



Lippo China Resources Limited 力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 156)

2025 ANNUAL REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee, BBS, JP
(*Deputy Chairman*)
Mr. Davy Kwok Fai Lee
(*Chief Executive Officer*)
Mr. James Siu Lung Lee
Mr. Brian Riady

Non-executive Director

Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. Edwin Neo
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh

COMMITTEES

Audit Committee

Mr. Victor Ha Kuk Yung (*Chairman*)
Mr. Leon Nim Leung Chan
Mr. Edwin Neo

Remuneration Committee

Mr. Edwin Neo (*Chairman*)
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh
Dr. Stephen Riady

Nomination Committee

Mr. Edwin Neo (*Chairman*)
Mr. Leon Nim Leung Chan
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh
Dr. Stephen Riady

SECRETARY

Ms. Millie Yuen Fun Luk

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
under the Accounting and Financial
Reporting Council Ordinance

PRINCIPAL BANKERS

Fubon Bank (Hong Kong) Limited
China CITIC Bank International Limited
UBS AG
CIMB Bank Berhad

SOLICITORS

Howse Williams

REGISTRAR

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

40th Floor, Tower Two
Lippo Centre
89 Queensway
Hong Kong

STOCK CODE

156

WEBSITE

www.lcr.com.hk

Chairman's Statement

I hereby present the annual report of the Company (together with its subsidiaries, the "Group") for the year ended 31 December 2025 (the "Year" or "2025").

In a year marked by heightened global uncertainty arising from evolving tariff tensions and geopolitical risks, the Group and its associates continued to navigate these headwinds with resilience and determination.

The Hong Kong economy demonstrated remarkable resilience in 2025. The stabilisation of residential property market and a strong pipeline of upcoming initial public offerings are expected to enhance the wealth effect and stimulate the growth in private consumption and property investment in Hong Kong. Singapore, where the major operations of some of the Group's principal subsidiaries and associates are located, continued to show resilience of its economy.

The performance of the Group's food manufacturing business in Singapore and Malaysia continued to improve during the Year and achieved a higher sales revenue due to the launch of new products and expansion in the Malaysian market. The food businesses in Hong Kong recorded a slight increase in the sales revenue during the Year. However, such businesses continued to face challenges such as high operating costs, intense competition and declining local patronage. The Group will continue to adjust its business and operational efficiency to strengthen its brands.

Healthway Medical Corporation Limited ("Healthway"), in which the Group holds approximately 40.76% interest, marked a milestone year, celebrating its 35th anniversary and expanding its network to over 130 clinics and medical centres offering a full range of services from primary care, health screening and specialist care to allied health and day surgery. Today, Healthway is one of Singapore's leading private healthcare providers, caring for over one million patients annually.

The Group recorded a consolidated loss attributable to shareholders of HK\$61 million for the Year, as compared to a consolidated loss of HK\$684 million for the year ended 31 December 2024 ("2024"). The decrease in loss was mainly attributable to absence of litigation settlement, decrease in other operating expenses, net fair value gain on financial instruments at fair value through profit or loss of the Group during the Year as compared to a net fair value loss recorded in 2024 and the reversal of overprovision of tax during the Year.

Following the outbreak of the war in the Middle East which has led to a sharp rise in prices of oil and gas, shipping and air freight costs, and fertilizers. A more prolonged war will almost definitely disrupt the global economy and increase the inflation. Amidst the escalating global challenges, the Group and its associates will continue to exercise prudence in capital and expenditure management. We are confident in our ability to navigate changes and seize opportunities. We remain focused creating value to maximise returns for all our stakeholders.

Chairman's Statement *(continued)*

I would like to extend my heartfelt appreciation to our shareholders, fellow directors, management and all staff for their contributions and continued support during the Year.

Stephen Riady
Chairman

31 March 2026

Report of the Directors

The Directors hereby present their report together with the audited financial statements for the year ended 31 December 2025 (the “Year”).

BUSINESS REVIEW

Overview

The Hong Kong economy demonstrated remarkable resilience in 2025, notwithstanding the heightened global trade tensions. The GDP of Hong Kong grew robustly by 3.5% in 2025, faster than the preceding year and marking the third consecutive year of expansion. The property market continued to exhibit a clear bifurcation between submarkets through the end of 2025. The commercial property market showed signs of stabilisation in the second half of 2025, with investment deals rebound strongly in the fourth quarter of 2025 despite persistent supply and high vacancy rates. The economy in Singapore, where some of the Company’s subsidiaries and associates are located, expanded by 5% in 2025. Chinese Mainland’s economy has proved resilient and expanded by 5% in 2025 though slowing down towards the end of 2025. Despite its resilience, Chinese Mainland has been facing increasing challenges including subdued domestic demand and protracted property market downturn.

Results for the Year

Against this backdrop, the Company (together with its subsidiaries, collectively, the “Group”) recorded a consolidated loss attributable to shareholders of HK\$61 million for the Year, as compared to a consolidated loss of HK\$684 million for the year ended 31 December 2024 (“2024”). The decrease in loss was mainly attributable to absence of litigation settlement, decrease in other operating expenses, net fair value gain on financial instruments at fair value through profit or loss of the Group during the Year as compared to a net fair value loss was recorded in 2024 and the reversal of overprovision of tax during the Year.

Revenue for the Year increased by 11% to HK\$864 million (2024 — HK\$775 million), 54% (2024 — 59%) of which was generated from Singapore and 32% (2024 — 34%) was generated from Hong Kong. Food businesses remain the principal sources of revenue of the Group contributing to 95% (2024 — 94%) of total revenue for the Year.

The Group’s other operating expenses mainly included selling and distribution expenses and utilities charges for food businesses, legal and professional fees, and consultancy and service fees. Other operating expenses decreased to HK\$139 million for the Year (2024 — HK\$181 million), which was largely attributable to the decrease in legal and professional fees for the Year after the settlement of a litigation in 2024.

Food businesses

The Group’s food businesses comprise food manufacturing operation and food retail operations in chains of cafés and bistros. The food manufacturing operation includes sales of various bread products in Singapore and Malaysia. The Group is currently operating restaurants under the brands, namely “Chatterbox Café”, “Délifrance”, “alfafa” and “Lippo Chiuchow Restaurant” in Hong Kong and “Délifrance” in Singapore. The performance of the Group’s food manufacturing business in Singapore and Malaysia continued to improve during the Year mainly due to enhanced operational cost management and higher sale revenue arising from the launch of new products and expansion in the Malaysian market. Revenue from food manufacturing operation increased by 25% to HK\$437 million (2024 — HK\$348 million) for the Year. Contribution from the Malaysian market increased from 9% for 2024 to 24% for the Year. On the other hand, the operating environment of the food retail businesses of the Group remained challenging, with weak consumer sentiment and outbound spending, particularly, during weekends and long holidays, continued to affect the performance of the Group’s food businesses in Hong Kong. However, revenue from food retail operation still registered a slight increase by 2% to HK\$383 million (2024 — HK\$376 million) for the Year. As a result, total revenue from food businesses increased by 13% to HK\$821 million (2024 — HK\$728 million) for the Year with segment profit of HK\$16 million, which was improved when compared to a loss of HK\$35 million for 2024.

Report of the Directors *(continued)*

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Food businesses *(continued)*

The Group continues to monitor the market changes and innovate and reinvests its offerings to meet customer preferences. To enhance the Group's production capacity and efficiency, in December 2025, the Group agreed to purchase one line of commercial food manufacturing equipment which will be deployed in the daily food processing and manufacturing. Such acquisition is a value-adding complement to the Group's existing business.

Property investment

The Group's property investment portfolio mainly comprises commercial properties in Hong Kong and Chinese Mainland. Total segment revenue from the property investment business for the Year amounted to HK\$22 million (2024 — HK\$21 million), which was mainly attributable to recurrent rental income from the Group's investment properties. The Group recorded a net fair value loss on investment properties of HK\$21 million (2024 — HK\$37 million) and an impairment loss on owner-occupied office buildings of HK\$41 million (2024 — HK\$80 million) for the Year, which was mainly due to the drop in market value of the commercial properties in Hong Kong. Such unrealised fair value change and impairment loss are non-cash items and will not affect the operation of the Group. Against this backdrop, the property investment segment recorded a loss of HK\$60 million for the Year (2024 — HK\$118 million).

Treasury and securities investments

The Group managed its investment portfolio in accordance with its investment committee's terms of reference and looked for opportunities to enhance yields. The Group invested in a diversified portfolio mainly including listed and unlisted equity securities, debt securities and investment funds. Total revenue of treasury and securities investments businesses amounted to HK\$12 million for the Year (2024 — HK\$14 million). The global capital markets are still very volatile and the Group recorded a net fair value gain of HK\$7 million in the statement of profit or loss from its securities investments for the Year as compared with a loss of HK\$66 million in 2024 under this segment. Taking into account the impairment loss on a joint venture of HK\$41 million for the Year in view of the prevailing business operation environment of the investment of such joint venture, the treasury and securities investments businesses recorded a loss of HK\$27 million in the statement of profit or loss for the Year (2024 — HK\$55 million).

The Group cautiously manages the mix of its investment portfolio. As at 31 December 2025, the treasury and securities investment portfolio of HK\$731 million (31 December 2024 — HK\$792 million) comprised mainly cash and bank balances of HK\$169 million (31 December 2024 — HK\$237 million), financial assets at fair value through profit or loss ("FVPL") of HK\$490 million (31 December 2024 — HK\$493 million) and financial assets at fair value through other comprehensive income ("FVOCI") of HK\$68 million (31 December 2024 — HK\$46 million).

Further details of securities investments under different categories are as follows:

Financial assets at fair value through profit or loss

As at 31 December 2025, the Group's total financial assets at FVPL amounted to HK\$490 million (31 December 2024 — HK\$493 million). The total carrying amount comprised equity securities of HK\$120 million (31 December 2024 — HK\$102 million), debt securities of HK\$16 million (31 December 2024 — HK\$17 million) and investment funds of HK\$354 million (31 December 2024 — HK\$374 million).

Report of the Directors *(continued)*

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Treasury and securities investments *(continued)*

Financial assets at fair value through profit or loss *(continued)*

Details of the major financial assets at FVPL were as follows:

	As at 31 December 2025			As at 31 December 2024	For the year ended 31 December 2025
	Fair value HK\$'000	Approximate percentage of financial assets at FVPL	Approximate percentage to the total assets	Fair value HK\$'000	Net fair value gain/(loss) HK\$'000
GSH Corporation Limited ("GSH")	83,337	17.0%	2.4%	63,254	20,083
Amasia CIV T, L.P. ("Amasia CIV")	55,913	11.4%	1.6%	55,814	77
Quantedge Global Fund ("Quantedge")	41,865	8.5%	1.2%	44,551	6,155
Others (Note)	308,940	63.1%	8.9%	329,296	(21,402)
Total	490,055	100.0%	14.1%	492,915	4,913

Note: Others comprised of various securities, none of which accounted for more than 6% of financial assets at FVPL as at 31 December 2025.

GSH

As at 31 December 2025, the fair value of the Group's equity securities in GSH amounted to HK\$83 million, representing approximately 17.0% and 2.4% of the Group's total financial assets at FVPL and total assets, respectively. An unrealised fair value gain of HK\$20 million was recognised by the Group for the Year. GSH, having its shares listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), has been engaging in property business and hospitality business in Malaysia and Chinese Mainland. In 2025, GSH completed placement of new shares of approximately S\$112 million and announced that approximately S\$35 million shall be invested in new digital asset mining business in a measured and prudent manner. Currently, it owns and operates the Sutera Harbour Resort in Kota Kinabalu, comprising two five-star hotels, a 104-berth marina and a 27-hole championship golf course, the idyllic Sutera@Mantanani Resort in Sabah and a 200-room hotel in Chongqing, Chinese Mainland. GSH's hospitality business is expected to be positively impacted by the resilient tourist demand in Malaysia in the near term, supported by continued visa facilitation measures and the tourism campaign. While interest from foreign buyers remains, near-term demand for GSH's property business in Malaysia may be moderated due to the recent policy changes. The real estate market in Chinese Mainland remains challenging.

Amasia CIV

Amasia CIV is a single portfolio fund which invested in Dialpad, Inc. ("Dialpad"). Its namesake product, Dialpad is an AI-powered communications intelligence platform, featuring unified business communications and contact center solutions. Dialpad offers an all-in-one customer communication platform. It also offers cloud-based support and contact center platform with AI-powered real-time agent assistance and a knowledge retrieval system. Dialpad intends to expand its AI capabilities to support larger enterprise deals and expansion opportunities lead by AI. The Group invested US\$2 million into Amasia CIV in 2015 for long-term capital gain. As at 31 December 2025, the fair value of the Group's investment in Amasia CIV was maintained at HK\$56 million, representing approximately 11.4% and 1.6% of the Group's total financial assets at FVPL and total assets, respectively.

Report of the Directors *(continued)*

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Treasury and securities investments *(continued)*

Financial assets at fair value through profit or loss (continued)

Quantedge

Quantedge is an unlisted investment fund which aims to achieve absolute long-term capital growth by investing in multiple asset classes across the globe. In line with the objective of the Group to manage its investment portfolio by adopting a proactive but prudent approach, partial redemption of investment in Quantedge has been made to realise the cumulated fair value gain and to re-allocate the proceeds for general working capital. During the Year, the Group partially redeemed HK\$9 million of the investment. Coupled with the unrealised fair value gain for the remaining investment of HK\$6 million recorded for the Year, the fair value of the Group's investment in Quantedge was HK\$42 million as at 31 December 2025, representing approximately 8.5% and 1.2% of the Group's total financial assets at FVPL and total assets, respectively.

Financial assets at fair value through other comprehensive income

In addition to the above investments under financial assets at FVPL, the Group also invested in equity securities which are held for long-term strategic purposes and recorded them under financial assets at FVOCI. As at 31 December 2025, the total investments of financial assets at FVOCI increased to HK\$68 million (31 December 2024 — HK\$46 million), which is mainly attributable to additional investment of HK\$13 million and net fair value gain recognised in other comprehensive income of HK\$9 million (2024 — loss of HK\$3 million) for the Year. The major investments in this category are H2G Green Limited ("H2G") and GenieBiome Holdings Limited ("GB").

