bringing the Bye-laws in line with certain amendments made to the Listing Rules in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers; and (iii) making other consequential and housekeeping amendments.

From information publicly available to KPL and within the knowledge of its Directors, at least 25% (being the minimum public float percentage which KPL is required to maintain) of KPL's total number of issued Shares are held by the public.

KPL's Shareholding as at 31 December 2025



Details of the substantial shareholders' and other interests are included in the section headed "Report of Directors" of this annual report.

## COMPANY SECRETARY

The Company Secretary, being an employee of KPL, is appointed by the Board and reports to the Chairman and the CEO. The Company Secretary undertakes at least 15 hours of relevant professional trainings annually to update her skills and knowledge. The Company Secretary is responsible for ensuring the Board procedures are followed and facilitating information flows and communications among the Directors, as well as management and Shareholders.

## AUDIT AND CORPORATE GOVERNANCE COMMITTEE

### KEY RESPONSIBILITIES

The ACGC oversees the Group's financial, risk management, internal control and reporting processes and monitors the work carried out by the external auditor. Within such processes, the management is responsible for the preparation of the Group's financial statements, including the selection of suitable accounting policies, while the external auditor is responsible for auditing and attesting to the Group's financial statements and evaluating the Group's system of internal controls in this regard.

The ACGC operates pursuant to the written terms of reference which are published on the websites of KPL and the Stock Exchange. Some of its key responsibilities are set out below:

- Consider and make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor, etc.
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable accounting standards.
- Develop and implement a policy on engaging the external auditor to supply non-audit services.
- Review and monitor the integrity of KPL's financial statements and accounts, results announcements, interim and annual reports, and review significant financial reporting judgements contained in them.
- Review, together with the external auditor, the developments of any new accounting standards and assess the relevant potential impacts on the Group's financial statements and disclosures.
- Review the Group's financial controls, risk management and internal control systems.
- Review the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting function as well as those relating to Group's ESG performance and reporting.
- Review reports on the major risks faced by the Group and consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management's response to these findings.
- Ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, and review and monitor its effectiveness.
- Review KPL and its subsidiaries' financial and accounting policies and practices.
- Review the external auditor's management letter and queries raised by the external auditor to management, and management's response.

As regards the corporate governance duties, the ACGC shall be responsible for the following areas:

- Develop and review the Group's policies and practices on corporate governance and making recommendations to the Board.
- Review and monitor the training and continuous professional development of the Directors and senior management of the Group.
- Review and monitor the Group's policies and practices on compliance with legal and regulatory requirements.
- Develop, review and monitor the code of conduct and compliance manual applicable to employees of the Group and the Directors.
- Ensure that good corporate governance practices and procedures are established.
- Review the Whistleblowing and Complaints Policy. Under this policy, employees and related parties can raise in confidence and anonymity about any integrity or operational concerns. The ACGC ensures that the concerns raised are investigated and followed up as appropriate.

The ACGC shall have sufficient resources to perform its duties and where necessary, it shall seek independent professional advice, at KPL's expense, to perform its responsibilities.

## COMPOSITION

The ACGC comprises three INEDs and one NED. This complies with the Listing Rules' requirement that the majority of the ACGC members shall be INEDs.

## ACGC MEMBERS

**Li Rui (Chairman)\***

**Hui Chun Yue, David\***

**Chum Kwan Lock, Grant\***

**Tong Shao Ming#**

\* INED

# NED

Their biographies are set out in the section headed "Directors and Senior Management" on pages 97 and 98 of this annual report.

## MEETING SCHEDULES

The ACGC generally meets not less than three times a year under its terms of reference. Senior management may be invited to the meetings to present updates and answer relevant questions in order to facilitate the decision-making process. During the year, the ACGC held four meetings in Hong Kong. The ACGC members' attendance records are disclosed in the table set out in the section headed "Board Meeting Processes" of this corporate governance report.

To further facilitate open dialogue and assurance, the ACGC holds direct discussions with the external auditor and internal auditor in the absence of management.

## KEY ACTIVITIES

In 2025, the ACGC carried out the following major activities and reported to the Board on its findings and recommendations after each ACGC meeting.

## Financial Reporting

- Reviewed the draft annual and interim financial statements and the draft results announcements of KPL, focusing on main areas of judgement, consistency of and changes in accounting policies and adequacy of information disclosure prior to recommending them to the Board for approval.
- Reviewed, in conjunction with the external auditor, the developments of accounting standards and assessed their potential impacts on the Group's financial statements.

## External Auditor

- Reviewed and monitored the external auditor's independence and objectivity and the effectiveness of audit process in accordance with applicable standards.
- Assessed the independence of the Group's external auditor, prior to formally engaging the external auditor to carry out the audit for the Group's financial statements for the year ended 31 December 2025.
- Discussed the proposed audit scope and strategy with the external auditor prior to the actual commencement of the audit. Upon completion of the audit, the ACGC reviewed the results of the external audit, and discussed with the external auditor on any significant findings and audit issues.
- Recommended to the Board regarding the appointment and remuneration of the external auditor.
- Reviewed and approved the non-audit fees paid/payable to the external auditor.

### Internal Auditor

- Reviewed and approved the annual internal audit plan, reviewed the internal audit reports and discussed any significant issues with the Group's Internal Audit Department and the Group's senior management.
- Reviewed the independence of the internal audit function and the level of support and co-operation given by the Group's management to the Internal Audit Department, as well as the resources of the Internal Audit Department when undertaking its duties and responsibilities.
- Provided business partnership and advisory services to centralised functions on enhancing policies and procedures and on systems controls.
- Expanded the Internal Audit Department to focus more on addressing information technology, system and cybersecurity risks.

### Risk Management and Internal Control Systems

- Reviewed the adequacy and effectiveness of the Group's systems of risk management and internal control through a review of the work undertaken by the Group's internal and external auditors, and written representations by the senior management of each of the Group's business divisions and centralised functions and leaders of business divisions and functions and discussions with the Board.
- Received a confirmation from the management on the effectiveness on the Group's risk management and internal control systems.
- Reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, and financial reporting functions as well as those relating to the Group's ESG performance and reporting. This review was conducted through a review of the work undertaken by the Group's financial management and internal control mechanism together with internal control assessment report by the financial head of each of the Group's business divisions and discussions with the Board.
- Considered the key risks registers presented by the management quarterly.
- Reviewed the information security risks of the Group and the mitigation measures quarterly.

### Corporate Governance

The ACGC ensures that good corporate governance practices and procedures are established and is responsible for reviewing the corporate governance of the Group. Below is a summary of the corporate governance work performed by the ACGC during the financial year ended 31 December 2025:

- Reviewed the Group's policies and practices on corporate governance and made recommendations to the Board.
- Reviewed and monitored the Group's policies and practices on compliance with legal and regulatory requirements.
- Reviewed the Group's compliance with the code provisions of the CG Code issued by the Stock Exchange.
- Reviewed reports on the Group's continuing connected transactions and connected transactions with the connected persons.
- Reviewed all the legal and regulatory updates, requirements and trends that may affect the Group and their implications.

In March 2026, the ACGC, apart from the major activities mentioned aforesaid, carried out the following specific activities and reported to the Board on its findings and recommendations after the ACGC meeting:

- Reviewed the audited consolidated results and the consolidated financial statements of the Group for the year ended 31 December 2025.
- Reviewed the market valuations of investment properties and investment properties under development of the Group as at 31 December 2025.
- Reviewed the risk matrix as at 31 December 2025.
- Considered the annual confirmation for the discloseable continuing connected transactions during the year.

## REMUNERATION COMMITTEE

### KEY RESPONSIBILITIES

The Remuneration Committee reviews and advises the Board on the remuneration proposals, including benefits in kind, pension rights and compensation payments, for all Directors and senior management with reference to individual performance, goals and objectives of KPL, market trend and other relevant factors to ensure that the remuneration packages are commensurate with the qualifications and competencies of the Directors and senior management and are appropriate to the best interests of KPL and the Shareholders. Where necessary, independent professional advice regarding remuneration proposals for the executive directors can be sought by the Remuneration Committee.

The Remuneration Committee operates pursuant to the written terms of reference which are published on the websites of KPL and the Stock Exchange. Some of its key responsibilities are set out in the following:

- Review the structure and policies for the remuneration of all Directors and senior management of KPL, and make recommendations to the Board.
- Review, determine and recommend the Board on the remuneration packages of ED and senior management.
- Review and recommend the Board on the INEDs' and NED's fees.
- Review and/or approve matters relating to the share schemes of KPL.

Sufficient resources have been provided to the Remuneration Committee to perform its duties.

### COMPOSITION

The majority of the members of the Remuneration Committee are the INEDs.

### REMUNERATION COMMITTEE MEMBERS

**Hui Chun Yue, David (Chairman)\***

**Kuok Khoon Hua**

**Chum Kwan Lock, Grant\***

\* INED

Their biographies are set out in the section headed "Directors and Senior Management" on pages 97 and 98 of this annual report.

### MEETING SCHEDULES

The Remuneration Committee generally meets at least once a year. Senior management may be invited to the meetings to present updates and answer relevant questions in order to facilitate the decision-making process. No Director or any of his/her associates is involved in deciding his/her own remuneration. The Remuneration Committee met once in 2025. The Remuneration Committee members' attendance records are disclosed in the table set out in the section headed "Board Meeting Processes" of this corporate governance report.

### REMUNERATION POLICY

KPL has adopted a Remuneration Policy since 2012. It aims to provide remuneration levels which shall be sufficient to motivate, retain and attract best talent for KPL to maximise Shareholders' value, through a set of formal and transparent procedures for implementing the Remuneration Policy. Pursuant to the Remuneration Policy, the following key principles have been established for the remuneration of the ED and the fees of the INEDs and NED:

- ED's salary shall be reviewed annually by the Remuneration Committee.
- Revisions to the ED's salary shall be made to reflect individual performance, contribution and responsibilities and/or by reference to market trends.
- ED shall be eligible to receive a discretionary bonus taking into consideration factors such as market conditions as well as corporate and individual performances.
- The Remuneration Committee shall annually review and recommend, if appropriate, to the Board for approval of the grant of share awards to the eligible participants under the Share Award Scheme.
- INEDs' and NED's fees shall be reviewed annually by the Board.
- Recommendations shall be made by the Board to the Shareholders to approve at a general meeting any revision to the INEDs' and NED's fees according to their responsibilities and/or by reference to market trends.

## KEY ACTIVITIES

In 2025, the Remuneration Committee held a meeting and carried out the following major activities and reported to the Board on its findings and recommendations after the Remuneration Committee meeting.

- Reviewed and determined the salaries and pension contributions of the ED for 2025.
- Reviewed and determined the payment of bonuses to the ED for 2024.
- Reviewed the fees for INEDs, NED and Board Committee members.
- Considered and recommended to the Board for the amendments to the Terms of Reference of the Remuneration Committee and the Remuneration Policy of KPL for incorporating some housekeeping amendments.
- Considered and recommended to the Board for the grant of award shares to the ED and the selected participants.

Details of the amount of the Directors' emoluments, including the ED who is a member of senior management of KPL, in 2025 are set out in note 13 to the consolidated financial statements of this annual report. Details of the Share Award Scheme are set out in the Report of Directors and note 33 to the consolidated financial statements of this annual report.

The Remuneration Committee also held a meeting on 15 January 2026 that:

- Reviewed and determined the salary of the ED for 2026.
- Reviewed and determined the payment of bonus to the ED for 2025.
- Reviewed the fees for INEDs, NED and Board Committee members.

## NOMINATION COMMITTEE

### KEY RESPONSIBILITIES

The primary roles for the Nomination Committee are (i) to review the Board's structure, size, composition and diversity; (ii) to assist the Board in maintaining a board skills matrix; (iii) to make recommendations on any proposed changes to the Board to complement KPL's corporate strategy; (iv) to recommend the Board on the appointment or re-appointment of the Directors and succession planning for the Directors; (v) to support the Company's regular evaluation of the Board's performance; (vi) to review and assess regularly each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his/her responsibilities effectively; and (vii) to assess the independence of the INEDs. The Nomination Committee operates pursuant to the written terms of reference which are published on the websites of KPL and the Stock Exchange.

### COMPOSITION

During the year, Dr Li Rui, an INED, and Ms Tong Shao Ming, a NED, were appointed as the members of the Nomination Committee with effect from 23 May 2025. The Nomination Committee comprises five members with three INEDs. This complies with the Listing Rules' requirement that the majority of the Nomination Committee members are INEDs, with at least one member of a different gender.

### NOMINATION COMMITTEE MEMBERS

**Kuok Khoon Hua (Chairman)**

**Hui Chun Yue, David\***

**Chum Kwan Lock, Grant\***

**Li Rui\***

**Tong Shao Ming#**

\* INED

# NED

Their biographies are set out in the section headed "Directors and Senior Management" on pages 97 and 98 of this annual report.

## MEETING SCHEDULES

The Nomination Committee generally meets at least once a year. The meeting of the Nomination Committee was held on 6 January 2025. The Nomination Committee members' attendance records are disclosed in the table set out in the section headed "Board Meeting Processes" of this corporate governance report.

## BOARD DIVERSITY POLICY

KPL has adopted a Board Diversity Policy since 2013 and the implementation and effectiveness of the Board Diversity Policy is subject to review on an annual basis. The key principles of the Board Diversity Policy are set out below:

- In reviewing the Board's composition, the Nomination Committee shall consider a number of aspects of the Board diversity, including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of services and other factors that may be relevant from time to time towards achieving a diversified Board (the "**Board Diversity Criteria**") and shall consider the appropriate balance of skills, experience and knowledge of the Board members that are required to complement KPL's corporate strategy and business developments.
- Recruitment and selection of candidates for Board appointment will be based on KPL's Nomination Policy and the Board Diversity Criteria.
- The Nomination Committee is responsible for reviewing the structure, size, diversity profile and skills matrix of the Board, selecting individuals to be nominated as Directors, reviewing succession plan of Directors and making recommendation on these matters to the Board for approval. The Nomination Committee will consider the Board Diversity Criteria according to the circumstances of KPL and take into account factors based on KPL's own business model and specific needs.
- Selection of the Board members to ensure gender, age, cultural and ethnic diversity will be, in part, dependent on the pool of such candidates with the necessary skills, knowledge and experience. All Board appointments will be based on merit and contribution that the chosen candidate will bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of KPL. The Board believes that such merit-based appointments will best enable KPL to serve the Shareholders and other stakeholders going forward.
- The ultimate decision on the appointment of the Board members will be made by the Board after consideration of the recommendation made by the Nomination Committee.
- The Nomination Committee will consider appropriate measurable objectives for implementing the Board diversity and recommend them to the Board for adoption. The Board shall include at least one Director of a different gender from other Directors.

## NOMINATION POLICY AND PROCEDURES

KPL has adopted a Nomination Policy since 2019 and the implementation and effectiveness of the Nomination Policy is subject to review on a regular basis. The Nomination Policy defines how potential candidates can be identified and ensures the selection process is transparent and fair.

Selection criteria for potential Board candidates adopted by the Nomination Committee are:

- Perspectives, skills and experience that the candidate can bring to the Board.
- Merit and contribution which the candidate is expected to bring to the Board.
- Accomplishment and experience of the candidate of a similar nature to KPL's business.
- Expected time commitment of the candidate.
- Candidate's contribution to diversity of the Board.
- Aspects of the Board Diversity Criteria as stated in the Board Diversity Policy.
- Any other factors that the Board deems relevant.

KPL's procedures for nominating a director are set forth below:

- A meeting of the Nomination Committee will be convened or a written resolution of the Nomination Committee will be circulated to the Nomination Committee members to consider a candidate to be nominated before a meeting of the Board to be held or a written resolution of the Board to be circulated to the Board members to approve the appointment, re-designation, election or re-election of the candidate as a Board member.
- Each proposed new appointment, re-designation, election or re-election of a Director will be evaluated, assessed and/or considered against the factors as stated in the selection criteria above. The Nomination Committee will recommend its views to the Board and/or the Shareholders for consideration and determination.
- The ultimate decision of appointment, re-designation, election or re-election of a Director will be made by the Board after consideration of the recommendation made by the Nomination Committee.
- Sufficient resources have been provided to the Nomination Committee to perform its duties.

## KEY ACTIVITIES

In 2025, the Nomination Committee carried out the following major activities.

The Nomination Committee reported to the Board on its findings and recommendations after the meeting of the Nomination Committee held on 6 January 2025.

- The Nomination Committee agreed that the Board had a strong independent element and balanced composition of skills, expertise, experience and qualifications to contribute to the corporate strategy and the development of the businesses of KPL through the review of the Board's structure, size and composition.
- The Nomination Committee agreed that the Board demonstrated a strong commitment to KPL's affairs through active participation in discussions.
- Through the review of potential conflict of interests, and considering that INEDs did not engage in any executive management positions within the Group since their appointment and that each of them confirmed his independence by issuing an annual confirmation pursuant to the requirements of the Listing Rules, it was agreed that each of the INEDs was considered to be independent under Rule 3.13 of the Listing Rules.

- The Nomination Committee would review the Board Diversity Policy annually and the Nomination Policy on a regular basis to ensure their effective implementation and to enhance corporate governance disclosure.
- The Nomination Committee considered and recommended to the Board for the amendments to the Terms of Reference of the Nomination Committee for aligning with the amendments made to the CG Code which came into effect on 1 July 2025.
- During the year, the Nomination Committee approved the recommendations to the Board for the following appointments:
  - (1) appointment of Dr Li Rui as a member of the Nomination Committee; and
  - (2) appointment of Ms Tong Shao Ming as a member of the Nomination Committee.

The Nomination Committee also held a meeting on 23 March 2026 that:

- Reviewed the structure, size, composition and diversity of the Board.
- Reviewed and considered that the balanced composition of skills, expertise, experience and qualifications of the Board complemented KPL's corporate strategy and business development.
- Assessed each Director's time commitment and contribution to the Board and his or her ability to discharge responsibilities effectively, of which the Nomination Committee was so satisfied.
- Reviewed the potential conflict of interests and assessed the independence of the INEDs pursuant to the requirements of the Listing Rules.
- Reviewed the Board Diversity Policy.
- Considered and recommended the retiring Directors for re-election by Shareholders at the 2026 AGM.

## RISK MANAGEMENT AND INTERNAL CONTROLS

### RESPONSIBILITY

Responsibility for risk management is shared among the Board and the management of the Group. The Board has the overall responsibility of reviewing and maintaining sound and effective risk management and internal control systems. The management's role is to design and implement these systems, and report to the Board and the ACGC on the risks identified and how they are managed. Each business unit of the Group is responsible for the management and maintenance of its own appropriate and effective systems.

The systems are designed to meet the Group's particular needs and to minimise the risks to which the Group is exposed, and are designed to manage rather than eliminate the risks of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements or losses. This process is essential for the Group to achieve its business objectives.

The ACGC, with the assistance of the Group's Internal Audit Department, supports the Board in monitoring the risk exposures, as well as the design and operating effectiveness of the underlying risk management and internal control systems. The ACGC reviews reports from the Group's Internal Audit Department and external auditor, including action plans to address identified control weaknesses, as well as receiving status updates and monitoring the implementation of audit recommendations.

The ACGC reports its findings to the Board, which then considers these findings in order to form its own view of the effectiveness of the Group's risk management and internal control systems.

### RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group adopts a "Three Lines of Defence" model in accordance with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) principles to provide a clear and effective structure for risk management, internal control and assurance across the organisation.

#### First Line – Business Ownership and Control Execution

Operational management has primary ownership, responsibility and accountability for identifying, assessing, and managing risks from day-to-day business activities. Business units will design, implement and perform control which integrated into operational process to mitigate identified risk and to achieve business objectives.

#### Second Line – Oversight and Control Monitoring

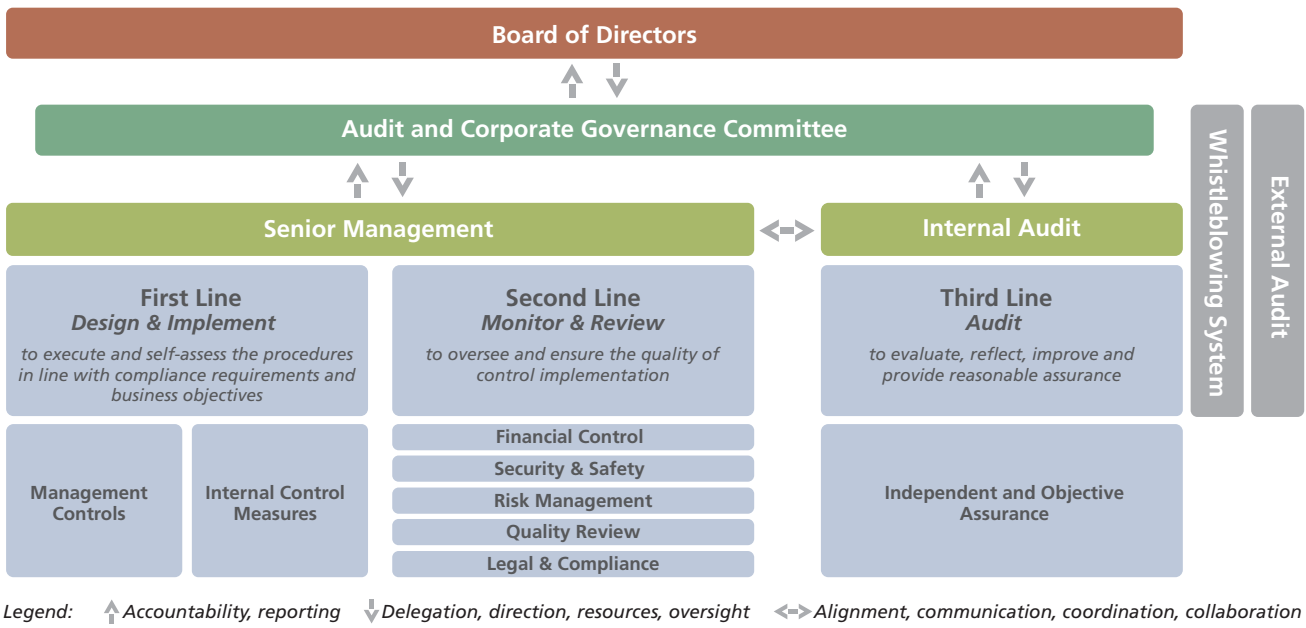
Independent control functions, including compliance, financial control, quality, information technology and risk management, provide oversight and guidance to the First line. These functions established the internal control system and embedded relevant policies and procedures into daily operations, to facilitate consistent risk management practice across the Group.

#### Third Line – Independent Assurance

The Internal Audit Department provides independent and objective assurance to the Board and the ACGC through a risk-based audit approach. Internal Audit evaluates the adequacy and effectiveness of governance, risk management and internal control systems, and reports significant findings and remediation progress directly to ACGC.

This framework supports effective accountability, avoids duplication of responsibility and enhances coordination among management, control functions and assurance providers.

Other than that, the whistleblowing system is in place to ensure the Group's affairs are conducted to a high ethical standard. A Whistleblowing and Complaints Policy is established and up-to-date for employees and/or external parties to express their concerns and complaints in an appropriate way, the Complaint Committee and Internal Audit will review or investigate any potential fraud and complaint cases to ensure all cases are timely and independently investigated and closed.



**INTERNAL CONTROL**

The internal control system monitors the Group’s overall business position and safeguards our assets against major losses and misappropriation. To ensure efficient and effective operations in the business units, relevant internal control policies

and procedures are in place to achieve, monitor and enforce the business objectives.



Risk-based Approach to Define and Manage Key Controls

The Group focuses on key controls which give the necessary comfort that underlying risks are mitigated. The relevant control activities are implemented and monitored to ensure efficiently identifying and correcting non-compliance. Furthermore, the internal control system is constantly under review and being improved to cope with the ever-changing regulatory and business environment. The key components of the system are illustrated as follows:

**1. Culture of Integrity and Compliance** – The Group is committed to conducting business honestly, ethically and with integrity. In line with the commitment, the Code of Conduct, Policy on Inside Information Disclosure and Insider Dealing and Anti-Corruption Policy are endorsed, applicable and communicated to all employees within the Group.

The Group provides the regular refresher training available for all employees and annual major mandatory information security training for system users plus ongoing security updates on an as-needed basis. Additionally, in alignment with the Group's Vision, Mission, and Values (VMV), a series of Group Ethics and Compliance Training sessions and Risk Prevention Programs were launched to reinforce ethical standards and strengthen overall compliance.

**2. Setting of Objectives, Budgets and Targets** – Strategies and objectives of the Group are determined by the Board. Annual budgets and financial projections for the next five years are also reviewed by the Board. The management team has specific responsibilities for monitoring the conduct and operations of individual business units. This includes the review and approval of business strategies and plans, the setting of business-related performance targets as well as the design and implementation of internal controls and risk management.

**3. Establishment of Regular Reporting of Financial Information** – Monthly financial and operational information is provided to the Board. Variance analysis between actual performances and targets are documented and discussed at Board Meetings, which helps the Board and the senior management to monitor the Group's business operations and to plan on a prudent and timely basis. Other regular and ad hoc reports will also be submitted to the Board and its various committees, to ensure that the Directors are supplied with all the requested information in a timely and appropriate manner.

**4. Clear Lines of Accountability and Implementation of Policies and Procedures** – To allow for delegation of authority as well as to enhance segregation of duties and accountability, a clear organisational structure exists which details different levels of authority and control responsibilities within each business unit. Policies and procedures are established and up-to-date that actively support business operations. Innovative technologies and applications, such as the systems of financial management, internal workflow operations, rental forecasting, and sales operations, have been successfully implemented and are effectively support the day-to-day control processes across the business units.

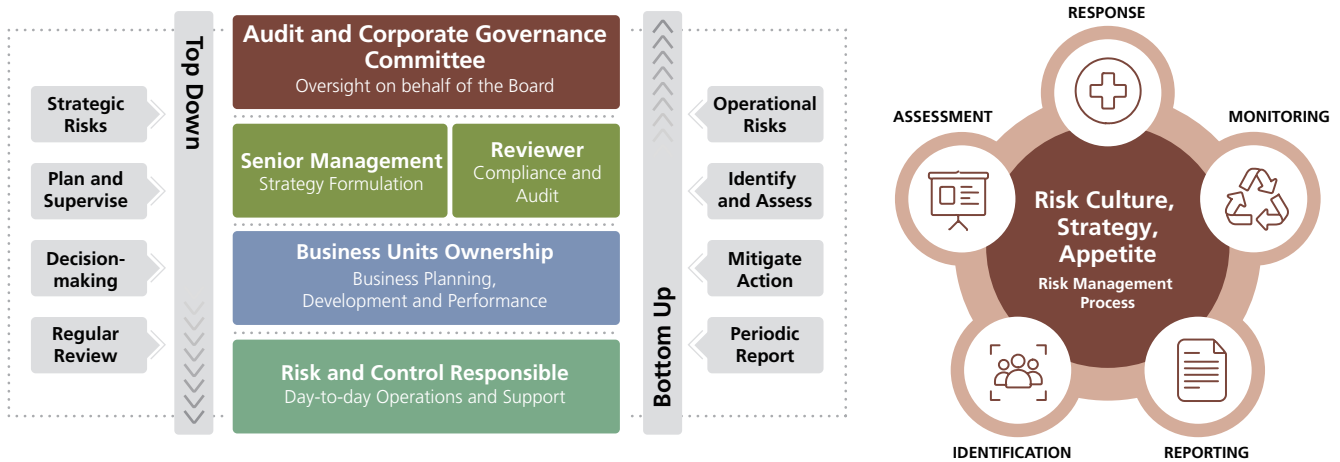
**5. Review, Monitoring and Evaluation of the Systems** – To systematically review and evaluate the adequacy and effectiveness of the Group's existing systems, an internal self-assessment process was conducted annually. This involved individual business units and function leaders assessing the effectiveness of their operations, including financial controls, operational controls, risk management and other contingency measures. The results were submitted to the Board through confirmation of the internal self-assessment questionnaires on the adequacy and effectiveness of its risk management and controls systems, which were discussed at the ACGC Meeting of 19 November 2025. Beyond this annual review program, the management regularly provides updates to the ACGC on major risks and appropriate mitigation measures, and actively fulfils the ESG responsibilities under the supervision of the Sustainability Council of the Company. This approach drives ESG progress in our business and helps our customers achieve their ESG objectives. In 2025, the ACGC held four meetings to address dynamic risks and strengthen compliance. Each meeting included in-depth discussion of risk management, highlights of audit findings, and recent developments.

## RISK MANAGEMENT

The Group has a robust process to review and communicate risks across its risk governance levels through the adoption of a combination of bottom-up and top-down approach. This consists of (i) an ongoing process integrated into day-to-day operations, in which risk owners dynamically evaluate and report emerging risks they encountered to the ACGC; and (ii) a periodic risk assessment process through which key risks identified by management are assessed systematically.

The Group continues to improve the risk management process and quality of information, while maintaining a simple and practical approach. The Group seeks to embed risk management into all the operations and business units. Business units review and update their risk registers on an annual basis, providing assurance that controls are appropriately embedded and operating effectively.

### Risk Management Framework



At management level, the senior management sets relevant policies and regularly monitors any potential weaknesses and action items to ensure appropriate identification and assessment of risks of a macro and strategic nature, including emerging risks through the implementation of risk management framework and procedure.

The Internal Audit Department reviews the major operational, financial and risk management controls of the Group's businesses, plays the advisory role on the management's development of policies, and provides reasonable assurance over the operational controls on a regular basis.

A sophisticated methodology is designed for formulating annual audit plans. One of the consideration factors of the methodology is the risk assessment result which ensures areas of relatively higher perceived risks are considered in Internal Audit's scope of review. Audit plans are approved by the ACGC at the end of the preceding financial year in conjunction with the management.

The Internal Audit Department reports directly to the ACGC. Accordingly, Internal Audit reports are circulated quarterly to the Chairman and CEO, members of the ACGC, CFO and the external auditor.

## RISK FACTORS

The Group evaluates risks on an ongoing basis in order to achieve our goal of adding value. The Group defines risk as the possibility of internal or external events occurring that can have a negative influence on the attainment of the strategic and operational targets. While the Group implements robust controls and measures to manage these risks effectively, we acknowledge that certain risks may still affect our business and operations.

The risks set forth below could cause the Group's financial condition or results of operations to differ materially from expected or historical results and they are not the only risks facing by the Group. Additional risks and uncertainties currently deemed immaterial also may materially adversely affect the Group's performance.

### The Category of Top Risk Factors



## BUSINESS RISK

### Macroeconomic and Geopolitical Risk

The persistent global and national economic slowdown has intensified uncertainty in the real estate landscape. Geopolitical factors have given rise to geoeconomic confrontations, such as sanctions, tariffs, and investment screening measures, that adversely affect property demand, valuations, financing costs, and overall business performance.

Domestically, the market faces structural headwinds, including an aging population and elevated corporate and government debt levels, which may further constrain consumers' purchasing power and dampen overall spending.

Furthermore, technological advancements such as e-commerce and artificial intelligence are fundamentally reshaping consumer behavior and workforce dynamics, potentially redefining tenant demand for commercial spaces.

### The Group manages the risk by:

- Maintaining robust governance frameworks and performance reviews to enable timely, informed decisions and strengthen resilience in volatile conditions.
- Regularly reviewing and diversifying the asset portfolio, incorporating mixed-use developments to foster vibrant, sustainable communities for tenants and customers.
- Swiftly adjusting strategies and exploring new markets to broaden revenue streams.
- Investing in advanced technologies to enhance operational efficiency and deliver superior customer experiences.
- Implementing comprehensive scenario analysis and stress testing to assess potential impacts of adverse conditions, reinforcing business continuity planning.

## BUSINESS RISK (Continued)

### Market Risk

The Group operates in highly competitive and potentially volatile markets. We compete on the basis of products or service performance, quality and/or price across the industries and markets served. The customers' expectations and demands are constantly evolving, influenced by economic conditions and market trends, which could impact the investment strategies and business models.

The Group's businesses are largely dependent on the current and future business environment including capital and consumer spending. New market entrants and in the intensification of price competition by existing competitors could adversely affect the prices or customers' demands for our products and services.

#### The Group manages the risk by:

- Strengthening brand identity and value proposition to differentiate offerings and enhance market presence.
- Aligning investment strategies with urban development trends, prioritising prime locations and superior product quality as key competitive advantages.
- Conducting regular market benchmarking to assess pricing, quality, and service standards against industry norms and competitor performance.
- Adopting dynamic pricing strategies to respond swiftly to market fluctuations and competitive pressures.
- Leveraging advanced CRM systems and data analytics to gain customer insights and foster long-term loyalty.

### Government Policy and Regulatory Risk

The Group's business is subject to government policies and regulatory interventions, which can affect the capital environment and market sentiment. Changes in property-related regulations, such as Land supply, construction and pre-sales licenses, permitted selling price, mortgage levels and interest rates, may directly impact the Group's financials and performance. Furthermore, regulation changes in specific industries or taxation could influence the operations of our tenants and business partners, indirectly affecting the Group's business.

#### The Group manages the risk by:

- Maintaining a dedicated corporate governance sub-committee to provide strong oversight and ensure robust compliance frameworks.
- Closely tracking policy developments through regional meetings, real-time updates, and periodic reviews to anticipate and address emerging risks.
- Conducting regular governance reviews and implementing prompt reporting protocols for major disputes or regulatory changes.
- Delivering ongoing staff training on compliance requirements and regulatory awareness to embed a strong compliance culture across the organisation.

## OPERATIONAL RISK

### Ability to Attract, Develop and Retain Key Employees

The Group's success depends on the effort and abilities of our management and key employees. The failure to attract, develop and retain highly qualified employees could hinder the Group's achievement of its strategic objectives and business performance.

#### The Group manages the risk by:

- Implementing employer branding initiatives and workforce planning to strengthen talent acquisition, leadership development, and succession for critical roles.
- Delivering targeted training and development programs to accelerate upskilling and reskilling across the organisation.
- Upgrading HR systems to streamline processes, enhance employee experience, and support talent acquisition and retention.
- Launching Vision, Mission, and Values (VMV) in 2025 to foster a unified culture and shared purpose among employees.

### Project Management and Safety Risk

The Group engaged in properties development including properties construction and renovation which may have serious injury or fatal accidents if site or work conditions are unsafe or workers do not handle with due care. Besides, supply of materials, construction costs and project development progress could be disrupted by natural disasters, a health epidemic or pandemic, or other events.

#### The Group manages the risk by:

- Implementing comprehensive policies and standards to ensure quality, timely delivery, and budget control.
- Conducting regular management reviews and on-site inspections to monitor progress and enforce compliance throughout the project lifecycle.
- Maintaining emergency response protocols to mitigate disruptions from disasters, epidemics, or other unforeseen events.
- Securing adequate insurance coverage for accidents, natural disasters, and other risks to protect against financial losses from delays or damages.

## FINANCIAL RISK

### Interest Rate Risk

The real estate sector and the Group's results are affected by market sentiment and are sensitive to interest rate change. In 2025, interest rates in the United States and Hong Kong remained elevated but eased from peak levels, while the Chinese Mainland implemented monetary easing measures, including rate cuts. Unfavourable movements in interest rates or borrowing rates could negatively impact customers' demands on the properties and increase the financing costs and development costs.

#### The Group manages the risk by:

- Implementing interest rate swaps as a hedge against the interest rate fluctuations.
- Conducting regular reviews of financing structures and adjusting arrangements to optimise cost of capital and maintain resilience.
- Building strong, trustworthy relationships with financial institutions and lenders to secure favorable financing terms and enhance negotiating power.
- Diversifying funding sources across multiple lenders and maintaining an appropriate mix of credit facilities, maximising the use of local funding options.

### Foreign Exchange Risk

The Group has notable investments in the Chinese Mainland to take advantage of its growth potential, and fluctuations in RMB will lead to changes in the value of the Group's unhedged monetary assets and liabilities and could impact the financial conditions and results of operations. Foreign exchange rates react in accordance with the macroeconomic performance of different countries, and fund flows between countries arising from trade or capital movements.

#### The Group manages the risk by:

- Actively managing currency exposures across subsidiaries, associates, and joint ventures.
- Maintaining an appropriate level of RMB resources for the group's capital requirements in the Chinese Mainland.
- Monitoring market trends and adjusting funding strategies and currency hedging instruments as necessary.

### Cash Flow and Liquidity Risk

The Group's investment and operations are long-term in nature and as such, cash flow and liquidity risks may be present based on the investment horizon.

#### The Group manages the risk by:

- Maintaining a strong balance sheet and a healthy capital structure to support long-term investment-grade ratings.
- Monitoring credit ratings and ESG ratings and implementing strategies to maintain or improve them.
- Diversifying financing sources across banks, capital markets, and instruments to ensure flexibility and cost efficiency.
- Conducting regular liquidity stress tests and scenario planning through the cash flow system to anticipate funding requirements and mitigate potential shortfalls.

## TECHNOLOGICAL RISK

### Cybersecurity Risk

The Group relies on information technologies networks and systems to process, transmit and store electronic information and support a variety of business activities. These systems may be susceptible to damage, disruptions or shutdown due to cyberattacks.

Despite the implementation of cybersecurity measures, the Group's information systems may still be vulnerable to unforeseen and unknown cybersecurity threats. Should the Group be unable to prevent security breaches or other damage to the information technology systems, which could exceed the insurance coverage the Group maintains, which could result in third party claims and/or regulatory claims or investigation, any of these disruptions could negatively impact the operations as well as expose the Group to litigation, liability or penalties under privacy laws and reputational damage.

#### The Group manages the risk by:

- Providing mandatory annual refresher training and phishing simulation exercises to enhance employee awareness of cybersecurity risks.
- Performing regular assessments and independent IT audits on critical systems and processes.
- Engaging external experts for monitoring services, penetration testing, and remediation of security vulnerabilities to safeguard sensitive data.
- Publishing and enforcing information security and data privacy policies with ongoing compliance monitoring.
- Maintaining cyber insurance coverage to mitigate financial risks from threats such as ransomware and data breaches.
- Performing annual evaluations of cybersecurity measures and insurance coverage to align with industry standards and ensure adequate protection.

## SUSTAINABILITY RISK

### Environmental and Climate Risk

In response to growing interest in ESG from customer, investor, government and other stakeholder, the Group has increased its reporting of ESG programmes, set committed target towards carbon neutrality, and expanded other sustainability-related goals. The ability to achieve such goals and the expectations of the stakeholders is subject to numerous risks and uncertainties.

While the group actively monitors these risks and implements mitigation measures, many of which rely on the collective efforts of others and may be outside of the Group's control. Moreover, standards and expectations for ESG matters continue to evolve and may be subject to varying interpretations, which may result in revisions to our goals or progress.

#### The Group manages the risk by:

- Establishing a Sustainability Council to oversee strategy, targets, and monitor performance.
- Developing and executing a sustainability strategy aligned with international standards and best practices.
- Investing in energy efficiency, renewable energy, and low-carbon technologies to reduce emissions and strengthen long-term resilience.
- Monitoring emerging environmental regulations and carbon reduction requirements to ensure full compliance across regions.
- Integrating climate and ESG risk management into the Group's enterprise risk management and internal control framework.

## 2025 REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL EFFECTIVENESS

For 2025, the Board and ACGC have received and reviewed the annual assessment of the adequacy and effectiveness of the risk management and internal control systems for each business unit and function conducted by the Internal Audit Department. This review was supported by the following activities:

- All business units and group functions conducted annual self-assessment questionnaires and submitted written confirmation on the adequacy and effectiveness of the systems, covering business, financial, operational, and compliance risks, as well as related material controls.
- Internal Audit, Sustainability and Divisional Finance Heads evaluated adequacy at their respective levels through internal questionnaires.
- The Financial reports from the CFO, Listing Rules compliance reports from the Company Secretary, and Internal Audit reports were presented to the ACGC and the Board on a quarterly basis to ensure compliance with financial reporting, Listing Rules, and statutory requirements.
- The Group conducted an annual rating exercise and SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis across all functions and business units to track the enhancements implemented during the testing period, supported by detailed year-on-year trend analysis. These provide insights into current performance and improvement opportunities without impacting compliance outcomes.

Based on these reviews, no significant control failure or weakness was identified in 2025 that might have a material impact on the Group's financial performance or condition. The resources, qualifications, and experience of the Group's accounting, internal audit and financial reporting as well as ESG functions staff, together with related training programs and budgets, were reviewed and considered adequate for the year.

As a result of the above review, the Board acknowledges its responsibility for the Group's risk management and internal control systems and confirms that the Group's risk management and internal control systems are appropriate and effective throughout the year and up to the date of this annual report.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMPLIANCE

Our Sustainability Report 2025 has been prepared in accordance with Part B: Mandatory Disclosure Requirements, Part C: “Comply or explain” Provisions, and Part D: Climate-related Disclosures of the Environmental, Social and Governance Reporting Code (“**ESG Reporting Code**”), set out in Appendix C2 to the Listing Rules issued by HKEX. The HKEX ESG Reporting Code Content Index below outlines how the HKEX ESG Reporting Code has been applied by the Company with reference to the relevant sections in our Sustainability Report 2025. Please find the details of our sustainability performance in our Sustainability Report 2025.

## ESG REPORTING CODE CONTENT INDEX

### Part B: Mandatory Disclosure (“MD”) Requirements

Mandatory Disclosure Requirements	Description	References and Remarks
<b>MD13 Governance Structure</b>	<p>A statement from the board containing the following elements:</p> <p>(i) A disclosure of the board’s oversight of ESG issues;</p> <p>(ii) The board’s ESG management approach and strategy, including the process used to evaluate, prioritise, and manage material ESG-related issues (including risks to the issuer’s businesses); and</p> <p>(iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</p>	<ul style="list-style-type: none"> <li>Board Statement</li> <li>Our Sustainability Journey</li> <li>Climate-related Financial Disclosure</li> </ul>
<b>MD14 Reporting Principles</b>	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose:</p> <p>(i) The process to identify and the criteria for the selection of material ESG factors;</p> <p>(ii) If a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<ul style="list-style-type: none"> <li>About This Report</li> <li>Our Sustainability Journey</li> <li>Performance Data Summary – Environmental Performance</li> </ul>
<b>MD15 Reporting Boundary</b>	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<ul style="list-style-type: none"> <li>About This Report</li> </ul>

**Part C: “Comply or explain” Provisions**

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>Aspect A1: Emissions</b>		
<b>General Disclosure</b>	<p>Information on:</p> <p>(a) The policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	<ul style="list-style-type: none"> <li>• Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>• Climate-related Financial Disclosure</li> <li>• Protecting Our Environment – <ul style="list-style-type: none"> <li>• Climate Change and Resilience</li> <li>• GHG Emissions and Energy Efficiency</li> <li>• Resource Circularity and Waste Management</li> <li>• Water Consumption and Conservation</li> </ul> </li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>• Climate Change Policy</li> <li>• Environmental Policy</li> <li>• Green Procurement Policy</li> <li>• Group Environmental Protection Policy</li> <li>• Sustainability Policy</li> <li>• Sustainable Procurement Policy</li> </ul> <p>In 2025, the Group was not aware of any violation of relevant laws and regulations that had or is expected to have a significant impact on our operations.</p>

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	<ul style="list-style-type: none"> <li>• Performance Data Summary – Environmental Performance</li> </ul> <p>Air emissions (e.g., NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants) are not considered as material to our operations.</p>
<b>KPI A1.2</b>	[Repealed 1 January 2025]	–
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> <li>• Performance Data Summary – Environmental Performance</li> </ul>
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
<b>KPI A1.5</b>	Description of emissions target(s) set, and steps taken to achieve them.	<ul style="list-style-type: none"> <li>• Our Sustainability Journey – Sustainability Strategy</li> <li>• Climate-related Financial Disclosure – Metrics and Targets</li> <li>• Protecting Our Environment – <ul style="list-style-type: none"> <li>• Climate Change and Resilience</li> <li>• GHG Emissions and Energy Efficiency</li> </ul> </li> </ul>
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> <li>• Our Sustainability Journey – Sustainability Strategy</li> <li>• Protecting Our Environment – Resource Circularity and Waste Management</li> </ul>

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>Aspect A2: Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	<ul style="list-style-type: none"> <li>• Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>• Protecting Our Environment –               <ul style="list-style-type: none"> <li>• Sustainable Buildings</li> <li>• Climate Change and Resilience</li> <li>• GHG Emissions and Energy Efficiency</li> <li>• Resource Circularity and Waste Management</li> <li>• Water Consumption and Conservation</li> </ul> </li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>• Climate Change Policy</li> <li>• Environmental Policy</li> <li>• Green Procurement Policy</li> <li>• Group Environmental Protection Policy</li> <li>• Sustainability Policy</li> <li>• Sustainable Procurement Policy</li> <li>• Water Stewardship Policy</li> </ul>
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> <li>• Performance Data Summary – Environmental Performance</li> </ul>
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set, and steps taken to achieve them.	<ul style="list-style-type: none"> <li>• Our Sustainability Journey – Sustainability Strategy</li> <li>• Protecting Our Environment –               <ul style="list-style-type: none"> <li>• Sustainable Buildings</li> <li>• Climate Change and Resilience</li> <li>• GHG Emissions and Energy Efficiency</li> </ul> </li> </ul>

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them.	<ul style="list-style-type: none"> <li>Protecting Our Environment – Water Consumption and Conservation</li> <li>Sustainability Accounting Standard Board (SASB) Real Estate Sector Disclosure</li> </ul>
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	In 2025, there was no massive use of packaging material involved in our products.
<b>Aspect A3: The Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	<ul style="list-style-type: none"> <li>Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>Protecting Our Environment – <ul style="list-style-type: none"> <li>Biodiversity</li> <li>Resource Circularity and Waste Management</li> </ul> </li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>Environmental Policy</li> <li>Green Procurement Policy</li> <li>Group Environmental Protection Policy</li> <li>Sustainability Policy</li> <li>Sustainable Procurement Policy</li> <li>Water Stewardship Policy</li> </ul>
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<ul style="list-style-type: none"> <li>Protecting Our Environment – Resource Circularity and Waste Management</li> <li>Climate-related Financial Disclosure</li> </ul>

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>Aspect A4: Climate Change</b>		
<b>General Disclosure</b>	[Repealed 1 January 2025]	–
<b>KPI A4.1</b>	[Repealed 1 January 2025]	–
<b>Aspect B1: Employment</b>		
<b>General Disclosure</b>	<p>Information on:</p> <p>(a) The policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<ul style="list-style-type: none"> <li>• Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>• Putting People First – <ul style="list-style-type: none"> <li>• Managing Our People</li> <li>• Fostering a DEI Workplace</li> </ul> </li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>• Equal Opportunity and Anti-Discrimination Policy</li> <li>• Remuneration Policy</li> </ul> <p>Internal policies:</p> <ul style="list-style-type: none"> <li>• Employee Handbook</li> <li>• Ethical Guidelines</li> </ul> <p>In 2025, the Group was not aware of any violation of relevant laws and regulations that had or is expected to have a significant impact on our operations.</p>
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	<ul style="list-style-type: none"> <li>• Performance Data Summary – Social Performance</li> </ul>
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>Aspect B2: Health and Safety</b>		
<b>General Disclosure</b>	<p>Information on:</p> <p>(a) The policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<ul style="list-style-type: none"> <li>• Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>• Putting People First – <ul style="list-style-type: none"> <li>• Prioritising Employee Well-being</li> <li>• Occupational Health and Safety</li> </ul> </li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>• Corporate Health and Safety Policy</li> </ul> <p>Internal policy:</p> <ul style="list-style-type: none"> <li>• Employee Handbook</li> </ul> <p>In 2025, the Group was not aware of any violation of laws and regulations relating to health and safety that had or is expected to have a significant impact on our operations.</p>
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	<ul style="list-style-type: none"> <li>• Performance Data Summary – Social Performance</li> </ul>
<b>KPI B2.2</b>	Lost days due to work injury.	
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	<ul style="list-style-type: none"> <li>• Putting People First – Occupational Health and Safety</li> </ul>

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>Aspect B3: Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> <li>Putting People First – Growing Our Talent</li> </ul>
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	<ul style="list-style-type: none"> <li>Putting People First – Growing Our Talent</li> <li>Performance Data Summary – Social Performance</li> </ul>
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	
<b>Aspect B4: Labour Standards</b>		
<b>General Disclosure</b>	<p>Information on:</p> <p>(a) The policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>	<ul style="list-style-type: none"> <li>Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>Putting People First – Managing Our People</li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>Human Rights Policy</li> <li>Vendor Code of Conduct</li> </ul> <p>Internal policy:</p> <ul style="list-style-type: none"> <li>Employee Handbook</li> </ul> <p>In 2025, the Group was not aware of any violation of relevant laws and regulations that had or is expected to have a significant impact on our operations.</p>
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	<ul style="list-style-type: none"> <li>Corporate Compliance and Governance Behaviour – Labour Practices and Human Rights</li> </ul>
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>Aspect B5: Supply Chain Management</b>		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Relevant sustainability policies are available on our <a href="#">Sustainability Website</a> , including: <ul style="list-style-type: none"> <li>• Green Procurement Policy</li> <li>• Sustainable Procurement Policy</li> <li>• Vendor Code of Conduct</li> </ul>
<b>KPI B5.1</b>	Number of suppliers by geographical region.	<ul style="list-style-type: none"> <li>• Performance Data Summary – Social Performance</li> </ul>
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	<ul style="list-style-type: none"> <li>• Empowering Our Business Partners – Responsible Supply Chain Management</li> </ul>
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>Aspect B6: Product Responsibility</b>		
<b>General Disclosure</b>	<p>Information on:</p> <p>(a) The policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<ul style="list-style-type: none"> <li>• Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>• Empowering Our Business Partners – <ul style="list-style-type: none"> <li>• Responsible Supply Chain Management</li> <li>• Quality Product, Service and Customer Experience</li> </ul> </li> <li>• Corporate Compliance and Governance Behaviour – <ul style="list-style-type: none"> <li>• Responsible Marketing</li> <li>• Information Privacy and Security</li> <li>• Labour Practices and Human Rights</li> </ul> </li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>• Green Procurement Policy</li> <li>• Personal Data (Privacy) Policy</li> <li>• Sustainable Procurement Policy</li> <li>• Vendor Code of Conduct</li> </ul> <p>In 2025, the Group was not aware of any violation of relevant laws and regulations that had or is expected to have a significant impact on our operations.</p>
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	In 2025, there were no recalls concerning the provision and use of products and services for safety and health reasons.

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	In 2025, there were no substantiated complaints received relating to the provision and use of products and services that had a significant impact on our operations.
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	<ul style="list-style-type: none"> <li>Corporate Compliance and Governance Behaviour – Intellectual Property Rights</li> </ul>
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	<ul style="list-style-type: none"> <li>Empowering Our Business Partners – Quality Product, Service and Customer Experience</li> </ul> <p>Recall procedures are not considered as material to our operations.</p>
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<ul style="list-style-type: none"> <li>Corporate Compliance and Governance Behaviour – Information Privacy and Security</li> </ul>
<b>Aspect B7: Anti-corruption</b>		
<b>General Disclosure</b>	<p>Information on:</p> <p>(a) The policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud, and money laundering.</p>	<ul style="list-style-type: none"> <li>Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>Corporate Compliance and Governance Behaviour – Business Ethics and Integrity</li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>Anti-Corruption Policy</li> </ul> <p>In 2025, the Group was not aware of any violation of relevant laws and regulations that had or is expected to have a significant impact on our operations.</p>

Aspects, General Disclosures, KPIs	Description	References and Remarks
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	<ul style="list-style-type: none"> <li>Corporate Compliance and Governance Behaviour – Business Ethics and Integrity</li> </ul> <p>In 2025, there were no concluded legal cases of corruption brought against the Group or its employees.</p>
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	<ul style="list-style-type: none"> <li>Corporate Compliance and Governance Behaviour – Business Ethics and Integrity</li> </ul>
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	<ul style="list-style-type: none"> <li>Corporate Compliance and Governance Behaviour – Corporate Governance</li> </ul>
<b>Aspect B8: Community Investment</b>		
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<ul style="list-style-type: none"> <li>Our Sustainability Journey – Sustainability Governance and Leadership</li> <li>Creating Positive Communities – Driving Meaningful Impact to Support Communities</li> </ul> <p>Relevant sustainability policies are available on our <a href="#">Sustainability Website</a>, including:</p> <ul style="list-style-type: none"> <li>Charitable Donations Policy</li> </ul>
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<ul style="list-style-type: none"> <li>Creating Positive Communities – Driving Meaningful Impact to Support Communities</li> </ul>
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	

**Part D: Climate-related Disclosures**

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
<b>(I) Governance</b>		
19. An issuer shall disclose information about:	–	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Governance</li> </ul>
(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	6(a)	
(i) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	6(a)(ii)	
(ii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	6(a)(iii)	
(iii) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	6(a)(iv)	
(iv) How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	6(a)(v)	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Governance</li> </ul> <p>Related performance metrics were not included in remuneration policies. We are investigating whether and how to include climate-related factors in the annual performance targets for our management.</p>
(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	6(b)	See below
(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	6(b)(i)	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Governance</li> <li>Our Sustainability Journey – Sustainability Governance and Leadership</li> </ul>

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	6(b)(ii)	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – <ul style="list-style-type: none"> <li>Governance</li> <li>Risk Management</li> </ul> </li> </ul>
<b>(II) Strategy</b>		
<b>Climate-related risks and opportunities</b>		
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	10	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Strategy</li> </ul>
(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	10(a)	
(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	10(b)	
(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	10(c)	
(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	10(d)	
<b>Business model and value chain</b>		
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	13	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Strategy</li> </ul>
(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	13(a)	
(b) A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	13(b)	

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
<b>Strategy and decision-making</b>		
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	14	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Strategy</li> </ul>
(a) Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	14(a)	
(i) Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	14(a)(i)	
(ii) Current and anticipated adaptation and mitigation efforts (whether direct or indirect);	14(a)(ii) 14(a)(iii)	
(iii) Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	14(a)(iv)	<ul style="list-style-type: none"> <li>Protecting Our Environment – Climate Change and Resilience</li> </ul>
(iv) How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	14(a)(v)	<ul style="list-style-type: none"> <li>Our Sustainability Journey – Sustainability Strategy</li> <li>Protecting Our Environment – <ul style="list-style-type: none"> <li>Climate Change and Resilience</li> <li>GHG Emissions and Energy Efficiency</li> </ul> </li> </ul>
(b) Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	14(b)	<ul style="list-style-type: none"> <li>About Kerry Properties – Sustainable Finance</li> <li>Climate-related Financial Disclosure – Strategy</li> </ul>
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	14(c)	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Strategy</li> <li>Protecting Our Environment – GHG Emissions and Energy Efficiency</li> </ul>

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
<b>Financial position, financial performance and cash flows</b>		
<b>Current financial effect</b>		
24. An issuer shall disclose qualitative and quantitative information about:	16	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Strategy</li> </ul>
(a) How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	16(a)	
(b) The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	16(b)	No significant risk of material adjustment within the next annual reporting period.
<b>Anticipated financial effect</b>		
25. The issuer shall provide qualitative and quantitative disclosures about:	16(c)	See below
(a) How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:		
(i) Its investment and disposal plans; and	16(c)(i)	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Strategy</li> </ul>
(ii) Its planned sources of funding to implement its strategy; and	16(c)(ii)	<ul style="list-style-type: none"> <li>About Kerry Properties – Sustainable Finance</li> <li>Climate-related Financial Disclosure – Strategy</li> </ul>
(b) How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	16(d)	The quantitative information about anticipated financial effect is not available without incurring undue cost or effort. Thus, only qualitative information is provided in Climate-related Financial Disclosure – Strategy.

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
<b>Climate resilience</b>		
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	22	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Strategy</li> </ul>
(a) The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	22(a)	
(i) The implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	22(a)(i)	
(ii) The significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	22(a)(ii)	
(iii) The issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	22(a)(iii)	
(b) How and when the climate-related scenario analysis was carried out, including:	22(b)	See below
(i) Information about the inputs used, including:	22(b)(i)	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – <ul style="list-style-type: none"> <li>Strategy</li> <li>Risk Management</li> </ul> </li> </ul>
(1) Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;		
(2) Whether the analysis included a diverse range of climate-related scenarios;		
(3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;		
(4) Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;		
(5) Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;		

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
(6) Time horizons the issuer used in the analysis; and	22(b)(i)	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Risk Management</li> </ul>
(7) What scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);		
(ii) The key assumptions the issuer made in the analysis; and	22(b)(ii)	
(iii) The reporting period in which the climate-related scenario analysis was carried out.	22(b)(iii)	
<b>(III) Risk Management</b>		
27. An issuer shall disclose information about:	25	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Risk Management</li> </ul>
(a) The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	25(a)	
(i) The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);		
(ii) Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;		
(iii) How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);		
(iv) Whether and how the issuer prioritises climate-related risks relative to other types of risks;		
(v) How the issuer monitors climate-related risks; and		
(vi) Whether and how the issuer has changed the processes it uses compared with the previous reporting period;		
(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	25(b)	
(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	25(c)	

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
<b>(IV) Metrics and Targets</b>		
<b>Greenhouse gas emissions</b>		
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	29(a)(i)	<ul style="list-style-type: none"> <li>Protecting Our Environment – GHG Emissions and Energy Efficiency</li> </ul>
(a) Scope 1 greenhouse gas emissions;		
(b) Scope 2 greenhouse gas emissions; and		
(c) Scope 3 greenhouse gas emissions.		
29. An issuer shall:	–	
(a) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	29(a)(ii)	<ul style="list-style-type: none"> <li>Performance Data Summary – Environmental Performance</li> </ul>
(b) Disclose the approach it uses to measure its greenhouse gas emissions including:	29(a)(iii)	
(i) The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;		
(ii) The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and		
(iii) Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;		
(c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	29(a)(v)	<ul style="list-style-type: none"> <li>Protecting Our Environment – GHG Emissions and Energy Efficiency</li> </ul>
(d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	29(a) 29(a)(vi)(1)	<ul style="list-style-type: none"> <li>Protecting Our Environment – GHG Emissions and Energy Efficiency</li> <li>Performance Data Summary – Environmental Performance</li> </ul>

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
<b>Climate-related transition risks</b>		
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	29(b)	We have determined that reasonable and supportable information for this disclosure is not available at the reporting date without incurring undue cost or effort. We will explore the feasibility of providing this disclosure in the future.
<b>Climate-related physical risks</b>		
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	29(c)	We have determined that reasonable and supportable information for this disclosure is not available at the reporting date without incurring undue cost or effort. We will explore the feasibility of providing this disclosure in the future.
<b>Climate-related opportunities</b>		
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	29(d)	We have determined that reasonable and supportable information for this disclosure is not available at the reporting date without incurring undue cost or effort. We will explore the feasibility of providing this disclosure in the future.
<b>Capital deployment</b>		
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	29(e)	<ul style="list-style-type: none"> <li>• About Kerry Properties – Sustainable Finance</li> </ul>

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
<b>Internal carbon prices</b>		
<p>34. An issuer shall disclose:</p> <p>(a) An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;</p> <p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	29(f)	Kerry Properties has not adopted an internal carbon price. We are investigating whether to adopt an internal carbon price.
<b>Remuneration</b>		
<p>35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	29(g)	Climate-related considerations have not been factored into the remuneration policy. We are investigating whether and how to include climate-related factors in the annual performance targets for our management.
<b>Industry-based metrics</b>		
<p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	32	<ul style="list-style-type: none"> <li>Sustainability Accounting Standard Board (SASB) Real Estate Sector Disclosure</li> </ul>

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
<b>Climate-related targets</b>		
<p>37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <p>(a) The metric used to set the target;</p> <p>(b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p> <p>(c) The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);</p> <p>(d) The period over which the target applies;</p> <p>(e) The base period from which progress is measured;</p> <p>(f) Milestones or interim targets (if any);</p> <p>(g) If the target is quantitative, whether the target is an absolute target or an intensity target; and</p> <p>(h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p>	33	<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Metrics and Targets</li> </ul>
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(a) Whether the target and the methodology for setting the target has been validated by a third party;</p> <p>(b) The issuer's processes for reviewing the target;</p> <p>(c) The metrics used to monitor progress towards reaching the target; and</p> <p>(d) Any revisions to the target and an explanation for those revisions.</p>	34	<p>See below</p> <ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Metrics and Targets</li> <li>Climate-related Financial Disclosure – Governance</li> <li>Protecting Our Environment – GHG Emissions and Energy Efficiency</li> </ul> <p>No revisions were made.</p>

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

Disclosure Description	IFRS S2 <sup>1</sup> Paragraph	References and Remarks
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	35	<ul style="list-style-type: none"> <li>Protecting Our Environment – GHG Emissions and Energy Efficiency</li> </ul>
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37–39, an issuer shall disclose:	36	See below
(a) Which greenhouse gases are covered by the target;		<ul style="list-style-type: none"> <li>Climate-related Financial Disclosure – Metrics and Targets</li> </ul>
(b) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;		
(c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;		The target is a gross GHG emissions target.
(d) Whether the target was derived using a sectoral decarbonisation approach; and		The targets were not derived using a sectoral decarbonisation approach for target setting.
(e) The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:		We do not plan to use carbon credits. Therefore, this disclosure is not applicable.
(i) The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;		
(ii) Which third-party scheme(s) will verify or certify the carbon credits;		
(iii) The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and		
(iv) Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).		
<b>Applicability of cross-industry metrics and industry-based metrics</b>		
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	23	<ul style="list-style-type: none"> <li>About This Report – Reporting Standards and Principles</li> </ul>

<sup>1</sup> Refers to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures

# DIRECTORS AND SENIOR MANAGEMENT

## DIRECTORS

### Executive Director



#### Mr Kuok Khoon Hua

Aged 47, has been the Chairman of the Company since May 2022 and its Chief Executive Officer since June 2019. He is also the chairman of the Company's Nomination Committee, a member of the Company's Remuneration Committee and Finance Committee. Prior to his appointment as the Chairman, Mr Kuok was the Vice Chairman of the Company from June 2019 to May 2022 and a Non-executive Director of the Company from June 2015 to May 2019. Mr Kuok is the chairman of Kerry Holdings Limited ("KHL") and a director of Kerry Group Limited ("KGL") and Kuok (Singapore) Limited. Both KHL and KGL are the controlling shareholders of the Company. Mr Kuok is the vice chairman and a non-executive director of KLN Logistics Group Limited (formerly known as "Kerry Logistics Network Limited") (a listed company in Hong Kong), a non-executive and non-independent director of Wilmar International Limited (a listed company in Singapore), an independent director of Sea Limited (a listed company in New York), and an independent non-executive director of DBS Bank (Hong Kong) Limited. He is also a member of the Council of The University of Hong Kong. Mr Kuok holds a Bachelor's degree in Economics from Harvard University.

### Independent Non-executive Directors



#### Mr Hui Chun Yue, David

Aged 54, has been an Independent Non-executive Director of the Company since May 2020. He is now the chairman of the Company's Remuneration Committee and also a member of the Company's Audit and Corporate Governance Committee and Nomination Committee. Mr Hui has over 25 years of experience in executive search and consulting globally and across the Asia Pacific region in the industrial and financial services sectors. Mr Hui is now the Senior Client Partner, Chief Executive Officer & Board Practice and Family Business, Greater China of Korn Ferry (a publicly traded company on the New York Stock Exchange). He was the Partner in charge of the Hong Kong office of Heidrick & Struggles International, Inc. (a publicly traded company on the NASDAQ stock market) and the Regional Managing Partner of the Industrial Practice for Asia Pacific and the Middle East. He also led the Chief Executive Officer and Board Practice in Hong Kong. Earlier in his career, Mr Hui was a banking and finance lawyer at Allen & Overy and Baker & McKenzie. He is qualified to practise as a solicitor in England, Wales and Hong Kong. Mr Hui holds a Bachelor of Law with joint honors in Law and Chinese Studies from the University of Leeds, a Master of Law from the University of London and an Executive Master of Business Administration from Kellogg-HKUST Executive MBA program.



#### Mr Chum Kwan Lock, Grant

Aged 50, has been an Independent Non-executive Director of the Company since May 2022. He is now a member of the Company's Audit and Corporate Governance Committee, Remuneration Committee and Nomination Committee. Mr Chum is the chief executive officer, president and an executive director of Sands China Ltd. (a listed company in Hong Kong). Since July 2022, he also concurrently serves as the executive vice president – Asia operations at Las Vegas Sands Corp.. Prior to joining the Las Vegas Sands group in 2013, Mr Chum spent 14 years at UBS Investment Bank in a variety of roles, including serving as managing director, head of Hong Kong Equity Research and head of China Equity Research. He was named Asia's stock-picker of the year by the Financial Times in 2011. Mr Chum graduated in Philosophy, Politics and Economics with First Class Honors from the University of Oxford.



### Dr Li Rui

Aged 54, has been an Independent Non-executive Director of the Company since November 2023. He is now the chairman of the Company's Audit and Corporate Governance Committee and a member of the Company's Nomination Committee. Dr Li is the Deputy Chair of the Board and an Adjunct Professor at the Institute for China Business of The University of Hong Kong. He has also been an independent non-executive director of HSBC Insurance (Asia) Limited and HSBC Life (International) Limited since 28 January 2026. Dr Li was Group Finance Director and an Executive Committee Member of Ping An Insurance Group from 2017 to 2023. He was a non-executive director of Lufax Holding Ltd. (a listed company in New York and Hong Kong) from 2021 to 2022 and a non-executive director of OneConnect Financial Technology Co., Ltd. (a listed company in New York and Hong Kong) from 2019 to 2021. He previously held senior management positions at SF Express International and worked in strategy and management consulting for multinational corporations. Dr Li is a member of the American Institute of Certified Public Accountants and the Chartered Global Management Accountants and he holds a Doctor of Philosophy in Finance, a Master of Business Administration, and a Bachelor of Science.