H2G is a company listed on the Catalist, the sponsor-supervised listing platform of the SGX-ST. H2G is a provider of liquefied natural gas cylinder supply system for last mile clean energy distribution. It is also engaged in the development of processing plants in Singapore for the conversion of non-food cellulosic biomass waste into clean fuels, activated carbon and other useful products. During the Year, the Group's investment in listed shares of H2G was increased by HK\$13 million through the exercise of the listed warrants issued by H2G. Fair value gain from such listed warrants of HK\$2 million (2024 — HK\$3 million) prior to the exercise was recorded in the statement of profit and loss for the Year. As at 31 December 2025, the Group held approximately 28.8% (31 December 2024 — 19.0%) of the ordinary shares in H2G. Coupled with the unrealised fair value gain of HK\$12 million recorded in other comprehensive income for the Year, the fair value of the Group's investment in H2G shares increased to HK\$36 million as at 31 December 2025 (31 December 2024 — HK\$11 million), representing approximately 52.5% and 1.0% of the Group's total financial assets at FVOCI and total assets, respectively.

GB is another major investment in this category. As at 31 December 2025, the fair value of the Group's investment in GB amounted to HK\$22 million, representing approximately 32.8% and 0.6% of the Group's total financial assets at FVOCI and total assets, respectively. In 2021, the Group made an investment in GB, a biotech company established by a team of internationally renowned university professors of medicine and clinician-scientists in Hong Kong. GB has pioneered the use of microbiome with evidence-based science to tackle a myriad of diseases, revolutionising the prevention, diagnosis and treatment of disease. Its portfolio includes next-generation microbiome precision formula tailored for the Asian population. GB has a pipeline of new products to be launched in market as well as continuing its research and development on microbiome. The performance of GB is satisfactory and dividend income was received during the Year. The Group recorded an unrealised fair value loss of HK\$2 million through other comprehensive income for the Year.

Report of the Directors *(continued)*

BUSINESS REVIEW *(continued)*

Results for the Year *(continued)*

Healthcare services

The Group holds a 40.76% interest in Healthway Medical Corporation Limited (“Healthway”, together with its subsidiaries, collectively, the “Healthway Group”), an associate of the Company. Healthway has a wide network of over 130 clinics, primarily in Singapore, offering comprehensive services including general practitioner and family medicine clinics, health screening, adult specialists, baby and child specialists, dental services, day surgery centre and allied healthcare services.

The Healthway Group posted sustained revenue growth for the Year, driven mainly by primary care segment, government projects, as well as revenue contribution from its day surgery centre. The Group recognised a share of profit of HK\$3 million (2024 — loss of HK\$0.5 million) from the Healthway Group for the Year. As at 31 December 2025, the Group’s interest in Healthway amounted to HK\$502 million (31 December 2024 — HK\$470 million).

Other business

TIH Limited (“TIH”, together with its subsidiaries, collectively, the “TIH Group”), a 39.92% owned associate of the Company and listed on the Mainboard of the SGX-ST. The TIH Group currently has two business segments, that is, investment business and fund management. Its income is largely derived from the realisation and/or revaluation of its investments and fee income. Private equity deals and exits showed clear signs of a sustained recovery in 2025. However, heightened regulatory and foreign investment scrutiny are increasing deal complexity and influencing transaction timelines. TIH remains committed to proactively identifying and capitalising on strategic opportunities, while maintaining a prudent approach to risk and capital deployment. The Group registered a share of profit of HK\$24 million from its investment in TIH for the Year (2024 — HK\$41 million). As at 31 December 2025, the Group’s interests in TIH amounted to HK\$348 million (31 December 2024 — HK\$310 million).

Following the litigation settlement in 2024, the Group has in turn sought indemnity under a corporate liability insurance policy. In February 2026, the Group entered into an agreement with the relevant insurers and recovered a total sum of US\$24.75 million (equivalent to approximately HK\$193 million), which shall be accounted for by the Group as other income from insurance recoveries in the consolidated statement of profit or loss for the year ending 31 December 2026.

During the Year, the Group reversed overprovision of tax of HK\$104 million (2024 — HK\$1 million).

Capital Reduction

In order to allow the Company to have greater flexibility to undertake corporate exercises and/or declare distributions or dividends, a capital reduction (the “Capital Reduction”) took effect on 29 July 2025, pursuant to which, inter alia, the issued share capital of the Company was reduced to HK\$150 million. The reduction of the issued share capital of approximately HK\$1.6 billion was transferred to the capital reduction reserve account of the Company and HK\$0.7 billion of which was used to partially set-off against the accumulated losses standing in the financial statements of the Company.

Report of the Directors *(continued)*

BUSINESS REVIEW *(continued)*

Financial Position

As at 31 December 2025, total assets of the Group amounted to HK\$3.5 billion (31 December 2024 — HK\$3.5 billion). Total liabilities amounted to HK\$1.4 billion (31 December 2024 — HK\$1.4 billion). As at 31 December 2025, current ratio amounted to 1.3 (31 December 2024 — 1.1). The consolidated net asset value attributable to equity holders of the Company as at 31 December 2025 amounted to HK\$1.9 billion (31 December 2024 — HK\$1.8 billion), which was equivalent to HK\$2.0 per share (31 December 2024 — HK\$1.9 per share).

As at 31 December 2025, the Group had bank and other borrowings of HK\$952 million (31 December 2024 — HK\$966 million). The bank and other borrowings were denominated in Hong Kong dollars, Singapore dollars and Malaysian ringgits (31 December 2024 — Hong Kong dollars and Malaysian ringgits).

As at 31 December 2025, bank loans amounted to HK\$765 million (31 December 2024 — HK\$796 million). The bank loans were secured by certain investment properties, land and buildings, listed shares and bank balances held by the Group, as well as fixed and floating charges over the assets of certain subsidiaries of the Group. Besides, the Group's holding companies had provided unsecured other borrowings to the Company. As at 31 December 2025, the carrying amount of such other borrowings amounted to HK\$187 million (31 December 2024 — HK\$170 million). Except for other borrowings of HK\$7 million (31 December 2024 — Nil) which carried interest at fixed rate, all bank and other borrowings carried interest at floating rates. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure.

Approximately 13% (31 December 2024 — 20%) of the bank and other borrowings were repayable within one year or on demand as at 31 December 2025. The gearing ratio (measured as bank and other borrowings, net of non-controlling interests, to equity attributable to equity holders of the Company) as at 31 December 2025 was 48.1% (31 December 2024 — 53.0%).

The Group monitors the relative foreign exchange position of its assets and liabilities to minimise foreign currency risk. When appropriate, hedging instruments including forward contracts, swaps and currency loans would be used to manage the foreign exchange exposure.

The Group had bankers' guarantees issued in lieu of rental and utility deposits for the premises used for operation of food businesses. As at 31 December 2025, the Group had secured bankers' guarantees of HK\$1 million (31 December 2024 — HK\$1 million) and unsecured bankers' guarantees of HK\$4 million (31 December 2024 — HK\$4 million). The secured bankers' guarantees were secured by certain assets of the Group. Aside from the abovementioned, the Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Year (31 December 2024 — Nil).

Total capital commitment of the Group as at 31 December 2025 increased to HK\$160 million (31 December 2024 — HK\$84 million), which are mainly arising from purchase of one line of commercial food manufacturing equipment. The investments or capital assets will be financed by the Group's internal resources and external bank financing, as appropriate.

Staff and Remuneration

The Group had 903 full-time employees as at 31 December 2025 (31 December 2024 — 841 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Year amounted to HK\$334 million (2024 — HK\$297 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

Report of the Directors *(continued)*

PROSPECTS

The near-term outlook of the Hong Kong economy is cautiously optimistic. The positive momentum, characterised by robust exports, solid investment and improving private consumption spending, is expected to carry onto 2026. Hong Kong's GDP is forecast to expand to 3.5% in 2026. The GDP growth forecast for Singapore for 2026 has been upgraded from "1% to 3%" to "2% to 4%" whereas Chinese Mainland's GDP growth target for 2026 is set at "4.5% to 5%". However, risks to the outlook remain tilted to the downside. Trade and geopolitical tensions could erupt, introducing uncertainty and disrupting the global economy through their impact on financial markets, supply chains and commodity prices. The recent outbreak of the war in the Middle East has led to a sharp increase in the global oil and gas prices, potentially driving inflation higher and dampening economic activities. Amid the challenging operating environment, the Group and its associates will continue to manage their businesses and monitor their assets and investments cautiously and exercise prudent capital management.

BUSINESS STRATEGY

The business activities of the Group are diversified. The Group is committed to achieve long term sustainable growth of its businesses in preserving and enhancing shareholder value. The Group is focused on selecting attractive investment opportunities to strengthen and extend its business scope and has maintained prudent and disciplined financial management to ensure its sustainability.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.

The activities and other particulars of the principal subsidiaries, principal associates, principal joint ventures and joint operation are set out in the financial statements on pages 196 to 202, page 203, page 204 and page 205, respectively.

There were no significant changes in the nature of these activities during the Year.

SEGMENT INFORMATION

An analysis of the Group's revenue and results by principal activity and geographical area for the Year is set out in Note 4 to the financial statements.

RESULTS AND DIVIDENDS

The results and details of cash flows of the Group for the Year and the financial position of the Group as at 31 December 2025 are set out in the financial statements on pages 108 to 205.

No interim dividend was declared for the Year (2024 — Nil). The Directors have resolved not to recommend the payment of any final dividend for the Year (2024 — Nil).

SUMMARY OF GROUP FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 208.

GOODWILL

Details of movements in goodwill during the Year are set out in Note 15 to the financial statements.

Report of the Directors *(continued)*

INVESTMENT PROPERTIES

Details of movements in the investment properties during the Year are set out in Note 17 to the financial statements.

BANK LOANS

Details of bank loans are summarised in Note 27 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in Note 30 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of Part 6 of the Hong Kong Companies Ordinance, amounted to HK\$951,762,000.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in the financial statements on pages 196 to 202.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK\$3,745,000 (2024 — HK\$4,969,000).

DIRECTORS

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

Executive Directors

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee, BBS, JP (*Deputy Chairman*)
Mr. Davy Kwok Fai Lee (*Chief Executive Officer*)
Mr. James Siu Lung Lee
Mr. Brian Riady

Non-executive Director

Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. Edwin Neo
Mr. Victor Ha Kuk Yung
Ms. Min Yen Goh

In accordance with Article 112 of the Company's Articles of Association (the "Articles"), Dr. Stephen Riady, Messrs. Victor Ha Kuk Yung and Brian Riady will retire from office by rotation at the forthcoming annual general meeting (the "2026 AGM"). Mr. Victor Ha Kuk Yung has informed the Board of Directors of the Company that he will not offer himself for re-election as a Director of the Company at the 2026 AGM due to his retirement plan. Dr. Stephen Riady and Mr. Brian Riady, being eligible, will offer themselves for re-election at the 2026 AGM.

Report of the Directors *(continued)*

DIRECTORS *(continued)*

Dr. Stephen Riady, Messrs. John Luen Wai Lee, Davy Kwok Fai Lee, James Siu Lung Lee and Brian Riady are also directors of certain subsidiaries of the Company. A list of directors of the Company's subsidiaries during the Year and up to the date of this report is available on the Company's website (www.lcr.com.hk).

Mr. Davy Kwok Fai Lee entered into a letter agreement with the Company for his appointment as a Director for a term of two years commencing from 7 June 2024. Mr. Victor Ha Kuk Yung entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 30 September 2024. Ms. Min Yen Goh entered into a letter agreement with the Company for her appointment as a Director of the Company for a term of two years commencing from 30 December 2024. Each of Dr. Stephen Riady and Mr. John Luen Wai Lee entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 January 2025. Following the expiry of the term upon their respective former letter agreements with the Company, (a) Mr. Brian Riady entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 30 March 2025; (b) Mr. James Siu Lung Lee entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 May 2025; and (c) each of Messrs. Leon Nim Leung Chan and Edwin Neo entered into a letter agreement with the Company for his appointment as a Director of the Company for a term of two years commencing from 1 January 2026. All the above letter agreements are terminable by either party by giving three months' prior written notice. The term of office of the Directors is also subject to the provisions of the Articles and/or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). In accordance with the Articles, one-third of the Directors of the Company must retire from office at each annual general meeting and their re-election is subject to a vote of shareholders. Every Director is also subject to retirement by rotation at least once every three years notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors.

In addition, Dr. Stephen Riady entered into an employment agreement (as supplemented) for his employment as an Executive President of the Company with effect from 1 January 2015. Mr. John Luen Wai Lee entered into an employment agreement (as supplemented) for his employment as the Chief Executive Officer of the Company with effect from 1 January 2015. Mr. Lee was re-designated from the Chief Executive Officer to the Deputy Chairman of the Company with effect from 7 June 2024. Mr. James Siu Lung Lee entered into an employment agreement (as supplemented) for his appointment as an Executive Vice President — Business Development of the Company with effect from 1 May 2015. Mr. Davy Kwok Fai Lee entered into an employment agreement (as supplemented) for his employment as the Chief Executive Officer of the Company with effect from 7 June 2024. The above employment agreements are terminable by either party by giving three months' prior written notice.

Dr. Stephen Riady also entered into an employment contract with a subsidiary of the Company which is terminable by either party by giving six months' prior written notice.

After reviewing the independence of each independent non-executive Director in accordance with the guidelines under the Listing Rules, the Company considers such Directors to be independent.