### Non-executive Director



### Ms Tong Shao Ming

Aged 50, has been a Non-executive Director of the Company since November 2023. She is now a member of the Company's Audit and Corporate Governance Committee and Nomination Committee. Ms Tong has served as the investment director of KHL since 2010. KHL is a controlling shareholder of the Company. Ms Tong is a director of Kerry TJ Logistics Company Limited (a listed company in Taiwan) and a director of Yihai Kerry Arawana Holdings Co., Ltd. (a listed company in Shenzhen). She is also an alternate director to Mr Kuok Khoon Hua (the Chairman and Chief Executive Officer of the Company) in his capacity as a non-executive and non-independent director of Wilmar International Limited (a listed company in Singapore). Ms Tong was a non-executive director of KLN Logistics Group Limited (formerly known as "Kerry Logistics Network Limited") (a listed company in Hong Kong) from 2019 to 2021. Between 2009 and 2012, Ms Tong served as the investment director of Wilmar International Limited. Between 2005 and 2008, Ms Tong worked as an executive director in the equity capital markets department of UBS Group AG. Between 1998 and 2005, Ms Tong worked as a solicitor in the London and Hong Kong offices of a law firm, Slaughter and May. She obtained a bachelor's degree in jurisprudence from Oxford University in 1997 and was admitted as a solicitor of England and Wales.

The Executive Director of the Company is a member of senior management of the Group.

# REPORT OF DIRECTORS

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding.

The principal activities of the Company's subsidiaries, associates and joint ventures comprise the following:

- (i) property development, investment and management in Hong Kong, the Chinese Mainland and the Asia Pacific region; and
- (ii) hotel ownership in Hong Kong, and hotel ownership and operations in the Chinese Mainland.

An analysis of the Group's revenue and contribution to gross profit for the year by principal activity and market is set out in note 5 to the consolidated financial statements.

## BUSINESS REVIEW

A business review of the Group and a discussion and analysis of the Group's performance during the year, the material factors underlying its results and financial position and material attributable factors relating to the development and likely future developments of the Group's business, are provided in different sections of this annual report as set out below. The following sections shall form an integral part of this Report of Directors.

Sections	Page Numbers
Financial Highlights	4 and 5
Chairman's Statement	6 and 7
Management Discussion & Analysis	8 to 23
Corporate Sustainability	32 to 39

During the financial year ended 31 December 2025, the Company has complied with the requirements under the Listing Rules, the SFO and the Bermuda Companies Act. Details of the Company's compliance with the code provisions set out in the CG Code are provided in the Corporate Governance Report of this annual report.

During the financial year ended 31 December 2025, the Group has also complied with the Residential Properties (First-hand Sales) Ordinance through established internal procedures and engagement of external professional advisors including architects, surveyors and solicitors for the checking of the accuracy of the information contained in the relevant documents made available to the public in connection with the sales of first-hand residential properties in Hong Kong.

To protect the privacy of its employees, tenants and purchasers of its properties and to safeguard the interests of its employees, the Group has complied with the requirements of the Personal Data (Privacy) Ordinance, the Employment Ordinance, the Minimum Wage Ordinance and ordinances relating to disability, sex, family status, race discrimination and occupational safety through established internal policies and/or procedures during the financial year ended 31 December 2025.

In addition, a discussion on the Group's policies and performance in the areas of ESG and its key relationships with stakeholders are discussed in the section headed "Corporate Sustainability" of this annual report.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the section headed "Consolidated Income Statement" of this annual report.

Particulars of dividends proposed and paid during the year are set out in note 10 to the consolidated financial statements.

## DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK\$22 million (2024: HK\$17 million).

## INVESTMENT, HOTEL AND DEVELOPMENT PROPERTIES

Particulars of investment, hotel and development properties of the Group are set out in the section headed “Particulars of Properties Held” of this annual report.

## DISTRIBUTABLE RESERVES

As at 31 December 2025, the reserves of the Company available for distribution amounted to approximately HK\$23,523 million (2024: HK\$23,522 million).

## SHARE CAPITAL

The movements in the share capital of the Company during the year are set out in note 32 to the consolidated financial statements.

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Particulars of the Group’s principal subsidiaries, associates and joint ventures as at 31 December 2025 are set out in note 42 to the consolidated financial statements.

## PARTICULARS OF BANK LOANS

Particulars of bank loans of the Group as at 31 December 2025 are set out in note 28 to the consolidated financial statements.

## FIVE-YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five financial years are summarised in the section headed “Five-Year Financial Summary” of this annual report.

## BOARD OF DIRECTORS

The composition of the Board during the year and up to the date of this Report of Directors is set out below:

### Executive Director

Mr Kuok Khoon Hua  
(Chairman and Chief Executive Officer)

### Independent Non-executive Directors

Mr Hui Chun Yue, David  
Mr Chum Kwan Lock, Grant  
Dr Li Rui

### Non-executive Director

Ms Tong Shao Ming

Dr Li Rui and Ms Tong Shao Ming will retire by rotation at the 2026 AGM in accordance with Bye-law 99. All the retiring Directors, being eligible, will offer themselves for re-election.

### Board Committees

As at the date of this annual report, the composition of the Board Committees of the Company is set out in the section headed “Corporate Information & Financial Calendar” of this annual report.

### Changes in Information of Directors

Set out below are the changes in the Directors’ information since the publication of the Interim Report 2025 of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

- Mr Kuok Khoon Hua was elected as a member of the Council of The University of Hong Kong and his appointment took effect from 24 June 2025; and
- Dr Li Rui was appointed as an independent non-executive director of HSBC Insurance (Asia) Limited and HSBC Life (International) Limited respectively with effect from 28 January 2026. In addition, he was appointed as the Deputy Chair of the Board at the Institute for China Business of The University of Hong Kong with effect from 25 February 2026.

Save as disclosed above, there is no other information which is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set out in the section headed “Directors and Senior Management” of this annual report.

## DIRECTORS’ INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (the “**Associated Corporations**”) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### (a) Long position in ordinary and underlying shares of the Company

Name of Directors	Number of ordinary shares interested			Number of underlying shares held under equity derivatives	Total interests	Approximate % of shareholding <sup>4</sup>
	Personal interests <sup>1</sup>	Corporate interests <sup>2</sup>	Other interests <sup>3</sup>			
<b>Kuok Khoon Hua</b>	4,704,713 <sup>5</sup>	1,000,000	3,297,763	–	9,002,476	0.62
<b>Tong Shao Ming</b>	–	–	50,000	–	50,000	<0.01

Notes:

- This represents interests held by the relevant Director as beneficial owner.
- This represents interests deemed to be held by the relevant Director through his/her controlled corporation(s).
- This represents interests deemed to be held by the relevant Director through discretionary trust(s) of which the relevant Director is a discretionary beneficiary.
- The percentage represents the number of ordinary shares of the Company interested divided by the total number of the issued Shares as at 31 December 2025 (i.e. 1,451,305,728 ordinary shares).
- Mr Kuok Khoon Hua is interested in (i) 3,530,913 ordinary shares of the Company as beneficial owner; and (ii) awards granted under the Share Award Scheme conferring the conditional right upon vesting to 1,173,800 ordinary shares of the Company.

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(Continued)

### (b) Long position in ordinary shares of the Associated Corporations

Associated Corporations	Name of Directors	Number of ordinary shares interested				Approximate % of shareholding <sup>4</sup>
		Personal interests <sup>1</sup>	Corporate interests <sup>2</sup>	Other interests <sup>3</sup>	Total interests	
Kerry Group Limited	Kuok Khoo Hua	2,000,000	–	259,054,644	261,054,644	17.25
	Tong Shao Ming	700,000	–	3,115,476	3,815,476	0.25
KLN Logistics Group Limited	Kuok Khoo Hua	600,428	–	1,132,479	1,732,907	0.10
	Tong Shao Ming	–	–	717,588	717,588	0.04
Hopemore Ventures Limited	Kuok Khoo Hua	50	–	–	50	3.57
Kerry Mining (Mongolia) Limited	Kuok Khoo Hua	–	–	500	500	0.46
Majestic Tulip Limited	Kuok Khoo Hua	10	–	–	10	3.33
Marine Dragon Limited	Kuok Khoo Hua	1,200	–	–	1,200	4.00
Medallion Corporate Limited	Kuok Khoo Hua	48	–	–	48	4.80
Ocean Fortune Enterprises Limited	Kuok Khoo Hua	91,262	–	–	91,262	7.05
Oceanic Ally Global Limited	Kuok Khoo Hua	1,500	3,000	–	4,500	15.00
Rubyhill Global Limited	Kuok Khoo Hua	1	–	–	1	10.00
Sapphire Global Limited	Kuok Khoo Hua	3,000	–	–	3,000	10.00
	Tong Shao Ming	1,000	–	–	1,000	3.33
United Charm Investments Limited	Kuok Khoo Hua	–	–	15	15	15.00
Vencedor Investments Limited	Kuok Khoo Hua	5	–	–	5	5.00

Notes:

1. This represents interests held by the relevant Director as beneficial owner.
2. This represents interests deemed to be held by the relevant Director through his/her controlled corporation(s).
3. This represents interests deemed to be held by the relevant Director through discretionary trust(s) of which the relevant Director is a discretionary beneficiary.
4. The percentage has been compiled based on the total number of ordinary shares of the respective Associated Corporations in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations which had been recorded in the register 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.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 31 December 2025, the number of awarded Shares granted by the Company to the Directors (if any), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, is set out in the section headed "Share Award Scheme" of this Report of Directors.

Apart from the aforesaid, at no time during the year ended 31 December 2025 was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2025, the following companies, other than the Directors, had long positions of 5% or more in the Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO. Their interests were as follows:

### Long position in ordinary shares of the Company

Name	Capacity in which ordinary shares were held	Number of ordinary shares interested	Approximate % of shareholding <sup>2</sup>
<b>Kerry Group Limited</b>	Interest of controlled corporations	874,090,494 <sup>1</sup>	60.23
<b>Kerry Holdings Limited</b>	Interest of controlled corporations	746,230,656 <sup>1</sup>	51.42
<b>Caninco Investments Limited</b>	Beneficial owner	312,248,193 <sup>1</sup>	21.51
<b>Darmex Holdings Limited</b>	Beneficial owner	256,899,261 <sup>1</sup>	17.70
<b>Moslane Limited</b>	Beneficial owner	73,821,498 <sup>1</sup>	5.09

Notes:

1. Caninco Investments Limited ("**Caninco**"), Darmex Holdings Limited ("**Darmex**") and Moslane Limited ("**Moslane**") are wholly-owned subsidiaries of KHL. KHL itself is a wholly-owned subsidiary of KGL. Accordingly, the Shares in which Caninco, Darmex and Moslane were shown to be interested had also been included in the Shares in which KHL was shown to be interested, and KGL was deemed to be interested in the Shares in which KHL was shown to be interested.
2. The percentage represents the number of ordinary shares of the Company interested divided by the total number of the issued Shares as at 31 December 2025 (i.e. 1,451,305,728 ordinary shares).

Save as disclosed above, as at 31 December 2025, no other person (other than Directors) had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

## EMPLOYEES

As at 31 December 2025, the Group had approximately 7,490 employees. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. The Group's emolument policy is formulated based on the performance, contribution and responsibilities of individual employees together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. Other employee benefits include provident fund, insurance, medical cover, subsidised educational and training programmes as well as the Share Award Scheme. Details of employee benefit expense are set out in note 12 to the consolidated financial statements.

## PAST PERFORMANCE & FORWARD-LOOKING STATEMENTS

The performance and results of the operations of the Group within this annual report are historical in nature, and past performance is no guarantee for the future results of the Group. This annual report may contain forward-looking statements and opinions, and all forward-looking statements, although based on reasonable estimates, assumptions and projections, involve risks and uncertainties.

Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, and the employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this annual report; and (b) no liability arising from any forward-looking statements or opinions that do not materialise or prove to be incorrect.

## SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Board on 25 November 2022 (the "**Adoption Date**") (together with an addendum thereto dated 28 March 2024) and shall be valid for a term of ten years from the Adoption Date.

### (1) Purposes of the Share Award Scheme

The Share Award Scheme falls within the ambit of, and is subject to the regulations under Chapter 17 of the Listing Rules. The purposes of the Share Award Scheme are to support the long-term growth of the Group, to attract and incentivise suitable personnel for the further development of the Group, to recognise contributions by Directors, executives and key employees of the Group and other participants as defined in the Share Award Scheme, to retain talent, and to help align the interests of Directors and senior management of the Group with the Group's long-term performance.

### (2) Participants of the Share Award Scheme

The eligible participants of the Share Award Scheme are:

- (a) any individual being an employee (whether full-time or part-time employee) of any members of the Group or any Affiliate (defined as below) (an "**Employee**" in this section) provided that the Selected Participant (defined as below) shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or the relevant Affiliate; or (ii) transfer amongst the Company and any Affiliates or any successor, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his/her employment; or
- (b) any individual being a director, officer, consultant or advisor of any members of the Group or any Affiliate who the Board considers, in its sole discretion, to have contributed or will contribute to the Group.

Affiliate in the above means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (i) the holding company of the Company; or (ii) a subsidiary of the holding company of the Company; or (iii) a subsidiary of the Company; or (iv) a fellow subsidiary of the Company; or (v) the controlling Shareholder; or (vi) a company controlled by the controlling Shareholder; or (vii) a company controlled by the Company; or (viii) an associated company of the holding company of the Company; or (ix) an associated company of the Company.

## ■ SHARE AWARD SCHEME (Continued)

### (2) Participants of the Share Award Scheme (Continued)

Selected Participant in the above means any eligible person approved for participation in the Share Award Scheme and who has been granted any awarded Share.

However, no individual who is a resident in a place where the grant, acceptance or vesting of an awarded Share pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations (including without limitation the Listing Rules) in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme.

### (3) Maximum Number of Shares Available to be Granted

No new Shares will be issued under the Share Award Scheme. The share awards will be satisfied by existing Shares to be acquired through on-market transactions by a trustee on the instruction of the Company. Details of the Shares held for the Share Award Scheme are disclosed in note 33 to the consolidated financial statements of this annual report.

The maximum number of Shares (excluding those have been lapsed or forfeited) which can be awarded under the Share Award Scheme shall not exceed 10% of the total number of Shares in issue from time to time. No further grant may be made under the Share Award Scheme if this will result in the aforesaid limit being exceeded.

As at 1 January 2025, a total of 143,040,072 Shares was available for grant under the Share Award Scheme. During the year ended 31 December 2025, 2,046,000 awarded Shares were granted under the Share Award Scheme. As at 31 December 2025, a total of 140,994,072 Shares was available for grant under the Share Award Scheme (representing approximately 9.71% and 9.71% of the total number of the issued Shares as at 31 December 2025 and the date of this annual report, respectively).

### (4) Maximum Entitlement of Each Selected Participant

The maximum number of non-vested awarded Shares granted to a Selected Participant under the Share Award Scheme shall not exceed 1% of the total number of the Shares in issue from time to time.

### (5) Vesting

The vesting criteria and conditions or period for the awarded Shares granted under the Share Award Scheme shall be determined by the Board or the committee of the Board or person(s) to which the Board delegated its authority in its absolute discretion at the time of grant. The awarded Shares shall be subject to a vesting period, to the satisfaction of performance and/or other conditions to be determined by the Board. If such conditions are not satisfied, the awarded Shares shall be cancelled automatically on the date on which such conditions are not satisfied, as determined by the Board in its absolute discretion.

### (6) Acceptance of Share Awards

An award may be accepted by a Selected Participant within five business days after receipt of the award letter.

There is no prescribed amount payable on acceptance of the award and the Board may specify an amount payable on acceptance of the award in the award letter.

### (7) Purchase Price

The purchase price (if any) per awarded Share to be granted under the Share Award Scheme shall be determined by the Board in its absolute discretion at the time of grant.

### (8) Remaining Life of the Share Award Scheme

The Share Award Scheme shall be valid and effective for the period commencing on the Adoption Date, and ending on the business day immediately prior to the 10th anniversary of the Adoption Date.

As at the date of this annual report, the remaining life of the Share Award Scheme is approximately 7 years.

## SHARE AWARD SCHEME (Continued)

### Movement of Awarded Shares

Details of the movement of the awarded Shares granted under the Share Award Scheme during the year ended 31 December 2025 are listed below in accordance with Chapter 17 of the Listing Rules:

Name or category of grantees	Date of grant <sup>1</sup>	Number of awarded Shares				Purchase price per awarded Share HK\$	Vesting period
		Unvested as at 01/01/2025	Granted during the year	Vested <sup>2</sup> during the year	Unvested as at 31/12/2025		
<b>1. Director</b>							
Kuok Khoon Hua	01/04/2024	65,000	–	(65,000)	–	N/A	01/04/2024 – 01/04/2025
	01/04/2024	130,000	–	–	130,000	N/A	01/04/2024 – 01/04/2026
	01/04/2024	195,000	–	–	195,000	N/A	01/04/2024 – 01/04/2027
	01/04/2024	260,000	–	–	260,000	N/A	01/04/2024 – 01/04/2028
	01/04/2025	N/A	26,050	–	26,050	N/A	01/04/2025 – 01/04/2026
	01/04/2025	N/A	52,100	–	52,100	N/A	01/04/2025 – 01/04/2027
	01/04/2025	N/A	78,150	–	78,150	N/A	01/04/2025 – 01/04/2028
	01/04/2025	N/A	432,500	–	432,500	N/A	01/04/2025 – 01/04/2029
<b>2. Other Employee Participants<sup>3</sup></b>							
	01/04/2024	144,050	–	(144,050)	–	N/A	01/04/2024 – 01/04/2025
	01/04/2024	288,100	–	–	288,100	N/A	01/04/2024 – 01/04/2026
	01/04/2024	432,150	–	–	432,150	N/A	01/04/2024 – 01/04/2027
	01/04/2024	576,200	–	–	576,200	N/A	01/04/2024 – 01/04/2028
	01/04/2025	N/A	58,150	–	58,150	N/A	01/04/2025 – 01/04/2026
	01/04/2025	N/A	116,300	–	116,300	N/A	01/04/2025 – 01/04/2027
	01/04/2025	N/A	174,450	–	174,450	N/A	01/04/2025 – 01/04/2028
	01/04/2025	N/A	1,108,300	–	1,108,300	N/A	01/04/2025 – 01/04/2029
<b>Total:</b>		<b>2,090,500</b>	<b>2,046,000</b>	<b>(209,050)</b>	<b>3,927,450</b>		

## SHARE AWARD SCHEME (Continued)

### Movement of Awarded Shares (Continued)

Awarded Shares granted to the five highest paid individuals (including one Director) for the year ended 31 December 2025 are extracted and summarised as follows:

Category of grantees	Date of grant <sup>1</sup>	Number of awarded Shares				Purchase price per awarded Share HK\$	Vesting period
		Unvested as at 01/01/2025	Granted during the year	Vested <sup>2</sup> during the year	Unvested as at 31/12/2025		
Five Highest Paid Individuals	01/04/2024	133,030	–	(133,030)	–	N/A	01/04/2024 – 01/04/2025
	01/04/2024	266,060	–	–	266,060	N/A	01/04/2024 – 01/04/2026
	01/04/2024	399,090	–	–	399,090	N/A	01/04/2024 – 01/04/2027
	01/04/2024	532,120	–	–	532,120	N/A	01/04/2024 – 01/04/2028
	01/04/2025	N/A	54,250	–	54,250	N/A	01/04/2025 – 01/04/2026
	01/04/2025	N/A	108,500	–	108,500	N/A	01/04/2025 – 01/04/2027
	01/04/2025	N/A	162,750	–	162,750	N/A	01/04/2025 – 01/04/2028
	01/04/2025	N/A	930,300	–	930,300	N/A	01/04/2025 – 01/04/2029
<b>Total:</b>		<b>1,330,300</b>	<b>1,255,800</b>	<b>(133,030)</b>	<b>2,453,070</b>		

Notes:

- The closing price of the Shares immediately before the date of grant on 1 April 2024 and 1 April 2025 was HK\$14.32 and HK\$18.34 respectively. The fair value of the awarded Shares at the date of grant on 1 April 2024 and 1 April 2025 was HK\$14.54 and HK\$18.38 respectively.
- The weighted average closing price of the Shares immediately before the date on which the awarded Shares were vested was HK\$18.34.
- Other employee participants include current employees of the Group.
- During the year ended 31 December 2025, no awarded Share was cancelled and/or lapsed under the Share Award Scheme.

Since the Adoption Date and up to 31 December 2025, a total of 4,136,500 awarded Shares have been granted under the Share Award Scheme (representing approximately 0.29% and 0.29% of the total number of the issued Shares as at 31 December 2025 and the date of this annual report, respectively).

## ■ SERVICE CONTRACT

There is no service contract, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation), in respect of any Director proposed for re-election at the 2026 AGM.

## ■ MANAGEMENT CONTRACT

No contract with any person or entity concerning the management and administration of the whole or any substantial part of the business of the Company (other than contract of service with any Director or employee of the Company) was entered into or existed during the year.

## ■ MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the combined value of the Group's contracts with its five largest suppliers, which were not of a capital nature, was less than 30 per cent of the total value of supplies purchased. The Group's five largest customers combined contributed less than 30 per cent of its total revenue during the year ended 31 December 2025.

## ■ DIRECTOR'S INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, the following Director disclosed that during the year ended 31 December 2025, he was considered to have interests in the following businesses ("**Excluded Businesses**"), being businesses which competed or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses in which (a) the Group was interested; and (b) the Director's only interests are as directors appointed to represent the interests of the Group.

During the year ended 31 December 2025, Mr Kuok Khoon Hua was the director of subsidiaries of SA and he had interests in shares of SA, the businesses of which consisted of hotel ownership and operations. As the size of that part of these Excluded Businesses in the Chinese Mainland, where the Group has hotel businesses, is not insignificant when compared with the hotel business of the Group in the Chinese Mainland, it is likely that these Excluded Businesses may compete with the hotel business of the Group in the Chinese Mainland.

The Excluded Businesses are operated and managed by companies (and in the case of SA, by listed company) with independent management and administration. On this basis, the Group is capable of carrying on its businesses independently of, and at arm's length from, the Excluded Businesses.

The Directors, including those interested in the Excluded Businesses, will, as and when required under the Bye-laws, abstain from voting on any resolution of the Board in respect of any contract, arrangement or proposal in which he/she or any of his/her associate(s) has a material interest.

## ■ PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, the Directors shall be indemnified against all losses and liabilities which they may incur in connection with their duties. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group during the year, which remains in force.

## ■ DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed, if any, in the sections headed "Connected Transactions" and "Continuing Connected Transactions" of this Report of Directors, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company, its subsidiaries, its fellow subsidiaries or its holding companies was a party or were parties and in which a Director or any entities connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## ■ PUBLIC FLOAT

Based on the information that is publicly available to the Company as at the date of this Report of Directors and within the knowledge of the Directors, there was a sufficiency of public float of the Company's securities as required under the Listing Rules.

## ■ PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws or the laws in Bermuda.

## CONNECTED TRANSACTIONS

During the financial year ended 31 December 2025, the Group entered into the connected transactions that are subject to the annual reporting requirements under Chapter 14A of the Listing Rules. Details of the transactions are as follows:

### (i) Cash Advance to a Joint Venture in Tianjin, the PRC

As disclosed in the Company's announcement dated 16 May 2025 (the "**Cash Advance Announcement**"), Kerry (Shenyang) Real Estate Development Co., Ltd. ("**KSRE**") (the lender), a non-wholly owned subsidiary of the Company, and Tianjin Kerry Real Estate Development Co., Ltd. ("**TKRE**") (the borrower), a joint venture established for a mixed-use project in Tianjin, the PRC, entered into the cash advance agreement (the "**Cash Advance Agreement**"), pursuant to which KSRE agreed to provide a loan in the principal amount of up to RMB250,000,000 (approximately HK\$271,000,000) to TKRE for a term of two years.

KSRE is held indirectly as to 60%, 25% and 15% by the Company, SA and Allgreen Properties Limited ("**Allgreen**") respectively, and TKRE is held indirectly as to 49%, 20% and 31% by the Company, SA and Allgreen respectively. KHL is a controlling shareholder of the Company and SA and Allgreen are associates of KHL. Accordingly, SA and Allgreen are connected persons of the Company, and as a result, KSRE is a connected subsidiary and TKRE is a commonly held entity of the Company. Therefore, the entering into of the Cash Advance Agreement constituted a connected transaction of the Company under the Listing Rules.

Details of the connected transaction are set out in the Cash Advance Announcement.

### (ii) Sale of a Property Unit of Jinling Residences

As disclosed in the Company's announcement dated 31 October 2025 (the "**Sale of Property Announcement**"), Shanghai Brilliant Prestige Real Estate Co., Ltd. (the "**Vendor**"), a wholly-owned subsidiary of the Company, entered into the pre-sale agreement with Mr Kuok Khoon Hua (the "**Purchaser**"), pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase a four room unit in Tower 2 of Jinling Residences (the "**Property**") at a consideration of RMB116,838,258 (approximately HK\$127,704,216).

The Purchaser is the Chairman, CEO and ED, and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the sale of the Property by the Vendor to the Purchaser constituted a connected transaction of the Company under the Listing Rules.

Details of the connected transaction are set out in the Sale of Property Announcement.

### (iii) Renewal of Tenancy of Kerry Centre

As disclosed in the Company's announcement dated 17 November 2025 (the "**Kerry Centre Announcement**"), Kerry Properties (H.K.) Limited ("**KPLHK**") (a wholly-owned subsidiary of the Company) as tenant, accepted the offer made by Ubagan Limited ("**Ubagan**") as landlord, to renew the existing tenancy in respect of Unit 2 on Level 3, Level 5, Level 22, Level 25 and Level 26 of Kerry Centre for a term of two years commencing on 19 November 2025 and expiring on 18 November 2027 (both days inclusive) (the "**KC Renewal**").

Ubagan is indirectly owned by KHL and the Company as to 60% and 40% respectively, and KHL is a controlling shareholder of the Company. Ubagan is an associate of KHL and is therefore a connected person of the Company. As such, the KC Renewal constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Details of the connected transaction are set out in the Kerry Centre Announcement.

## CONTINUING CONNECTED TRANSACTIONS

Among the related party transactions disclosed in note 37 to the consolidated financial statements, the following transactions constituted continuing connected transactions for the Company and are subject to the annual reporting requirements under Chapter 14A of the Listing Rules. In all cases, the Company has complied with applicable requirements under Chapter 14A of the Listing Rules. Details of the transactions are disclosed below:

### (i) Hotel Management Agreements and relevant agreements

#### (a) Kerry Hotel, Beijing

Shangri-La International Hotel Management Limited (“**SLIM-HK**”) and Shangri-La Hotel Management (Shanghai) Co., Ltd. (“**SLIM-PRC**”) are providing hotel management, reservation, sales, marketing and training services to Kerry Hotel, Beijing pursuant to the hotel management agreement (the “**Beijing HM Agreement**”) and the marketing and training services agreement (the “**Beijing MTS Agreement**”) (collectively, the “**Beijing Agreements**”) entered into by Beijing Kerry Hotel Co., Ltd. (“**BKH**”) with SLIM-HK and SLIM-PRC respectively on 26 August 2019. The Beijing HM Agreement was entered into for 20 years ending on 27 August 2039, with an option to renew for 10 years which is exercisable by mutual agreement of both parties. The Beijing MTS Agreement was entered into from 28 August 2019 to the termination date of the Beijing HM Agreement.

BKH, being the owner of Kerry Hotel, Beijing, is owned as to 71.25% by the Group, 23.75% by the SA group and 5% by an independent third party. KHL is a controlling shareholder of the Company and a substantial shareholder of SA. Therefore, SA, SLIM-HK and SLIM-PRC are connected persons of the Company. Accordingly, the provision of the hotel management, reservation, sales, marketing and training services by SLIM-HK and SLIM-PRC to BKH constituted continuing connected transactions of the Company under the Listing Rules.

The annual aggregate fee payable by the Group pursuant to the Beijing Agreements for the year ended 31 December 2025 was not expected to exceed RMB110 million (“**Cap A**”). The fee paid by the Group under the Beijing Agreements for the year ended 31 December 2025 amounted to RMB21 million (approximately HK\$23 million), which was within Cap A.

#### (b) Jing An Shangri-La Hotel

SLIM-HK is providing the hotel management, marketing and reservation services (the “**HM Services**”) to Jing An Shangri-La Hotel pursuant to the hotel management agreement (the “**Jing An Agreement**”) entered into between Shanghai Ji Xiang Properties Co., Ltd. (“**SJXP**”) and SLIM-HK on 17 October 2012. The Jing An Agreement was entered into for a term of 20 years ending on 28 June 2033.

SJXP, being the owner of Jing An Shangri-La Hotel, is owned as to 51% by the Group and 49% by the SA group. SA and SLIM-HK are connected persons of the Company. Accordingly, the provision of the HM Services by SLIM-HK to SJXP constituted a continuing connected transaction of the Company under the Listing Rules.

The annual aggregate fee payable by the Group pursuant to the Jing An Agreement for the year ended 31 December 2025 was not expected to exceed US\$14 million (“**Cap B**”). The fee paid by the Group under the Jing An Agreement for the year ended 31 December 2025 amounted to US\$6.3 million (approximately HK\$49 million), which was within Cap B.

#### (c) Midtown Shangri-La Hotel, Hangzhou

SLIM-HK and SLIM-PRC are providing the HM Services to Midtown Shangri-La Hotel, Hangzhou (the “**Hangzhou Hotel**”) pursuant to the hotel management agreement (the “**Hangzhou HM Agreement**”) and the marketing services agreement (the “**MS Agreement**”) (collectively, the “**Hangzhou Agreements**”), entered into by Kerry Real Estate (Hangzhou) Co. Ltd. (“**KREH**”) with SLIM-HK and SLIM-PRC respectively on 4 March 2016. The Hangzhou HM Agreement was entered into for a term of 20 years ending on 11 March 2036. The MS Agreement was entered into from 4 March 2016 to the termination date of the Hangzhou HM Agreement.

KREH, being the owner of the Hangzhou Hotel, is owned as to 75% by the Group and 25% by the SA group. SA, SLIM-HK and SLIM-PRC are connected persons of the Company. Accordingly, the provision of the HM Services by SLIM-HK and SLIM-PRC to KREH constituted continuing connected transactions of the Company under the Listing Rules.

## CONTINUING CONNECTED TRANSACTIONS (Continued)

### (i) Hotel Management Agreements and relevant agreements (Continued)

#### (c) Midtown Shangri-La Hotel, Hangzhou (Continued)

The annual aggregate fee payable by the Group pursuant to the Hangzhou Agreements for the year ended 31 December 2025 was not expected to exceed RMB93 million (“**Cap C**”). The fee paid by the Group under the Hangzhou Agreements for the year ended 31 December 2025 amounted to RMB19 million (approximately HK\$20 million), which was within Cap C.

#### (d) Kunming Hotels - JEN Kunming and Shangri-La Kunming

SLIM-HK and SLIM-PRC are providing, *inter alia*, the hotel management, reservation, sales and marketing and training services to JEN Kunming by Shangri-La (phase 1) and Shangri-La Kunming (phase 2) (altogether, the “**Kunming Hotels**”) pursuant to the hotel management agreement (the “**Kunming HM Agreement**”) and the sales and marketing, training and Shangri-La Circle services agreement (the “**SMTS Agreement**”) entered into by Jian’an Real Estate (Kunming) Co., Ltd. (“**JREK**”) with SLIM-HK and SLIM-PRC respectively on 29 April 2024.

The operating term of the Kunming HM Agreement is three years from the opening date of JEN Kunming, with an option to renew for a three-year term, in each case exercisable by mutual agreement of SLIM-HK and JREK, until the twentieth anniversary of the opening date of JEN Kunming. The SMTS Agreement was entered into for the term of three-year from 29 April 2024 until the termination of the Kunming HM Agreement.

The Beijing branch of SLIM-PRC is also providing the Shangri-La standard electronic system (the “**Proprietary Technology Services**”) and cloud-based property management system (the “**Cloud-based PMS Services**”) to the Kunming Hotels pursuant to the proprietary technology services agreement (the “**Kunming PTS Agreement**”) and the cloud-based property management system services agreement (the “**Cloud-PMS Agreement**”) entered into by JREK with the Beijing branch of SLIM-PRC on 29 April 2024. Both Kunming PTS Agreement and Cloud-PMS Agreement were entered into for three years from the opening date of JEN Kunming until the termination of the Kunming HM Agreement.

JREK is held indirectly as to 55% and 45% by the Company and SA respectively. SA, SLIM-HK and SLIM-PRC are connected persons of the Company. Accordingly, the provision of the hotel management, reservation, sales and marketing, training, Proprietary Technology Services and Cloud-based PMS Services by SLIM-HK, SLIM-PRC and the Beijing branch of SLIM-PRC to JREK constituted continuing connected transactions of the Company under the Listing Rules.

The annual aggregate fee payable by the Group pursuant to the Kunming HM Agreement, SMTS Agreement, Kunming PTS Agreement and Cloud-PMS Agreement (collectively, the “**Kunming Agreements**”) for the year ended 31 December 2025 was not expected to exceed RMB18 million (“**Cap D**”). The fee paid by the Group under the Kunming Agreements for the year ended 31 December 2025 amounted to RMB4 million (approximately HK\$5 million), which was within Cap D.

## CONTINUING CONNECTED TRANSACTIONS (Continued)

### (i) Hotel Management Agreements and relevant agreements (Continued)

#### (e) Shangri-La Nanchang

SLIM-HK is providing hotel management and reservation services to Shangri-La Nanchang pursuant to the hotel management agreement entered into on 25 December 2014 (as supplemented by the first supplemental agreement dated 1 November 2017, the second supplemental agreement dated 30 September 2020 and the third supplemental agreement dated 1 November 2022) (the “**Nanchang HM Agreement**”) between Kerry Real Estate (Nanchang) Co., Ltd. (“**KREN**”) and SLIM-HK.

SLIM-PRC is providing marketing and training services to Shangri-La Nanchang pursuant to the marketing, training and Shangri-La Circle services agreement entered into on 1 November 2017 (as supplemented by the first supplemental agreement dated 30 September 2020 and the second supplemental agreement dated 1 November 2022) (the “**Nanchang MTS Agreement**”) between KREN and SLIM-PRC.

On 5 July 2024, KREN entered into the supplemental agreement to the Nanchang HM Agreement (the “**Supplemental Agreement to the Nanchang HM Agreement**”) and the supplemental agreement to the Nanchang MTS Agreement (the “**Supplemental Agreement to the Nanchang MTS Agreement**”) with SLIM-HK and SLIM-PRC respectively to amend certain terms of the Nanchang HM Agreement and the Nanchang MTS Agreement respectively regarding the management of Shangri-La Nanchang.

The operating term of the Nanchang HM Agreement is three years from the opening date of Shangri-La Nanchang. At the end of the initial three-year term, if both contracting parties mutually agree, the Nanchang HM Agreement may be renewed for a further three-year term and so on until the twentieth anniversary of the opening date of Shangri-La Nanchang. Pursuant to the Supplemental Agreement to the Nanchang HM Agreement, the renewal term has commenced with effect from 1 July 2024.

The term of the Nanchang MTS Agreement (as amended by the Supplemental Agreement to the Nanchang MTS Agreement) is from the date of the Nanchang MTS Agreement until the termination of the Nanchang HM Agreement (for a term of three-year). A new three-year renewal term has also commenced with effect from 1 July 2024.

The Beijing branch of SLIM-PRC is also providing the Proprietary Technology Services to Shangri-La Nanchang pursuant to the proprietary technology services agreement (the “**Nanchang PTS Agreement**”) entered into by KREN with the Beijing branch of SLIM-PRC on 5 July 2024. The Nanchang PTS Agreement was entered into for a term of three-year with effect from 1 July 2024 until the termination of the Nanchang HM Agreement.

KREN, being the owner of Shangri-La Nanchang, is held indirectly as to 80% and 20% by the Company and SA respectively. SA, SLIM-HK and SLIM-PRC are connected persons of the Company. Accordingly, the provision of the hotel management, reservation, marketing, training and Proprietary Technology Services by SLIM-HK, SLIM-PRC and the Beijing branch of SLIM-PRC to KREN constituted continuing connected transactions of the Company under the Listing Rules.

The annual aggregate fee payable by the Group pursuant to the Supplemental Agreement to the Nanchang HM Agreement, Supplemental Agreement to the Nanchang MTS Agreement and Nanchang PTS Agreement (collectively, the “**Nanchang Agreements**”) for the year ended 31 December 2025 was not expected to exceed RMB17.7 million (“**Cap E**”). The fee paid by the Group under the Nanchang Agreements for the year ended 31 December 2025 amounted to RMB12 million (approximately HK\$13 million), which was within Cap E.

## CONTINUING CONNECTED TRANSACTIONS (Continued)

In addition, certain transactions disclosed in note 37 to the consolidated financial statements also constituted connected transactions and/or continuing connected transactions under the Listing Rules. The applicable percentage ratios (except profits ratio) for the aforesaid transactions are under 0.1% and therefore such transactions are exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

Save for above, during the financial year ended 31 December 2025, the Company did not enter into any connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules. The Company confirmed that it has complied with the applicable disclosure requirements in relation to its connected transactions (including continuing connected transactions) conducted during the year, in accordance with Chapter 14A of the Listing Rules.

### (ii) Annual Review by Independent Non-executive Directors and the auditor of the Company

Pursuant to Rule 14A.55 of the Listing Rules, the continuing connected transactions mentioned above have been reviewed by the Independent Non-executive Directors who have confirmed that the transactions have been entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The external auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants and has issued an unqualified letter containing the findings and conclusions in respect of the abovementioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

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

During the year ended 31 December 2025, save for the purchase of Shares by the trustee for the purposes of the Share Award Scheme, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

A total of 1,720,000 Shares were acquired and settled through on-market transactions and 209,050 Shares were transferred to the awardees upon vesting of the awarded Shares during the year ended 31 December 2025. The remaining 4,679,450 Shares were held in trust under the Share Award Scheme as at 31 December 2025.

## AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retires and, being eligible, offers itself for re-appointment.

On behalf of the Board  
**Kuok Khoon Hua**  
 Chairman and Chief Executive Officer

Hong Kong, 23 March 2026

# INDEPENDENT AUDITOR'S REPORT



**Independent Auditor's Report**  
**To the Shareholders of Kerry Properties Limited**  
(incorporated in Bermuda with limited liability)

## OPINION

### What we have audited

The consolidated financial statements of Kerry Properties Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 120 to 217, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 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 ("HKSA") 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the 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.

[www.pwchk.com](http://www.pwchk.com)

PricewaterhouseCoopers  
22/F Prince's Building, Central  
Hong Kong SAR, China  
T: +852 2289 8888, F: +852 2810 9888

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties; and
- Recoverability of properties under development and completed properties held for sale

### Key Audit Matter

### How our audit addressed the Key Audit Matter

#### **Valuation of investment properties**

Refer to notes 4(a)(i) and 15 to the consolidated financial statements.

The Group has investment properties held by subsidiaries, associates and joint ventures as at 31 December 2025 of which changes in fair value were recognised and presented as a "Decrease in fair value of investment properties" and included in "Share of results of associates and joint ventures" respectively in the consolidated income statement. The Group's investment property portfolio comprises commercial and residential properties, and warehouse in Hong Kong and the Chinese Mainland.

Management has engaged independent valuers, to determine the fair value of the investment properties and investment properties under development held by the Group's subsidiaries, associates and joint ventures as at 31 December 2025. Investment properties were valued using the income capitalisation method and, wherever appropriate, the direct comparison method. For investment properties under development, fair value was derived using the residual method.

Our procedures in relation to management's valuation of investment properties held by the Group's subsidiaries, associates and joint ventures included:

- Understanding management's controls and processes for determining the valuation of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied;
- Evaluating the independent valuers' competence, capabilities and objectivity;
- Reading the valuation reports and meeting with the independent valuers to discuss and challenge the valuation methodologies and key assumptions adopted;
- Involving our in-house property valuation experts to assess the appropriateness of the valuation methodologies and the reasonableness of the key assumptions used in the valuation of selected investment properties;
- Checking the accuracy of the input data, on a sample basis, used by the independent valuers including rental income and estimated development cost by agreeing them to management's records, invoices received or other supporting documentations such as lease agreements, rental income schedules, construction cost schedules and approved budgets;

**Key Audit Matter*****Valuation of investment properties (Continued)***

The valuation of investment properties and investment properties under development is subject to high degree of estimation uncertainty. For both completed and under-development investment properties, key assumptions are capitalisation rates and prevailing market rents. For investment properties under development, the valuation also involves assumptions for outstanding development costs and developer's profits and risk margins.

The estimation uncertainty and management judgement, as mentioned in note 4(a)(i) to the consolidated financial statements, led us to consider this a key audit matter.

**How our audit addressed the Key Audit Matter**

Our procedures in relation to management's valuation of investment properties held by the Group's subsidiaries, associates and joint ventures included: (Continued)

- Assessing the key assumptions used by the independent valuers, on a sample basis, against our own expected range of estimates using evidence from comparable market transactions, historical records or approved budgets of the Group by comparing:
  - capitalisation rates to published market data;
  - prevailing market rents to leasing transactions of comparable properties or recent letting of subject properties; and
  - estimated development cost and developer's profits for the investment properties under development to the latest budgets and market norm in the industry respectively.
- Assessing the adequacy of the disclosures relating to the valuation of investment properties in the context of HKFRS Accounting Standards disclosure requirements.

Based on the procedures performed, we considered that the methods, key assumptions and data used in management's valuation of investment properties were supported by the available evidence.

**Key Audit Matter*****Recoverability of properties under development and completed properties held for sale***

Refer to notes 4(a)(ii), 17 and 24 to the consolidated financial statements.

The Group had properties under development and completed properties held for sale held by subsidiaries, joint ventures and associates as at 31 December 2025.

Management assessed the recoverability of properties under development and completed properties held for sale based on an estimation of the net realisable value of the underlying properties. This involves analyses of the estimated costs to completion, estimated costs necessary to make the sale, construction costs contracts, pre-sale contracts and expected future sales price based on prevailing market conditions such as current market prices of comparable standards and locations. As a result, certain provision has been made to the properties under development and completed properties held for sale.

We focused on the recoverability of properties under development and completed properties held for sale as a key audit matter because the estimation of net realisable value is subject to high degree of estimation uncertainty.

**How our audit addressed the Key Audit Matter**

Our procedures in relation to management's assessments of the recoverability of properties under development and completed properties held for sale included:

- Understanding management's controls and processes for assessing the recoverability of properties under development and completed properties held for sale and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied;
- Evaluating and testing the operating effectiveness of key controls around the property construction cycle with particular focus on, but not limited to, controls over cost budgeting for estimated costs to completion, where applicable;
- Assessing the reasonableness of key assumptions and estimates in management's assessments, on a sample of properties selected, including:
  - expected future sales prices which we compared to contracted sales prices of the underlying properties or current market prices of properties of comparable standards and locations, where applicable; and
  - estimated costs necessary to make the sales and costs to completion that we compared these costs to the latest budgets of total construction costs and tested, on a sample basis, to committed contracts and other supporting documentation.
- Assessing the adequacy of the disclosures related to the recoverability of properties under development and completed properties held for sale in the context of HKFRS Accounting Standards disclosure requirements.

Based on the procedures performed, we considered that the methods, significant assumptions and data used by management are supported by the available evidence.

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of 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 DIRECTORS AND THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit and Corporate Governance Committee are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment 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 Audit and Corporate Governance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit and Corporate Governance 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 Audit and Corporate Governance 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 Tsang Nga Kwan (practising certificate number: P05155).

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 23 March 2026

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	Note	2025 HK\$ million	2024 HK\$ million
Revenue	5	<b>19,568</b>	19,499
Cost of sales and direct expenses		<b>(13,910)</b>	(13,113)
Gross profit	5	<b>5,658</b>	6,386
Other net gains/(losses)	6	<b>725</b>	(114)
Selling, administrative and other operating expenses		<b>(1,947)</b>	(1,971)
Decrease in fair value of investment properties	15	<b>(1,518)</b>	(2,257)
Operating profit before finance costs	7	<b>2,918</b>	2,044
Finance costs	8	<b>(714)</b>	(378)
Operating profit		<b>2,204</b>	1,666
Share of results of associates and joint ventures	19(d)	<b>726</b>	916
Profit before taxation		<b>2,930</b>	2,582
Taxation	9	<b>(1,624)</b>	(1,070)
Profit for the year		<b>1,306</b>	1,512
Profit attributable to:			
Company's shareholders		<b>938</b>	808
Non-controlling interests		<b>368</b>	704
		<b>1,306</b>	1,512
Earnings per share			
– Basic	11	<b>HK\$0.65</b>	HK\$0.56
– Diluted	11	<b>HK\$0.65</b>	HK\$0.56

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 HK\$ million	2024 HK\$ million
Profit for the year		1,306	1,512
Other comprehensive income			
<b>Items that may be reclassified to profit or loss</b>			
Cash flow hedges	35	(383)	(58)
Share of other comprehensive income of associates and joint ventures	35	156	(107)
Net translation differences on foreign operations		4,147	(2,915)
<b>Items that will not be reclassified to profit or loss</b>			
Fair value losses on financial assets at fair value through other comprehensive income	35	(90)	(118)
Share of other comprehensive income of associates and joint ventures	35	14	3
Release of exchange fluctuation reserve upon disposal of subsidiaries	35	–	10
Other comprehensive income for the year, net of tax		3,844	(3,185)
Total comprehensive income for the year		5,150	(1,673)
Total comprehensive income attributable to:			
Company's shareholders		3,997	(1,913)
Non-controlling interests		1,153	240
		5,150	(1,673)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 HK\$ million	2024 HK\$ million
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	5,239	4,540
Investment properties	15	87,199	84,273
Right-of-use assets	16	2,152	1,633
Properties under development and land deposits	17	28,839	25,113
Associates and joint ventures	19	26,740	25,450
Derivative financial instruments	20	104	487
Financial assets at fair value through other comprehensive income	21	687	845
Financial assets at fair value through profit or loss	22	587	620
Mortgage loans receivable	23	840	897
Intangible assets		123	123
		<b>152,510</b>	<b>143,981</b>
<b>Current assets</b>			
Properties under development	17	22,574	25,239
Completed properties held for sale	24	14,766	18,241
Accounts receivable, prepayments and deposits	25	2,518	2,214
Current portion of mortgage loans receivable	23	390	134
Tax recoverable		437	326
Derivative financial instruments	20	17	6
Restricted bank deposits	26	3,767	228
Cash and bank balances	26	12,332	10,979
		<b>56,801</b>	<b>57,367</b>
<b>Current liabilities</b>			
Accounts payable, deposits received and accrued charges	27	7,588	7,499
Contract liabilities	27	11,414	3,466
Current portion of lease liabilities	16	26	40
Taxation		1,716	1,601
Short-term bank loans and current portion of long-term bank loans	28	6,429	9,700
Derivative financial instruments	20	39	129
		<b>27,212</b>	<b>22,435</b>
<b>Net current assets</b>		<b>29,589</b>	<b>34,932</b>

	Note	2025 HK\$ million	2024 HK\$ million
<b>Total assets less current liabilities</b>		<b>182,099</b>	178,913
<b>Non-current liabilities</b>			
Long-term bank loans	28	49,341	49,881
Amounts due to non-controlling interests	29	2,310	1,838
Lease liabilities	16	25	1
Derivative financial instruments	20	199	293
Deferred taxation	30	11,033	10,253
		<b>62,908</b>	62,266
<b>ASSETS LESS LIABILITIES</b>		<b>119,191</b>	116,647
<b>EQUITY</b>			
Capital and reserves attributable to the Company's shareholders			
Share capital	32	1,451	1,451
Shares held for share award scheme	33(a)	(73)	(50)
Share premium	34	13,133	13,133
Other reserves	35	4,182	957
Retained profits		86,579	87,820
		<b>105,272</b>	103,311
Non-controlling interests		<b>13,919</b>	13,336
<b>TOTAL EQUITY</b>		<b>119,191</b>	116,647

The consolidated financial statements on pages 120 to 217 were approved by the Board of Directors on 23 March 2026 and were signed on its behalf.

**Kuok Khoon Hua**

Director

**Tong Shao Ming**

Director

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 HK\$ million	2024 HK\$ million
<b>Operating activities</b>			
Net cash generated from operations	36(a)	17,760	5,496
Interest paid		(2,230)	(2,717)
Income tax paid		(1,336)	(1,614)
Net cash generated from operating activities		14,194	1,165
<b>Investing activities</b>			
Additions of property, plant and equipment		(129)	(109)
Additions of investment properties		(1,505)	(600)
Increase in land deposits		(1,315)	(5,001)
Disposal of subsidiaries	36(c)	–	36
Increase in investments in associates and joint ventures		(39)	(50)
Dividends received from associates and joint ventures		590	413
Additional loans to associates and joint ventures		(776)	(1,757)
Repayment of loans by associates and joint ventures		391	902
Additional loans from associates and joint ventures		1	1
Mortgage loans to buyers		(615)	(122)
Repayment of mortgage loans from buyers		220	154
Interest received		497	578
Return of investment from financial assets at fair value through profit or loss		–	7
(Increase)/decrease in restricted bank deposits		(3,526)	67
Decrease in short-term bank deposits maturing after more than three months		–	4
Dividends received from listed and unlisted investments		71	72
Proceeds from sale of property, plant and equipment		19	1
Proceeds from sale of investment properties		–	6
Proceeds from sale of financial assets at fair value through other comprehensive income		68	–
Net cash used in investing activities		(6,048)	(5,398)

	Note	2025 HK\$ million	2024 HK\$ million
<b>Financing activities</b>			
Purchase of shares for share award scheme		(26)	–
Repayment of bank loans	36(b)	(58,513)	(47,664)
Drawdown of bank loans	36(b)	53,398	52,790
Principal elements of lease payments	36(b)	(45)	(47)
Dividends paid	10(a)	(1,959)	(1,959)
Return of capital to non-controlling interests		(24)	(444)
Dividends of subsidiaries paid to non-controlling interests		(546)	(509)
Additional loans from non-controlling interests	36(b)	452	–
Repayment of loans to non-controlling interests	36(b)	–	(78)
Net cash (used in)/generated from financing activities		(7,263)	2,089
Increase/(decrease) in cash and cash equivalents		883	(2,144)
Effect of exchange rate changes		470	(414)
Cash and cash equivalents at 1 January		10,961	13,519
Cash and cash equivalents at 31 December	26(b)	12,314	10,961

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to the shareholders of the Company								
	Note	Share capital	Shares held for share award scheme	Share premium	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Balance at 1 January 2025		1,451	(50)	13,133	957	87,820	103,311	13,336	116,647
Profit for the year		-	-	-	-	938	938	368	1,306
Cash flow hedges	35	-	-	-	(383)	-	(383)	-	(383)
Share of other comprehensive income of associates and joint ventures	35	-	-	-	170	-	170	-	170
Net translation differences on foreign operations	35	-	-	-	3,362	-	3,362	785	4,147
Fair value losses on financial assets at fair value through other comprehensive income	35	-	-	-	(90)	-	(90)	-	(90)
Total comprehensive income for the year ended 31 December 2025		-	-	-	3,059	938	3,997	1,153	5,150
Purchase of shares for share award scheme		-	(26)	-	-	-	(26)	-	(26)
Vesting of shares for share award scheme		-	3	-	(3)	-	-	-	-
Share-based compensation under share award scheme		-	-	-	19	-	19	-	19
Dividends paid and payables		-	-	-	-	(1,959)	(1,959)	(546)	(2,505)
Transfer	35	-	-	-	220	(220)	-	-	-
Share of other reserves of associates and joint ventures	35	-	-	-	(70)	-	(70)	-	(70)
Capital reduction of subsidiaries		-	-	-	-	-	-	(24)	(24)
Total transactions with owners		-	(23)	-	166	(2,179)	(2,036)	(570)	(2,606)
<b>Balance at 31 December 2025</b>		<b>1,451</b>	<b>(73)</b>	<b>13,133</b>	<b>4,182</b>	<b>86,579</b>	<b>105,272</b>	<b>13,919</b>	<b>119,191</b>

	Attributable to the shareholders of the Company								
	Note	Share capital	Shares held for share award scheme	Share premium	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Balance at 1 January 2024		1,451	(50)	13,105	3,982	88,769	107,257	13,900	121,157
Profit for the year		-	-	-	-	808	808	704	1,512
Cash flow hedges	35	-	-	-	(58)	-	(58)	-	(58)
Share of other comprehensive income of associates and joint ventures	35	-	-	-	(104)	-	(104)	-	(104)
Net translation differences on foreign operations	35	-	-	-	(2,451)	-	(2,451)	(464)	(2,915)
Fair value losses on financial assets at fair value through other comprehensive income	35	-	-	-	(118)	-	(118)	-	(118)
Release of exchange fluctuation reserve upon disposal of subsidiaries	35	-	-	-	10	-	10	-	10
Total comprehensive income for the year ended 31 December 2024		-	-	-	(2,721)	808	(1,913)	240	(1,673)
Lapse of share options		-	-	28	(28)	-	-	-	-
Share-based compensation under share award scheme		-	-	-	9	-	9	-	9
Dividends paid and payables		-	-	-	-	(1,959)	(1,959)	(566)	(2,525)
Transfer	35	-	-	-	(202)	202	-	-	-
Share of other reserves of associates and joint ventures	35	-	-	-	(83)	-	(83)	-	(83)
Release of other reserve upon disposal of subsidiaries	36(c)	-	-	-	-	-	-	(19)	(19)
Acquisition of additional interest in subsidiaries		-	-	-	-	-	-	225	225
Capital reduction of subsidiaries		-	-	-	-	-	-	(444)	(444)
Total transactions with owners		-	-	28	(304)	(1,757)	(2,033)	(804)	(2,837)
Balance at 31 December 2024		1,451	(50)	13,133	957	87,820	103,311	13,336	116,647

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Kerry Properties Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”). The principal activities of the Company’s subsidiaries, associates and joint ventures comprise property development, investment and management in Hong Kong, the Chinese Mainland and the Asia Pacific region; and hotel ownership in Hong Kong, and hotel ownership and operations in the Chinese Mainland.

These consolidated financial statements have been approved for issue by the Board of Directors on 23 March 2026.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

### (a) Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together, the “Group”) have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments and first mortgage loans) at fair value through other comprehensive income or through profit or loss, and investment properties, which are carried at fair value.

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

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (a) Basis of preparation (Continued)

#### (i) Adoption of amendments to existing standards

The following amendments to existing standards have been published that are effective for the accounting period of the Group beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1, 'Lack of exchangeability'

The adoption of the above amendments to existing standards had no material impact on the consolidated financial statements of the Group.

#### (ii) New standards, amendments to existing standards and interpretation which are not yet effective

The following new standards, amendments to existing standards and interpretation have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2026, but the Group has not early adopted them:

	Applicable for accounting periods beginning on/after
Amendments to HKFRS 9 and HKFRS 7, 'Classification and measurement of financial instruments'	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7, 'Annual improvements to HKFRS Accounting Standards – Volume 11'	1 January 2026
Amendments to HKFRS 9 and HKFRS 7, 'Contracts referencing nature-dependent electricity'	1 January 2026
HKFRS 18, 'Presentation and disclosure in financial statements'	1 January 2027
HKFRS 19, 'Subsidiaries without public accountability: disclosures'	1 January 2027
Amendments to HKFRS 19, 'Subsidiaries without public accountability: disclosures'	1 January 2027
Amendments to Hong Kong Interpretation 5, 'Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause'	1 January 2027
Amendments to HKFRS 10 and HKAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined

The Group will adopt the above new standards, amendments to existing standards and interpretation as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (b) Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

#### (i) *Subsidiaries*

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

#### (ii) *Transactions with non-controlling interests*

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (b) Consolidation (Continued)

#### (iii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The Group's share of its associates post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

#### (iv) Joint arrangements

Under HKFRS 11 'Joint arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

##### *Joint ventures*

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

#### (v) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2(i).

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (c) Segment reporting

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

### (d) Foreign currency translation

#### (i) *Functional and presentation currency*

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

#### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other net gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income are included in other comprehensive income.

#### (iii) *Group companies*

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position of the Group's entities are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement of the Group's entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (d) Foreign currency translation (Continued)

#### (iii) Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### (e) Property, plant and equipment

Properties comprise hotel properties, warehouse, buildings and staff quarters. All property, plant and equipment are stated at historical cost less aggregate depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Properties*	Shorter of lease term or 20 to 50 years or useful lives
Leasehold improvements	Shorter of lease term or 5 to 7 years or useful lives
Motor vehicles, furniture, fixtures and office equipment	3 to 10 years

\* Hotel properties included the respective fixtures and equipment with estimated useful lives of 5 to 10 years.

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

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

The gain or loss on disposal of all property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant assets and is recognised in the consolidated income statement.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (f) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies of the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and ceased once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on valuations carried out by professional valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is capitalised to the carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

Changes in fair values of investment property are recognised in the consolidated income statement. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

When an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to 'Completed properties held for sale' at its fair value at the date of change in use.

If an investment property becomes owner-occupied, it is reclassified as 'Property, plant and equipment', and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. Any resulting increase in the carrying amount of the property is recognised in the consolidated income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised directly to revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is charged to the consolidated income statement. Upon the subsequent disposal of the investment property, any revaluation reserve balance of the property is transferred to retained profits and is shown as a movement in equity.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (g) Properties under development

Properties under development comprise leasehold land, land use rights, construction costs, borrowing costs capitalised for qualifying assets and professional fees incurred during the development period. Costs of leasehold land and land use rights are amortised over the lease term in accordance with the pattern of benefit provided or on a straight-line basis over the lease term. The amortisation during the period of construction of the properties is capitalised as the cost of properties under development. Properties under development are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Upon completion of the properties which are pre-determined for self-use purpose, the leasehold land portion under lease are classified as 'Right-of-use assets', while the buildings portion are classified as 'Property, plant and equipment'.

Upon the completion of the properties which are pre-determined for sale purpose, the properties including the costs of leasehold land and land use rights are classified as 'Completed properties held for sale' in current assets.

Properties under development are classified as non-current assets unless the construction period of the relevant property development project is expected to be completed within the normal operating cycle and are intended for sale.

### (h) Completed properties held for sale

Completed properties held for sale are initially measured at the carrying amount of the property at the date of reclassification from properties under development. Subsequently, completed properties held for sale are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### (i) Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investments in subsidiaries or associates or joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associate or joint venture in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Investments and financial assets

#### (i) Classification

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

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in OCI or profit or loss. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in consolidated income statement.

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

##### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in consolidated income statement as other net gains/(losses) when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other net gains/(losses) in the consolidated income statement as applicable.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Investments and financial assets (Continued)

#### (iv) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

The impairment loss of other financial assets carried at amortised cost is measured based on twelve months expected credit loss. The twelve months expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within twelve months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within selling, administrative and other operating expenses. Subsequent recoveries of amounts previously written off are credited against selling, administrative and other operating expenses in the consolidated income statement.

### (k) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of a particular risk associated with a recognised asset or liability or highly probable forecast transactions (cash flow hedges); or (2) hedges of net investments in foreign operations (net investment hedges).

The Group documents, at the inception of the transaction, the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group also documents its risk management objectives and strategy for undertaking various hedging transactions.

The fair values of various derivative financial instruments are disclosed in note 20. Movements on the hedging reserve in shareholders’ equity are shown in note 35. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months after the end of the reporting period.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (k) Derivative financial instruments and hedging activities (Continued)

#### (i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement within finance costs.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gains or losses relating to the effective portion of (a) interest rate swaps hedging variable rate borrowings and (b) cross currency swaps hedging borrowings in foreign currency, are recognised in the consolidated income statement within finance costs.

When a hedging instruments expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction occurs and affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

#### (ii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement.

Gains and losses accumulated in equity are included in the consolidated income statement when the foreign operation is disposed of or sold.

### (l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted bank deposits are not included in cash and cash equivalents.

### (m) Accounts payable

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

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

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

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

### (o) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred income tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (p) Employee benefits

#### (i) *Employee leave entitlements*

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (ii) *Defined contribution plan*

A defined contribution plan is a pension plan which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (iii) *Share-based compensation*

The Group operate the following equity-settled, share based compensation plan.

##### *Share award scheme*

When shares are acquired for the share award scheme from the market, the total consideration of shares acquired is debited to the shares held for share award scheme under equity.

Upon granting of awarded shares, share-based compensation expense is charged to the income statement and the amount of which is determined by reference to the fair value of the awarded shares granted. The total expense is recognised on a straight-line basis over the relevant vesting periods (or on the grant date if the awarded shares vest immediately), with a corresponding credit to the share award reserve under equity. For those awarded shares which are amortised over the vesting period, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest based on the vesting conditions at the end of each reporting period. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to share-based compensation expense in the current period, with a corresponding adjustment to the share award reserve.

Upon vesting of awarded shares, the related total consideration of the vested awarded shares when acquired are credited to the shares held for share award scheme under equity, with a corresponding decrease in share award reserve for awarded shares.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (p) Employee benefits (Continued)

#### (iv) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### (v) *Bonus plans*

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

### (q) Provisions

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

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

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

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (r) Revenue recognition

#### (i) Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised when it is probable that future economic benefits will flow to the Group and specific criteria for each of the Group's activities as described below have been met. Estimates are based on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement. Revenue is recognised when the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time.

- (I) Revenue from sales of properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the properties under development may transfer over time or at a point in time. If properties have no alternative use to the Group contractually and the Group has an enforceable right to payment from the customers for performance completed to date, the Group satisfies the performance obligation over time and therefore, recognises revenue over time in accordance with the output method for measuring progress. Otherwise, revenue is recognised at a point in time when the customer obtains control of the completed property. The Group recognised revenue from sales of properties in the Chinese Mainland and Hong Kong at a point in time during the year.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Contract acquisition costs incurred to obtain contracts are capitalised and amortised when the related revenue is recognised.

- (II) Income from property management is recognised when services are rendered.
- (III) Hotel revenue from room rental is recognised over time during the period of stay for hotel guests. Revenue from food and beverages sales and other ancillary services is generally recognised at the point in time when the services are rendered.

#### (ii) Revenue from other sources and other income

- (I) Rental revenue (net of lease incentives given) and other revenues incidental to the letting of properties are recognised on a straight-line basis over the periods of the respective leases.
- (II) Dividend income is recognised when the right to receive payment is established.
- (III) Interest income is recognised on a time proportion basis, using the effective interest method.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (s) Leases

#### (i) *The Group is the lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (s) Leases (Continued)

#### (i) *The Group is the lessee (Continued)*

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group also has interests in leasehold land and land use rights for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

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

Lease liabilities are classified as non-current liabilities unless payments are within 12 months from the end of the reporting period.

#### (ii) *The Group is the lessor*

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expenses over the lease term on the same basis as lease income.

### (t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sales. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. The Group ceases capitalisation of borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sales are completed.

### (u) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are declared by the Directors in the case of interim dividends or approved by the Company's shareholders in the case of final dividends.

### 3 FINANCIAL RISK MANAGEMENT

#### (a) Financial risk factors

The Group's major financial instruments include financial assets at fair value through other comprehensive income or through profit or loss, derivative financial instruments, mortgage loans receivable, accounts receivable and other receivables, cash and bank balances, restricted bank deposits, accounts payable, bank loans and amounts due from/to associates, joint ventures and amounts due to non-controlling interests. Details of these financial instruments are disclosed in the respective notes.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to manage certain risk exposures.

Risk management is carried out by the Group's management under the supervision of the Finance Committee. The Group's management identifies, evaluates and manages significant financial risks in the Group's individual operating units. The Finance Committee provides guidance for overall risk management.

#### (i) Market risk

##### (I) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities or net investments in foreign operations are denominated in a currency that is not the Group entities' functional currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

During the year, Renminbi, the main currency impacting the Group's operations, fluctuated against the Hong Kong dollar. This gave rise to an unrealised gain of approximately HK\$3,521 million (2024: loss HK\$2,536 million) on translation of these operations' net assets to the Group's Hong Kong dollar reporting currency, including the Group's share of the translation gains and losses of associates and joint ventures. This unrealised gain/loss is reflected as a movement in other reserves under the heading of exchange fluctuation reserve.

##### (II) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. The Group's interest bearing assets mainly include deposits at bank, mortgage loans receivable and amounts due from associates and joint ventures. The Group's floating rate borrowings will be affected by fluctuation of prevailing market interest rates and will expose the Group to cash flow interest rate risk. The Group's fixed rate borrowings will expose the Group to fair value interest rate risk.

To mitigate the risk, the Group has maintained fixed and floating rate debts. To match with underlying risk faced by the Group, the level of fixed rate debt for the Group is decided after taking into consideration the potential impact of change in interest rates, interest cover and the cash flow cycles of the Group's businesses and investments.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Financial risk factors (Continued)

##### (i) **Market risk** (Continued)

###### (II) *Interest rate risk* (Continued)

Furthermore, the Group manages its cash flow interest rate risk on certain bank borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

At the end of the reporting periods, if interest rates had increased or decreased by 25 (2024: 25) basis points and all other variables were held constant, the profit of the Group would have increased or decreased by approximately HK\$10 million (2024: HK\$15 million) mainly resulting from the change in interest income on bank deposits and the borrowing costs of bank borrowings after capitalisation of interest expenses.

###### (III) *Price risk*

The Group is exposed to equity securities price risk arising from the listed and unlisted equity investments held by the Group. The performance of the Group's listed and unlisted equity investments is monitored regularly, together with an assessment of their relevance to the Group's strategic plans. The Group is not exposed to commodity price risk.

The carrying amount of the listed portion of financial assets at fair value through profit or loss would be an estimated HK\$1 million (2024: HK\$2 million) lower or higher if the year end share prices of the above-mentioned investments were to differ by 20% (2024: 20%).

The carrying amount of the unlisted portion of financial assets at fair value through profit or loss would be an estimated HK\$116 million (2024: HK\$122 million) lower or higher if the year end underlying fair value of the above-mentioned investments were to differ by 20% (2024: 20%).