Under the Company's Articles, every Director or other officer of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. A Directors' and Officers' Liability Insurance is in place to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

Report of the Directors *(continued)*

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Stephen Riady (former name: Stephen Tjondro Riady), aged 65, was appointed a Director of the Company in July 1992 and is the Chairman of the board of directors of the Company. Dr. Riady is also an executive director and the Chairman of the board of directors of Hongkong Chinese Limited (“HKC”), a public listed company in Hong Kong. He has been the Executive President of each of the Company and HKC since January 2015. He is a member of the Remuneration Committee and Nomination Committee of each of the Company and HKC. In January 2026, Dr. Riady resigned as a director of Lippo Limited (“Lippo”), a former public listed company in Hong Kong which was privatized in September 2025. Dr. Riady also holds directorships in certain subsidiaries of the Company, Lippo and HKC. He is the Executive Chairman and Group Chief Executive Officer of OUE Limited (“OUE”), a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). Dr. Riady is a director of Lippo Capital Group Limited (“Lippo Capital Group”), Lippo Capital Holdings Company Limited (“Lippo Capital Holdings”), Lippo Capital Limited (“Lippo Capital”) and Skyscraper Realty Limited (“Skyscraper”) which together with Lippo, have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance (the “SFO”). Dr. Riady is a graduate of the University of Southern California, the United States of America and holds a Master of Business Administration from Golden Gate University, the United States of America and an Honorary Degree of Doctor of Business Administration from Edinburgh Napier University, the United Kingdom. He is one of the first Honorary University Fellows installed by the Hong Kong Baptist University in September 2006. Dr. Riady is the father of Mr. Brian Riady who is an executive Director of each of the Company and HKC. Dr. Riady is the father-in-law of Dr. Andy Adhiwana (“Dr. Adhiwana”), an executive director and the Group Chief Executive Officer of Auric Pacific Group Limited, a subsidiary of the Company. Dr. Riady is the spouse of Madam Shincee Leonardi (“Madam Leonardi”) and a brother of Mr. James Tjahaja Riady (“Mr. James Riady”). Madam Aileen Hambali (“Madam Hambali”) is the spouse of Mr. James Riady. Interests of Madam Leonardi, Mr. James Riady and Madam Hambali in the Company are disclosed in the section headed “Interests and short positions of shareholders discloseable under the Securities and Futures Ordinance” below.

Mr. John Luen Wai Lee, BBS, JP, aged 77, was appointed a Director of the Company in July 1992 and was re-designated from the Chief Executive Officer to the Deputy Chairman of the Company in June 2024. He is an executive director and the Deputy Chairman of HKC, as well as an independent non-executive director of New World Development Company Limited and UMP Healthcare Holdings Limited, both are public listed companies in Hong Kong. He is a director of Skyscraper and Lippo which have discloseable interests in the Company under the provisions of the SFO. Mr. Lee is an authorised representative of the Company and HKC. In addition, he holds directorships in certain subsidiaries of the Company, Lippo and HKC. Mr. Lee is a Fellow of The Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Lee is an Honorary Fellow of the City University of Hong Kong, a Justice of Peace in Hong Kong and an awardee of the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Mr. Lee is active in public service. Over the years, he served as a member or chairman of different government boards and committees in Hong Kong, including a member of the Hong Kong Hospital Authority and the Chairman of the Hospital Governing Committee of the Queen Elizabeth Hospital and Hong Kong Children’s Hospital.

Report of the Directors *(continued)*

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Mr. Kwok Fai Lee (alias: Davy), aged 67, was appointed an executive Director and the Chief Executive Officer of the Company in June 2024. He is an executive director and the Chief Executive Officer of HKC. Mr. Lee is an alternate to authorised representative of the Company and HKC. In addition, he holds directorships in certain subsidiaries of the Company, Lippo and HKC. Mr. Lee is a fellow member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. Mr. Lee has over 30 years' experience in treasury investments, corporate administration and corporate governance field. Mr. Lee holds a Bachelor of Arts in Chinese Humanities (First Class Honours) from The Open University of Hong Kong (now known as Hong Kong Metropolitan University), a Master of Science in Investment Management from The Hong Kong University of Science and Technology, a Juris Doctor from the Chinese University of Hong Kong and a Doctor of Business and Administration from The Hong Kong Polytechnic University. He has served the Lippo group of companies for over 40 years. He is a director of Skyscraper, Lippo and Lippo Capital as well as the Secretary of Lippo Capital, Lippo Capital Holdings and Lippo Capital Group which have discloseable interests in the Company under the provisions of the SFO. He is also a director and/or the Secretary of certain subsidiaries of the Company's controlling shareholders.

Mr. James Siu Lung Lee, aged 56, was appointed an executive Director of the Company in May 2015. Mr. Lee has over 20 years of experience in mergers and acquisitions on technology companies. Mr. Lee joined a former subsidiary of HKC in 1997 and was the Head of Derivatives Department before he left that subsidiary in late 1999. Mr. Lee was subsequently appointed as an assistant to the then Managing Director of the Company in early 2000 and left the Company in early 2009. He was a director of Systech Century Group from 2009 to 2014. In December 2014, Mr. Lee rejoined the Group and was appointed an Executive Vice President of business development. He also holds directorships in certain subsidiaries of the Company and HKC. Mr. Lee holds a Bachelor degree in Manufacturing Engineering with honours from Queen's University, Belfast, the United Kingdom and a Doctor degree in Engineering (major in Hierarchical Operations Management and Control for Automated Systems and Robotics) from The University of Hong Kong. He also holds a Master of Laws (major in International Economic Law) from The Chinese University of Hong Kong.

Mr. Brian Riady, aged 35, was appointed an executive Director of the Company in March 2023. Mr. Riady holds a Bachelor of Science (Political Communication) and a Bachelor of Arts (Economics) from the University of Texas at Austin, the United States of America. He attended the Executive Education programs at the Harvard Business School. Mr. Riady is also an executive director of HKC. He is the Deputy Chief Executive Officer and Executive Director of OUE. Mr. Riady is also a non-independent non-executive director of OUE REIT Management Pte. Ltd. (the manager of OUE Real Estate Investment Trust which is listed on the SGX-ST). He is also a director of a subsidiary of the Company. Mr. Riady resigned as a director of Lippo in January 2026. Mr. Riady is the son of Dr. Stephen Riady and Madam Leonardi and a brother-in-law of Dr. Adhiwana. Mr. Riady is a nephew of Mr. James Riady and Madam Hambali.

Mr. Leon Nim Leung Chan, aged 70, was appointed an independent non-executive Director of the Company in May 1997 and was re-designated as a non-executive Director of the Company in September 2004. He is a practising lawyer and presently the principal partner of Messrs. Y.T. Chan & Co. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1980 and was also admitted as a solicitor in England in 1984 and in Victoria, Australia in 1985. He was a member of the Solicitors Disciplinary Tribunal from May 1993 to April 2008. He is also a non-executive director of HKC. Mr. Chan is a member of the Audit Committee, Remuneration Committee and Nomination Committee of each of the Company and HKC. He is an independent non-executive director of Midland Holdings Limited, a public listed company in Hong Kong. Mr. Chan resigned as a director of Lippo in January 2026.

Report of the Directors *(continued)*

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Mr. Edwin Neo, aged 76, was appointed an independent non-executive Director of the Company in March 2002. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1976 and of the Supreme Court of England and Wales in 1993. Mr. Neo is a practising lawyer and a notary public and is presently the senior partner of Hoosenally & Neo, Solicitors & Notaries. Mr. Neo holds a Bachelor of Laws degree with honours and Post-graduate Certificate in Laws from The University of Hong Kong. He is also an independent non-executive director of HKC. Mr. Neo is the Chairman of the Remuneration Committee and Nomination Committee and a member of the Audit Committee of the Company. He is also a member of the Remuneration Committee, Nomination Committee and Audit Committee of HKC.

Mr. Victor Ha Kuk Yung, aged 72, was appointed an independent non-executive Director of the Company in September 2004. Mr. Yung is a professional accountant with over 40 years of working experience in the financial and accounting fields, and served in management positions in various multinational companies in Asia. Mr. Yung holds a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University, and is a member of the Hong Kong Institute of Certified Public Accountants. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. Mr. Yung resigned as a director of Lippo in January 2026.

Ms. Min Yen Goh, aged 65, was appointed an independent non-executive Director of the Company in December 2022. Ms. Goh obtained a Bachelor of Science in Economics and Finance with high distinction from Babson College in the United States of America. Ms. Goh is currently the managing director of Eng Wah Group and a director of Eng Wah Global Pte. Ltd. Ms. Goh was a director of Eng Wah Organisation Limited, which was listed on the Mainboard of the SGX-ST before it was privatised in 2008. She is an independent director of OUE. Ms. Goh is also an independent non-executive director of HKC. She is a member of the Remuneration Committee and Nomination Committee of each of the Company and HKC. Ms. Goh resigned as a director of Lippo in January 2026.

Details of the interests of the Directors in the Company are disclosed in the section headed “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures of the Company and associated corporations” below.

Save as disclosed herein and in the section headed “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures of the Company and associated corporations” below, the Directors do not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Report of the Directors *(continued)*

DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

Details of the emoluments of the Directors on a named basis and the five highest paid employees in the Group are set out in Notes 10 and 11 to the financial statements, respectively.

The emoluments of the Directors are determined by reference to the market rates, time commitment and their duties and responsibilities as well as employment conditions elsewhere in the Group.

The emoluments of the Directors for the Year have been covered by their respective letter agreements and/or employment agreements/employment contract (as applicable) with the Group and/or paid under the relevant statutory requirement save for those as disclosed herein below:

- (a) the discretionary bonus of Dr. Stephen Riady in an amount of HK\$7,087,150;
- (b) the discretionary bonus of Mr. John Luen Wai Lee in an amount of HK\$1,000,000;
- (c) the discretionary bonus of Mr. Davy Kwok Fai Lee is an amount of HK\$536,400; and
- (d) the discretionary bonus of Mr. James Siu Lung Lee in an amount of HK\$600,000.

Dr. Stephen Riady and Messrs. John Luen Wai Lee, Davy Kwok Fai Lee and James Siu Lung Lee are entitled to receive salaries, discretionary bonuses and/or other fringe benefits for the executive role in the Group under their respective employment agreements/employment contract with the Group.

Further details of the above Directors' emoluments are disclosed in Note 10 to the financial statements.

Each of the Directors of the Company is entitled to receive a director's fee from the Company. The director's fee was adjusted from HK\$274,800 per annum to HK\$284,400 per annum with effect from 1 April 2025. The director's fee paid to each of the Directors of the Company (on a 12-month basis) was HK\$282,000 for the Year. A non-executive Director will also receive additional fees for duties assigned to and services provided by him/her as Chairmen and/or members of various board committees of the Company. The fees paid to the non-executive Directors (on a 12-month basis) for serving as Chairmen and/or members of various board committees of the Company for the Year are as follows:

	HK\$
Chairman	93,900
Member	60,600

Report of the Directors *(continued)*

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests or short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

Interests in shares and underlying shares of the Company and Associated Corporations

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Corporate interests (interest of controlled corporations)	Other interests	Total interests	Approximate percentage of total interests in the issued shares
Number of ordinary shares in the Company						
Stephen Riady	–	–	672,555,056 <i>Note (i)</i>	–	672,555,056	73.20
James Siu Lung Lee	200	–	–	–	200	0.00
Min Yen Goh	–	–	–	200,000 <i>Note (ii)</i>	200,000	0.02
Number of ordinary shares of HK\$0.10 each in Hongkong Chinese Limited ("HKC")						
Stephen Riady	–	–	1,179,199,264 <i>Notes (i) and (iii)</i>	–	1,179,199,264	59.01
John Luen Wai Lee	4,495,895	270	–	–	4,496,165	0.23
Davy Kwok Fai Lee	466	466	–	–	932	0.00
James Siu Lung Lee	2,000	–	–	–	2,000	0.00

Note:

- (i) As at 31 December 2025, Lippo Capital Limited ("Lippo Capital"), an Associated Corporation of the Company, was directly interested in 227,427,135 ordinary shares in and, through its wholly-owned subsidiaries, was indirectly interested in 445,127,921 ordinary shares in, the Company. Accordingly, Lippo Capital was directly and indirectly interested in an aggregate of 672,555,056 ordinary shares in, representing approximately 73.20% of the issued shares of, the Company. Lippo Capital was a 60% owned subsidiary of Lippo Capital Holdings Company Limited ("Lippo Capital Holdings"), an Associated Corporation of the Company, which in turn was a wholly-owned subsidiary of Lippo Capital Group Limited ("Lippo Capital Group"), an Associated Corporation of the Company. Dr. Stephen Riady ("Dr. Riady") was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group.
- (ii) As at 31 December 2025, Ms. Min Yen Goh (in the capacity of an executor) was deemed to be interested in 200,000 ordinary shares in, representing approximately 0.02% of the issued shares of, the Company.
- (iii) As at 31 December 2025, Lippo Capital was directly interested in 894,916,529 ordinary shares of HK\$0.10 each in HKC (the "HKC Shares") and Lippo Capital, through its wholly-owned subsidiaries, was indirectly interested in 284,282,735 HKC Shares. Accordingly, Lippo Capital was directly and indirectly interested in an aggregate of 1,179,199,264 HKC Shares, representing approximately 59.01% of the issued HKC Shares.

Report of the Directors *(continued)*

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS *(continued)*

Interests in shares and underlying shares of the Company and Associated Corporations *(continued)*

As mentioned in Note (i) above, Dr. Riady was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group. Through his interest in Lippo Capital Group, Dr. Riady was also interested or taken to be interested (through controlled corporations) in the issued shares of the following Associated Corporations of the Company as at 31 December 2025:

Name of Associated Corporation	Note	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Acematic Limited	(a)	Ordinary shares	1	100
Auric Pacific Group Limited ("Auric")	(b)	Ordinary shares	80,618,551	65.48
Bentham Holdings Limited	(c)	Ordinary shares	1	100
Boudry Limited	(a)	Ordinary shares	10	100
	(a)	Non-voting deferred shares	1,000	100
Broadwell Overseas Holdings Limited	(a)	Ordinary shares	1	100
Chung Po Investment Holding Co., Ltd.	(a)	Ordinary shares	1,200,000	60
Creaworld (Holdings) Company Limited 華陽機構股份有限公司	(a)	Ordinary shares	2	100
Ever Benefits Limited	(a)	Ordinary shares	2	100
Grand Peak Investment Limited	(a)	Ordinary shares	2	100
Healthway Medical Corporation Limited ("Healthway")	(d)	Ordinary shares	3,056,521,494	67.39
Hennessy Holdings Limited	(a)	Ordinary shares	1	100
Lippo Assets (International) Limited	(a)	Ordinary shares	1	100
	(a)	Non-voting deferred shares	15,999,999	100
Lippo Capital	(c)	Ordinary shares	423,414,001	60
Lippo Capital Holdings	(e)	Ordinary shares	1	100
Lippo Investments Limited	(a)	Ordinary shares	2	100
Lippo Limited	(a)	Ordinary shares	493,154,032	100
Lippo Realty (China) Limited	(a)	Ordinary shares	1	100
Lippo Realty Limited	(a)	Ordinary shares	2	100
LL Capital Holdings Limited	(a)	Ordinary shares	1	100
Multi-World Builders & Development Corporation	(a)	Ordinary shares	4,080	51
Orkney Development Ltd.	(a)	Ordinary shares	1	100
Skyscraper Realty Limited	(a)	Ordinary shares	10	100
Superfood Retail Limited ("Superfood")	(f)	Ordinary shares	10,000	100
The HCB General Investment (Singapore) Pte Ltd	(a)	Ordinary shares	100,000	100
Valencia Development Limited	(a)	Ordinary shares	800,000	100
	(a)	Non-voting deferred shares	200,000	100
福建华阳湄洲开发有限公司	(a)	Equity interest	N/A	100

Report of the Directors *(continued)*

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS *(continued)*

Interests in shares and underlying shares of the Company and Associated Corporations *(continued)*

Note:

- (a) Such share(s)/equity interest was/were 100% held directly or indirectly by Lippo Capital, a 60% owned indirect subsidiary of Lippo Capital Group.
- (b) Of these shares, 4,999,283 ordinary shares were held by Jeremiah Holdings Limited ("Jeremiah"); 20,004,000 ordinary shares were held by Nine Heritage Pte Ltd ("Nine Heritage"), an 80% owned direct subsidiary of Jeremiah; 36,165,052 ordinary shares were held by Pantogon Holdings Pte Ltd ("Pantogon"); and 759,000 ordinary shares were held by Max Turbo Limited ("Max Turbo"). Jeremiah, Pantogon and Max Turbo were 100% owned indirect subsidiaries of the Company. Details of Dr. Riady's interest in the Company are disclosed in Note (i) above. In addition, as at 31 December 2025, 18,691,216 ordinary shares were held by Silver Creek Capital Pte. Ltd. ("Silver Creek"). Dr. Riady, through companies controlled by him, is the beneficial owner of 100% of the issued shares in Silver Creek. Accordingly, Dr. Riady was taken to be interested in an aggregate of 80,618,551 ordinary shares in, representing approximately 65.48% of the issued shares of, Auric.
- (c) Such share(s) was/were held directly by Lippo Capital Holdings which in turn was a direct wholly-owned subsidiary of Lippo Capital Group.
- (d) Of these shares, 253,865,182 ordinary shares were held by Continental Equity Inc. ("Continental Equity"); 1,594,776,083 ordinary shares were held by Gentle Care Pte. Ltd. ("Gentle Care"); and 1,207,880,229 ordinary shares were held by OUEH Investments Pte. Ltd., a 89.68% owned indirect subsidiary of OUE Limited ("OUE"). Continental Equity and Gentle Care were 100% owned indirect subsidiaries of the Company. OUE was indirectly owned as to approximately 73.44% by Fortune Crane Limited ("FCL"). HKC, through its 50% joint venture, Lippo ASM Asia Property Limited, held approximately 92.05% interest in FCL. Accordingly, Dr. Riady was taken to be interested in an aggregate of 3,056,521,494 ordinary shares in, representing approximately 67.39% of the issued shares of, Healthway. Details of Dr. Riady's interest in the Company and HKC are disclosed in Notes (i) and (iii) above.
- (e) Such share was 100% held directly by Lippo Capital Group.
- (f) Of these shares, 1,625 ordinary shares were held by Nine Heritage; 2,937 ordinary shares were held by Pantogon; 406 ordinary shares were held by Jeremiah; 62 ordinary shares were held by Max Turbo; and 4,970 ordinary shares were held by Oddish Ventures Pte. Ltd., a 100% owned indirect subsidiary of OUE. Accordingly, Dr. Riady was taken to be interested in an aggregate of 10,000 ordinary shares in, representing 100% of the issued shares of, Superfood. Details of Dr. Riady's interest in the Company, HKC and OUE were disclosed in Notes (i), (iii) and (d) above.

As at 31 December 2025, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its Associated Corporations.

All the interests stated above represent long positions. Save as disclosed herein, 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 and debentures of the Company or any of its Associated Corporations which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 31 December 2025, none of the Directors or chief executive of the Company nor their spouses or minor children (natural or adopted) were granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its Associated Corporations.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable a Director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Report of the Directors *(continued)*

PERMITTED INDEMNITY PROVISION

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities to the fullest extent permitted by the Hong Kong Companies Ordinance which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Directors' and Officers' Liability Insurance was taken out and maintained throughout the Year, which provides appropriate cover for, inter alia, the Directors of the Company and its subsidiaries.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 31 December 2025, so far as is known to the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") as follows:

Interests of substantial shareholders and other persons in shares of the Company

Name	Number of ordinary shares	Approximate percentage of the issued shares
Substantial shareholders		
Skyscraper Realty Limited ("Skyscraper")	445,127,921	48.45
Lippo Limited ("Lippo")	445,127,921	48.45
Lippo Capital Limited ("Lippo Capital")	672,555,056	73.20
Lippo Capital Holdings Company Limited ("Lippo Capital Holdings")	672,555,056	73.20
Lippo Capital Group Limited ("Lippo Capital Group")	672,555,056	73.20
Madam Shincee Leonardi	672,555,056	73.20
PT Trijaya Utama Mandiri ("PT TUM")	672,555,056	73.20
Mr. James Tjahaja Riady	672,555,056	73.20
Madam Aileen Hambali	672,555,056	73.20
Other persons		
Mr. Tai Tak Fung ("Mr. Tai")	77,945,800	8.48
Madam Wu Mei Yung ("Madam Wu")	77,945,800	8.48
Ever Media Limited ("Ever Media")	72,515,800	7.89
Four Seas Enterprises (BVI) Limited ("Four Seas Enterprises")	72,515,800	7.89
Four Seas Mercantile Holdings Limited ("Four Seas Mercantile")	72,515,800	7.89

Report of the Directors *(continued)*

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE *(continued)*

Interests of substantial shareholders and other persons in shares of the Company *(continued)*

Note:

1. 445,127,921 ordinary shares of the Company were held by Skyscraper directly as beneficial owner which in turn is a 100% owned subsidiary of Lippo. Lippo is a wholly-owned subsidiary of Lippo Capital. Together with 227,427,135 ordinary shares of the Company owned by Lippo Capital directly as beneficial owner, Lippo Capital was interested in an aggregate of 672,555,056 ordinary shares in, representing approximately 73.20% of the issued shares of, the Company.
2. Lippo Capital Holdings owned 60% of the issued shares in Lippo Capital. Lippo Capital Group owned 100% of the issued share capital of Lippo Capital Holdings. Dr. Stephen Riady was the beneficial owner of 100% of the issued share capital of Lippo Capital Group. Madam Shincee Leonardi is the spouse of Dr. Stephen Riady.
3. PT TUM owned the remaining 40% of the issued shares in Lippo Capital. PT TUM was wholly owned by Mr. James Tjahaja Riady who is a brother of Dr. Stephen Riady. Madam Aileen Hambali is the spouse of Mr. James Tjahaja Riady.
4. Skyscraper's interests in the ordinary shares of the Company were recorded as the interests of Lippo and Lippo Capital. Lippo Capital's interests in the ordinary shares of the Company were recorded as the interests of Lippo Capital Holdings, Lippo Capital Group, Madam Shincee Leonardi, PT TUM, Mr. James Tjahaja Riady and Madam Aileen Hambali. The above 672,555,056 ordinary shares of the Company related to the same block of shares that Dr. Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations".
5. 72,515,800 ordinary shares of the Company were held by Ever Media directly as beneficial owner. Ever Media was a 100% owned subsidiary of Four Seas Enterprises which in turn was wholly owned by Four Seas Mercantile.
6. Mr. Tai, through Careful Guide Limited, Capital Season Investments Limited and Ever Media, was indirectly interested in an aggregate of 77,888,800 ordinary shares in the Company. Together with 57,000 ordinary shares of the Company held by Mr. Tai directly as beneficial owner, Mr. Tai was deemed to be interested in an aggregate of 77,945,800 ordinary shares in, representing approximately 8.48% of the issued shares of, the Company. Madam Wu is the spouse of Mr. Tai and was deemed to be interested in 701,000 ordinary shares in the Company. Together with the interest in 77,244,800 ordinary shares in the Company held by controlled corporations, Madam Wu was deemed to be interested in an aggregate of 77,945,800 ordinary shares in, representing approximately 8.48% of the issued shares of, the Company.

All the interests stated above represent long positions. Save as disclosed herein, as at 31 December 2025, none of the substantial shareholders or other persons (other than the Directors or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Lippo Group (a general reference to the companies in which Dr. Stephen Riady and his family members have a direct or indirect interest) is not a legal entity and does not operate as one. Each of the companies in the Lippo Group operates within its own legal, corporate and financial framework. As at 31 December 2025, the Lippo Group might have had or developed interests in business in Hong Kong and other parts in Asia similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

Save for Messrs. James Siu Lung Lee and Victor Ha Kuk Yung, all the Directors of the Company are also directors of Hongkong Chinese Limited ("HKC"), a fellow subsidiary of the Company. Further details of the Directors' interests in HKC are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations". Subsidiaries of HKC are also engaged in property investment and property development.

Report of the Directors *(continued)*

DIRECTORS' INTERESTS IN COMPETING BUSINESS *(continued)*

The Directors of the Company are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and its Directors would comply with the relevant requirements of the Company's Articles of Association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") whenever a Director has any conflict of interest in the transaction(s) with the Company.

Save as disclosed herein, during the Year and up to the date of this report, none of the Directors are considered to have interests in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group required to be disclosed under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions disclosed in accordance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") are as follows:

- (A) On 3 January 2020, a franchise agreement (the "Maxx Coffee Franchise Agreement") was entered into between Delifrance Singapore Pte. Ltd. (formerly known as Maxx Coffee Singapore Pte. Ltd.) (the "Maxx Coffee Franchisee", an indirect non-wholly owned subsidiary of the Company) and PT Maxx Coffee Prima (the "Maxx Coffee Franchisor"), pursuant to which the Maxx Coffee Franchisor agreed (i) to grant to the Maxx Coffee Franchisee the exclusive right and licence in Singapore to carry on the business of establishing, developing and operating retail coffee shops in Singapore under the name of "Maxx Coffee" (the "Maxx Coffee Shops"), and sell Maxx Coffee brand coffee, beverages and/or other food or non-food products as agreed by the parties from time to time on a retail basis in Singapore; (ii) to supply to the Maxx Coffee Franchisee Maxx Coffee brand coffee, beverages and/or other food or non-food products, materials and supplies that are reasonably required by the Maxx Coffee Franchisee for the operation of the business under the franchise as agreed by the parties from time to time; and (iii) to provide training, ongoing advice and guidance to the Maxx Coffee Franchisee for the development, marketing and operation of the Maxx Coffee Shops (the "Business") during an initial term of ten years commencing from the date of the Maxx Coffee Franchise Agreement, with an option for the Maxx Coffee Franchisee to extend for another five years upon expiration of the initial term.

In consideration of the grant of the franchise and all the services to be provided by the Maxx Coffee Franchisor to the Maxx Coffee Franchisee under the Maxx Coffee Franchise Agreement, the Maxx Coffee Franchisee shall pay to the Maxx Coffee Franchisor a royalty fee (the "Maxx Coffee Royalty Fee"), details of which are as follows:

- (i) for each calendar month during the period from the date of the Maxx Coffee Franchise Agreement to 31 December 2020: the Maxx Coffee Royalty Fee shall be 2.5% of the total monthly net sales of the Maxx Coffee Shops (the "Net Sales");
- (ii) for each calendar month during the 12 months ended 31 December 2021: the Maxx Coffee Royalty Fee shall be 3% of the total monthly Net Sales;
- (iii) for each calendar month during the 12 months ended 31 December 2022: the Maxx Coffee Royalty Fee shall be 3.5% of the total monthly Net Sales; and
- (iv) for each calendar month commencing 1 January 2023 onwards: the Maxx Coffee Royalty Fee shall be 4% of the total monthly Net Sales.

Report of the Directors *(continued)*

CONTINUING CONNECTED TRANSACTIONS *(continued)*

(A) *(continued)*

The consideration for the purchase of Maxx Coffee supplies from the Maxx Coffee Franchisor (the “Purchase Consideration”) will be determined on an at-cost basis, being the consideration payable by the Maxx Coffee Franchisor to the relevant third party suppliers under each relevant supply of goods contract entered into between the Maxx Coffee Franchisor and the third party suppliers.

The annual cap for the aggregate transaction amounts made by the Maxx Coffee Franchisee to the Maxx Coffee Franchisor under the Maxx Coffee Franchise Agreement for the Year was HK\$24,600,000, which was calculated based on the sum of the estimated maximum amounts of (a) the annual Maxx Coffee Royalty Fee for the Year of HK\$10,900,000; and (b) the Purchase Consideration for the Year of HK\$13,700,000.

The Maxx Coffee Franchise Agreement enables the Maxx Coffee Franchisee to set up a new coffee chain in Singapore under the brand name “Maxx Coffee” and uses the know-hows from the Maxx Coffee Franchisor to expand its food retail business.