The carrying amount of the listed portion of financial assets at fair value through other comprehensive income would be an estimated HK\$Nil million (2024: HK\$14 million) lower or higher if the year end share prices of the above-mentioned investments were to differ by 20% (2024: 20%).

##### (ii) **Credit risk**

The carrying amounts of derivative financial instruments, cash and bank balances, restricted bank deposits, mortgage loans receivable, accounts receivable, other receivables and amounts due from associates and joint ventures represent the Group's maximum exposure to credit risk in relation to financial assets. The Group has credit policies in place and exposures to these credit risks are monitored on an ongoing basis.

In order to minimise the credit risk, management of the Company has delegated a team in each business unit responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The Group applies the HKFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Financial risk factors (Continued)

##### (ii) Credit risk (Continued)

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the debtors to settle the outstanding balance.

There is no concentration of credit risk with respect to trade receivables from third party customers as the Group has a large number of customers.

In respect of credit exposures to customers for sale of properties and mortgage loans, the Group normally receives deposits or progress payments from individual customers prior to the completion of sale transactions. If a customer defaults on the payment of the sale of properties, the Group is able to forfeit the customer's deposit and re-sell the property to another customer. Therefore, the Group's credit risk is significantly reduced.

Rentals in respect of investment properties are payable in advance by tenants in accordance with the lease agreements. The Group has policies in place to ensure that rental deposits are required from tenants prior to commencement of leases. The Group's credit risk is reduced.

For mortgage loans receivable, similar to other financial institutions, credit assessments are part of the normal process before approving loans to applicants. The Group takes into account the expected recoveries from the collateral on the mortgaged property, if any, in assessing the expected credit losses.

Management considered the credit risk of other receivables and amounts due from associates and joint ventures is low, as counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these other receivables and amounts due from associates and joint ventures were minimal under 12 months expected losses method and no provision was recognised.

The credit risk on liquid funds is limited because the funds are placed in banks with high credit ratings assigned by international credit-rating agencies. Transactions including derivative financial instruments are also executed with banks of sound credit standing to minimise credit exposure.

In addition, the Group monitors the exposure to credit risk in respect of the financial guarantees provided in relation to associates and joint ventures through exercising joint control or influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis. The Group determines the probability of default and recovery rate based on the underlying financial information, the actual and expected changes in business performance and general market default and recovery rate. The Group has also considered the forward-looking information by incorporating a set of different economic scenarios.

The Group has provided guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the Chinese Mainland. Since the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the banks, the management considers that the Group's credit risk is minimal (see also note 39).

The maximum exposure to credit risk is represented by the carrying amounts of financial assets in the consolidated statement of financial position after deducting any loss allowance. Except for the guarantees given by the Group as disclosed in note 39, the Group does not provide any other guarantees which would expose the Group to credit risk.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Financial risk factors (Continued)

##### (iii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due.

The Group measures and monitors its liquidity through the maintenance of prudent ratio regarding to the liquidity structure of the overall assets, liabilities, loans and commitments of the Group.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The following tables detail the contractual maturity of the Group for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Less than 1 year HK\$ million	Between 1 and 2 years HK\$ million	Between 2 and 5 years HK\$ million	Over 5 years HK\$ million	Total HK\$ million
At 31 December 2025					
Amounts due to associates and joint ventures	-	415	-	-	415
Bank loans	8,534	16,422	35,936	93	60,985
Amounts due to non-controlling interests	-	2,333	-	-	2,333
Accounts payable, deposits received and accrued charges	6,758	263	330	136	7,487
Lease liabilities	28	24	1	-	53
Derivative financial instruments	74	187	1	-	262
<b>Total</b>	<b>15,394</b>	<b>19,644</b>	<b>36,268</b>	<b>229</b>	<b>71,535</b>

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Financial risk factors (Continued)

##### (iii) Liquidity risk (Continued)

	Less than 1 year HK\$ million	Between 1 and 2 years HK\$ million	Between 2 and 5 years HK\$ million	Over 5 years HK\$ million	Total HK\$ million
At 31 December 2024					
Amounts due to associates and joint ventures	–	418	–	–	418
Bank loans	12,331	14,010	40,620	–	66,961
Amounts due to non-controlling interests	–	1,850	–	–	1,850
Accounts payable, deposits received and accrued charges	6,701	261	364	85	7,411
Lease liabilities	42	–	1	–	43
Derivative financial instruments	157	136	147	–	440
<b>Total</b>	<b>19,231</b>	<b>16,675</b>	<b>41,132</b>	<b>85</b>	<b>77,123</b>

#### (b) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the loan and equity balance.

The Directors of the Company review the capital structure periodically. As a part of this review, the Directors of the Company assess the annual budget prepared by the finance department which reviews the planned construction projects proposed by project department and prepared the annual budget taking into account of the provision of funding. Based on the proposed annual budget, the Directors of the Company consider the cost of capital and the risks associated with capital. The Directors of the Company also balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The Group monitors capital by maintaining prudent gearing ratio based on prevailing market environment and economic condition. This ratio is calculated as net debt to total equity. Net debt is calculated as borrowings (including current and non-current borrowings, as shown in the consolidated statement of financial position) less cash and cash equivalents, short-term bank deposits maturing after more than three months and restricted bank deposits.

The gearing ratios at 31 December 2025 and 2024 were as follows:

	2025	2024
Net debt (HK\$ million)	<b>39,671</b>	48,374
Total equity (HK\$ million)	<b>119,191</b>	116,647
Gearing ratio	<b>33.3%</b>	41.5%

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2025:

	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	Total HK\$ million
<b>Assets</b>				
Derivative financial instruments	–	121	–	121
Financial assets at fair value through other comprehensive income	–	–	687	687
Financial assets at fair value through profit or loss	7	–	580	587
First mortgage loans receivable	–	–	46	46
Total assets	7	121	1,313	1,441
<b>Liabilities</b>				
Derivative financial instruments	–	238	–	238
Total liabilities	–	238	–	238

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2024:

	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	Total HK\$ million
<b>Assets</b>				
Derivative financial instruments	–	493	–	493
Financial assets at fair value through other comprehensive income	73	–	772	845
Financial assets at fair value through profit or loss	9	–	611	620
First mortgage loans receivable	–	–	139	139
<b>Total assets</b>	<b>82</b>	<b>493</b>	<b>1,522</b>	<b>2,097</b>
<b>Liabilities</b>				
Derivative financial instruments	–	422	–	422
<b>Total liabilities</b>	<b>–</b>	<b>422</b>	<b>–</b>	<b>422</b>

There were no transfers between levels during the year.

#### (i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments listed on the Hong Kong Stock Exchange classified as financial assets at fair value through profit or loss.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Fair value estimation (Continued)

##### (ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 2 financial instruments of the Group comprise cross currency swap and interest rate swap contracts. The fair value is calculated as the present value of the estimated future cash flows based on forward exchange rates that are quoted in an active market and/or forward interest rates extracted from observable yield curves.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

##### (iii) Financial instruments in Level 3

The following table presents the changes in Level 3 instruments:

	First mortgage loans receivable		Financial assets at fair value through other comprehensive income		First mortgage loans fair value through profit or loss	
	2025 HK\$ million	2024 HK\$ million	2025 HK\$ million	2024 HK\$ million	2025 HK\$ million	2024 HK\$ million
At 1 January	139	155	772	758	611	641
(Losses)/gains recognised in other comprehensive income or profit or loss	-	-	(85)	14	(31)	(23)
Repayments	(93)	(16)	-	-	-	-
Return of investment from financial assets at fair value through profit or loss	-	-	-	-	-	(7)
At 31 December	46	139	687	772	580	611

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Fair value estimation (Continued)

##### **(iii) Financial instruments in Level 3 (Continued)**

The Group established fair value of unlisted financial assets by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

##### **(iv) Valuation techniques used to determine fair value**

Special valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments,
- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves,
- for cross currency swaps – present value of future cash flows based on observable exchange rates and forward interest rates extracted from observable yield curves, and
- for other financial instruments – discounted cash flow analysis.

##### **(v) Group's valuation processes for financial instruments**

The Group's finance department includes a team that performs the valuation of financial assets required for financial reporting purposes, including Level 3 fair values. Discussions of valuation processes and results are held between the management and the valuation team at each reporting date. Reasons for the fair value movements will be explained during the discussions.

##### **(vi) Fair value of financial assets and liabilities measured at amortised cost**

The fair value of the following financial assets and liabilities approximates their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents
- Trade and other payables
- Second mortgage loans receivable

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### (a) Critical accounting estimates and assumptions

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

#### (i) *Estimate of fair value of investment properties*

The valuation of investment properties is performed in accordance with 'The HKIS Valuation Standards 2024' published by the Hong Kong Institute of Surveyors and the 'International Valuation Standards' published by the International Valuation Standards Council.

Details of the judgement and assumptions have been disclosed in note 15(a).

#### (ii) *Provision for properties under development and completed properties held for sale*

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their recoverable amounts based on an estimation of the net realisable value of the underlying properties, taking into account estimated costs to completion based on past experience and committed contracts and expected future sales price/rental value based on prevailing market conditions. If the carrying amounts of the underlying stock of properties differ from those values estimated as a result of changes in market condition, material reversal of or provision for impairment losses on properties under development and completed properties held for sale may result. The assessment requires the use of judgement and estimates.

#### (iii) *Income taxes*

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

The Group is subject to land appreciation taxes and withholding tax on capital gains in the Chinese Mainland. Significant judgement is required in determining the amount of the land appreciation and capital gains, and its related taxes. The Group recognised these land appreciation taxes and withholding tax on capital gains based on management's best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax and deferred income tax provision in the periods in which such taxes have been finalised with local tax authorities.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### (a) Critical accounting estimates and assumptions (Continued)

#### (iv) *Useful lives of property, plant and equipment*

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. Management will change the depreciation charge where useful lives are different from the previously estimated lives. It will also write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

#### (v) *Fair value of certain financial assets and derivative financial instruments*

The fair value of financial assets at FVPL and FVOCI and derivative financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and determine the fair values primarily based on the recent transaction price, net asset value and taking into account of the analysis of the investees' financial trends and results, risk profile, prospects, industry trends and other factors. The key assumptions adopted in the valuation are disclosed in note 3(c).

#### (vi) *Impairment of associates and joint ventures*

The investments in associates or joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable by reference to the requirements under HKAS 28 "Investments in Associates and Joint Ventures" and HKAS 36 "Impairment of Assets".

For investments where impairment indicators exist, management estimated the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. The value in use of the underlying businesses is determined based on the discounted cash flow projections. Significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as revenue growth, unit price and discount rates. Based on the results of these impairment assessments, management concluded that no impairment provision for the Group's investments in associates and joint ventures was necessary as at 31 December 2025.

For the measurement of expected credit losses of the amounts due from associates and joint ventures, please refer to note 2(j).

#### (vii) *Impairment of property, plant and equipment*

The Group regularly reviews whether there are any indications of impairment and will recognise an impairment loss if the carrying amount of an asset is higher than its recoverable amount which is the greater of its net selling price or its value in use. In determining the value in use, the Group assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and judgements are applied in determining these future cash flows and the discount rates, estimated occupancy rates and room rates. Additional information for the impairment assessment of property, plant and equipment is disclosed in note 14.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### (b) Critical judgements in applying the Group's accounting policies

#### (i) *Distinction between property development projects, investment properties and owner-occupied properties*

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process. Properties under development and completed properties held for sale are assets under development and held for sale in the ordinary course of business. The Group will reclassify a property when, and only when, there is evidence of a change in use.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

#### (ii) *Revenue recognition*

The Group has recognised revenue from the sale of properties held for sale as disclosed in note 5 according to the accounting policy as stated in note 2(r). To assess the enforceability of right to payment, the Group has reviewed the terms of its contracts and the relevant local laws, considered the local regulators' views and obtained legal advice, where necessary. Revenue is recognised at a point in time in the Chinese Mainland and Hong Kong when the underlying completed property unit is legally and/or physically transferred to the customer.

## 5 PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(a) Revenue recognised during the year is as follows:

	2025 HK\$ million	2024 HK\$ million
<b>Revenue</b>		
Sale of properties	13,108	12,928
Rental and others	4,800	4,894
Hotel revenue	1,660	1,677
	<b>19,568</b>	<b>19,499</b>

(b) An analysis of the Group's revenue and results for the year by principal activity and market is as follows:

	2025					
	The Company and its subsidiaries		Share of associates and joint ventures		Total	
	Revenue HK\$ million	Results HK\$ million	Revenue HK\$ million	Results HK\$ million	Combined revenue HK\$ million	Combined results HK\$ million
Property rental and others						
– Chinese Mainland property	3,760	2,392	283	221	4,043	2,613
– Hong Kong property	1,040	766	110	76	1,150	842
	4,800	3,158	393	297	5,193	3,455
Property sales						
– Chinese Mainland property	3,801	748	2,096	905	5,897	1,653
– Hong Kong property	9,307	1,200	2,470	(237)	11,777	963
	13,108	1,948	4,566	668	17,674	2,616
Hotel operations						
– Chinese Mainland property	1,660	552	457	150	2,117	702
– Hong Kong property	–	–	31	6	31	6
	1,660	552	488	156	2,148	708
	<b>19,568</b>	<b>5,658</b>	<b>5,447</b>	<b>1,121</b>	<b>25,015</b>	<b>6,779</b>

## 5 PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

(b) An analysis of the Group's revenue and results for the year by principal activity and market is as follows: (Continued)

	2024					
	The Company and its subsidiaries		Share of associates and joint ventures		Total	
	Revenue HK\$ million	Results HK\$ million	Revenue HK\$ million	Results HK\$ million	Combined revenue HK\$ million	Combined results HK\$ million
Property rental and others						
– Chinese Mainland property	3,727	2,681	342	229	4,069	2,910
– Hong Kong property	1,167	883	119	89	1,286	972
	4,894	3,564	461	318	5,355	3,882
Property sales						
– Chinese Mainland property	7,441	808	16	9	7,457	817
– Hong Kong property	5,487	1,444	886	(21)	6,373	1,423
	12,928	2,252	902	(12)	13,830	2,240
Hotel operations						
– Chinese Mainland property	1,677	570	462	149	2,139	719
– Hong Kong property	–	–	37	9	37	9
	1,677	570	499	158	2,176	728
	19,499	6,386	1,862	464	21,361	6,850

### (c) Information about operating segment:

Management has determined the operating segments based on the reports reviewed by the Executive Director.

The Executive Director considers the business by principal activities and markets. Management assesses the performance of the principal activities of the Group namely property investment, development and hotel operations (together property business). The property business is further segregated into Chinese Mainland property and Hong Kong property.

Property segment derives revenue primarily from sales of properties, rental revenue and hotel revenue.

Others mainly include corporate activities including central treasury management and administrative function and results of other business not categorised as operating segments.

The Executive Director assesses the performance of the operating segments based on a measure of gross profit.

## 5 PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

(d) An analysis of the Group's financial results by operating segment is as follows:

	2025				
	Chinese Mainland Property HK\$ million	Hong Kong Property HK\$ million	Total Operating Segments HK\$ million	Others HK\$ million	Total HK\$ million
Revenue	9,221	10,347	19,568	–	19,568
Results					
Segment results – gross profit	3,692	1,966	5,658	–	5,658
Other net gains					725
Selling, administrative and other operating expenses					(1,947)
Decrease in fair value of investment properties					(1,518)
Operating profit before finance costs					2,918
Finance costs					(714)
Operating profit					2,204
Share of results of associates and joint ventures					726
Profit before taxation					2,930
Taxation					(1,624)
Profit for the year					1,306
Profit attributable to:					
Company's shareholders					938
Non-controlling interests					368
					1,306
Depreciation	387	58	445	7	452

## 5 PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

(d) An analysis of the Group's financial results by operating segment is as follows:  
(Continued)

	2024				
	Chinese Mainland Property HK\$ million	Hong Kong Property HK\$ million	Total Operating Segments HK\$ million	Others HK\$ million	Total HK\$ million
Revenue	12,845	6,654	19,499	–	19,499
Results					
Segment results – gross profit	4,059	2,327	6,386	–	6,386
Other net losses					(114)
Selling, administrative and other operating expenses					(1,971)
Decrease in fair value of investment properties					(2,257)
Operating profit before finance costs					2,044
Finance costs					(378)
Operating profit					1,666
Share of results of associates and joint ventures					916
Profit before taxation					2,582
Taxation					(1,070)
Profit for the year					1,512
Profit attributable to:					
Company's shareholders					808
Non-controlling interests					704
					1,512
Depreciation	372	60	432	5	437

## 5 PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

(e) An analysis of the Group's financial position by operating segment is as follows:

	2025					
	Chinese Mainland Property HK\$ million	Hong Kong Property** HK\$ million	Total Operating Segments HK\$ million	Others HK\$ million	Eliminations HK\$ million	Consolidated HK\$ million
Segment assets	131,927	53,587	185,514	74,742	(80,747)	179,509
Associates and joint ventures	9,350	10,311	19,661	7,079	–	26,740
Derivative financial instruments	–	–	–	121	–	121
Financial assets at fair value through other comprehensive income	–	–	–	687	–	687
Financial assets at fair value through profit or loss	–	586	586	1	–	587
Mortgage loans receivable	–	1,230	1,230	–	–	1,230
Tax recoverable	398	32	430	7	–	437
<b>Total assets</b>	<b>141,675</b>	<b>65,746</b>	<b>207,421</b>	<b>82,637</b>	<b>(80,747)</b>	<b>209,311</b>
Segment liabilities	74,368	16,773	91,141	8,659	(80,747)	19,053
Bank loans	3,572	2,811	6,383	49,387	–	55,770
Derivative financial instruments	–	–	–	238	–	238
Taxation and deferred taxation	11,972	541	12,513	236	–	12,749
Amounts due to non-controlling interests	1,966	173	2,139	171	–	2,310
<b>Total liabilities</b>	<b>91,878</b>	<b>20,298</b>	<b>112,176</b>	<b>58,691</b>	<b>(80,747)</b>	<b>90,120</b>
Segment non-current assets*	100,352	43,894	144,246	8,264	–	152,510

\* Additions to non-current assets mainly comprise of additions to investment properties and properties under development and land deposits as set out in notes 15 and 17 to the consolidated financial statements respectively.

\*\* Included Macau.

## 5 PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

(e) An analysis of the Group's financial position by operating segment is as follows:  
(Continued)

	2024						Consolidated HK\$ million
	Chinese Mainland Property HK\$ million	Hong Kong Property** HK\$ million	Total Operating Segments HK\$ million	Others HK\$ million	Eliminations HK\$ million		
Segment assets	120,285	57,831	178,116	78,827	(84,360)	172,583	
Associates and joint ventures	8,291	10,345	18,636	6,814	–	25,450	
Derivative financial instruments	–	–	–	493	–	493	
Financial assets at fair value through other comprehensive income	–	–	–	845	–	845	
Financial assets at fair value through profit or loss	–	619	619	1	–	620	
Mortgage loans receivable	–	1,031	1,031	–	–	1,031	
Tax recoverable	319	7	326	–	–	326	
<b>Total assets</b>	<b>128,895</b>	<b>69,833</b>	<b>198,728</b>	<b>86,980</b>	<b>(84,360)</b>	<b>201,348</b>	
Segment liabilities	66,551	20,379	86,930	8,436	(84,360)	11,006	
Bank loans	4,296	2,811	7,107	52,474	–	59,581	
Derivative financial instruments	–	–	–	422	–	422	
Taxation and deferred taxation	11,076	569	11,645	209	–	11,854	
Amounts due to non-controlling interests	1,539	128	1,667	171	–	1,838	
<b>Total liabilities</b>	<b>83,462</b>	<b>23,887</b>	<b>107,349</b>	<b>61,712</b>	<b>(84,360)</b>	<b>84,701</b>	
Segment non-current assets*	92,380	43,044	135,424	8,557	–	143,981	

\* Additions to non-current assets mainly comprise of additions to investment properties and properties under development and land deposits as set out in notes 15 and 17 to the consolidated financial statements respectively.

\*\* Included Macau.

## 5 PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

(f) An analysis of the Group's operating segment non-current assets by geographical area is as follows:

	Operating segment non-current assets	
	2025 HK\$ million	2024 HK\$ million
Chinese Mainland	100,352	92,380
Hong Kong	43,370	42,520
Others	8,788	9,081
	<b>152,510</b>	<b>143,981</b>

## 6 OTHER NET GAINS/(LOSSES)

	2025 HK\$ million	2024 HK\$ million
Dividend income	71	72
Interest income	497	578
Loss on disposal of property, plant and equipment	(1)	(5)
Gain on disposal of investment properties	–	4
Exchange gains/(losses), net	66	(109)
Net decrease in fair value of financial assets at fair value through profit or loss	(33)	(24)
Loss on disposal of subsidiaries (note 36(c))	–	(52)
Provision for properties under development (note 17(a))	(255)	(904)
Others	380	326
	<b>725</b>	<b>(114)</b>

## 7 OPERATING PROFIT BEFORE FINANCE COSTS

Operating profit before finance costs is stated after charging the following:

	2025 HK\$ million	2024 HK\$ million
Cost of sales of properties and sales related expenses*	11,211	10,739
Direct operating expenses in respect of investment properties	910	863
Hotel direct operating expenses	1,108	1,107
Depreciation of property, plant and equipment	342	334
Depreciation of right-of-use assets – leasehold land and land use rights	70	60
Depreciation of right-of-use assets – buildings – offices	40	43
Expenses relating to short-term leases	9	10
Auditors' remuneration		
– audit services	13	13
– audit related services	2	2
– non-audit services	7	6

\* Included provision for completed properties held for sale of HK\$192 million (2024: HK\$522 million).

## 8 FINANCE COSTS

	2025 HK\$ million	2024 HK\$ million
Finance costs		
– bank loans	2,274	2,940
– derivative financial instruments	45	(174)
– lease liabilities	1	3
– fair value (gains)/losses on derivative financial instruments designated as cash flow hedges, transfer from equity (note 35)	(195)	66
– others (note)	95	(175)
Total finance costs incurred	2,220	2,660
Less: amount capitalised in properties under development and investment properties under development	(1,506)	(2,282)
Total finance costs expensed during the year	714	378

The capitalised interest rate applied to funds borrowed and used for the development of properties is between 1.4% and 4.9% per annum (2024: between 2.2% and 6.1% per annum).

Note: The amount included net exchange loss from financing activities of HK\$75 million (2024: gain HK\$197 million) for the year ended 31 December 2025.

## 9 TAXATION

### Hong Kong and overseas profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year. Income tax on the overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the overseas countries in which the Group operates.

### Chinese Mainland corporate income tax

Chinese Mainland corporate income tax has been provided at the rate of 25% (2024: 25%) on the estimated assessable profit for the year.

### Withholding tax on distributed/undistributed profits

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

### Chinese Mainland land appreciation tax

Land appreciation tax in the Chinese Mainland is levied on properties developed and sold by the Group, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including land costs, borrowing costs and all property development expenditures.

The amount of taxation (charged)/credited to the consolidated income statement represents:

	2025 HK\$ million	2024 HK\$ million
Chinese Mainland taxation		
– Current	(1,122)	(892)
– Under provision in prior years	(7)	(35)
– Deferred	(262)	(289)
	<b>(1,391)</b>	(1,216)
Hong Kong profits tax		
– Current	(180)	(133)
– Write-back of provision in prior years	1	318
– Deferred	(20)	(6)
	<b>(199)</b>	179
Overseas taxation		
– Current	(11)	(12)
– Deferred	(23)	(21)
	<b>(34)</b>	(33)
	<b>(1,624)</b>	(1,070)

The Group recorded land appreciation tax of HK\$494 million (2024: HK\$249 million) for the year ended 31 December 2025 on sale of properties in the Chinese Mainland.

## 9 TAXATION (Continued)

The Group's share of taxation of associates and joint ventures for the year of HK\$748 million (2024: HK\$391 million) is included in the share of results of associates and joint ventures in the consolidated income statement.

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2025 HK\$ million	2024 HK\$ million
Profit before taxation	2,930	2,582
Less: Share of results of associates and joint ventures	(726)	(916)
	<b>2,204</b>	1,666
Calculated at Hong Kong profits tax rate of 16.5% (2024: 16.5%)	364	275
Tax effect of different taxation rates in other countries	169	183
Utilisation of previously unrecognised tax losses	(16)	(164)
Tax effect of net income/expenses that are not taxable/deductible in determining taxable profit	206	715
Tax loss not recognised	470	85
Adjustments for current tax of prior years	6	(283)
	<b>1,199</b>	811
Withholding tax on distributed/undistributed profits	54	72
Land appreciation tax	494	249
Tax effect of deduction of land appreciation tax	(123)	(62)
Taxation charge	<b>1,624</b>	1,070

### OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ('GloBE') effective tax rate for each jurisdiction and the 15% minimum rate.

The related current tax exposure for the year is assessed to be immaterial.

The Group also applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the Amendments to HKAS 12 issued in July 2023.

## 10 DIVIDENDS

### (a) Ordinary shares

	2025 HK\$ million	2024 HK\$ million
Final dividend for the year ended 31 December 2024 of HK\$0.95 (2023: HK\$0.95) per fully paid share	1,379	1,379
Interim dividend for the year ended 31 December 2025 of HK\$0.4 (2024: HK\$0.4) per fully paid share	580	580
Total dividends paid	1,959	1,959

### (b) Dividends not recognised at the end of the reporting period

At a meeting held on 23 March 2026, the Board of Directors proposed a final dividend of HK\$0.95 (2024: HK\$0.95) per ordinary share for the year ended 31 December 2025 totalling HK\$1,379 million based on 1,451,305,728 ordinary shares in issue as at 31 December 2025 (2024: HK\$1,379 million based on 1,451,305,728 ordinary shares in issue as at 31 December 2024). The actual amount of final dividend payable in respect of the year ended 31 December 2025 will be subject to the actual number of ordinary shares in issue on the record date, which is expected to be on or about 29 May 2026.

## 11 EARNINGS PER SHARE

### Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year after adjustment of those issued ordinary shares of the Company held for the share award scheme.

	2025	2024
Weighted average number of ordinary shares outstanding	1,446,627,173	1,448,137,228

	2025 HK\$ million	2024 HK\$ million
Profit attributable to shareholders	938	808
Basic earnings per share	HK\$0.65	HK\$0.56

## 11 EARNINGS PER SHARE (Continued)

### Diluted

Diluted earnings per share is calculated by adjusting the profit attributable to shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	2025	2024
Weighted average number of ordinary shares outstanding	<b>1,446,627,173</b>	1,448,137,228
Adjustment for share award scheme	<b>576,249</b>	40,807
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<b>1,447,203,422</b>	1,448,178,035

	2025 HK\$ million	2024 HK\$ million
Profit attributable to shareholders	<b>938</b>	808
Diluted earnings per share	<b>HK\$0.65</b>	HK\$0.56

## 12 EMPLOYEE BENEFIT EXPENSE

	2025 HK\$ million	2024 HK\$ million
Staff costs, including directors' emoluments	<b>1,679</b>	1,617
Pension costs – defined contribution plans (note)	<b>99</b>	98
	<b>1,778</b>	1,715

Including certain property management companies, total employee benefit expense amounted to HK\$2,147 million (2024: HK\$2,068 million).

Note: Details of the defined contribution plans are set out in note 31.

## 13 BENEFITS AND INTERESTS OF DIRECTORS

### (a) Directors' and senior management's emoluments

The remuneration of the Directors for the year ended 31 December 2025, excluding share award benefits, is set out below:

Name of Director	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary Bonuses HK\$'000	Employer's contribution to retirement benefit scheme HK\$'000	Total HK\$'000
Mr Kuok Khoon Hua*	–	7,566	8,400	120	16,086
Mr Hui Chun Yue, David	600	–	–	–	600
Mr Chum Kwan Lock, Grant	570	–	–	–	570
Dr Li Rui	531	–	–	–	531
Ms Tong Shao Ming	501	–	–	–	501

\* *Chairman and Chief Executive Officer.*

The remuneration of the Directors for the year ended 31 December 2024, excluding share award benefits, is set out below:

Name of Director	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary Bonuses HK\$'000	Employer's contribution to retirement benefit scheme HK\$'000	Total HK\$'000
Mr Kuok Khoon Hua*	–	6,581	8,400	120	15,101
Mr Au Hing Lun, Dennis <sup>1</sup>	–	5,977	–	10	5,987
Mr Hui Chun Yue, David	588	–	–	–	588
Mr Chum Kwan Lock, Grant	532	–	–	–	532
Dr Li Rui	489	–	–	–	489
Ms Tong Shao Ming	470	–	–	–	470
Ms Wong Yu Pok, Marina, JP <sup>2</sup>	243	–	–	–	243

\* *Chairman and Chief Executive Officer.*

1 Mr Au Hing Lun, Dennis received a contractual payment of HK\$16.2 million upon his departure from the Company as an Executive Director on 31 July 2024. Such amount is not reflected in the above table.

2 Retired as an Independent Non-executive Director on 20 May 2024.

### 13 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

#### (b) Share awards granted to the Directors of the Company

A Director of the Company was awarded shares under the Share Award Scheme of the Company. During the year ended 31 December 2025, awarded shares of 588,800 shares (2024: 650,000 shares) being vested in the years from 2026 to 2029 (2024: 2025 to 2028) were granted to Mr Kuok Khoon Hua. The remuneration on the awarded shares will be included in the disclosure when the vesting condition has been met.

During the year ended 31 December 2025, 65,000 (2024: Nil) awarded shares (amounting to approximately HK\$1,195,000 (2024: HK\$Nil) based on the market price of the vesting date) were vested to Mr Kuok Khoon Hua.

Movement of the awarded shares granted to the Directors during the year was shown as follows:

	Number of awarded shares	
	2025	2024
Unvested as at 1 January	650,000	–
Granted	588,800	650,000
Vested	(65,000)	–
Unvested as at 31 December	1,173,800	650,000

#### (c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2024: two) Director(s). The emoluments payable to the five highest paid individuals during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	43,864	35,215
Discretionary bonuses	23,397	23,506
Employer's contribution to retirement benefit scheme	200	180
	67,461	58,901

Mr Au Hing Lun, Dennis received a contractual payment of HK\$16.2 million upon his departure from the Company as an Executive Director on 31 July 2024. Such amount is not reflected in the above table.

The aggregate emoluments of five highest paid individuals for 2024, including the contractual payment for Mr Au Hing Lun, Dennis upon his departure, was HK\$75.1 million.

### 13 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

#### (c) Five highest paid individuals (Continued)

During the year ended 31 December 2025, a total of 133,030 (2024: Nil) awarded shares (amounting to approximately HK\$2,445,000 (2024: HK\$Nil) based on the market price of the vesting date) were also vested to the above five highest paid individuals.

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
HK\$10,500,001 – HK\$11,000,000	1	–
HK\$11,500,001 – HK\$12,000,000	1	1
HK\$12,000,001 – HK\$12,500,000	1	1
HK\$13,500,001 – HK\$14,000,000	–	1
HK\$15,000,001 – HK\$15,500,000	–	1
HK\$17,000,001 – HK\$17,500,000	1	–
HK\$17,500,001 – HK\$18,000,000	1	–
HK\$22,000,001 – HK\$22,500,000	–	1
	<b>5</b>	<b>5</b>

#### (d) Directors' material interests in transactions, arrangements or contracts

Saved as disclosed in note 37, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its subsidiaries, its fellow subsidiaries or its holding companies was a party or were parties and in which a Director of the Company or any entities connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## 14 PROPERTY, PLANT AND EQUIPMENT

	Hotel properties HK\$ million	Warehouse and buildings HK\$ million	Staff quarters HK\$ million	Leasehold improvements HK\$ million	Motor vehicles, furniture, fixtures and office equipment HK\$ million	Total HK\$ million
Cost						
At 1 January 2025	7,532	479	29	97	337	8,474
Additions	86	–	–	8	35	129
Disposals	(48)	–	–	(17)	(44)	(109)
Transfer and reclassification	711	–	–	–	–	711
Exchange adjustment	399	4	2	1	23	429
At 31 December 2025	8,680	483	31	89	351	9,634
Aggregate depreciation and accumulated impairment losses						
At 1 January 2025	3,428	167	9	86	244	3,934
Charge for the year	283	16	1	5	37	342
Disposals	(29)	–	–	(16)	(44)	(89)
Exchange adjustment	187	2	–	1	18	208
At 31 December 2025	3,869	185	10	76	255	4,395
<b>Net book value as at 31 December 2025</b>	<b>4,811</b>	<b>298</b>	<b>21</b>	<b>13</b>	<b>96</b>	<b>5,239</b>
Net book value as at 1 January 2025	4,104	312	20	11	93	4,540

**14 PROPERTY, PLANT AND EQUIPMENT (Continued)**

	Hotel properties HK\$ million	Warehouse and buildings HK\$ million	Staff quarters HK\$ million	Leasehold improvements HK\$ million	Motor vehicles, furniture, fixtures and office equipment HK\$ million	Total HK\$ million
Cost						
At 1 January 2024	7,151	475	43	95	312	8,076
Additions	60	6	–	3	40	109
Disposals	(18)	–	–	–	(8)	(26)
Disposal of subsidiaries (note 36(c))	–	–	(13)	–	–	(13)
Transfer and reclassification	583	–	–	–	–	583
Exchange adjustment	(244)	(2)	(1)	(1)	(7)	(255)
At 31 December 2024	7,532	479	29	97	337	8,474
Aggregate depreciation and accumulated impairment losses						
At 1 January 2024	3,275	152	16	83	227	3,753
Charge for the year	283	16	1	4	30	334
Disposals	(13)	–	–	–	(7)	(20)
Disposal of subsidiaries (note 36(c))	–	–	(8)	–	–	(8)
Transfer and reclassification	(5)	–	–	–	–	(5)
Exchange adjustment	(112)	(1)	–	(1)	(6)	(120)
At 31 December 2024	3,428	167	9	86	244	3,934
Net book value as at 31 December 2024	4,104	312	20	11	93	4,540
Net book value as at 1 January 2024	3,876	323	27	12	85	4,323

The Group had property, plant and equipment held by subsidiaries and associates which included hotel operations in the Chinese Mainland as at 31 December 2025. Given the different economic environments in which the Group's hotels operate, there is a risk that the carrying amounts of these hotels held by subsidiaries and associates are higher than their recoverable amounts. The Group assesses the carrying amounts of hotel properties when there is any indicator that the assets may be impaired. These indicators include continuing adverse changes in the local market conditions in which the hotel operates or will operate and when the hotel properties continue to operate materially behind budget.