Due to an internal group restructuring, the Maxx Coffee Franchisee intended to use a wholly-owned subsidiary, Maxx Coffee Singapore Pte. Ltd. (the “Maxx Coffee Sub-Franchisee”), to carry out the Business commencing from 1 January 2022. Accordingly, on 30 December 2021, the Maxx Coffee Franchisee entered into a sub-franchise agreement (the “Maxx Coffee Sub-Franchise Agreement”) with the Maxx Coffee Sub-Franchisee in relation to the Business. The terms of the Maxx Coffee Sub-Franchise Agreement are substantially the same as the terms of the Maxx Coffee Franchise Agreement and in particular, the royalty fees to be paid by the Maxx Coffee Sub-Franchisee under the Maxx Coffee Sub-Franchise Agreement will be the same as those payable by the Maxx Coffee Franchisee to the Maxx Coffee Franchisor under the Maxx Coffee Franchise Agreement. The annual caps of the relevant transactions remained the same and were applied on both the Maxx Coffee Franchisee and the Maxx Coffee Sub-Franchisee as a whole.

As at the date of the Maxx Coffee Franchise Agreement, the Maxx Coffee Franchisor was indirectly controlled by PT Inti Anugerah Pratama (“IAP”), of which Dr. Stephen Riady (“Dr. Riady”), an executive Director and the Chairman of the Board of Directors of the Company, and his brother, Mr. James Tjahaja Riady were the ultimate beneficial owners and together indirectly controlled more than 50% of the voting power at general meetings of IAP. Accordingly, the Maxx Coffee Franchisor is regarded as a connected person of the Company under the Listing Rules.

Further details of the Maxx Coffee Franchise Agreement are disclosed in Note 38(e) to the financial statements.

Report of the Directors *(continued)*

CONTINUING CONNECTED TRANSACTIONS *(continued)*

- (B) On 14 December 2020, (i) a franchise agreement and a letter agreement with respect to the business of operating restaurants known as “Chatterbox Café” and (ii) a franchise agreement and a letter agreement with respect to the business of operating restaurants known as “Chatterbox Express” (together, the “Chatterbox Franchise Agreements”) were entered into between Cuisine Continental (HK) Limited and Cuisine Continental Group (HK) Limited (together, the “Chatterbox Franchisees”, each an indirect non-wholly owned subsidiary of the Company) and Chatexpress Pte. Ltd. (the “Chatterbox Franchisor”). Pursuant to the Chatterbox Franchise Agreements, the Chatterbox Franchisor agreed to grant to each of the Chatterbox Franchisees, amongst other things, an exclusive licence to establish and operate the restaurants known as “Chatterbox Café” and “Chatterbox Express” (together, the “Outlets”), and to conduct the business of operating casual dining restaurants and food delivery business at and from the Outlets and the channels (that is, sale and fulfilment of products via approved online food ordering and delivery platforms and any other mode of trading other than the Outlets as expressly designated by the Chatterbox Franchisor in accordance with the Chatterbox Franchise Agreements), within Hong Kong, utilising the Chatterbox Franchisor’s intellectual property rights, systems and procedures. The initial term of the Chatterbox Franchise Agreements shall be seven years commencing from 1 January 2021, with an option for the Chatterbox Franchisees to extend for another seven years upon expiration of the initial term.

Under the Chatterbox Franchise Agreements, the Chatterbox Franchisees shall pay to the Chatterbox Franchisor royalty fees (the “Chatterbox Royalty Fees”) which shall be the sum equivalent to the proportion of net revenue of the Chatterbox Franchisees (the “Net Revenue”), details of which are as follows:

- (i) from 1 January 2021 to 31 December 2021: the Chatterbox Royalty Fees shall be 2.5% of the Net Revenue;
- (ii) from 1 January 2022 to 31 December 2022: the Chatterbox Royalty Fees shall be 3.0% of the Net Revenue;
- (iii) from 1 January 2023 to 31 December 2023: the Chatterbox Royalty Fees shall be 3.5% of the Net Revenue;
- (iv) from 1 January 2024 to 31 December 2024: the Chatterbox Royalty Fees shall be 4.0% of the Net Revenue;
- (v) from 1 January 2025 to 31 December 2025: the Chatterbox Royalty Fees shall be 4.0% of the Net Revenue;
- (vi) from 1 January 2026 to 31 December 2026: the Chatterbox Royalty Fees shall be 4.0% of the Net Revenue; and
- (vii) from 1 January 2027 to 31 December 2027: the Chatterbox Royalty Fees shall be 4.0% of the Net Revenue.

In addition to the Chatterbox Royalty Fees, the Chatterbox Franchisees shall reimburse the Chatterbox Franchisor all per diem allowances, airfare, accommodation, insurance, permits/visas and other related out-of-pocket expenses incurred by the Chatterbox Franchisor or its personnel for certain matters relating to the performance of the Chatterbox Franchise Agreements, including for audits carried out by, and trainings provided by, the Chatterbox Franchisor as well as any travels of the Chatterbox Franchisor’s personnel as may be requested by the Chatterbox Franchisees.

Report of the Directors *(continued)*

CONTINUING CONNECTED TRANSACTIONS *(continued)*

(B) *(continued)*

The annual cap for the aggregate transaction amounts made by the Chatterbox Franchisees to the Chatterbox Franchisor under the Chatterbox Franchise Agreements for the Year was HK\$11,000,000, which was calculated based on the sum of the estimated maximum aggregate amounts of the Chatterbox Royalty Fees and expenses to be reimbursed to the Chatterbox Franchisor by the Chatterbox Franchisees under the Chatterbox Franchise Agreements.

The Chatterbox Franchise Agreements formally establish the franchise arrangements between the Chatterbox Franchisor and the Chatterbox Franchisees, and enable the Chatterbox Franchisees to use the know-hows from the Chatterbox Franchisor to expand the food retail business by opening restaurants under the brands of “Chatterbox Café” and “Chatterbox Express” in Hong Kong.

As at the date of the Chatterbox Franchise Agreements, the Chatterbox Franchisor was a company wholly owned by OUE Limited (“OUE”). OUE is a joint venture of Hongkong Chinese Limited (“HKC”) which in turn is a fellow subsidiary of the Company. Accordingly, the Chatterbox Franchisor is regarded as a connected person of the Company under the Listing Rules.

Further details of the Chatterbox Franchise Agreements are disclosed in Note 38(f) to the financial statements.

- (C) On 29 June 2023, a tenancy agreement (the “Tenancy Agreement”) was entered into between Serene Yield Limited (“Serene Yield”), a wholly-owned subsidiary of the Company, and LCR Catering Services Limited (“LCR Catering”), an indirect non-wholly owned subsidiary of the Company, pursuant to which LCR Catering agreed to lease from Serene Yield Unit 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong, with a net floor area of approximately 7,964 square feet, for a term of three years from 22 August 2023 to 21 August 2026, both days inclusive, at a monthly rental of HK\$352,700, exclusive of rates, service charge and all other outgoings, provided that the first and the last month of the term shall be rent free (the “Rent Free Period”), for use as a restaurant. The service charge of HK\$78,167 per month (subject to adjustment) should be payable by LCR Catering to Serene Yield and such service charge shall not exceed HK\$100,000 per month (the “Maximum Service Charge”). The maximum aggregate value, that is, the annual cap for the Tenancy Agreement, which is equivalent to the annual rent and annual Maximum Service Charge, for the Year was HK\$5,433,000.

LCR Catering is a non-wholly owned subsidiary of Superfood Retail Limited (“Superfood”) which in turn is a 50.3% subsidiary of the Company. Superfood is owned as to 49.7% by Oddish Ventures Pte. Ltd., an indirect wholly-owned subsidiary of OUE. Accordingly, LCR Catering is regarded as a connected subsidiary of the Company under the Listing Rules.

Report of the Directors *(continued)*

CONTINUING CONNECTED TRANSACTIONS *(continued)*

The independent non-executive Directors have confirmed that the above agreements had been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the above agreements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. Ernst & Young, the Company's auditor, was engaged to report on the above Group's continuing connected transactions conducted during the Year (the "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 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young has issued its unqualified letter containing its findings and conclusions in respect of the Continuing Connected Transactions in accordance with rule 14A.56 of the Listing Rules.

The Directors of the Company (excluding Dr. Riady and Mr. Brian Riady who were required to abstain from voting (as the case may be)) considered the terms of continuing connected transactions disclosed herein were fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions disclosed herein.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Save as disclosed above and in Note 38 to the financial statements, there were no other contracts of significance in relation to the Company's business, to which the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director or the controlling shareholders or any of their respective subsidiaries, directly or indirectly, had a material interest.

During the Year, no contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries has been made.

DIRECTORS' SERVICE CONTRACTS

No Director of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

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

During the Year, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Report of the Directors *(continued)*

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, the percentage of revenue attributable to the Group's five largest customers combined was less than 30% of the Group's aggregate revenue. During the Year, the percentage of purchases attributable to the Group's five largest suppliers combined was less than 30% of the Group's aggregate purchases.

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

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its brand competitiveness and dominant status, the Group aims at delivering constantly high standards of quality in the products and services to its customers. During the Year, there was no material and significant dispute between the Group and its suppliers and/or customers.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes of the Group and the employer's retirement benefits costs charged to the consolidated statement of profit or loss for the Year are set out in Notes 2.4(z) and 7 to the financial statements, respectively.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. The Company's Corporate Governance Report is set out on pages 30 to 40.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, businesses and prospects may be affected by a number of risks and uncertainties. Key risks and uncertainties were identified by the Group, details of which are disclosed in the Company's Risk Management Report as set on pages 41 to 48. There may be other risks and uncertainties in addition to those shown in the above report which are not known to the Group or which may not be material now but could turn out to be material in the future.

In February 2026, a cybersecurity incident had affected data servers of a Malaysian subsidiary. Remediation is ongoing and no material financial impact is expected. The Group will continue to strengthen its cybersecurity controls.

ADOPTION OF DIVIDEND POLICY

The Board had approved and adopted a dividend policy for the Company in January 2019 that aims to set out the approach to determine the dividend to be payable by the Company, enhance transparency of the Company and facilitate shareholders and investors of the Company to make informed investment decisions. Such policy was revised and updated in March 2026. Details of the Company's dividend policy are disclosed in the Corporate Governance Report as set out on pages 30 to 40.

Report of the Directors *(continued)*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental, social and governance (“ESG”) issues are fundamental to the Group’s sustainability. The conscientious use of resources and adoption of best practices across the Group’s businesses underlie its commitment to safeguarding the environment.

The Group obliges itself to maintain business integrity and uphold ethical standards. Guided by a belief in a fair business environment where labour, competition, privacy and intellectual property are respected, the Group makes every effort to communicate its expectations and standards to its business partners, customers and staff.

The development and opinion of staff are highly valued at the Group. By engaging staff in training opportunities and ongoing dialogues, the Group keeps its ears open for suggestions. The Group has incorporated a sound employment management system to ensure a fair, safe, healthy and diverse working environment.

In times of rapid change, competitiveness is defined by flexibility and adaptability. To answer the needs of the current and future generations, the Company carefully manages its environmental impacts according to its Environmental Policy. By optimising its operational practices, the Group continues to improve its use of resources.

Striving forward, the Company will adhere to its belief in sustainable development and improve its ESG performances with time. Capitalising on a wide scope of business, the Company will aim at spreading awareness and influence in different sectors to bring us closer to sustainability.

By publishing the Company’s ESG Report, the Company seizes the opportunity to disclose its sustainability performance and solicit stakeholder feedback. The Company’s ESG Report is set out on pages 49 to 102.

As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDITOR

The financial statements for the Year were audited by Ernst & Young who will retire at the conclusion of the forthcoming annual general meeting and, being eligible, will offer itself for re-appointment.

On behalf of the Board
Davy Kwok Fai Lee
Chief Executive Officer

Hong Kong, 31 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensuring high standards of corporate governance practices. The Board of Directors of the Company (the “Board”) believes that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure they meet public and shareholders’ expectation, comply with legal and professional standards and reflect the latest local and international developments. The Board will continue to commit itself to achieving a high quality of corporate governance so as to safeguard the interests of shareholders and enhance shareholder value.

During the year ended 31 December 2025 (the “Year”), the Company continued to take measures to closely monitor and enhance its corporate governance practices so as to comply with the requirements of the code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

To the best knowledge and belief of the Directors, the Directors consider that, save as disclosed below, the Company has complied with the code provisions of the CG Code for the Year. Under the code provision F.2.2 (which has been re-numbered as code provision F.1.3 since 1 July 2025) of the CG Code, the chairman of the board should attend the annual general meeting. The Chairman of the Board was unable to attend the annual general meeting of the Company held on 23 June 2025 (the “2025 AGM”) as he was travelling overseas and not contactable at that time. The Deputy Chairman of the Board chaired the 2025 AGM for the effective communication between the Company and its shareholders.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 of the Listing Rules as the code for securities transactions by Directors. Having made specific enquiry of all Directors, all Directors have fully complied with the required standard set out in the Model Code throughout the Year.

To enhance corporate governance, the Company has also established written guidelines no less exacting than the Model Code for the employees of the Group in respect of their dealings in the Company’s securities.

BOARD OF DIRECTORS

The Board currently comprises nine members (the composition of the Board is shown on page 12), including five executive Directors and four non-executive Directors of whom three are independent as defined under the Listing Rules (brief biographical details of the Directors are set out on pages 14 to 16). A list containing the names of the Directors and their roles and functions can also be found on the Company’s website (www.lcr.com.hk) and the Stock Exchange’s website (www.hkexnews.hk).

Dr. Stephen Riady, an executive Director and the Chairman of the Board of the Company, is the father of Mr. Brian Riady, an executive Director of the Company. Save as disclosed herein, to the best knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

The Company has three independent non-executive Directors, representing one-third of the Board. One of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise under rule 3.10 of the Listing Rules. After reviewing the independence of each independent non-executive Director pursuant to rule 3.13 of the Listing Rules, the Company considers that all independent non-executive Directors to be independent.