During the year ended 31 December 2025 and 31 December 2024, the Group considered that no provision for impairment loss or written back of hotel properties was necessary. The Group has made key assumptions and estimates on the appropriate discount rate, estimated occupancy rate and room rate. The discount rates adopted in the model by the Group range from 8.0% to 9.0% (2024: 8.0% to 9.0%).

## 15 INVESTMENT PROPERTIES

	2025 HK\$ million	2024 HK\$ million
At 1 January	84,273	76,965
Additions	1,505	600
Decrease in fair value	(1,518)	(2,257)
Disposals	–	(2)
Transfer and reclassification	(45)	10,604
Exchange adjustment	2,984	(1,637)
At 31 December (note a)	87,199	84,273

### (a) Valuation of investment properties

	Residential properties under development		Commercial properties under development		Completed residential properties		Completed commercial properties		Completed warehouse	Total
	Chinese		Chinese		Chinese		Chinese		Hong Kong	
	Hong Kong HK\$ million	Mainland HK\$ million	Hong Kong HK\$ million	Mainland HK\$ million	Hong Kong HK\$ million	Mainland HK\$ million	Hong Kong HK\$ million	Mainland HK\$ million		
At 1 January 2025	379	400	249	6,519	17,229	4,145	10,137	44,775	440	84,273
Additions	203	–	123	399	253	12	346	109	60	1,505
Change in fair value	93	–	(87)	–	(10)	132	(286)	(1,238)	(122)	(1,518)
Transfer and reclassification	(675)	(404)	–	(7,047)	675	404	–	7,002	–	(45)
Exchange adjustment	–	4	–	129	–	242	–	2,609	–	2,984
At 31 December 2025	–	–	285	–	18,147	4,935	10,197	53,257	378	87,199

## 15 INVESTMENT PROPERTIES (Continued)

### (a) Valuation of investment properties (Continued)

	Residential properties under development		Commercial properties under development		Completed residential properties		Completed commercial properties		Completed warehouse	Total HK\$ million
	Chinese		Chinese		Chinese		Chinese		Hong Kong HK\$ million	
	Hong Kong HK\$ million	Mainland HK\$ million	Hong Kong HK\$ million	Mainland HK\$ million	Hong Kong HK\$ million	Mainland HK\$ million	Hong Kong HK\$ million	Mainland HK\$ million		
At 1 January 2024	397	–	195	–	16,759	4,288	10,186	44,657	483	76,965
Additions	81	–	84	–	139	13	210	73	–	600
Change in fair value	(99)	(748)	(30)	(2,902)	331	(13)	(259)	1,506	(43)	(2,257)
Disposals	–	–	–	–	–	–	–	(2)	–	(2)
Transfer and reclassification	–	1,148	–	9,421	–	–	–	35	–	10,604
Exchange adjustment	–	–	–	–	–	(143)	–	(1,494)	–	(1,637)
At 31 December 2024	379	400	249	6,519	17,229	4,145	10,137	44,775	440	84,273

#### Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were revalued by Cushman & Wakefield Limited and Prudential Surveyors (Hong Kong) Limited, independent qualified valuers not related to the Group, who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued, at 31 December 2025. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that reviews the valuation performed by the independent valuers for financial reporting purposes. This team reports directly to the senior management and the Audit and Corporate Governance Committee. Discussions of valuation processes and results are held between the management and valuers.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuers.

## 15 INVESTMENT PROPERTIES (Continued)

### (a) Valuation of investment properties (Continued)

#### **Valuation techniques**

Fair value of completed properties in Hong Kong and the Chinese Mainland is mainly derived using the income approach and wherever appropriate, by market approach.

Income approach is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

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

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

All of the fair value measurements of the Group's investment properties were categorised into Level 3 of the fair value hierarchy. There were no transfers into or out of Level 3 during the year.

#### **Significant unobservable inputs used to determine fair value**

Capitalisation rates are estimated by valuers based on the risk profile of the investment properties being valued. The higher the rates, the lower the fair value. At 31 December 2025, capitalisation rates of 2.5% to 5.0% (2024: 2.4% to 5.0%) and 4.8% to 7.0% (2024: 4.8% to 7.0%) are used in the income approach for Hong Kong and the Chinese Mainland properties respectively.

Prevailing market rents are estimated based on recent lettings for Hong Kong and the Chinese Mainland investment properties, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Estimated costs to completion, and developer's profit required are estimated by valuers based on market conditions at the reporting date for investment properties under development. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the costs and developer's profit, the lower the fair value.

The valuations of investment properties were based on the economic, market and other conditions as they exist on, and information available to management as of 31 December 2025.

## 16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 HK\$ million	2024 HK\$ million
<b>Right-of-use assets</b>		
Leasehold land and land use rights	2,101	1,595
Buildings – offices (note (a))	51	38
	<b>2,152</b>	<b>1,633</b>

(a) For the year ended 31 December 2025, in respect of buildings – offices, additions to the right-of-use assets were HK\$53 million (2024: HK\$1 million) and total cash outflows of leases was HK\$45 million (2024: HK\$47 million).

Rental contracts for offices are typically made for fixed periods of three years, but have extension options which majority of these options are exercisable only by the Group and not by the respective lessor.

The lease term of leasehold land and land use rights ranges from 40 to 50 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets held by the lessor.

	2025 HK\$ million	2024 HK\$ million
<b>Lease liabilities</b>		
Current portion of lease liabilities	26	40
Non-current portion of lease liabilities	25	1
	<b>51</b>	<b>41</b>

As at 31 December 2025, the weighted average lessee's incremental borrowing rates applied range from 4.50% to 5.56% (2024: 5.56%) per annum.

As at 31 December 2025, the balance included the lease liabilities payable to an associate of HK\$50 million (2024: HK\$40 million).

## 17 PROPERTIES UNDER DEVELOPMENT AND LAND DEPOSITS

	2025 HK\$ million	2024 HK\$ million
Properties under development (note a)	43,891	34,862
Land deposits (note b)	7,522	15,490
	<b>51,413</b>	<b>50,352</b>

	2025 HK\$ million	2024 HK\$ million
The above are represented by:		
Amount included in non-current assets		
Hong Kong	2,301	1,902
Outside Hong Kong	26,538	23,211
	<b>28,839</b>	<b>25,113</b>
Amount included in current assets		
Hong Kong	6,440	8,225
Outside Hong Kong	16,134	17,014
	<b>22,574</b>	<b>25,239</b>
	<b>51,413</b>	<b>50,352</b>

### (a) Properties under development

	2025 HK\$ million	2024 HK\$ million
At 1 January	34,862	57,059
Additions	4,162	6,560
Provision	(255)	(904)
Transfer, net	3,488	(26,371)
Exchange adjustment	1,634	(1,482)
At 31 December	<b>43,891</b>	<b>34,862</b>

### (b) Land deposits

Balance as at 31 December 2025 and 2024 mainly comprised land deposits paid for the acquisition of lands located in Shanghai and Wuhan, the Chinese Mainland.

Land deposits will be transferred to properties under development once the relevant certificates are obtained.

## 18 SUMMARISED FINANCIAL INFORMATION OF A SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Set out below are the summarised financial information of a subsidiary, Shanghai Ji Xiang Properties Co., Ltd., that has non-controlling interests of 49% that are material to the Group. The principal place of business of Shanghai Ji Xiang Properties Co., Ltd. is Shanghai, the Chinese Mainland.

### Summarised statement of financial position as at 31 December 2025

	2025 HK\$ million	2024 HK\$ million
Current		
Assets	561	377
Liabilities	(571)	(686)
Total current net liabilities	(10)	(309)
Non-current		
Assets	16,237	15,500
Liabilities	(2,982)	(2,781)
Total non-current net assets	13,255	12,719
Net assets	13,245	12,410
Non-controlling interests	6,490	6,081

## 18 SUMMARISED FINANCIAL INFORMATION OF A SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

### Summarised statement of comprehensive income for the year ended 31 December 2025

	2025 HK\$ million	2024 HK\$ million
Revenue	1,526	1,667
Profit before income tax	851	1,501
Income tax expenses	(205)	(449)
Profit for the year	646	1,052
Other comprehensive income	669	(396)
Total comprehensive income	1,315	656
Profit for the year allocated to non-controlling interests	316	515
Dividend paid to non-controlling interests	293	294

### Summarised cash flows for the year ended 31 December 2025

	2025 HK\$ million	2024 HK\$ million
Cash flows from operating activities		
Cash generated from operations	929	971
Interest paid	–	(5)
Income tax paid	(168)	(181)
Net cash generated from operating activities	761	785
Net cash used in investing activities	(26)	(38)
Net cash used in financing activities	(598)	(1,609)
Net increase/(decrease) in cash and cash equivalents	137	(862)
Cash and cash equivalents at 1 January	247	1,105
Effect of exchange rate changes	(13)	4
Cash and cash equivalents at 31 December	371	247

The information above is the amount before inter-company eliminations.

## 19 ASSOCIATES AND JOINT VENTURES

	2025			2024		
	Associates HK\$ million	Joint ventures HK\$ million	Total HK\$ million	Associates HK\$ million	Joint ventures HK\$ million	Total HK\$ million
Unlisted investments	10,751	1,297	12,048	10,190	1,749	11,939
Listed equity securities, in Hong Kong	4,427	–	4,427	4,147	–	4,147
Listed equity securities, outside Hong Kong	2,026	–	2,026	1,807	–	1,807
Share of net assets, including goodwill (note (a))	17,204	1,297	18,501	16,144	1,749	17,893
Amounts due from associates and joint ventures (note (b))	2,471	6,183	8,654	2,431	5,544	7,975
Amounts due to associates (note (c))	(413)	(2)	(415)	(418)	–	(418)
	19,262	7,478	26,740	18,157	7,293	25,450

- (a) Details of principal associates and joint ventures are set out in note 42(b).
- (b) The amounts due from associates and joint ventures are unsecured, not repayable within twelve months from the end of each reporting period and interest-free except for amounts totalling HK\$7,473 million (2024: HK\$7,135 million) which bear interest at prevailing market rates.
- (c) The amounts due to associates are unsecured, interest-free and not repayable within twelve months from the end of each reporting period.
- (d) The following sets out the aggregate amount of the Group's share of results of associates and joint ventures for the year:

	2025 HK\$ million	2024 HK\$ million
Share of results of associates	1,100	1,011
Share of results of joint ventures	(374)	(95)
	726	916

- (e) The following sets out the commitments in respect of associates and joint ventures:

	2025 HK\$ million	2024 HK\$ million
Commitments to provide funding for		
– capital commitments of an associate, if called	930	930
– cash advance to an associate, if called	192	–

- (f) There is no associate or joint venture that is considered individually material to the Group.

## 20 DERIVATIVE FINANCIAL INSTRUMENTS

	2025		2024	
	Assets HK\$ million	Liabilities HK\$ million	Assets HK\$ million	Liabilities HK\$ million
Cash flow hedges				
Cross currency and interest rate swap contracts, at fair value (note (a))				
Non-current	104	199	487	293
Current	17	39	6	129
	<b>121</b>	<b>238</b>	493	422

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months after the end of the reporting period and, as a current asset or liability, if the maturity of the hedged item is less than 12 months after the end of the reporting period.

(a) Cross currency swap and interest rate swap contracts that qualify for hedge accounting – cash flow hedges

The changes in fair value of cross currency swap and interest rate swap contracts that are designated and qualified as cash flow hedges amounting to a loss of HK\$188 million (2024: HK\$124 million) are recognised in hedging reserve in equity. Under cash flow hedges, the gain of HK\$195 million (2024: loss of HK\$66 million) was reclassified from hedging reserve to finance costs in the consolidated income statement.

(i) Hedge for Hong Kong dollar bank borrowings

During the year ended 31 December 2025, the Group entered into notional principal amount of HK\$700 million 2-year interest rate swap contracts. Such interest rate swap contracts have the economic effect of converting borrowings from floating rates to fixed rates. The contracted fixed rates range from 2.57% to 2.99% per annum.

As at 31 December 2025, the outstanding total notional principal amounts of interest rate swap contracts were HK\$13,220 million (2024: HK\$18,410 million). The contracted fixed rates range from 0.64% to 3.80% (2024: 0.63% to 4.18%) per annum.

(ii) Hedge for Australian dollar bank borrowings

During the year ended 31 December 2020, the Group entered into cross currency swap contract amounting to approximately AUD187 million, under which the principal amount was exchanged at inception in February 2020 and will be re-exchanged on expiring date in February 2026 at an exchange rate of AUD1 to HK\$5.3376. Under the contract, the floating Hong Kong dollar interest rate on the exchanged Hong Kong dollar principal amount would be paid and the floating Australian dollar interest rate on the Australian dollar principal amount would be received.

(iii) Hedge for Japanese yen bank borrowings

During the year ended 31 December 2020, the Group entered into cross currency swap contract amounting to JPY8,000 million, under which the principal amount was exchanged at inception in June 2020 and will be re-exchanged on expiring date in June 2027 at an exchange rate of JPY1 to HK\$0.0719. Under the contract, the floating Hong Kong dollar interest rate on the exchanged Hong Kong dollar principal amount would be paid and the floating Japanese yen interest rate on the Japanese yen principal amount would be received.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated statement of financial position.

## 21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income comprise equity securities which are strategic investment and not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category.

	2025 HK\$ million	2024 HK\$ million
Listed equity securities, at fair value	–	73
Unlisted equity securities, at fair value	<b>687</b>	772
	<b>687</b>	845

## 22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies the following financial assets at fair value through profit or loss:

- investments that are held for trading, or
- investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income.

	2025 HK\$ million	2024 HK\$ million
Non-current portion		
Listed equity securities	<b>7</b>	9
Unlisted equity securities	<b>580</b>	611
	<b>587</b>	620

Listed equity securities are denominated in Hong Kong dollar, whereas the unlisted equity securities are denominated in Hong Kong dollar and Renminbi.

## 23 MORTGAGE LOANS RECEIVABLE

	2025 HK\$ million	2024 HK\$ million
Non-current mortgage loans receivable	840	897
Current portion of mortgage loans receivable	390	134
<b>Total mortgage loans receivable</b>	<b>1,230</b>	<b>1,031</b>

The balance included first mortgage loans of HK\$46 million (2024: HK\$139 million) offered to buyers of certain properties developed by the Group in Hong Kong. For these first mortgage loans receivable, the fair value was calculated based on cash flows discounted using lending rates from financial institutions and assuming the loans will be repaid according to the contract terms. The valuation process of the Group is set out in note 3(c)(v) to the consolidated financial statements.

The remaining amounts mostly represented the second mortgage loans receivable which are carried at amortised cost.

The mortgage loans receivable are repayable by monthly instalments with various tenors not more than 30 years (2024: not more than 30 years) at the date of the consolidated statement of financial position and carrying interest at floating rates.

The Group determines the provision for expected credit losses by grouping together second mortgage loans receivable with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing economic conditions, the asset value and realisability of the underlying collateral, and forward-looking information. For second mortgage loans receivable relating to amounts which are long over-due with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance.

The Group has provided loss allowance for its mortgage loans receivable amounting to HK\$102 million (2024: Nil).

Mortgage loans receivable are denominated in Hong Kong dollars.

## 24 COMPLETED PROPERTIES HELD FOR SALE

	2025 HK\$ million	2024 HK\$ million
Land costs	7,089	9,582
Other development costs	7,677	8,659
	<b>14,766</b>	<b>18,241</b>

These completed properties held for sale are located in Hong Kong and the Chinese Mainland.

## 25 ACCOUNTS RECEIVABLE, PREPAYMENTS AND DEPOSITS

	2025 HK\$ million	2024 HK\$ million
Trade receivables (note (a))	245	118
Prepayments	374	439
Other accounts receivable and deposits	1,899	1,657
	<b>2,518</b>	<b>2,214</b>

The carrying amounts of accounts receivable approximate their fair value.

The carrying amounts of the Group's accounts receivable, prepayments and deposits are denominated in the following currencies:

	2025 HK\$ million	2024 HK\$ million
Hong Kong dollar	1,333	923
Renminbi	1,134	1,238
Other currencies	51	53
	<b>2,518</b>	<b>2,214</b>

- (a) The Group maintains defined credit policies and applies those appropriate to the particular business circumstances of the Group. At 31 December 2025, the ageing analysis of the trade receivables based on date of the invoice or the terms of the related sales and purchase agreements and net of impairment losses of the Group is as follows:

	2025 HK\$ million	2024 HK\$ million
Below 1 month	199	80
Between 1 month and 3 months	16	22
Over 3 months	30	16
	<b>245</b>	<b>118</b>

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

The Group determines the provision for expected credit losses by grouping together trade receivables with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing and forward-looking economic conditions. For trade receivables relating to accounts which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security.

The trade receivables, other accounts receivable and deposits do not contain impaired asset.

## 26 RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

### (a) Restricted bank deposits

	2025 HK\$ million	2024 HK\$ million
Restricted bank deposits (note)	3,767	228

Note: As at 31 December 2025, certain bank balances of the Group were deposited in certain banks respectively as guarantee deposits for bank facilities of the Group, including mortgage loan facilities (note 39(a)) granted by the banks to the purchasers of the Group's certain properties and as amounts required to be reserved by the relevant Chinese Mainland authorities for the Group's pre-sale of certain properties. The restricted bank deposits are denominated in Renminbi.

### (b) Cash and cash equivalents

	2025 HK\$ million	2024 HK\$ million
Cash at bank and on hand	10,396	9,009
Short-term bank deposits (note (i))	1,936	1,970
Cash and bank balances (note (ii))	12,332	10,979
Less: short-term bank deposits maturing after more than three months	(18)	(18)
Cash and cash equivalents	12,314	10,961

Cash and bank balances are denominated in the following currencies:

	2025 HK\$ million	2024 HK\$ million
Renminbi	9,731	8,555
Hong Kong dollar	2,341	2,274
United States dollar	17	26
Other currencies	243	124
	12,332	10,979

- (i) The effective interest rate on short-term bank deposits was 2.85% (2024: 4.61%) per annum; these deposits have an average maturity of less than 3 months.
- (ii) Cash at bank and on hand and short-term bank deposits of HK\$9,627 million (2024: HK\$8,730 million) are held in the Chinese Mainland and are subject to local exchange control regulations.

## 27 ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUED CHARGES AND CONTRACT LIABILITIES

### (a) Accounts payable, deposits received and accrued charges

	2025 HK\$ million	2024 HK\$ million
Trade payables	242	601
Construction costs payable	3,518	3,180
Rental deposits and rent received in advance	1,646	1,543
Others	2,182	2,175
	<b>7,588</b>	<b>7,499</b>

The ageing analysis of trade payables of the Group as at 31 December 2025 based on invoice date is as follows:

	2025 HK\$ million	2024 HK\$ million
Below 1 month	190	568
Between 1 month and 3 months	28	13
Over 3 months	24	20
	<b>242</b>	<b>601</b>

The carrying amounts of the Group's accounts payable, deposits received and accrued charges are denominated in the following currencies:

	2025 HK\$ million	2024 HK\$ million
Renminbi	5,705	4,920
Hong Kong dollar	1,880	2,579
Other currencies	3	–
	<b>7,588</b>	<b>7,499</b>

## 27 ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUED CHARGES AND CONTRACT LIABILITIES (Continued)

### (b) Contract liabilities

	2025 HK\$ million	2024 HK\$ million
Contract liabilities	11,414	3,466

The balance represents the contract liabilities recognised in relation to property development activities in Hong Kong and the Chinese Mainland.

- (i) The following table shows the amount of revenue recognised in the current reporting period that relates to contract liability balance at the beginning of the year:

	2025 HK\$ million	2024 HK\$ million
Property sales	7,524	7,016

- (ii) The following table shows the aggregate amount of the transaction price allocated to the unsatisfied/partially satisfied performance obligations resulting from property sales for contracts with an original expected duration of one year or more:

	2025 HK\$ million	2024 HK\$ million
Revenue expected to be recognised within one year	2,063	7,963
Revenue expected to be recognised after one year	22,875	–
	<b>24,938</b>	7,963

## 28 BANK LOANS

	2025 HK\$ million	2024 HK\$ million
Bank loans – unsecured		
Non-current	49,341	49,881
Current	6,429	9,700
Total bank loans	<b>55,770</b>	59,581

As at 31 December 2025, all bank loans are unsecured but guaranteed by the Company and/or shareholders of subsidiaries.

## 28 BANK LOANS (Continued)

The maturity of bank loans is as follows:

	2025 HK\$ million	2024 HK\$ million
Within one year	6,429	9,700
In the second to fifth year		
– In the second year	14,858	11,869
– In the third year	15,764	15,486
– In the fourth year	11,047	11,138
– In the fifth year	7,588	11,388
	49,257	49,881
Repayable within five years	55,686	59,581
Over five years	84	–
	55,770	59,581

The effective annual interest rates of the major bank loans at the end of the reporting period were as follows:

	2025		2024	
	HK\$	RMB	HK\$	RMB
Bank loans	4.21%	3.27%	5.41%	3.72%

The carrying amounts of all bank loans approximate their fair values.

The carrying amounts of the bank loans are denominated in the following currencies:

	2025 HK\$ million	2024 HK\$ million
Hong Kong dollar	26,746	37,981
Renminbi	27,653	20,305
Australian dollar	973	900
Japanese yen	398	395
	55,770	59,581

Under the terms of the bank loan agreements, the Group is required to comply with certain financial covenants. The Group has complied with these financial covenants. There are no indications that the Group will have difficulties in complying with the financial covenants when they are next tested within twelve months of the reporting date.

## 29 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

The amounts due to non-controlling interests represent proportionate funding from the non-controlling interests of subsidiaries including an amount of approximately HK\$760 million (2024: HK\$379 million) due to certain subsidiaries of Shangri-La Asia Limited ("SA"), a related company whose shares are listed on Hong Kong Stock Exchange. These loans are unsecured, subordinated to the bank loans of the relevant subsidiaries, not repayable within twelve months from the end of reporting period, and interest-free except for a total amount of HK\$667 million (2024: HK\$310 million) which bears interest at prevailing market rates.

The carrying values of the Group's amounts due to non-controlling interests are denominated in the following currencies:

	2025 HK\$ million	2024 HK\$ million
Hong Kong dollar	1,210	1,166
United States dollar	631	468
Other currencies	469	204
	<b>2,310</b>	<b>1,838</b>

## 30 DEFERRED TAXATION

	2025 HK\$ million	2024 HK\$ million
At 1 January	10,253	10,378
Deferred taxation charged to consolidated income statement	305	316
Disposal of subsidiaries (note 36(c))	–	(9)
Exchange adjustment	475	(432)
At 31 December	<b>11,033</b>	<b>10,253</b>

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$4,218 million (2024: HK\$3,442 million) to be carried forward in offsetting the future taxable profits. These tax losses have no expiry dates except for the tax losses of HK\$2,636 million (2024: HK\$1,591 million) which will expire at various dates up to and including year 2030 (2024: year 2029).

### 30 DEFERRED TAXATION (Continued)

As at 31 December 2025, the aggregate amount of unrecognised deferred tax liabilities associated with investments in subsidiaries totalled approximately HK\$613 million (2024: HK\$616 million), as the Directors consider that the timing of reversal of the related temporary differences can be controlled and the temporary differences will not be reversed in the foreseeable future.

The movements in deferred tax liabilities during the year were as follows:

	Revaluation HK\$ million	Accelerated depreciation allowances HK\$ million	Others HK\$ million	Total HK\$ million
At 1 January 2025	7,781	619	1,853	10,253
Deferred taxation charged to consolidated income statement	35	27	243	305
Exchange adjustment	431	8	36	475
<b>At 31 December 2025</b>	<b>8,247</b>	<b>654</b>	<b>2,132</b>	<b>11,033</b>

	Revaluation HK\$ million	Accelerated depreciation allowances HK\$ million	Others HK\$ million	Total HK\$ million
At 1 January 2024	8,302	617	1,459	10,378
Deferred taxation (credited)/charged to consolidated income statement	(230)	7	539	316
Disposal of subsidiaries (note 36(c))	(9)	–	–	(9)
Exchange adjustment	(282)	(5)	(145)	(432)
At 31 December 2024	7,781	619	1,853	10,253

### 31 RETIREMENT BENEFITS

Group companies operate various pension schemes. The schemes are funded through payments to independent trustee-administered funds. The Group has defined contribution plans during the year.

#### Defined contribution plans

Pursuant to the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) (the “MPF Ordinance”), companies within the Group in Hong Kong have enrolled all employees in Hong Kong aged between 18 and 65 into a mandatory provident fund scheme (the “MPF Scheme”) from 1 December 2000.

The MPF Scheme is a master trust scheme established under a trust arrangement and governed by laws in Hong Kong. The assets of the MPF Scheme are held separately from the assets of the employer, the trustees and other service providers. Employees and employer who are covered by the MPF system are each required to make regular mandatory contributions calculated at 5% of the employee’s relevant income as defined in the MPF Ordinance to the MPF Scheme, subject to the minimum and maximum relevant income levels. The MPF Contributions made by the employer (the “MPF Contribution”) are fully and immediately vested in the employees as accrued benefits once they are paid to the approved trustees of the MPF Scheme. Investment income or profit derived from the investment of accrued benefits (after taking into account any loss arising from such investment) is also immediately vested in the employees.

Certain companies within the Group are also participants of the Kerry Trading Co. Limited – Provident Fund Scheme (the “Fund”) which is a defined contribution scheme as defined in the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong). The Fund is for certain salaried persons (the “Fund Members”) under the employment of the companies participating in the Fund. The assets of the Fund are managed by the trustees of the Fund. Contributions are made to the Fund by companies participating in the Fund at 10% of the Fund Members’ monthly basic salaries up to a maximum of HK\$10,000 (2024: HK\$10,000) per Fund Member per month (the “Basic Contribution”) less the MPF Contribution if the Basic Contribution is higher than the MPF Contribution. Fund Members are entitled to 100% of the employers’ contributions to the Fund plus investment earnings upon leaving employment after completing ten years of service or more, or upon retirement after attaining the retirement age after any number of years of service, or upon retirement due to ill health. Fund Members are also entitled to the employers’ contributions to the Fund plus investment earnings calculated at a reduced scale of between 20% and 90% after completing a period of service of at least two but less than ten years. The unvested benefits of employees terminating employment forfeited in accordance with the terms of the Fund can be utilised by the companies participating in the Fund to reduce future contributions. During the year, forfeited contributions totalling HK\$5 million (2024: HK\$2 million) were utilised leaving HK\$24 million (2024: HK\$18 million) at the year end to reduce future contributions.

The Group also made defined contributions to pension plans as required by the relevant municipality or provincial governments in the Chinese Mainland. The rates of contributions for the relevant periods ranged from 14% to 17% (2024: 14% to 16%) of the staff’s salary.

### 32 SHARE CAPITAL

	Authorised Ordinary shares of HK\$1 each	
	Number of shares	HK\$ million
At 31 December 2024 and 2025	10,000,000,000	10,000

## 32 SHARE CAPITAL (Continued)

	Issued and fully paid Ordinary shares of HK\$1 each			
	2025		2024	
	Number of shares	HK\$ million	Number of shares	HK\$ million
At 1 January	<b>1,451,305,728</b>	<b>1,451</b>	1,451,305,728	1,451
Movement	–	–	–	–
At 31 December	<b>1,451,305,728</b>	<b>1,451</b>	1,451,305,728	1,451

## 33 SHARE AWARDS

### (a) Shares held for share award scheme

	2025		2024	
	Number of shares	Total HK\$ million	Number of shares	Total HK\$ million
At 1 January	<b>3,168,500</b>	<b>(50)</b>	3,168,500	(50)
Purchase of shares for share award scheme	<b>1,720,000</b>	<b>(26)</b>	–	–
Vesting of share under share award scheme	<b>(209,050)</b>	<b>3</b>	–	–
At 31 December	<b>4,679,450</b>	<b>(73)</b>	3,168,500	(50)

The Share Award Scheme was adopted by the Board of Directors of the Company on 25 November 2022 (together with an addendum thereto dated 28 March 2024) and shall be valid for a term of 10 years. The Group operates the Share Award Scheme as part of the benefits for its employees and the Directors of the Company which allow shares of the Company to be granted to the relevant selected participants. No new shares of the Company will be issued under the Share Award Scheme. The share awards will be satisfied by existing shares of the Company to be acquired through on-market transactions by a trustee on the instruction of the Company.

During the year ended 31 December 2025, a total of 1,720,000 shares (2024: Nil) of the Company were acquired and settled through on-market transactions and 209,050 shares (2024: Nil) were transferred to the awardees upon vesting of the awarded shares. The remaining 4,679,450 shares (2024: 3,168,500 shares) were held in trust under the Share Award Scheme.

**33 SHARE AWARDS** (Continued)**(b) Shares granted and vested under the Share Award Scheme**

Details of the movement of the awarded shares granted and vested under the Share Award Scheme during the year ended 31 December 2025 are as follows:

	Number of awarded shares	
	2025	2024
Unvested as at 1 January	<b>2,090,500</b>	N/A
Granted	<b>2,046,000</b>	2,090,500
Vested	<b>(209,050)</b>	–
Unvested as at 31 December	<b>3,927,450</b>	2,090,500

For the year ended 31 December 2025, a total of 2,046,000 (2024: 2,090,500) and 209,050 (2024: Nil) awarded shares were granted and vested, respectively.

### 33 SHARE AWARDS (Continued)

#### (b) Shares granted and vested under the Share Award Scheme (Continued)

Date of Grant	Fair value per share	Number of awarded shares granted		Number of awarded shares vested		Vesting period
		2025	2024	2025	2024	
<b>In year 2024</b>						
1 April 2024	HK\$14.54	–	209,050	(209,050)	–	01/04/2024 – 01/04/2025
1 April 2024	HK\$14.54	–	418,100	–	–	01/04/2024 – 01/04/2026
1 April 2024	HK\$14.54	–	627,150	–	–	01/04/2024 – 01/04/2027
1 April 2024	HK\$14.54	–	836,200	–	–	01/04/2024 – 01/04/2028
<b>Total for 2024</b>		–	2,090,500	(209,050)	–	
<b>In year 2025</b>						
1 April 2025	HK\$18.38	84,200	–	–	–	01/04/2025 – 01/04/2026
1 April 2025	HK\$18.38	168,400	–	–	–	01/04/2025 – 01/04/2027
1 April 2025	HK\$18.38	252,600	–	–	–	01/04/2025 – 01/04/2028
1 April 2025	HK\$18.38	1,540,800	–	–	–	01/04/2025 – 01/04/2029
<b>Total for 2025</b>		2,046,000	–	–	–	
<b>Total</b>		<b>2,046,000</b>	2,090,500	<b>(209,050)</b>	–	

The fair values of the awarded shares granted are based on the quoted market price of the Company on the dates of grant which are amortised over the relevant vesting periods. During the year ended 31 December 2025, an expense of HK\$19 million (2024: HK\$9 million) for the awarded shares granted was charged to the consolidated income statement.