Corporate Governance Report *(continued)*

BOARD OF DIRECTORS *(continued)*

Messrs. Victor Ha Kuk Yung and Edwin Neo have served as independent non-executive Directors of the Company for more than nine years. In addition to their confirmation of independence in accordance with rule 3.13 of the Listing Rules, each of Messrs. Victor Ha Kuk Yung and Edwin Neo continues to demonstrate the attributes of an independent non-executive Director by providing independent views and advice. They also continue to demonstrate their abilities to exercise independent judgment and provide a balanced and objective view in relation to the Group's affairs. There is no evidence that their tenure has had any impact on their independence. The Directors have discussed and are of the opinion that Messrs. Victor Ha Kuk Yung and Edwin Neo remain independent notwithstanding the length of their service and they believe that their valuable knowledge and experience in the Group's business and their external experience continue to generate significant contribution to the Company and its shareholders as a whole. Mr. Victor Ha Kuk Yung, who will retire by rotation at the forthcoming 2026 annual general meeting of the Company (the "2026 AGM"), has informed the Board that, due to his retirement plan, he will not offer himself for re-election as a Director of the Company at the 2026 AGM.

To facilitate the gender diversity, Ms. Min Yen Goh was appointed as an independent non-executive Director of the Company and a member of the Remuneration Committee and Nomination Committee of the Board in December 2022.

Under the Company's Articles of Association (the "Articles"), one-third of the Directors must retire from office at each annual general meeting and their re-election is subject to a vote of shareholders. In addition, every Director is subject to retirement by rotation at least once every three years notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors. Under the Listing Rules, if an independent non-executive Director serves more than nine years, his/her further appointment should be subject to a separate resolution to be approved by shareholders. All the Directors have entered into letter agreements and/or employment agreements (as applicable) with the Company setting out the key terms and conditions of their respective appointment as Directors and/or executive role in the Company.

The Board oversees the Group's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls the operating and financial performance in pursuit of the Group's strategic objectives. The Board has delegated certain functions to the relevant Board committees, details of which are disclosed below. Day-to-day management of the Group's business is delegated to the management of the Company under the supervision of the executive Directors. The functions and powers that are so delegated are reviewed periodically to ensure that they remain appropriate. Matters reserved for the Board are those affecting the Group's overall strategic policies, dividend policy, material policies and decisions, significant changes in accounting policies, material contracts, major investments and approval of interim reports, annual reports and announcements of interim and annual results. Management provides the Directors with management updates of the Group's operation, performance and position. All Directors are kept informed of and duly briefed of major changes and information that may affect the Group's businesses in a timely manner. Legal and regulatory updates are provided to the Directors from time to time for their information so as to keep them abreast of the latest rule requirements and assist them in fulfilling their responsibilities. The Company Secretary may advise the Directors on queries raised or issues which arise in performance of their duties as directors. The Board members have access to appropriate business documents and information about the Group on a timely basis. All Directors and Board committees have recourse to external legal counsel and other professionals for independent advice at the Group's expense upon their request. The Board will review the implementation and effectiveness of such mechanisms on an annual basis to ensure independent views and input are available to the Board.

Corporate Governance Report *(continued)*

BOARD OF DIRECTORS *(continued)*

The Board plays a leading role in defining the purpose, values and strategies of the Group and in fostering a culture that is forward looking. The Board sets the tone and shapes the corporate culture of the Group. The Group instils a culture that respects all the Group's stakeholders including, but not limited to, its customers, employees, shareholders and communities where the Group operates. The Group runs its businesses responsibly and sustainably. The Group also promotes a diverse and inclusion culture which inspires ideas and creates an environment where every employee feels valued, respected and heard. The Group aims for the highest standards of integrity and honesty and strives for innovative breakthroughs and leadership in all businesses.

Three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, have been established to oversee particular aspects of the Group's affairs.

The Board meets regularly to review the financial and operating performance of the Group and other business units, and formulate future strategy. Six Board meetings were held during the Year.

During the Year, the Chairman held a meeting with the independent non-executive Directors without the presence of other Directors.

Individual attendance of each Director at the Board meetings and general meeting and each committee member at meetings of the Audit Committee, the Remuneration Committee and the Nomination Committee during the Year are set out below:

Directors	Attendance/Number of Meetings				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting*
Executive Directors					
Dr. Stephen Riady (<i>Chairman</i>)	5/6	N/A	3/3	3/3	0/1
Mr. John Luen Wai Lee (<i>Deputy Chairman</i>)	6/6	N/A	N/A	N/A	1/1
Mr. Davy Kwok Fai Lee (<i>Chief Executive Officer</i>)	6/6	N/A	N/A	N/A	1/1
Mr. James Siu Lung Lee	6/6	N/A	N/A	N/A	1/1
Mr. Brian Riady	4/6	N/A	N/A	N/A	0/1
Non-executive Director					
Mr. Leon Nim Leung Chan	6/6	4/4	3/3	3/3	1/1
Independent Non-executive Directors					
Mr. Victor Ha Kuk Yung (<i>Chairman of the Audit Committee</i>)	6/6	4/4	3/3	3/3	1/1
Mr. Edwin Neo (<i>Chairman of the Remuneration Committee and Nomination Committee</i>)	6/6	4/4	3/3	3/3	1/1
Ms. Min Yen Goh	6/6	N/A	3/3	3/3	1/1

* the only general meeting of the Company held during the Year was the 2025 AGM.

Corporate Governance Report *(continued)*

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer of the Company are segregated. Dr. Stephen Riady is the Chairman of the Board. The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. Mr. Davy Kwok Fai Lee is the Chief Executive Officer of the Company. The Chief Executive Officer is responsible for the day-to-day management of the Group's business. The respective roles and responsibilities of the Chairman and the Chief Executive Officer are set out in writing which have been approved by the Board.

NON-EXECUTIVE DIRECTORS

There are currently four non-executive Directors of whom three are independent. Under the Company's Articles, every Director, including the non-executive Directors, shall be subject to retirement by rotation at least once every three years. All the non-executive Directors have a fixed term of contract of two years with the Company.

REMUNERATION OF DIRECTORS

A Remuneration Committee was established by the Board in June 2005. It has clear terms of reference and is accountable to the Board. Its terms of reference were revised in January 2023 and the updated version can be found on the Company's website (www.lcr.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Remuneration Committee has been delegated with the authority and responsibility to determine the remuneration packages of individual Directors and senior management. Senior management of the Company comprises Directors of the Company only.

The principal role of the Remuneration Committee is to exercise the powers of the Board to review and determine or make recommendations to the Board on the remuneration policy and remuneration packages of individual Directors and senior staff, including salaries, bonuses and benefits in kind. Salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group have been considered in determining the remuneration packages so as to align management incentives with shareholders' interests. During the Year, the Remuneration Committee reviewed and determined, with delegated responsibility, inter alia, (i) the remuneration packages of the Directors and senior staff; and (ii) service contracts of certain Directors (including the executive Directors). The Remuneration Committee also assessed the performance of the executive Directors.

Majority of the Remuneration Committee members are non-executive Directors and three of them are independent. The Remuneration Committee currently comprises five members including three independent non-executive Directors, namely Mr. Edwin Neo (being the Chairman of the Remuneration Committee), Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh, a non-executive Director, namely Mr. Leon Nim Leung Chan and an executive Director, namely Dr. Stephen Riady. The composition of the Remuneration Committee meets the requirements of chairmanship and independence of the Listing Rules. Three meetings were held during the Year and the individual attendance of each member is set out above.

Details of Directors' emoluments and retirement benefits are disclosed in Notes 10 and 2.4(z) to the financial statements, respectively.

Corporate Governance Report *(continued)*

NOMINATION OF DIRECTORS

The Board has the power to appoint Director(s) pursuant to the Company's Articles. No new Director was appointed during the Year.

A Nomination Committee was established by the Board in June 2005. It has clear terms of reference and is accountable to the Board. Its terms of reference were revised in December 2025 and the updated version can be found on the Company's website (www.lcr.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The principal role of the Nomination Committee includes, inter alia, review of the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually, assist the Board in maintaining a Board skills matrix and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy and having regard to the Board diversity policy of the Company (the "Board Diversity Policy"); assessment of the independence of independent non-executive Directors and make recommendations to the Board for the appointment of independent non-executive Directors; making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors in particular the Chairman of the Board and the chief executive; review and assess regularly the time commitment and contribution to the Board by the Directors; support the regular evaluation of the performance of the Board; assist the Board in the development of and review the implementation and effectiveness of the workforce diversity policy of the Company (the "Workforce Diversity Policy") and to review from time to time the terms of reference of the Nomination Committee, the Board Diversity Policy, the Workforce Diversity Policy and the Directors' nomination policy and recommend to the Board any necessary changes required. Only the most suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board for selection. Appointments are first considered by the Nomination Committee and recommendation of the Nomination Committee are then put to the Board for decision. During the Year, the Nomination Committee reviewed, inter alia, the eligibility of the Directors seeking for re-election at the 2025 AGM and assessed the independence of the independent non-executive Directors. The Nomination Committee also reviewed the existing structure, size, composition, diversity and efficiency of the Board and reviewed the terms of reference of the Nomination Committee and assisted in the development of the Workforce Diversity Policy. In addition, the Nomination Committee reviewed and recommended to the Board on the re-election of retiring Directors at the 2026 AGM.

With the support and recommendation of the Nomination Committee, the Board adopted the Directors' nomination policy (the "Nomination Policy") in January 2019. The Nomination Policy aims to, inter alia, set out the criteria and process in the nomination, appointment and re-election of Directors and ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company. The Nomination Committee is responsible to identify, evaluate and recommend potential candidates to the Board. The ultimate responsibility for selection and appointment of Directors rests with the entire Board and, where applicable, subject to the approval of the shareholders in general meeting.

Any Directors or shareholders may nominate any individuals as candidates for directorship for the consideration of the Nomination Committee in accordance with the Company's Articles, any applicable policies or procedures of the Company and/or the Listing Rules from time to time. The procedures for such shareholders' nomination are published on the Company's website (www.lcr.com.hk). When assessing the suitability of a proposed candidate, the Nomination Committee will take into consideration various factors including, but not limited to, character and integrity, qualification, skills and knowledge, experience, potential contributions, board diversity, number of directorships in other listed companies, independence requirements (for independent non-executive Directors) as set out in the Listing Rules and such other perspectives that are appropriate to the Company's business and succession plan.

Corporate Governance Report *(continued)*

NOMINATION OF DIRECTORS *(continued)*

Retiring Directors eligible for re-election at general meeting and proposed candidates are requested to submit the necessary information together with their written consents to be re-elected or appointed as Directors. The Nomination Committee may use any process it deems appropriate for the purpose of evaluating the retiring Director or the proposed candidate which may include, without limitation, personal interviews, background checks, written submissions by the candidate and/or third-party references. The Nomination Committee shall then recommend the proposed re-election or appointment of Director to the Board for the Board's consideration and, where applicable, the Board will make recommendation to shareholders. The Nomination Committee may nominate a suitable candidate to fill a casual vacancy on the Board for the Board's consideration and approval. A circular containing the requisite information of candidates recommended by the Board to stand for election at the general meeting (whether as new appointment or re-election) will be sent to shareholders as required under the Listing Rules.

The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and substantial and balanced development. The Board Diversity Policy was adopted by the Board in August 2013 and revised in January 2019. The revised Board Diversity Policy can be found on the Company's website (www.lcr.com.hk). The Board Diversity Policy sets out the approach to achieve diversity on the Board which will include and make good use of the difference in skills, professional experience, cultural and educational background, gender, age, knowledge, length of service and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and all board appointments will be based on merit and contribution, having regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Company will also take into account factors based on its own business model and specific needs from time to time. The Nomination Committee monitors the implementation of the Board Diversity Policy and will at appropriate time set measurable objectives for achieving diversity under the Board Diversity Policy. It will review objectives for the implementation of the Board Diversity Policy and monitor progress towards the achievement thereof. In carrying out its responsibility for identifying suitable candidates to become members of the Board, the Nomination Committee will give adequate consideration to the Board Diversity Policy and the Nomination Policy. The Nomination Committee will review the Board Diversity Policy from time to time as appropriate to ensure its continued effectiveness and the Board will review the implementation and effectiveness of the Board Diversity Policy on an annual basis. The Company believes that diversity can strengthen the performance of the Board, and promote effective decision-making and better corporate governance and monitoring.

The Company is committed to improving gender diversity based on its needs and as and when suitable candidates are identified. In December 2022, a female director was appointed. In order to maintain gender diversity, similar considerations will be taken when recruiting and selecting senior staff and other employees. A Workforce Diversity Policy was adopted by the Board in December 2025 which applies to all employees including senior management and aims to set out the approach to achieve a diverse workforce and an inclusive culture, and to achieve a sustainable and balanced development. The Nomination Committee will review the Workforce Diversity Policy from time to time as appropriate to ensure its continued effectiveness and to recommend any revisions to the Board. As at 31 December 2025, the Group maintained a balance of male and female ratio in the workplace, details of which are set out in the Environmental, Social and Governance Report on pages 49 to 102.

Majority of the Nomination Committee members are non-executive Directors and three of them are independent. The Nomination Committee currently comprises five members including three independent non-executive Directors, namely, Mr. Edwin Neo (being the Chairman of the Nomination Committee), Mr. Victor Ha Kuk Yung and Ms. Min Yen Goh, a non-executive Director, namely Mr. Leon Nim Leung Chan and an executive Director, namely Dr. Stephen Riady. The composition of the Nomination Committee meets the requirements of chairmanship and independence of the Listing Rules. Three meetings were held during the Year and the individual attendance of each member is set out above.

Corporate Governance Report *(continued)*

DIRECTORS' TIME COMMITMENT AND TRAINING

The Company has received confirmation from each Director that he/she had sufficient time and attention to the affairs of the Company for the Year. Directors are encouraged to participate in professional, public and community organisations. Directors have disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies and organisations and an indication of the time involved. They are also reminded to notify the Company in a timely manner of any change of such information. In respect of those Directors who would stand for re-election at the 2026 AGM, all their directorships held in listed public companies in the past three years are to be set out in the circular to shareholders regarding, inter alia, proposed re-election of retiring Directors. Other details of Directors are set out in the brief biographical details of the Directors and senior management on pages 14 to 16.

Directors are also encouraged to attend seminars and conferences to enrich their knowledge in discharging their duties as a director. The Company has arranged from time to time at its cost seminars and/or conferences conducted by professional bodies for the Directors relating to, inter alia, director's duties, corporate governance and regulatory updates. Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

- (1) participation in continuous professional training seminars and/or conferences and/or courses and/or workshops on subjects relating to, inter alia, corporate governance, directors' duties and legal and regulatory changes organised and/or arranged by the Company and/or professional bodies and/or lawyers;
- (2) reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and
- (3) reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

According to the training records provided by the Directors to the Company, all Directors participated in continuous professional development during the Year through the above means (1), (2) and (3). Records of the Directors' training during the Year are as follows:

Directors	Training received
Executive Directors	
Dr. Stephen Riady (<i>Chairman</i>)	(1), (2) and (3)
Mr. John Luen Wai Lee (<i>Deputy Chairman</i>)	(1), (2) and (3)
Mr. Davy Kwok Fai Lee (<i>Chief Executive Officer</i>)	(1), (2) and (3)
Mr. James Siu Lung Lee	(1), (2) and (3)
Mr. Brian Riady	(1), (2) and (3)
Non-executive Director	
Mr. Leon Nim Leung Chan	(1), (2) and (3)
Independent Non-executive Directors	
Mr. Edwin Neo	(1), (2) and (3)
Mr. Victor Ha Kuk Yung	(1), (2) and (3)
Ms. Min Yen Goh	(1), (2) and (3)

Corporate Governance Report *(continued)*

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged directors' and officers' liability insurance for years to indemnify the directors and officers of the Group against any potential liability arising from the Group's activities which such directors and officers may be held liable.

AUDITOR'S REMUNERATION

Ernst & Young has been appointed by the shareholders annually as the Company's auditor. During the Year, the fees charged to the financial statements of the Group for the statutory audit and non-statutory audit services provided by Ernst & Young (which for the purpose includes any entity under common control, ownership or management with the auditor or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the auditor nationally and internationally) amounted to approximately HK\$4.8 million (2024 — HK\$4.8 million) and approximately HK\$0.1 million (2024 — HK\$0.3 million), respectively. The non-statutory audit services provided during the Year consisted of the review of the Group's continuing connected transactions and other reporting services.

AUDIT COMMITTEE

The Board established an Audit Committee in December 1998. The Audit Committee has clear terms of reference and is accountable to the Board. Its terms of reference were revised in December 2025 and the updated version can be found on the Company's website (www.lcr.com.hk) and the Stock Exchange's website (www.hkexnews.hk). The Audit Committee assists the Board in meeting its responsibilities for ensuring an effective system of internal control and compliance, and in meeting its external financial reporting objectives. The Audit Committee is also responsible for the Company's corporate governance functions. All Committee members are non-executive Directors and two of them including the Chairman are independent. The Audit Committee comprises three members including two independent non-executive Directors, namely Messrs. Victor Ha Kuk Yung (being the Chairman of the Audit Committee) and Edwin Neo and a non-executive Director, namely Mr. Leon Nim Leung Chan. Four meetings were held during the Year and the individual attendance of each member is set out above.

The Committee members possess diversified industry experience and the Chairman of the Audit Committee has appropriate professional qualifications and experience in accounting matters. Under its current terms of reference, the Committee will meet at least twice each year. Management and auditor shall normally attend the meetings. In addition, the Audit Committee holds regular meetings with external auditor without the presence of executive Directors and/or management.

During the Year, the Audit Committee discharged its duties by reviewing and/or monitoring financial, audit, risk management, internal control and corporate governance matters of the Group, including management accounts, financial statements, interim and annual reports, corporate governance report, risk management report and internal audit reports and discussing with executive Directors, management, external auditor and internal audit and risk management department (the "IA & RM Department") regarding financial matters, corporate governance policies and practices and internal audit, control and risk management matters of the Group, and making recommendations to the Board including, inter alia, financial-related matters. The Audit Committee reviewed the Company's compliance with the CG Code and disclosure in the corporate governance report, the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices in compliance with legal and regulatory requirements and the code of conduct applicable to employees and Directors. The Audit Committee also recommended to the Board that, subject to the shareholders' approval at the 2026 AGM, Ernst & Young be re-appointed as the Company's external auditor for the ensuing year; and reviewed the fees charged by the Company's external auditor. The Audit Committee also assisted the Board in reviewing and updating the terms of reference of the Audit Committee.

Corporate Governance Report *(continued)*

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises its responsibility for maintaining adequate systems of risk management and internal control and is responsible for evaluating and determining the nature and extent of the risks (including risks relating to environmental, social and governance (“ESG”)) it is willing to take in achieving the Group’s strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems. It also reviews and monitors the effectiveness of the risk management and internal control systems on an ongoing basis.

During the Year, a review of the effectiveness of the Group’s risk management and internal control systems covering the risk management functions and all material controls, including financial, operational and compliance controls was conducted, details of which are set out in the Risk Management Report on pages 41 to 48. Such review will be conducted on an annual basis.

An Inside Information Policy was adopted by the Company which sets out guidelines to the Directors, officers and all relevant employees of the Group to ensure inside information (as defined in the Listing Rules) (the “Inside Information”) of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations. The Company also established Group Internal Notification Policies and Procedures for setting out guidelines for identification and notification of Inside Information and notifiable transactions (as defined in the Listing Rules). A Whistleblowing Policy and an Anti-corruption Policy were also adopted by the Group. The Anti-corruption Policy was revised in March 2026. The updated version of each of the Whistleblowing Policy and the Anti-corruption Policy can be found on the Company’s website (www.lcr.com.hk).

During the Year, the Board reviewed the adequacy of resources, qualifications and experience of staff of the Company’s internal audit function as well as its accounting and financial reporting function, and their training programmes and budgets, as well as those relating to the ESG performance and reporting. The review will be conducted annually in accordance with the requirements of the CG Code.

INTERNAL AUDIT

The IA & RM Department was set up in 2007 to perform internal audit and to review the internal control and risk management systems of the Group.

The principal roles of the internal audit are to ensure the effectiveness of internal control procedures and compliance with different standards and policies across different businesses and operations of the Group. The IA & RM Department audits and evaluates the Group’s internal control operation and risk management process so as to address the financial, operational and compliance risks in the Group. The Board and the Audit Committee will actively take actions based on the findings from the IA & RM Department. The IA & RM Department is also responsible for providing improvement recommendations to different operation teams and departments so as to minimise the risk exposure in the future.

COMPANY SECRETARY

The Company Secretary is an employee of the Company. The Company Secretary is responsible for facilitating the Board’s processes and communications among Board members, with shareholders and with management. During the Year, the Company Secretary had taken over 15 hours of relevant professional training to update her skills and knowledge.

Corporate Governance Report *(continued)*

COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy (the "Shareholders' Communication Policy") and will review it annually to ensure its effectiveness. The Shareholders' Communication Policy was revised and updated in December 2025.

The Company's Annual General Meeting (the "AGM") is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to ask questions about the Company's performance. Separate resolutions will be proposed for each substantially separate issue at the AGM. Board members, including the Chairmen of the Board committees and Board committee members, and the Company's external auditor attended the 2025 AGM and were available to answer questions from shareholders.

Under the Listing Rules, all resolutions proposed at shareholders' meetings must be voted by poll except where the chairman of a general meeting, in good faith and in compliance with the Listing Rules, decides to allow resolutions to be voted on by the shareholders on a show of hands. Details of the poll procedures will be explained during the proceedings of shareholders' meetings. The poll voting results will be released and posted on the websites of the Company (www.lcr.com.hk) and the Stock Exchange (www.hkexnews.hk).

For efficient communication with shareholders and environmental protection, shareholders can choose to receive the Company's corporate communications by electronic means through the Company's website (www.lcr.com.hk). The manner in which the Company has adopted for the dissemination of its corporate communications is set out in the document named "Corporate Communication Requests" on the Company's website. All the financial information and other disclosures including, inter alia, annual reports, interim reports, announcements, circulars, notices, the Articles and other documents as required by the Listing Rules and any other relevant laws and regulations are available on the Company's website. In order to enable shareholders to make queries that they may have with respect to the Company, contact details of the Company such as telephone number and facsimile number are available on the Company's website.

Shareholders may direct their questions about their shareholdings to the Company's Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong or contact the Customer Service Hotline of the Company's Registrar at (852) 2980 1333 or by email to lcr-ecom@vistra.com. Shareholders may send their enquiries to the Board or the Company Secretary in written form to the registered office of the Company.

During the Year, the Company maintained an on-going dialogue with its shareholders and the Board reviewed and considered the Shareholders' Communication Policy to have been effectively implemented.

SHAREHOLDERS' RIGHTS

Under Section 566 of the Hong Kong Companies Ordinance (the "Companies Ordinance"), shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at the general meetings are entitled to send a request to the Company to convene a general meeting. Such requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the Company in hard copy form or in electronic form and must be authenticated by the shareholder(s) making it and deposited at the registered office of the Company or sent to the Company's email address at lcr.ir@lippohk.com. Besides, in relation to an annual general meeting which a company is required to hold, Sections 615 and 616 of the Companies Ordinance provide that shareholders representing at least 2.5% of the total voting rights of all shareholders of the company having a right to vote on the resolution at the annual general meeting or at least 50 shareholders having a right to vote on the resolution at the annual general meeting, may request the company to circulate a notice of the resolution for consideration at the annual general meeting, by sending a request, which must be authenticated by the shareholders making it, in a hard copy form or electronic form. Such request must be deposited at the registered office of the Company or sent to the Company's email address at lcr.ir@lippohk.com.

Corporate Governance Report *(continued)*

DIVIDEND POLICY

The Company considers stable and sustainable returns to the shareholders and investors of the Company to be its goal and endeavours to achieve a progressive dividend policy where appropriate. The Board had approved and adopted a dividend policy for the Company (the “Dividend Policy”) in January 2019 that aims to set out the approach to determine the dividend to be payable by the Company, enhance transparency of the Company and facilitate shareholders and investors of the Company to make informed investment decisions. The Dividend Policy was revised and updated in March 2026.

In deciding whether to propose a dividend and in determining the dividend amount or form, the Board will take into account, inter alia, the Group’s earnings performance, financial position, investment and funding requirements, economic conditions, business environment and future prospects, and interests of shareholders. The Company may declare or pay dividends by way of cash or scrip or other forms that the Board considers appropriate. The Company does not have any pre-determined dividend payment ratio and there is no assurance that a dividend will be proposed or declared in any given year.

The Board will review the Dividend Policy from time to time to ensure its continued effectiveness.

FAIR DISCLOSURE AND INVESTOR RELATIONS

The Company uses its best endeavours to distribute material information about the Group to all interested parties as widely as possible. When announcements are made through the Stock Exchange, the same information will be available to the public on the Company’s website. The Company recognises its responsibility to disclose its activities to those with a legitimate interest and to respond to their questions. In all cases, great care has been taken in handling Inside Information of the Group. An Inside Information Policy was adopted by the Company which sets out guidelines to ensure Inside Information of the Group is to be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations.

Management of the Group maintains regular contacts with the investment community. A shareholders’ communication policy was adopted by the Group.

During the Year, no amendments were made to the Company’s Articles. The latest version of the Company’s Articles is available on the Company’s website (www.lcr.com.hk) and the Stock Exchange’s website (www.hkexnews.hk).

FINANCIAL REPORTING

The Board recognises its responsibility to prepare the Company’s financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, Listing Rules and other regulatory requirements. As at 31 December 2025, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group’s financial position or continue as a going concern. The Board selected appropriate accounting policies and applied consistently. Judgments and estimates were reasonably and prudently made. The external auditor is responsible for audit and report, if any, material misstatement or non-compliance with Hong Kong Financial Reporting Standards or other regulations. The Board uses its best endeavours to ensure a balanced, clear and understandable assessment of the Group’s performance, position and prospects in financial reporting.

The responsibilities of the auditor with respect to financial reporting are set out in the Independent Auditor’s Report on pages 103 to 107.

CORPORATE SOCIAL RESPONSIBILITY

The Group is conscious of its role as a socially responsible group of companies. It cares for and supports the communities where it operates. The Group has made donations for community well-being from time to time.

Risk Management Report

Effective risk management is essential for the Company and its subsidiaries (together, the “Group”) to take the appropriate level of risks and opportunities in pursuing its strategic and business goals. The Group is committed to the continuous improvement of the enterprise risk management (“ERM”) system in order to facilitate the long-term growth and sustainability of its businesses. Given the increasing significance of Environmental, Social and Governance (“ESG”) risks, the Group has integrated ESG risk factors into risk management process since 2018.

The Group’s ERM framework is established with reference to the Enterprise Risk Management — Integrated Framework issued by COSO and the ISO 31000 Risk Management — Principles and Guidelines, which comprises 3 key components:

1. Risk Management Strategy
2. Risk Governance Structure
3. Risk Management Process

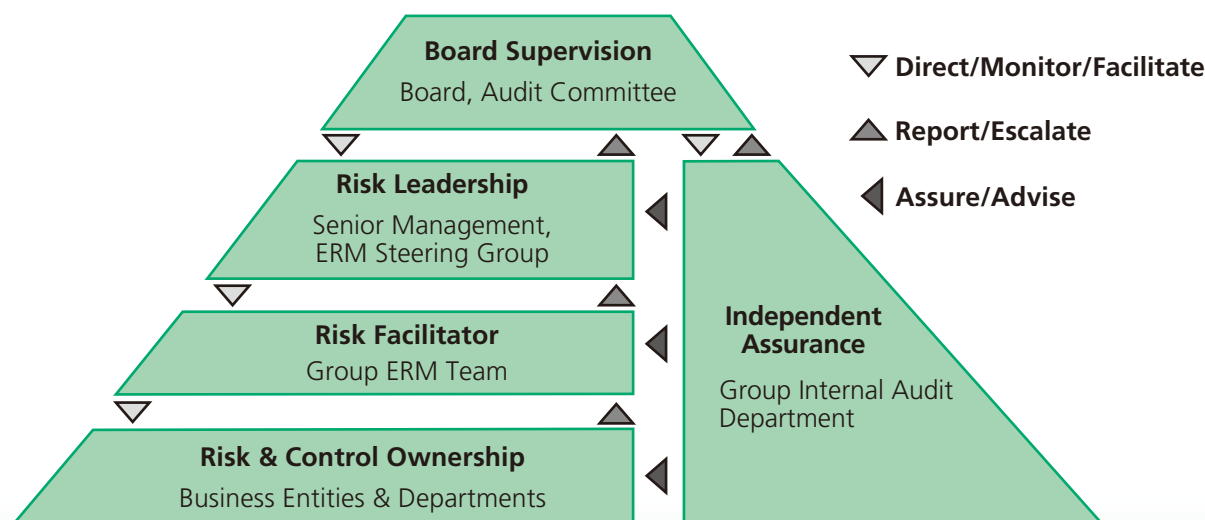
RISK MANAGEMENT STRATEGY

The Group recognises the importance of a proactive risk culture to the effective implementation of ERM system. In order to foster the desired risk culture, the Group has integrated the ERM system into various parts of the business and day-to-day operation processes and the Group aims to achieve the following objectives through the risk management activities:

- Promote corporate governance with a sound system of internal controls.
- Embed a systematic approach to identify risks.
- Enable the Group to strike the right balance between risks and rewards by making risk informed decisions in accordance with the Group’s business objectives and risk appetite.
- Ensure the adequacy and effectiveness of risk controls in place to manage key risks.
- Ensure compliance with the relevant legal and regulatory requirements.