### 34 SHARE PREMIUM

	2025 HK\$ million	2024 HK\$ million
At 1 January	13,133	13,105
Transfer from share options reserve (note 35(a))	–	28
At 31 December	13,133	13,133

### 35 OTHER RESERVES

	Other property revaluation reserve HK\$ million	Financial assets at FVOCI reserve HK\$ million	Hedging reserve HK\$ million	Others (note (a)) HK\$ million	Total HK\$ million
At 1 January 2025	81	284	475	117	957
Cash flow hedges:					
– Fair value losses	–	–	(188)	–	(188)
– Transfer to finance costs (note 8)	–	–	(195)	–	(195)
Fair value losses on financial assets at fair value through other comprehensive income	–	(90)	–	–	(90)
Share of exchange fluctuation reserve of associates and joint ventures	–	–	–	159	159
Share of other comprehensive income of associates and joint ventures	14	(1)	(2)	–	11
Net translation differences on foreign operations	–	–	–	3,362	3,362
Vesting of shares for share award scheme	–	–	–	(3)	(3)
Share-based compensation under share award scheme	–	–	–	19	19
Share of other reserves of associates and joint ventures	–	–	–	(70)	(70)
Transfer to retained profits on disposal of financial assets at fair value through other comprehensive income	–	137	–	–	137
Transfer from retained profits	–	–	–	83	83
At 31 December 2025	95	330	90	3,667	4,182

**35 OTHER RESERVES** (Continued)

	Other property revaluation reserve HK\$ million	Financial assets at FVOCI reserve HK\$ million	Hedging reserve HK\$ million	Others (note (a)) HK\$ million	Total HK\$ million
At 1 January 2024	78	423	536	2,945	3,982
Cash flow hedges:					
– Fair value losses	–	–	(124)	–	(124)
– Transfer to finance costs (note 8)	–	–	66	–	66
Fair value losses on financial assets at fair value through other comprehensive income	–	(118)	–	–	(118)
Share of exchange fluctuation reserve of associates and joint ventures	–	–	–	(85)	(85)
Share of other comprehensive income of associates and joint ventures	3	(21)	(3)	2	(19)
Net translation differences on foreign operations	–	–	–	(2,451)	(2,451)
Release of exchange fluctuation reserve upon disposal of subsidiaries (note 36(c))	–	–	–	10	10
Share-based compensation under share award scheme	–	–	–	9	9
Transfer to share premium (note 34)	–	–	–	(28)	(28)
Share of other reserves of associates and joint ventures	–	–	–	(83)	(83)
Transfer to retained profits	–	–	–	(202)	(202)
At 31 December 2024	81	284	475	117	957

**35 OTHER RESERVES** (Continued)

(a) Others

	Capital reserve (note (b)) HK\$ million	Share options reserve HK\$ million	Share award reserve HK\$ million	Exchange fluctuation reserve HK\$ million	Enterprise expansion and general reserve funds (note (c)) HK\$ million	Capital redemption reserve (note (d)) HK\$ million	Acquisition reserve (note (e)) HK\$ million	Total HK\$ million
At 1 January 2025	7,935	-	9	(7,916)	1,060	16	(987)	117
Share of exchange fluctuation reserve of associates and joint ventures	-	-	-	159	-	-	-	159
Net translation differences on foreign operations	-	-	-	3,362	-	-	-	3,362
Vesting of shares for share award scheme	-	-	(3)	-	-	-	-	(3)
Share-based compensation under share award scheme	-	-	19	-	-	-	-	19
Share of other reserves of associates and joint ventures	-	-	-	-	-	-	(70)	(70)
Transfer from retained profits	-	-	-	-	83	-	-	83
At 31 December 2025	7,935	-	25	(4,395)	1,143	16	(1,057)	3,667

### 35 OTHER RESERVES (Continued)

(a) Others (Continued)

	Capital reserve (note (b)) HK\$ million	Share options reserve HK\$ million	Share award reserve HK\$ million	Exchange fluctuation reserve HK\$ million	Enterprise expansion and general reserve funds (note (c)) HK\$ million	Capital redemption reserve (note (d)) HK\$ million	Acquisition reserve (note (e)) HK\$ million	Total HK\$ million
At 1 January 2024	7,935	28	–	(5,390)	879	16	(523)	2,945
Share of exchange fluctuation reserve of associates and joint ventures	–	–	–	(85)	–	–	–	(85)
Share of other comprehensive income of associates and joint ventures	–	–	–	–	2	–	–	2
Net translation differences on foreign operations	–	–	–	(2,451)	–	–	–	(2,451)
Release of exchange fluctuation reserve upon disposal of subsidiaries	–	–	–	10	–	–	–	10
Share-based compensation under share award scheme	–	–	9	–	–	–	–	9
Transfer to share premium (note 34)	–	(28)	–	–	–	–	–	(28)
Share of other reserves of associates and joint ventures	–	–	–	–	–	–	(83)	(83)
Transfer from/(to) retained profits	–	–	–	–	179	–	(381)	(202)
At 31 December 2024	7,935	–	9	(7,916)	1,060	16	(987)	117

- (b) Capital reserve of the Group arose from the Group's reorganisation in preparation for its listing on Hong Kong Stock Exchange in August 1996, adjusted by the excess or deficit of the fair values of the net assets of subsidiaries and associates subsequently acquired over the cost of investment at the date of acquisition before 1 January 2001.
- (c) Enterprise expansion and general reserve funds are set up by subsidiaries and associates established and operating in the Chinese Mainland. According to the Chinese Mainland Foreign Enterprise Accounting Standards, upon approval, the enterprise expansion reserve fund may be used for increasing capital while the general reserve fund may be used for making up losses and increasing capital.
- (d) Capital redemption reserve arose from the purchase of the Company's shares for cancellation and represents a transfer from the Company's retained profits equivalent to the nominal value of the shares purchased for cancellation.
- (e) Acquisition reserve arose from the acquisition of additional interest or disposal of interest in subsidiaries that do not result in a loss of control, and represents any differences between the amount by which the non-controlling interests are adjusted (to reflect the changes in the interests in the subsidiaries) and the fair value of the consideration paid or received.

## 36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Reconciliation of profit before taxation to net cash generated from operations

	2025 HK\$ million	2024 HK\$ million
Profit before taxation	2,930	2,582
Depreciation of property, plant and equipment and right-of-use assets	452	437
Dividend income on listed and unlisted investments	(71)	(72)
Interest income	(497)	(578)
Loss on disposal of property, plant and equipment	1	5
Gain on disposal of investment properties	–	(4)
Loss on disposal of subsidiaries	–	52
Net decrease in fair value of financial assets at fair value through profit or loss	33	24
Share award scheme expenses	19	9
Provision for properties under development	255	904
Provision for completed properties held for sale	192	522
Provision for mortgage loans receivable	102	–
Decrease in fair value of investment properties	1,518	2,257
Finance costs	714	378
Share of results of associates and joint ventures	(726)	(916)
Operating profit before working capital changes	4,922	5,600
Increase in properties under development	(3,559)	(4,756)
Decrease in completed properties held for sale	9,728	9,434
Increase in accounts receivable, prepayments and deposits	(219)	(83)
(Decrease)/increase in accounts payable, deposits received and accrued charges	(680)	477
Increase/(decrease) in contract liabilities	7,568	(5,176)
Net cash generated from operations	17,760	5,496

**36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS** (Continued)**(b) Reconciliation of liabilities arising from financing activities**

	Bank loans HK\$ million	Amounts due to non-controlling interests HK\$ million	Lease liabilities HK\$ million	Derivative financial instruments held to hedge bank loans HK\$ million	Total HK\$ million
Balance at 1 January 2025	59,581	1,838	41	(71)	61,389
Cash inflow	53,398	452	–	–	53,850
Cash outflow	(58,513)	–	(45)	–	(58,558)
Non-cash changes					
Additions	–	–	54	–	54
Foreign exchange movement	1,304	13	–	–	1,317
Other non-cash movement	–	7	1	188	196
Balance at 31 December 2025	55,770	2,310	51	117	58,248

	Bank loans HK\$ million	Amounts due to non- controlling interests HK\$ million	Lease liabilities HK\$ million	Derivative financial instruments held to hedge bank loans HK\$ million	Total HK\$ million
Balances at 1 January 2024	55,131	2,237	85	(195)	57,258
Cash inflow	52,790	–	–	–	52,790
Cash outflow	(47,664)	(78)	(47)	–	(47,789)
Non-cash changes					
Foreign exchange movement	(676)	(7)	–	–	(683)
Other non-cash movement	–	(314)	3	124	(187)
Balance at 31 December 2024	59,581	1,838	41	(71)	61,389

**36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS** (Continued)**(c) Analysis of the net cash inflow in respect of the disposal of subsidiaries**

	2025 HK\$ million	2024 HK\$ million
Net assets disposed of:		
Property, plant and equipment (note 14)	–	5
Completed properties held for sale	–	106
Cash and bank balances	–	3
Accounts payable, deposits received and accrued charges	–	(5)
Deferred taxation	–	(9)
Non-controlling interests	–	(19)
	–	81
Loss on disposal of subsidiaries (note 6)	–	(52)
Release of exchange fluctuation reserve upon disposal of subsidiaries (note 35)	–	10
Total consideration	–	39
Cash and bank balances disposed of	–	(3)
Net cash inflow in respect of the disposal of subsidiaries	–	36

## 37 RELATED PARTY TRANSACTIONS

The following significant transactions were carried out with related parties during the year:

### (a) Purchases of services/lease of premises

	2025 HK\$ million	2024 HK\$ million
Marketing, consultancy and administrative management fees expense (note (i))	139	135
Rental expenses/lease payments (note (ii))	54	57
Logistics, insurance brokerage and service fee paid (note (iii))	7	7
Rental income (note (iv))	8	7

(i) This represents payment of services fees to Shangri-La International Hotel Management Limited and Shangri-La Hotel Management (Shanghai) Co., Ltd., subsidiaries of SA, which provided marketing, consultancy and administrative management services to members of the Group. The service fees payable during the year were determined at either a fixed amount or a certain percentage of the gross operating revenue of the relevant company in accordance with the agreement for the provision of the above services.

(ii) This represents payment of rental expenses/lease payments to Ubagan Limited, an associate of the Group, in respect of leasing of several units and floors of Kerry Centre as corporate offices and several car parking spaces for the use by the Group in conjunction with such offices.

On 17 November 2025, the Group renewed the tenancies in respect of certain units and floors of Kerry Centre with Ubagan Limited for a term of 2 years from 19 November 2025 to 18 November 2027. In accordance with HKFRS 16, the rental payment under these tenancy agreements was recognised as right-of-use assets on 19 November 2025 for an amount of HK\$53 million.

On 17 November 2022, the Group renewed the tenancies in respect of certain units and floors of Kerry Centre with Ubagan Limited for a term of 3 years from 19 November 2022 to 18 November 2025. In accordance with HKFRS 16, the rental payment under these tenancy agreements was recognised as right-of-use assets on 19 November 2022 for an amount of HK\$130 million.

(iii) This represents payment for delivery services, local courier services, freight services, freight agency services, insurance brokerage and related services, and services relating to management and operation of warehouse facilities provided by subsidiaries of KLN Logistics Group Limited (formerly known as "Kerry Logistics Network Limited").

(iv) This represents rental income received from a subsidiary of KLN Logistics Group Limited in relation to the lease of certain premises held by the Group.

### (b) Key management compensation, excluding share award benefits

	2025 HK\$ million	2024 HK\$ million
Salaries and other short-term benefits	16	37

**37 RELATED PARTY TRANSACTIONS** (Continued)**(c) Year-end balances**

	2025 HK\$ million	2024 HK\$ million
Receivables from related parties:		
Associates and joint ventures (note 19)	8,654	7,975
Payables to related parties:		
Included under amounts due to non-controlling interests (note 29)		
– Subsidiaries of SA	760	379
Associates and joint ventures (note 19)	415	418
Lease liabilities (note 16)	50	40

**(d) Guarantees for banking facilities of certain associates and joint ventures**

The Group has executed guarantees for banking facilities granted to certain associates and joint ventures. The utilised amount of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group as at 31 December 2025 amounted to approximately HK\$3,025 million (2024: HK\$4,321 million). The total amount of such facilities covered by the Group's guarantees as at 31 December 2025 amounted to approximately HK\$3,469 million (2024: HK\$5,430 million). The above-mentioned amounts are also reflected in the guarantees given by the Group for banking facilities disclosed in note 39.

**(e) Cash advance to an associate**

Kerry (Shenyang) Real Estate Development Co., Ltd. ("KSRE") (as lender), a non-wholly owned subsidiary of the Group, and Tianjin Kerry Real Estate Development Co., Ltd. ("TKRE") (as borrower), an associate of the Group established for a mixed-use project in Tianjin, the PRC, entered into the cash advance agreement dated 16 May 2025 pursuant to which KSRE agreed to advance cash in the principal amount of up to RMB250 million to TKRE for a term of two years. KSRE and TKRE are indirectly held by the Group together with SA and Allgreen Properties Limited, associates of Kerry Holdings Limited, a controlling shareholder of the Company. Accordingly, the transaction constituted a connected transaction of the Company under the Listing Rules. As at 31 December 2025, the cash advance balance was RMB78 million.

**(f) Sale of a Property Unit of Jinling Residences**

Shanghai Brilliant Prestige Real Estate Co., Ltd. (as vendor), a wholly-owned subsidiary of the Group, and Mr Kuok Khoon Hua (as purchaser) entered into the pre-sale agreement dated 31 October 2025 pursuant to which the vendor agreed to sell, and the purchaser agreed to purchase, a four-room unit in Tower 2 of Jinling Residences at a consideration of RMB116.8 million. Mr Kuok Khoon Hua is the Chairman, Chief Executive Officer and an executive director of the Company and, accordingly, the transaction constituted a connected transaction of the Company under the Listing Rules.

The transactions referred to in notes (a), (e) and (f), receivables amounting to HK\$1,071 million (2024: HK\$1,072 million) and payables amounting to HK\$411 million (2024: HK\$419 million) as at 31 December 2025 in note (c), and guarantees in respect of HK\$1,506 million (2024: HK\$1,683 million) as at 31 December 2025 in note (d), constitute exempt or non-exempted connected transactions or continuing connected transactions. In all cases, the Company has complied with the requirements under Chapter 14A of the Listing Rules.

## 38 COMMITMENTS

- (a) At 31 December 2025, the Group had capital and other commitments in respect of property, plant and equipment, investment properties, land costs and properties under development contracted for at the end of the year but not provided for in these consolidated financial statements as follows:

	2025 HK\$ million	2024 HK\$ million
Property, plant and equipment	105	14
Investment properties	398	2,034
Land costs	–	1,215
Properties under development	8,043	7,490
	<b>8,546</b>	10,753

- (b) At 31 December 2025, the Group had future aggregate minimum lease rental receivable under non-cancellable operating leases as follows:

	2025 HK\$ million	2024 HK\$ million
Land and buildings:		
Within one year	2,813	3,187
In the second to fifth year, inclusive	4,035	4,070
Over five years	669	625
	<b>7,517</b>	7,882

## 39 CONTINGENT LIABILITIES

### Guarantees for banking facilities

	2025 HK\$ million	2024 HK\$ million
Guarantees for banking facilities of certain associates and joint ventures (note 37(d))	3,025	4,321
Guarantees to certain banks for mortgage facilities granted to first-hand buyers of certain properties in the Chinese Mainland (note (a))	615	1,106
	<b>3,640</b>	5,427

- (a) The Group has executed guarantees to certain banks for mortgage facilities granted to first-hand buyers of certain properties developed by the Group in the Chinese Mainland. The utilised amount of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group as at 31 December 2025 amounted to approximately HK\$615 million (2024: HK\$1,106 million).

## 40 ULTIMATE HOLDING COMPANY

The Directors regard Kerry Group Limited, a company incorporated in the Cook Islands and continued in the Cayman Islands, as being the ultimate holding company.

## 41 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

Statement of financial position of the Company as at 31 December 2025

	Note	2025 HK\$ million	2024 HK\$ million
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		27	26
Interests in subsidiaries		16,029	16,029
Associates		1,383	1,514
Financial assets at fair value through other comprehensive income		–	73
		<b>17,439</b>	<b>17,642</b>
<b>Current assets</b>			
Amounts receivable from subsidiaries		47,712	48,608
Accounts receivable, prepayments and deposits		7	5
Cash and bank balances		1,006	1,318
		<b>48,725</b>	<b>49,931</b>
<b>Current liabilities</b>			
Amounts payable to subsidiaries		27,996	29,406
Accounts payable and accrued charges		109	102
		<b>28,105</b>	<b>29,508</b>
<b>Net current assets</b>		<b>20,620</b>	<b>20,423</b>
<b>ASSETS LESS LIABILITIES</b>		<b>38,059</b>	<b>38,065</b>
<b>EQUITY</b>			
Capital and reserves attributable to the Company's shareholders			
Share capital	32	1,451	1,451
Shares held for share award scheme	33(a)	(73)	(50)
Share premium	34	13,133	13,133
Other reserves (note (a))		10,468	10,320
Retained profits (note (b))		13,080	13,211
<b>TOTAL EQUITY</b>		<b>38,059</b>	<b>38,065</b>

The statement of financial position of the Company was approved by the Board of Directors on 23 March 2026 and was signed on its behalf.

**Kuok Khoon Hua**  
Director

**Tong Shao Ming**  
Director

## 41 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (Continued)

### (a) Other reserves movement of the Company

	Contributed Surplus (note (i)) HK\$ million	Financial assets at FVOCI reserve HK\$ million	Share award reserve HK\$ million	Share options reserve HK\$ million	Capital redemption reserve (note (ii)) HK\$ million	Total HK\$ million
At 1 January 2025	10,427	(132)	9	–	16	10,320
Fair value losses on financial assets at fair value through other comprehensive income	–	(5)	–	–	–	(5)
Vesting of shares for share award scheme	–	–	(3)	–	–	(3)
Share-based compensation under share award scheme	–	–	19	–	–	19
Transfer to retained profits on disposal of financial assets at fair value through other comprehensive income	–	137	–	–	–	137
At 31 December 2025	10,427	–	25	–	16	10,468
At 1 January 2024	10,427	–	–	28	16	10,471
Fair value losses on financial assets at fair value through other comprehensive income	–	(132)	–	–	–	(132)
Share-based compensation under share award scheme	–	–	9	–	–	9
Transfer to share premium (note 34)	–	–	–	(28)	–	(28)
At 31 December 2024	10,427	(132)	9	–	16	10,320

- (i) The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of companies being acquired, and represents the difference between the nominal value of the Company's shares issued and the value of net assets of the companies acquired. At Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.
- (ii) The capital redemption reserve arose from the purchase of the Company's shares for cancellation and represents a transfer from the Company's retained profits equivalent to the nominal value of the shares purchased for cancellation.

## 41 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (Continued)

### (b) Retained profits movement of the Company

	2025 HK\$ million	2024 HK\$ million
At 1 January	13,211	13,153
Profit for the year	1,965	2,017
Dividends paid	(1,959)	(1,959)
Transfer from financial assets at FVOCI reserve	(137)	–
At 31 December	13,080	13,211

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

### (a) Principal subsidiaries

As at 31 December 2025, the Company held interests in the following subsidiaries which are categorised according to the business divisions of the Group, namely, Property Division and Other Divisions as listed below:

Name	Place of incorporation/ operation	Principal activities	Issued share capital <sup>(1)</sup> / Registered capital	Indirect interest held	Notes
<b>Property Division – Chinese Mainland</b>					
Beijing Jia Ao Real Estate Development Co., Ltd.	PRC	Property investment	US\$64,097,600	71.25%	(6)(8)
Beijing Kerry Hotel Co., Ltd.	PRC	Hotel ownership and operation	US\$33,000,000	71.25%	(6)(8)
Excellent (Beijing) Management Consultancy Ltd.	PRC	Investment holding and management	RMB1,388,024,400	100%	(3)(5)(8)
Grand Glory Real Estate (Wuhan) Co., Ltd.	PRC	Property investment, trading and development	RMB7,800,000,000	100%	(3)(5)
Grand Luck Real Estate (Fuzhou) Co., Ltd.	PRC	Property investment, trading and development	RMB2,600,000,000	100%	(3)(5)
Great Universe Development (Shenzhen) Co., Ltd.	PRC	Property investment and trading	RMB2,800,000,000	70%	(3)(5)
Hong Kong Shanghai Development Co Limited	HK	Investment holding	HK\$8,000,000	75%	
Huilong Real Estate (Hangzhou) Co., Ltd.	PRC	Property trading	RMB200,000,000	100%	(3)(5)(8)

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (a) Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued share capital <sup>(1)</sup> / Registered capital	Indirect interest held	Notes
<b>Property Division – Chinese Mainland</b> (Continued)					
Huiyao Real Estate (Hangzhou) Co., Ltd.	PRC	Property trading	RMB1,000,000	100%	(3)(5)(8)
Jian'an Real Estate (Kunming) Co., Ltd.	PRC	Property trading, development and hotel ownership and operation	RMB665,000,000	55%	(3)(5)(8)
Kerry Asset Management (Shanghai) Co., Ltd.	PRC	Real estate and project management	RMB10,000,000	100%	(3)(5)(8)
Kerry Business Services (Shenzhen) Limited	PRC	Provision of consultancy and administrative services	RMB2,000,000	100%	(3)(5)(8)
Kerry Cao Jia Yan Properties (Shanghai) Co., Ltd.	PRC	Property investment and trading	US\$5,000,000	100%	(3)(5)
Kerry Development (Shanghai) Co., Ltd.	PRC	Property investment	RMB24,261,780	100%	(3)(5)
Kerry Development (Shenzhen) Co., Ltd.	PRC	Property investment	RMB529,720,000	100%	(3)(5)(8)
Kerry Huafeng Property Development (Hangzhou) Co., Ltd.	PRC	Property trading	HK\$1,000,000	100%	(3)(5)
Kerry Properties (China) Investment Co., Ltd.	PRC	Provision of consultancy services	RMB4,053,626,513.09	100%	(3)(5)
Kerry Properties (China) Limited	HK	Investment holding and provision of administrative support services	HK\$10,000,000,000	100%	
Kerry Properties (China) Project Management Co., Ltd.	PRC	Provision of consultancy and administrative services	RMB50,000,000	100%	(3)(5)
Kerry Properties Development Management (Shanghai) Co., Ltd.	PRC	Real estate and project management	RMB8,062,190	100%	(5)(8)
Kerry Real Estate (Hangzhou) Co. Ltd.	PRC	Property investment, trading and hotel ownership and operation	US\$277,750,000	75%	(5)
Kerry Real Estate (Nanchang) Co., Ltd.	PRC	Property trading and hotel ownership and operation	RMB800,000,000	80%	(3)(5)
Kerry (Shenyang) Real Estate Development Co., Ltd.	PRC	Property investment, trading and development	RMB3,287,500,000	60%	(3)(5)

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (a) Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued share capital <sup>(1)</sup> / Registered capital	Indirect interest held	Notes
<b>Property Division – Chinese Mainland</b> (Continued)					
Lucky Billion Development (Qinhuangdao) Co., Ltd.	PRC	Property trading and development	RMB1,617,000,000	60%	(3)(5)(8)
Million Palace Development (Shenzhen) Co., Ltd.	PRC	Property investment, trading and development	RMB3,600,000,000	100%	(3)(5)(8)
Shanghai Brilliant Prestige Real Estate Co., Ltd.	PRC	Property development and trading	RMB14,000,000,000	100%	(5)
Shanghai Gang Hu Properties Co., Ltd.	PRC	Property investment and trading	US\$90,000,000	74.25%	(3)(6)
Shanghai Ji Xiang Properties Co., Ltd.	PRC	Property investment, hotel ownership and operation	US\$311,250,000	51%	(5)
Shanghai Xin Ci Hou Properties Co., Ltd.	PRC	Property investment	US\$5,000,000	74.25%	(6)
Shanghai Zhuo Hao Real Estate Co., Ltd.	PRC	Property development	RMB9,300,000,000	100%	(5)
Shangri-La Hotel (Shenyang) Co., Ltd.	PRC	Hotel ownership and operation	RMB700,000,000	60%	(3)(5)
Well Fortune Real Estate (Putian) Co., Ltd.	PRC	Hotel ownership and operation	RMB325,000,000	60%	(3)(5)
Xiang Heng Real Estate (Jinan) Co., Ltd.	PRC	Property investment and hotel ownership and operation	RMB600,000,000	55%	(3)(5)
Ying He Company Limited	HK	Investment holding	HK\$10 HK\$21,000,000 <sup>(2)</sup>	100%	
Yinlong Real Estate (Hangzhou) Co., Ltd.	PRC	Property investment, trading and development	RMB6,300,000,000	100%	(3)(5)
Zhengzhou Yuheng Real Estate Co., Ltd.	PRC	Property trading and development	RMB600,000,000	55%	(3)(5)

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (a) Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued share capital <sup>(1)</sup> / Registered capital	Indirect interest held	Notes
<b>Property Division – Hong Kong</b>					
All First Investments Limited	BVI/HK	Property investment	HK\$2	100%	
Best Insight Limited	HK	Property trading	HK\$1	100%	
Bethan Company Limited	HK	Property trading	HK\$2	100%	
Classic Gold Holdings Limited	HK	Property trading	HK\$1	100%	
Crystal Talent Limited	HK	Property investment	HK\$1	100%	
Great Billion Corporation Limited	HK	Property trading	HK\$2	100%	
High Dynamic Holdings Limited	HK	Property development	HK\$1	100%	
Kerry D.G. Warehouse (Kowloon Bay) Limited	HK	Warehouse ownership	HK\$20,000,000	100%	
Kerry Properties (H.K.) Limited	HK	Investment holding and provision of administrative support services	HK\$1,000 HK\$200,000,000 <sup>(2)</sup>	100%	
Kerry Properties (Macau) Limited	Macau	Property development	MOP1,000,000	71%	
Kildare Limited	HK	Property trading	HK\$2	100%	
Magnifair Company Limited	HK	Property trading	HK\$10,000	100%	
Mani Holdings Limited	HK	Property investment	HK\$1	100%	
Many Treasure Limited	HK	Property investment	HK\$1	100%	
Maple Crest Development Limited	BVI/HK	Recreation park operation	US\$120	100%	
MegaBox Development Company Limited	HK	Property investment	HK\$2	100%	
MegaBox Management Services Limited	HK	Property management	HK\$2	100%	

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (a) Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued share capital <sup>(1)</sup> / Registered capital	Indirect interest held	Notes
<b>Property Division – Hong Kong</b> (Continued)					
Mid-Levels Portfolio (Aigburth) Limited	Cook Islands (continued in BVI)/HK	Property investment	US\$9	100%	
Mid-Levels Portfolio (Branksome) Limited	HK	Property investment	HK\$1,000	100%	
Mid-Levels Portfolio (Branksome Grande) Limited	HK	Property investment	HK\$100	100%	
Mid-Levels Portfolio (Gladdon) Limited	HK	Property investment	HK\$1,000	100%	
Mid-Levels Portfolio (Tavistock) Limited	HK	Property investment	HK\$1,000	100%	
Mid-Levels Portfolio (Valverde) Limited	HK	Property trading	HK\$1,000	100%	
NMC 6 Limited	BVI/HK	Property trading	US\$1	100%	
NMC 7 Limited	BVI/HK	Property investment	US\$1	100%	
NMC 8 Limited	BVI/HK	Property trading	US\$1	100%	
NMC 9 Limited	BVI/HK	Property investment	US\$1	100%	
Norminster Limited	HK	Property investment	HK\$1,000	100%	
Pettico Limited	HK	Provision of financial services	HK\$20	100%	
Port Destiny Limited	HK	Property development	HK\$2	100%	
Prismatic Limited	HK	Property trading and investment	HK\$20	100%	
Rink Management Group Limited	HK	Ice rink operation	HK\$1,000,000	100%	
Senworld Investment Limited	HK	Property trading	HK\$2	100%	
Trebanos Investment Company Limited	HK	Investment holding	HK\$2	100%	
Wealth Channel Holdings Limited	HK	Property trading	HK\$2	100%	
Wealthy Guide Limited	HK	Property development	HK\$1	100%	

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (a) Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued share capital <sup>(1)</sup> / Registered capital	Indirect interest held	Notes
<b>Property Division – Overseas</b>					
SHANG PROPERTIES (PVT) LTD	Sri Lanka	Property development	LKR1,000	80%	(3)
<b>Other Divisions</b>					
Apex Ally Limited	HK	Group financing	HK\$1	100%	
Dragon Fame Limited	HK	Group financing	HK\$1	100%	
Kerry Project Management (H.K.) Limited	HK	Project management	HK\$300,000	100%	
Kerry Properties (Beijing) Development Co. Ltd.	PRC	Project management and investment holding	RMB5,000,000	100%	(3)(5)(8)
Kerry Properties Finance Limited	HK	Group financing	HK\$1,000,000	100%	
Kerry Property Management Services Limited	HK	Property management	HK\$20	100%	
Kerry Real Estate Agency Limited	HK	Estate agency	HK\$2	100%	
Perfect Delight Limited	HK	Group financing	HK\$1	100%	
Twickenham Limited	HK	Group financing	HK\$1	100%	
Upsmart Investments Limited	HK	Provision of administrative support services	HK\$2	100%	

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (b) Principal associates and joint ventures

As at 31 December 2025, the Company held interests in the following associates and joint ventures which are categorised according to the business divisions of the Group, namely, Property Division and Other Divisions as listed below:

Name	Place of incorporation/ operation	Principal activities	Class of shares/ Registered capital	Indirect interest held unless denoted with*	Notes
<b>Associates</b>					
<b>Property Division – Chinese Mainland</b>					
Hengyun Real Estate (Tangshan) Co., Ltd.	PRC	Property trading	RMB223,000,000	40%	(3)(5)
Ruihe Real Estate (Tangshan) Co., Ltd.	PRC	Hotel ownership and operation	RMB938,000,000	40%	(3)(5)
Shanghai Pudong Kerry City Properties Co., Ltd.	PRC	Property investment, hotel ownership and operation	US\$171,361,400	40.80%	(6)
Shanghai Xin Zhuo Real Estate Co., Ltd.	PRC	Property trading and development	RMB6,200,000,000	40%	(3)(5)(8)
Shangri-La Hotel (Nanjing) Co., Ltd.	PRC	Hotel ownership and operation	RMB750,000,000	45%	(3)(5)
Tianjin Kerry Real Estate Development Co., Ltd.	PRC	Property investment, trading and development, hotel ownership and operation	RMB3,766,473,961	49%	(3)(5)
<b>Property Division – Hong Kong</b>					
Capital Faith (Hong Kong) Limited	HK	Property investment	Ordinary	47.37%	(3)
Cardiff Investments Limited	HK	Investment holding	Ordinary	30%	(3)
Century Link (Hong Kong) Limited	HK	Property investment	Ordinary	47.37%	(3)
Cheerjoy Development Limited	HK	Property trading	Ordinary	35%	
Dragons Range Finance Company Limited	HK	Provision of financial services	Ordinary	40%	
Dynamic Wish Limited	HK	Property development	Ordinary	25%	
Enterprico Investment Limited	HK	Loan financing	Ordinary	47.50%	(3)
Excel Wisdom Development Limited	HK	Property investment	Ordinary	47.37%	(3)
Fine Winner Holdings Limited	HK	Hotel ownership and operation	Ordinary	30%	

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (b) Principal associates and joint ventures (Continued)

Name	Place of incorporation/ operation	Principal activities	Class of shares/ Registered capital	Indirect interest held unless denoted with*	Notes
<b>Property Division – Hong Kong</b> (Continued)					
Grand Rise Investments Limited	HK	Property investment	Ordinary	47.37%	(3)
Harley Investments Limited	HK	Property investment	Ordinary	47.37%	(3)
Jet Fame (Hong Kong) Limited	HK	Property investment	Ordinary	47.37%	(3)
Joint Prospect Limited	HK	Property investment	Ordinary	47.37%	(3)
Lohas Park Package Thirteen (Project Management) Limited	HK	Project management	Ordinary	25%	
Orient Field Holdings Limited	HK	Property investment	Ordinary	47.37%	(3)
Sky Vision Development Limited	HK	Property investment	Ordinary	47.37%	(3)
Time Rank Limited	HK	Property trading	Ordinary	50%	(4)
Ubagan Limited	HK	Property investment	Ordinary	40%	
Union Top Properties Limited	HK	Property investment	Ordinary	47.37%	(3)
Victory Top Properties Limited	HK	Property investment	Ordinary	47.37%	(3)
Win Chanford Enterprises Limited	HK	Investment holding and property investment	Ordinary	47.37%	(3)
Wise Grand Limited	HK	Property investment	Ordinary	47.37%	(3)

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (b) Principal associates and joint ventures (Continued)

Name	Place of incorporation/ operation	Principal activities	Class of shares/ Registered capital	Indirect interest held unless denoted with*	Notes
<b>Property Division – Overseas</b>					
Phoenix Commercial Pte. Ltd.	Singapore	Property investment	Ordinary	30%*	(3)
Phoenix Residential Pte. Ltd.	Singapore	Property trading and development	Ordinary	30%*	(3)
Shang Properties, Inc.	Philippines	Property investment and development, hotel operation, real estate management and investment holding	Common	34.61%	(7)
<b>Other Divisions</b>					
KLN Logistics Group Limited (formerly known as "Kerry Logistics Network Limited")	BVI (continued into Bermuda)/ HK	Integrated logistics and international freight forwarding business	Ordinary	20.84%*	(7)

## 42 GROUP STRUCTURE – PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

### (b) Principal associates and joint ventures (Continued)

Name	Place of incorporation/ operation	Principal activities	Class of shares/ Registered capital	Indirect interest held unless denoted with*	Notes
<b>Joint Ventures</b>					
<b>Property Division – Chinese Mainland</b>					
Million Fortune Development (Shenzhen) Co., Ltd.	PRC	Property investment, hotel ownership and operation	RMB3,500,000,000	25%	(3)(5)
<b>Property Division – Hong Kong</b>					
High Crown Holdings Limited	HK	Property trading	Ordinary	50%	
La Marina Finance Company Limited	HK	Provision of financial services	Ordinary	50%	
WCH Property Development Company Limited	HK	Property trading	Ordinary	50%	
WCH Real Estate Agency Limited	HK	Estate Agency	Ordinary	50%	
Wolver Hollow Company Limited	HK	Property development	Ordinary	50%	(3)

Notes:

- (1) all being ordinary shares and fully paid up except otherwise stated
- (2) non-voting deferred shares
- (3) companies not audited by PricewaterhouseCoopers
- (4) companies having a financial accounting period which is not coterminous with the Group
- (5) wholly foreign-owned enterprise
- (6) sino-foreign equity joint venture enterprise
- (7) listed company
- (8) English translation of name only

BVI British Virgin Islands

HK Hong Kong

PRC The People's Republic of China

# PARTICULARS OF PROPERTIES HELD

Particulars of major properties held by the Group as at 31 December 2025 are as follows:

Property name	Location	Type	Group's attributable interest			Lease expiry
			%	Approximate gross floor area (square feet)	Approximate number of carpark spaces	
<b>Chinese Mainland Properties</b>						
<b>A. Completed and held for investment</b>						
1. Qianhai Kerry Centre Phase I	No. 399 Qianwan 1st Road Qianhai Shenzhen-Hong Kong Cooperation Zone Nanshan District Shenzhen	Office Retail	100.00	1,287,198 222,908	720	2055
				<b>1,510,106</b>		
2. Hangzhou Kerry Plaza	168, 219 and 338 Wangma East Road Wenhui Street Gongshu District Hangzhou	Retail Office Residential	100.00	996,306 235,011 196,545	1,529	2060 2090
				<b>1,427,862</b>		
3. Jing An Kerry Centre Phase II	1218, 1228 and 1238 Yanan Zhong Road 1539, 1551 and 1563 Nanjing Xi Road Jing An District Shanghai	Office Retail	51.00	646,802 444,478	557	2058
				<b>1,091,280</b>		
4. Beijing Kerry Centre	1 Guang Hua Road Chaoyang District Beijing	Office Residential Retail	71.25	711,121 277,330 98,406	423	2045
				<b>1,086,857</b>		
5. Hangzhou Kerry Centre	385 Yanan Road Gongshu District Hangzhou	Retail Office	75.00	811,129 102,133	376	2048 2058
				<b>913,262</b>		
6. Shenzhen Kerry Plaza Phase II	1 Zhong Xin Si Road Futian CBD Shenzhen	Office Retail	100.00	745,425 104,110	335	2056
				<b>849,535</b>		
7. Shenyang Kerry Centre Phase II, Kerry Parkside Enterprise Square	123, 125 and 125-1 Qingnian Avenue Shenhe District Shenyang	Retail Office	60.00	486,057 353,615	550	2049
				<b>839,672</b>		
8. Shenzhen Kerry Plaza Phase I	1 Zhong Xin Si Road Futian CBD Shenzhen	Office	100.00	<b>804,709</b>	306	2054
9. Kerry Parkside	1155 and 1201 Fangdian Road 1378, 1388 and 1398 Hua Mu Road Pudong Shanghai	Office Retail Residential	40.80	417,189 216,592 153,300	475	2055
				<b>787,081</b>		
10. Rivercity Commercial Centre	6 Wanren Road Cangshan District Fuzhou	Retail	100.00	<b>717,170</b>	–	2058
11. Qianhai Kerry Centre Phase III	No. 399 Qianwan 1st Road Qianhai Shenzhen-Hong Kong Cooperation Zone Nanshan District Shenzhen	Office Retail	70.00	481,941 75,980	314	2058
				<b>557,921</b>		
12. Jing An Kerry Centre Phase I	1515 Nanjing Road West Jing An District Shanghai	Office Residential Retail	74.25	308,584 142,355 103,971	180	2044
				<b>554,910</b>		
<b>Sub-total</b>				<b>11,140,365</b>	<b>5,765</b>	

Property name	Location	Type	Group's attributable interest		Lease expiry
			%	Approximate gross floor area (square feet)	
<b>Chinese Mainland Properties</b>					
<b>A. Completed and held for investment (Continued)</b>					
13. Tianjin Kerry Centre Phase II	Add 1, 238 Liuwei Road Hedong District Tianjin	Office Retail	49.00	443,952 65,930	97 2058
				<b>509,882</b>	
14. Shanghai Central Residences Phase II Towers 1 and 3	166 and 168 Lane 1038 Huashan Road Changning District Shanghai	Residential	100.00	<b>478,286</b>	211 2067
15. Tianjin Kerry Centre Riverview Place	238 Liuwei Road Hedong District Tianjin	Retail	49.00	<b>435,099</b>	387 2058
16. Kerry Everbright City Phase I	218 Tianmu Road West Jing An District Shanghai	Retail Office	74.25	194,276 145,932	179 2042
				<b>340,208</b>	
17. Jinan Enterprise Square	102 Luoyuan Street Lixia District Jinan	Office Retail	55.00	195,037 33,634	140 2051
				<b>228,671</b>	
18. Qianhai Kerry Centre Phase II	No. 399 Qianwan 1st Road Qianhai Shenzhen-Hong Kong Cooperation Zone Nanshan District Shenzhen	Office Retail	25.00	165,428 34,109	83 2057
				<b>199,537</b>	
<b>Sub-total</b>				<b>2,191,683</b>	<b>1,097</b>
<b>Total Chinese Mainland completed investment properties</b>				<b>13,332,048</b>	<b>6,862</b>

Property name	Location	Type	Group's attributable interest			Lease expiry
			%	Approximate gross floor area (square feet)	Approximate number of carpark spaces	
<b>Chinese Mainland Properties</b>						
<b>B. Hotel properties</b>						
1. Shangri-La, Nanchang	669 Cui Lin Road Honggutan New District Nanchang	Hotel	80.00	642,735	182	2048
2. Kerry Hotel, Beijing	1 Guang Hua Road Chaoyang District Beijing	Hotel	71.25	499,642	–	2045
3. Midtown Shangri-La, Hangzhou	6 Changshou Road Gongshu District Hangzhou	Hotel	75.00	447,977	12	2048
4. Jing An Shangri-La, Shanghai	1218 Yanan Zhong Road Jing An District Shanghai	Hotel	51.00	433,566	–	2058
5. Shangri-La, Nanjing	329 Zhong Yang Road Gulou District Nanjing	Hotel	45.00	412,798	187	2050
6. Shangri-La, Shenyang	115 Qingnian Avenue Shenhe District Shenyang	Hotel	60.00	394,524	259	2049
7. Shangri-La, Tianjin	328 Haihe East Road Hedong District Tianjin	Hotel	49.00	381,726	96	2058
8. Shangri-La, Jinan	106 Luoyuan Street Lixia District Jinan	Hotel	55.00	335,779	101	2051
9. Kerry Hotel Pudong, Shanghai	1388 Hua Mu Road Pudong Shanghai	Hotel	40.80	325,853	–	2055
10. Shangri-La, Tangshan	889 Changhong West Road Lubei District Tangshan	Hotel	40.00	237,881	99	2050
11. Shangri-La, Putian	88 Jiuhoa West Road Chengxiang District Putian	Hotel	60.00	220,257	44	2054
12. JEN Kunming by Shangri-La	No. 88-1 Dongfeng East Road, Panlong District Kunming	Hotel	55.00	180,020	29	2053
13. JEN Shenzhen Qianhai by Shangri-La	No. 399 Qianwan 1st Road Qianhai Shenzhen-Hong Kong Cooperation Zone Nanshan District Shenzhen	Hotel	25.00	121,073	58	2057
14. JEN Hangzhou by Shangri-La	66 Zhongzhou Road Wenhui Street Gongshu District Hangzhou	Hotel	100.00	172,908	–	2060
15. Shangri-La Hotel, Kunming	No. 88-1 Dongfeng East Road Panlong District Kunming	Hotel	55.00	74,177	–	2053
<b>Total Chinese Mainland hotel properties</b>				<b>4,880,916</b>	<b>1,067</b>	

Property name	Location	Type	%	Group's attributable interest		Stage of completion	Scheduled completion	
				Approximate gross floor area (square feet)	Approximate site area (square feet)			
<b>Chinese Mainland Properties</b>								
<b>C. Under development</b>								
1.	Shanghai PRISMA	Plot 02-01A, Unit Y000901 East to Caojiagou projected green space South to Jufeng Road Projected green space West to Zhangyang North Road and plot 02-01B North to Shuangqiao Road Puxing Community Pudong New District Shanghai	Retail Office	40.00	981,337 109,677	209,029	Mechanical work, fitting out and landscape work in progress	2026
					<b>1,091,014</b>			
2.	Shenyang Kerry Centre Phase III	Lot No. 2007-053 8 Golden Corridor East of Qingnian Avenue Shenhe District Shenyang	Residential Retail Office	60.00	880,881 603,327 446,554	267,582	Residential Construction of external wall insulation and aluminum panels work in progress Retail and Office Insulation and aluminum plate installation work in progress	In phases from 2026 onwards
					<b>1,930,762</b>			
3.	Wuhan Mixed-use Development Phase I	Land Parcel P(2018)090 South of Minquan Road North of Taiyuan Street West of Hualou Street East of Minzu Road Jiangnan District Wuhan	Residential Retail	100.00	285,199 63,432	45,351	Curtain wall installation work in progress	In phases from 2026 onwards
					<b>348,631</b>			
4.	Huangpu Jinling Road Mixed-Use Development <sup>(1)</sup>	Plots 064-01, 065-01, 066-01, 067-01, 070-01, 071-01, 072-01, 073-01, Unit C010102 Square Community Huangpu District Shanghai	Office Retail Residential	100.00	2,359,878 1,336,204 1,331,213	899,673	Phase I Piling, excavation and superstructure work in progress Phase II Piling and excavation work in progress	In phases from 2027 onwards
					<b>5,027,295</b>			
5.	Qinhuangdao Habitat Phase II	160 Hebin Road Haigang District Qinhuangdao	Residential	60.00	<b>625,550</b>	281,919	Structured and curtain wall installation completed	In phases from 2027 onwards
6.	Zhengzhou Mixed-use Development	East of Huayuan Road South of Weier Road Zhengzhou	Office Hotel	55.00	348,972 226,359	135,073	Mechanical, Electrical, Plumbing, interior decoration and landscape work in progress.	In phases from 2027 onwards
					<b>575,331</b>			
7.	Qinhuangdao Habitat Phase III	160 Hebin Road Haigang District Qinhuangdao	Residential Retail	60.00	638,497 76,726	287,517	Schematic design in progress	In phases from 2029 onwards
					<b>715,223</b>			
8.	Wuhan Mixed-use Development Phase II <sup>(1)</sup>	Land Parcel P(2024)218 Intersection of Minzu Road and Qinlaoyi Street Jiangnan District Wuhan and Land Parcel P(2024)218 Intersection of Yanjiang Avenue and Daxingyi Road Jiangnan District Wuhan	Residential Office Retail	100.00	1,862,172 1,162,512 96,876	406,952	Schematic design in progress	In phases from 2031 onwards
					<b>3,121,560</b>			
<b>Total Chinese Mainland properties under development</b>					<b>13,435,366</b>	<b>2,533,096</b>		

Property name	Location	Type	%	Group's attributable interest		Lease expiry
				Approximate gross floor area (square feet)	Approximate number of carpark spaces	
<b>Chinese Mainland Properties</b>						
<b>D. Held for sale</b>						
1. Fuzhou Rivercity	2, 5, 6 and 8 Wanren Road Cangshan District Fuzhou	Residential Office	100.00	899,287 681,919	1,276	2088 2058
				<b>1,581,206</b>		
2. River Mansion, Wuhan	Land Parcel P(2018)090 South of Minquan Road North of Taiyuan Street West of Hualou Street East of Minzu Road Jiangnan District Wuhan	Residential	100.00	<b>607,011</b>	756	2090
3. Kerry Everbright City Phase III – Enterprise Centre	209 and 219 Gong He Road Jing An District Shanghai	Office Retail Residential	74.25	494,090 90,425 20,954 <b>605,469</b>	365	2050
4. Enterprise Centre, Nanchang	138 Shimao Road Honggutan District Nanchang	Office Retail	80.00	480,210 19,339 <b>499,549</b>	318	2048
5. Habitat Phase II, Qinhuangdao	160 Hebin Road Haigang District Qinhuangdao	Residential	60.00	<b>288,722</b>	94	2077
6. Hangzhou Zhijiang Castalia Court Phases I to III	East of Longqi Road South of Hanxiu Road West of Shanhusa River North of Zhihan Road West Lake District Hangzhou	Retail	100.00	<b>247,228</b>	266	2053
7. The Arcadia, Shenyang	Lot No. 2007-053 8 Golden Corridor East of Qingnian Avenue Shenhe District Shenyang	Residential	60.00	<b>191,424</b>	390	2061
8. The Bayside, The Bayview	No. 399 Qianwan 1st Road Qianhai Shenzhen-Hong Kong Cooperation Zone Nanshan District Shenzhen	Residential	100.00	<b>150,185</b>	–	2055
9. Enterprise Square, Shenyang	121 Qingnian Avenue Shenhe District Shenyang	Office	60.00	<b>90,207</b>	–	2059
10. Tangshan Parkside Place	889 Changhong West Road Lubei District Tangshan	Retail	40.00	<b>89,987</b>	–	2050
11. Peakview, Kunming	No. 88-1 Dongfeng East Road Panlong District Kunming	Residential	55.00	<b>56,643</b>	15	2053
12. Qianhai Kerry Centre Phase III	No. 399 Qianwan 1st Road Qianhai Shenzhen-Hong Kong Cooperation Zone Nanshan District Shenzhen	Office Retail	70.00	49,153 4,222 <b>53,375</b>	–	2058
13. Habitat Phase I, Qinhuangdao	160 Hebin Road Haigang District Qinhuangdao	Retail	60.00	<b>34,933</b>	185	2047
14. Arcadia Court, Zhengzhou	66 Zhenger Road Jinshui District Zhengzhou	Retail Residential	55.00	23,247 980 <b>24,227</b>	368	2053 2083
15. Arcadia Terrace, Tianjin	Add 1, 238 Liuwei Road, Hedong District Tianjin	Residential	49.00	<b>1,102</b>	13	2078
<b>Total Chinese Mainland properties held for sale</b>				<b>4,521,268</b>	<b>4,046</b>	
<b>TOTAL CHINESE MAINLAND PROPERTY PORTFOLIO</b>				<b>36,169,598</b>		

Property name	Location	Type	%	Group's attributable interest		Lease expiry
				Approximate gross floor area (square feet)	Approximate number of carpark spaces	
<b>Hong Kong Properties</b>						
<b>A. Completed and held for investment</b>						
<b>I. Residential</b>						
1. Branksome Grande	3 Tregunter Path Mid-Levels Hong Kong	Residential	100.00	257,372	73	2067
2. Aigburth	12 Tregunter Path Mid-Levels Hong Kong	Residential	100.00	204,940	63	2074
3. Branksome Crest	3A Tregunter Path Mid-Levels Hong Kong	Residential	100.00	153,375	126	2067
4. Tavistock	10 Tregunter Path Mid-Levels Hong Kong	Residential	100.00	104,460	23	2074
5. The Bonham	8 Hing Hon Road Hong Kong	Residential	100.00	67,573	–	2861
6. THE HILLTOP	81 Hill Road Hong Kong	Residential	100.00	38,303	–	2861
7. Gladdon	3 May Road Mid-Levels Hong Kong	Residential	100.00	2,300	14	2079 / 2081
<b>Sub-total</b>				<b>828,323</b>	<b>299</b>	
<b>II. Retail/office</b>						
1. Enterprise Square Five/ MegaBox	38 Wang Chiu Road Kowloon Bay Kowloon	Retail Office	100.00	1,145,537 <sup>(2)</sup> 519,316	748	2048
				<b>1,664,853</b>		
2. Kerry Centre	683 King's Road Quarry Bay Hong Kong	Office Retail	40.00	193,252 10,952	74	2059
				<b>204,204</b>		
3. Hollywood Centre	233 Hollywood Road Sheung Wan Hong Kong	Office Retail	47.37	31,126 16,400	–	2128
				<b>47,526</b>		
4. Harbour Centre	25 Harbour Road Wan Chai Hong Kong	Office Retail	15.83	34,767 <sup>(3)</sup> 6,475 <sup>(4)</sup>	45	2128
				<b>41,242</b>		
5. Enterprise Square Three	39 Wang Chiu Road Kowloon Bay Kowloon	Retail	100.00	14,900	–	2048
6. Wing On Plaza	62 Mody Road Tsim Sha Tsui Kowloon	Retail	10.00	2,896	–	2128
7. Sherwood Court Public Carpark	12-20 Kwai Sing Lane Happy Valley Hong Kong	Carpark	100.00	–	200	2135
<b>Sub-total</b>				<b>1,975,621</b>	<b>1,067</b>	
<b>Total Hong Kong completed investment properties</b>				<b>2,803,944</b>	<b>1,366</b>	

Property name	Location	Type	%	Group's attributable interest		Lease expiry
				Approximate gross floor area (square feet)	Approximate number of carpark spaces	
<b>Hong Kong Properties</b>						
<b>B. Hotel property</b>						
1. JEN Hong Kong	508 Queen's Road West Hong Kong	Hotel	30.00	37,517	–	2860
<b>Total Hong Kong hotel property</b>				<b>37,517</b>	<b>–</b>	

Property name	Location	Type	%	Group's attributable interest		Stage of completion	Scheduled completion
				Approximate gross floor area <sup>(5)</sup> (square feet)	Approximate site area (square feet)		
<b>Hong Kong Properties</b>							
<b>C. Under development (Hong Kong and Macau<sup>(7)</sup>)</b>							
1. LA MIRABELLE	1 Lohas Park Road Tseung Kwan O New Territories	Residential	25.00 <sup>(6)</sup>	386,681	32,669	External and internal finishing work in progress	2027
2. To Kwa Wan Redevelopment Project (KIL11276)	Hung Fook Street/ Ngan Hon Street To Kwa Wan Kowloon	Residential Retail	100.00 <sup>(6)</sup>	369,819 73,970	49,310	Construction of podium floors in progress	2028
				<b>443,789</b>			
3. Tsuen Wan Development Project	Po Fung Road Tsuen Wan New Territories	Residential	100.00	314,309	89,987	Road work and foundation work in progress	2029
4. Kerry Hung Kai Warehouse (Cheung Sha Wan) Redevelopment project	3 Fat Tseung Street Cheung Sha Wan Kowloon	Residential Retail	50.00	216,034 14,402	57,609	Demolition work in progress	2031
				<b>230,436</b>			
<b>Total Hong Kong properties under development</b>				<b>1,375,215<sup>(7)</sup></b>	<b>229,575</b>		

Property name	Location	Type	%	Group's attributable interest		Lease expiry
				Approximate gross floor area (square feet)	Approximate number of carpark spaces	
<b>Hong Kong Properties</b>						
<b>D. Held for sale</b>						
1. La Montagne	11 Heung Yip Road Wong Chuk Hang Hong Kong	Residential	50.00 <sup>(6)</sup>	191,289 <sup>(4)</sup>	69	2067
2. Mont Verra	3 Lung Kui Road Beacon Hill Kowloon	Residential	100.00	139,179 <sup>(4)</sup>	62	2066
3. HAVA	39 Shap Pat Heung Road Yuen Long New Territories	Residential	100.00	29,581 <sup>(4)</sup>	60	2071
4. La Marina	11 Heung Yip Road Wong Chuk Hang Hong Kong	Residential	50.00 <sup>(6)</sup>	12,216 <sup>(4)</sup>	13	2067
5. Richwood Park	33 Lo Fai Road Tai Po New Territories	Retail	50.00	7,893	–	2047
6. FLORA	111 Tai Tong Road Yuen Long New Territories	Residential	100.00	7,663 <sup>(4)</sup>	10	2071
7. Larvotto	8 Ap Lei Chau Praya Road Ap Lei Chau Hong Kong	Residential	35.00	989	15	2047
<b>Total Hong Kong properties held for sale</b>				<b>388,810</b>	<b>229</b>	
<b>TOTAL HONG KONG PROPERTY PORTFOLIO</b>				<b>4,605,486</b>		

Property name	Location	Type	%	Group's attributable interest		Lease expiry
				Approximate gross floor area (square feet)	Approximate number of carpark spaces	
<b>Overseas Properties</b>						
<b>A. Completed and held for investment</b>						
1. Shangri-La Plaza	EDSA corner Shaw Blvd. Mandaluyong City Philippines	Retail	65.36 <sup>(8)</sup>	1,256,926	786	Freehold
2. The Enterprise Center	Ayala Avenue Cor. Paseo de Roxas Makati City Philippines	Office Retail	45.78 <sup>(9)</sup>	405,908 15,836	462	Freehold
				<b>421,744</b>		
3. Pasir Ris Mall	Pasir Ris Drive 3/ Pasir Ris Drive 8 Pasir Ris Central Singapore	Retail	30.00	116,419	97	2120
4. Shangri-La at the Fort, Manila	Fort Bonifacio Taguig Philippines	Residential Retail	39.22 <sup>(10)</sup>	74,104 18,596	303	Freehold
				<b>92,700</b>		
5. Assembly Grounds The Rise	7248 Malugay St. San Antonio Village Makati City Philippines	Retail Residential	55.56 <sup>(11)</sup> 65.36 <sup>(8)</sup>	53,735 6,089	128 25	Freehold
				<b>59,824</b>	<b>153</b>	
6. The St. Francis Shangri-La Place	Shang Central Epifanio de los Santos Avenue Ortigas Center 1550 Mandaluyong City Philippines	Retail Residential	65.36 <sup>(8)</sup>	16,937 3,343	–	Freehold
				<b>20,280</b>		
7. One Shangri-La Place	EDSA corner Shaw Blvd. Mandaluyong City Philippines	Residential	65.36 <sup>(8)</sup>	11,243	4	Freehold
8. Horizon Homes	3rd Avenue corner 30th Street Bonifacio Global City Taguig City 1630 Metro Manila Philippines	Residential Residential	39.22 <sup>(10)</sup> 65.36 <sup>(8)</sup>	5,629 2,944	–	Freehold
				<b>8,573</b>		
9. Shang Salcedo Place	Sen. Gil Puyat Ave. Cor. Tordesillas St. and HV Dela Costa St. Makati City Philippines	Residential	65.36 <sup>(8)</sup>	2,074	5	Freehold
10. Carpark Building	EDSA corner Shaw Blvd. Mandaluyong City Philippines	Carpark building	65.36 <sup>(8)</sup>	–	324	Freehold
<b>Total Overseas completed investment properties</b>				<b>1,989,783</b>	<b>2,134</b>	
<b>Overseas Properties</b>						
<b>B. Hotel properties</b>						
1. Shangri-La at the Fort, Manila	Fort Bonifacio Taguig Philippines	Hotel	39.22 <sup>(10)</sup>	334,715	241	Freehold
2. Land leased to EDSA Shangri-La Hotel	EDSA corner Shaw Blvd. Mandaluyong City Philippines	Hotel lease	65.36 <sup>(8)</sup>	169,733 <sup>(12)</sup>	–	Freehold
<b>Total Overseas hotel properties</b>				<b>504,448</b>	<b>241</b>	

Property name	Location	Type	%	Group's attributable interest		Stage of completion	Scheduled completion
				Approximate gross floor area (square feet)	Approximate site area (square feet)		
<b>Overseas Properties</b>							
<b>C. Under development</b>							
1. Aurelia Residences	Fort Bonifacio Taguig Philippines	Residential	32.68 <sup>(13)</sup>	<b>292,530</b>	32,075	Interior finishing work in progress	2026
2. Shang One Horizon	Shaw Boulevard Mandaluyong City Philippines	Office & Others Residential	65.36 <sup>(8)</sup>	302,784 162,659 <b>465,443</b>	16,006	Substructure work completed and superstructure work in progress	2028
3. Laya	Canley Road and St. Peter Streets Pasig City Philippines	Residential	65.36 <sup>(8)</sup>	<b>750,789</b>	23,851	Substructure and superstructure work in progress	2029
4. Haraya Residences	Corner Ortigas and Amang Rodriguez Avenue Pasig City Philippines	Residential	32.68 <sup>(13)</sup>	<b>445,018</b>	29,690	Substructure and superstructure work in progress	2029
5. Shang Summit	Sct. Bayoran corner Sct. Esguerra Avenue South Triangle Quezon City Philippines	Residential	65.36 <sup>(8)</sup>	<b>1,271,520</b>	42,383	Substructure work in progress and superstructure tender in progress	2031
6. Shang Bauhinia Residences	Gov. H. Cuenco Avenue and Bauhinia Drive Barangay Kasambagan Cebu City Philippines	Residential	65.36 <sup>(8)</sup>	<b>686,953</b>	39,576	Foundation work in progress	2031
<b>Total Overseas properties under development</b>				<b>3,912,253</b>	<b>183,581</b>		
Property name	Location	Type	%	Group's attributable interest		Lease expiry	
				Approximate gross floor area (square feet)	Approximate number of carpark spaces		
<b>Overseas Properties</b>							
<b>D. Held for sale</b>							
1. Shang Residences at Wack Wack	Wack Wack Road Mandaluyong City Philippines	Residential	65.36 <sup>(8)</sup>	<b>61,300</b>	49	Freehold	
<b>Total Overseas property held for sale</b>				<b>61,300</b>	<b>49</b>		
<b>TOTAL OVERSEAS PROPERTY PORTFOLIO</b>				<b>6,467,784</b>			

## Notes:

- (1) Application for land use certificate in progress.
- (2) Included other facility with gross floor area of approximately 65,000 square feet.
- (3) Being lettable floor area.
- (4) Being net floor area.
- (5) Subject to final Hong Kong SAR Government approval plans and documentations.
- (6) Property in which the Group is entitled to share of development profits in accordance with the terms and conditions of the development agreement.
- (7) As regards the reclamation project in Macau, according to the Macau SAR Government Notice which was gazetted on 14 October 2009, a piece of land will be granted in exchange with location and size to be identified and agreed.
- (8) Including attributable interest of 30.75% held through Philippine Deposit Receipts.
- (9) Including attributable interest of 21.54% held through Philippine Deposit Receipts.
- (10) Including attributable interest of 18.45% held through Philippine Deposit Receipts.
- (11) Including attributable interest of 26.14% held through Philippine Deposit Receipts.
- (12) Being site area.
- (13) Including attributable interest of 15.38% held through Philippine Deposit Receipts.
- (14) Gross floor areas exclude carpark spaces.

# FIVE-YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five financial years are as follows:

	2025 HK\$ million	2024 HK\$ million	2023 HK\$ million	2022 HK\$ million	2021 HK\$ million
<b>Results</b>					
Revenue	<b>19,568</b>	19,499	13,090	14,590	15,327
Profit attributable to shareholders	<b>938</b>	808	3,243	2,755	10,358
<b>Assets and liabilities</b>					
Non-current assets	<b>152,510</b>	143,981	150,027	144,181	148,036
Net current assets	<b>29,589</b>	34,932	32,560	37,797	29,577
Total assets less current liabilities	<b>182,099</b>	178,913	182,587	181,978	177,613
Long-term liabilities and non-controlling interests	<b>(76,827)</b>	(75,602)	(75,330)	(73,191)	(60,784)
Shareholders' funds	<b>105,272</b>	103,311	107,257	108,787	116,829

# DEFINITIONS

In this annual report, unless the context requires otherwise, the following expressions have the following meanings:

"2025 AGM"	the AGM held on 23 May 2025
"2026 AGM"	the AGM to be held on 22 May 2026
"ACGC"	the Audit and Corporate Governance Committee of the Company
"Adjusted EPS"	earnings per share calculated based on underlying profit
"AGM"	the annual general meeting of the Company
"AUD"	Australian dollar, the lawful currency of Australia
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company as amended and/or restated from time to time
"CEO"	the Chief Executive Officer of the Company
"CFO"	the Chief Financial Officer of the Company
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"Combined revenue/rental revenue/ results"	revenue/rental revenue/results from the Company, its subsidiaries and share of associates and joint ventures in the Chinese Mainland and Hong Kong
"Company" or "KPL"	Kerry Properties Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Directors"	the director(s) of the Company
"ED"	executive director of the Company
"EPS"	earnings per share
"ESG"	environmental, social and governance
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKAS"	Hong Kong Accounting Standard
"HKFRS"	Hong Kong Financial Reporting Standard
"Independent Non-executive Director(s)" or "INED(s)"	independent non-executive director(s) of the Company
"JPY"	Japanese yen, the lawful currency of Japan
"KGL"	Kerry Group Limited, controlling shareholder of the Company
"KHL"	Kerry Holdings Limited, a wholly-owned subsidiary of KGL
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

“Non-executive Director” or “NED”	non-executive director of the Company
“Registers of Members”	the registers of members of the Company
“RMB”	Renminbi, the lawful currency of The People’s Republic of China
“SA”	Shangri-La Asia Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are primarily listed on the Main Board of the Stock Exchange with secondary listing on the Singapore Exchange Securities Trading Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company
“Share(s)”	ordinary share(s) of par value HK\$1.00 each in the capital of the Company, or, if there has been a subdivision, consolidation, reclassification or reconstruction of the number of issued shares of the Company, from time to time, shares forming part of the number of issued ordinary shares of the Company
“Share Award Scheme”	a share award scheme of the Company adopted by the Board on 25 November 2022, together with an addendum thereto dated 28 March 2024
“Shareholders”	the shareholders of the Company
“sq ft”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent
“% pts”	percentage points

# CORPORATE INFORMATION & FINANCIAL CALENDAR

## BOARD OF DIRECTORS

### Executive Director

Mr Kuok Khoon Hua (Chairman and Chief Executive Officer)

### Independent Non-executive Directors

Mr Hui Chun Yue, David  
Mr Chum Kwan Lock, Grant  
Dr Li Rui

### Non-executive Director

Ms Tong Shao Ming

## AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Dr Li Rui (Chairman)  
Mr Hui Chun Yue, David  
Mr Chum Kwan Lock, Grant  
Ms Tong Shao Ming

## REMUNERATION COMMITTEE

Mr Hui Chun Yue, David (Chairman)  
Mr Kuok Khoon Hua  
Mr Chum Kwan Lock, Grant

## NOMINATION COMMITTEE

Mr Kuok Khoon Hua (Chairman)  
Mr Hui Chun Yue, David  
Mr Chum Kwan Lock, Grant  
Dr Li Rui  
Ms Tong Shao Ming

## FINANCE COMMITTEE

Mr Kuok Khoon Hua  
Ms Cheng Wai Sin

## COMPANY SECRETARY

Ms Cheng Wai Sin

## INDEPENDENT AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants and  
Registered Public Interest Entity Auditor

## REGISTERED OFFICE

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10, Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

25/F, Kerry Centre, 683 King's Road  
Quarry Bay, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited  
Canon's Court, 22 Victoria Street  
PO Box HM 1179, Hamilton HM EX  
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## CORPORATE COMMUNICATION

Kerry Properties Limited  
25/F, Kerry Centre, 683 King's Road  
Quarry Bay, Hong Kong  
Telephone: (852) 2967 2200  
Facsimile: (852) 2967 2900  
Email: communication@kerryprops.com

## INVESTOR RELATIONS

Kerry Properties Limited  
25/F, Kerry Centre, 683 King's Road  
Quarry Bay, Hong Kong  
Telephone: (852) 2967 2200  
Facsimile: (852) 2967 2900  
Email: ir@kerryprops.com

## THE OMBUDSPERSON OF KERRY PROPERTIES LIMITED

(For receipt of all whistleblowing/complaints reports)

Kerry Properties Limited  
25/F, Kerry Centre, 683 King's Road  
Quarry Bay, Hong Kong  
Email: ombuds@kerryprops.com

## WEBSITE

[www.kerryprops.com](http://www.kerryprops.com)

## STOCK CODES

Stock Exchange of Hong Kong: 683

Bloomberg: 683 HK

Reuters: 683.HK

## FINANCIAL CALENDAR

**Latest time to lodge transfer documents for registration with Tricor Investor Services Limited (for Annual General Meeting)**

At 4:30 p.m. on 18 May 2026

**Closure of Registers of Members (for Annual General Meeting)**

19 to 22 May 2026 (both days inclusive)

**Record Date**

**(for determining Shareholders' entitlement to attend and vote at Annual General Meeting)**

22 May 2026

**Annual General Meeting**

22 May 2026

**Ex-dividend Date**

**(for Final Dividend)**

27 May 2026

**Latest time to lodge transfer documents for registration with Tricor Investor Services Limited (for Final Dividend)**

At 4:30 p.m. on 28 May 2026

**Closure of Registers of Members and Record Date (for Final Dividend)**

29 May 2026

**Proposed Payment Date of Final Dividend**

10 June 2026



# **KERRY PROPERTIES LIMITED**

25/F, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong

Tel : (852) 2967 2200 Fax : (852) 2967 2900

[www.kerryprops.com](http://www.kerryprops.com)