RISK GOVERNANCE STRUCTURE

The Group’s risk governance structure provides the foundation for an effective risk monitoring and management. The roles and responsibilities of each layer are clearly established to ensure a thorough understanding among all the personnel within the Group.



Risk Management Report *(continued)*

RISK GOVERNANCE STRUCTURE *(continued)*

Board Supervision

The Board of Directors (the “Board”)

- Maintains ultimate responsibility for risk management and internal control systems (the “RMIC systems”).
- Approves the overall risk appetite statement and tolerance levels.
- Oversees management’s design, implementation and monitoring of RMIC systems.
- Ensures the effectiveness of the RMIC systems is reviewed at least annually, and adequate resources are allocated.

Audit Committee (delegated by the Board)

- Advises the Board on the overall ERM strategy, risk governance framework, risk appetite, and risk culture.
- Oversees the identification, assessment and monitoring of principal risks (including ESG and climate-related risks) and the mitigation strategies.
- Oversees the RMIC systems, including their annual effectiveness review.
- Reviews whistleblowing concerns and effectiveness of the whistleblowing policy.

Risk Leadership

Senior Management

- Provides overall leadership for risk management activities through ERM Steering Group.

ERM Steering Group (led by Senior Management)

- Establishes risk criteria and assessment methodologies.
- Assesses Group-level significant risks and reviews entity-level risk profiles periodically.
- Allocates sufficient resources to implement the Group’s ERM framework.
- Updates the Audit Committee periodically on the Group’s risk profile and status of key risk treatment plans.
- Monitors the effectiveness of the RMIC systems on an ongoing basis and reports findings.

Risk Facilitator

The Group ERM Team

- Implements the Group’s risk management policies and plans as endorsed by ERM Steering Group, and facilitates the ERM process across all business entities using standardized tools and templates for risk assessment, treatment, and reporting.
- Monitors the progress of risk treatment plans to ensure that internal controls and mitigation measures are properly designed and effectively implemented.
- Provides regular updates on the Group’s risk profile and risk management progress to the Board via senior management and the Audit Committee.

Risk Management Report *(continued)*

RISK GOVERNANCE STRUCTURE *(continued)*

Risk and Control Ownership

Business Entities and Departments

- Review and identify changes in risks and emerging risks in light of changes in the business environment.
- Analyse risks and design appropriate controls or risk treatment plans to address those risks.
- Take responsibility for risk management activities and reporting within their respective businesses or operations.
- Perform regular risk and control self-assessments.

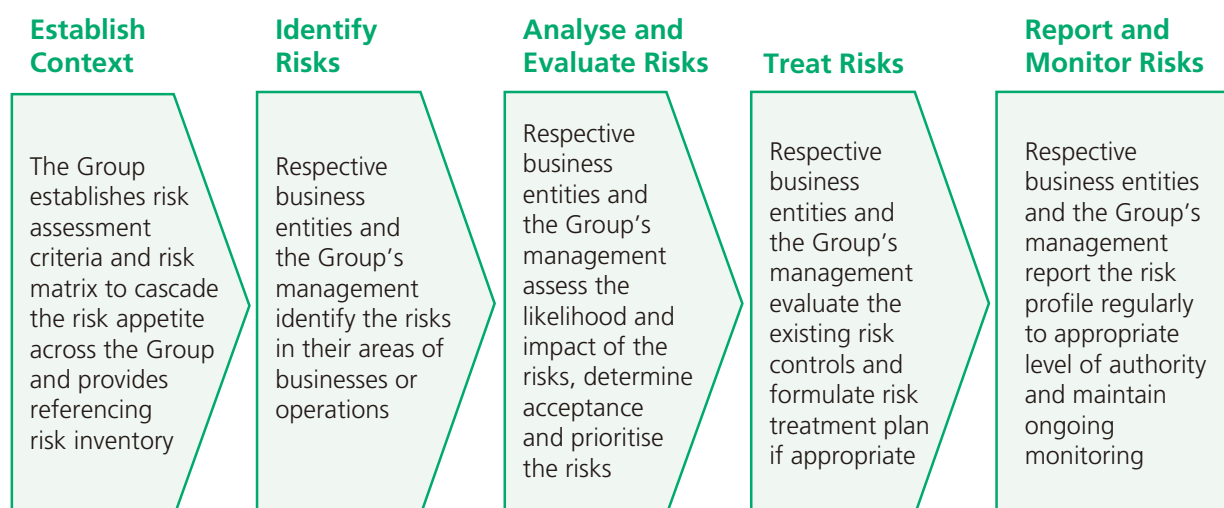
Independent Assurance

Group Internal Audit Department

- Provides independent assurance on the effectiveness of the RMIC systems by conducting risk-based audits and compliance reviews across major entities and functions in accordance with an annual plan approved by the Audit Committee, and performing ad hoc reviews when necessary.
- Reports audit results regularly to the Audit Committee and submits an annual summary report to the Board.
- Conducts follow-up reviews to ensure effective implementation of improvement actions.

RISK MANAGEMENT PROCESS

The Group's risk management process provides a systematic approach to manage risks. The following diagram illustrates the key activities in the process.



Risk Management Report *(continued)*

CONTINUOUS IMPROVEMENT

The Group is committed to enhancing its RMIC systems and implemented the following key initiatives for the year ended 31 December 2025 (the “Year”):

1. A comprehensive review and update of the Risk Management Framework Manual to enhance guidance, align practices, and clarify terminology and processes.
2. Updated the ERM reporting template to incorporate climate-related risks and sustainability challenges relevant to the Group.
3. Evaluated annual risk and control self-assessments from business entities and department heads to identify any significant changes of risks (including ESG risks) and assess proposed risk management enhancements.
4. Reviewed the Company’s policies, updated the Shareholders’ Communication Policy, adopted a new Workforce Diversity Policy, and revised the terms of reference of the Audit Committee and Nomination Committee to strengthen risk oversight.
5. Performed internal audits of selected business entities and departments to assess compliance, identify control weaknesses, and evaluate remedial actions.
6. Delivered targeted training to risk owners and staff on food hygiene, occupational health and safety, and workplace crisis management.
7. Conducted Climate Scenario Analysis to identify material physical and transition risks, assess financial impacts, test business model resilience, inform mitigation strategies, optimise capital allocation, and support forward-looking climate disclosures.

SIGNIFICANT RISKS

The Group faces a number of risks and uncertainties that, if not properly managed, could lead to potential losses for the Group. These risks are classified into four main categories:

Strategic	— Risk resulting from suboptimal determination and execution of business strategies or changes in external business environment
Operational	— Risk of potential financial losses and/or business instability arising from failures in internal controls, operational processes, or in the system that supports them
Financial	— Risk resulting from financial and reporting activities and/or use of financial instruments
Compliance	— Risk of non-compliance with internal requirements and standards, legal or regulatory requirements and/or any related third party legal actions or disputes

Each of these categories encompasses ESG and climate-related risk factors to varying degrees.

During the Year, the Group reviewed risk profiles reported by business entities and department heads, and conducted Group-level risk analysis. Through this combined top-down and bottom-up approach, the Group identified significant risks across business segments and functions, including ESG-related risks, and implemented mitigation measures with ongoing monitoring.

Risk Management Report *(continued)*

SIGNIFICANT RISKS *(continued)*

The major risks identified for the Year and their corresponding mitigation measures are summarized below:

A. Food Businesses

Major Risks Description	Key Mitigations
1. Macroeconomic Risk (Strategic Risk) The risk of economic downturn or slow recovery in the business region, impacting the Group's profitability.	1. Implement Measures to Boost Sales Continuously monitor each brand's performance, benchmark market trends, refine strategies, optimise pricing and product offerings. 2. Enhance Service Quality and Marketing Continuously monitor and improve hygiene, food quality, and service standards while expanding marketing channels and leveraging social media to attract and retain customers. 3. Optimise Production Efficiency and Reduce Costs Streamline operations, revamp the menu to focus on popular items, and use seasonal ingredients to minimize spoilage. Reduce costs by requesting rent relief and promotional support from landlords, and recruit workers from Chinese Mainland to fill specific restaurant positions.
2. Talent Attraction and Retention Risk (Operational Risk) The risk of failing to recruit and retain qualified staff, impacting the business operations and objectives. The risk of insufficient diversity and equal opportunities among staff, hindering the Group's ability to attract talent.	1. Conduct regular market salary surveys to maintain competitive remuneration and benefits that align with industry standards and attract talent. 2. Establish KPIs and conducting interim and annual performance reviews. Developing promotion and career development plans for high-potential staff. 3. Leverage social media platforms for recruitment to maximize reach and attract potential candidates. 4. Enhance workplace flexibility measures, to improve work-life balance. 5. Design new recruitment advertisements to enhance the corporate image, attract new talent, and foster cohesiveness among existing staff. 6. Raise the frontline retirement age in Hong Kong and recruit workers from Chinese Mainland through the Enhanced Supplementary Labour Scheme.

Risk Management Report *(continued)*

SIGNIFICANT RISKS *(continued)*

A. Food Businesses *(continued)*

Major Risks Description	Key Mitigations
3. Work Safety Risks (Operational Risk) The risk of accident, real or perceived threat to health & safety, impacting the Company's health & safety goal and reputation or exposing the Company to extra financial burden. Extreme weather may have negative impacts on the workforce.	1. Established Health and Safety Committees to oversee occupational health and safety (OHS) and update the safety policies to ensure compliance. 2. OHS Prevention Measures in Hong Kong include: • Maintain adequately stocked first-aid boxes at all frontline stores and the office. • Conduct heavy load training for warehouse workers and delivery teams, including proper lifting techniques in induction materials for new staff. • Provide training on emergency incident handling procedures for restaurant managers. • Frontline staff must wear face masks at work. 3. Conduct surprise safety inspections regularly. 4. Closely monitors extreme weather events in Hong Kong, promptly informs frontline staff of work arrangements, and adjusts business hours as necessary. 5. Delifrance Singapore Pte. Ltd. has been certified as bizSafe Level 3 by the Workplace Safety and Health Council in Singapore.

Risk Management Report *(continued)*

SIGNIFICANT RISKS *(continued)*

B. Group Operation

Major Risks Description	Key Mitigations
1. Natural Disaster and Climate-related Physical Risk (Operational Risk) The risk of typhoon, earthquake, tsunami, heavy storm, landslide, floods, and other extreme weather events, impacting the business operation.	1. Maintaining appropriate insurance coverage for different disaster scenarios. 2. Crisis management plans in place for addressing potential threats. 3. Establishing Business Continuity Plan, with scheduled testing and drills to ensure resilience of the critical systems. 4. Conducting regular backups of accounting and IT systems.
2. Business Investment Risk (Strategic Risk) The risk associated with the underperformance of investments in other companies or businesses, which may reduce target returns.	1. Treasury and securities investment decisions are guided by the investment criteria and processes outlined in the Investment Committee's terms of reference. 2. Thoroughly review business cases, conduct due diligence using comprehensive financial and legal information, and evaluate exit strategies before making any investment commitments.

Risk Management Report *(continued)*

REVIEW OF THE EFFECTIVENESS OF THE RMIC SYSTEMS

During the Year, the Board reviewed the adequacy and effectiveness of the Group's RMIC systems taking into account, among other things, the following:

1. Updated the Risk Management Framework Manual to enhance guidance and clarity.
2. Revised the ERM reporting template to incorporate additional climate-related risks and sustainability challenges.
3. Reviewed and updated key policies including the Anti-corruption Policy.
4. Strengthened the terms of reference of Audit Committee for enhanced risk oversight.

The Audit Committee, delegated by the Board, conducted a detailed review considering:

1. The regular reports on the progress of risk management implementation.
2. The reports on the Group's significant risks, including the risk profile and mitigation measures of major business entities.
3. The results of risk and control self-assessments performed by business entities and department heads.
4. The findings and recommendations from internal audits of business entities and functions, including assessments of the effectiveness of internal controls.
5. The adequacy of resources for designing, implementing and monitoring the RMIC systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, financial reporting, internal audit and risk management functions, as well as ESG-related functions.
6. The scope and quality of management's ongoing monitoring of the RMIC systems.
7. The regular review of Group policies to implement updates as necessary.
8. The extent and frequency of management's communication and reporting to the Board and the Audit Committee on risk management matters and issues identified.

Based on these reviews and the confirmations provided by management, the Board concluded that the Group's RMIC systems were appropriate and effective throughout the Year. The RMIC systems are designed to mitigate risks and provide reasonable, but not absolute, assurance against material misstatement or loss.

Environmental, Social and Governance Report

1. ABOUT THIS REPORT

This Environmental, Social and Governance (“ESG”) Report (the “ESG Report”) presents the performance of the Company and its subsidiaries (together, the “Group”) on ESG aspects for the year ended 31 December 2025 (the “Year” or “2025”). By reporting the policies, measures and performance of the Group in ESG aspects, it allows all stakeholders to better understand the progress of the Group towards sustainability.

1.1 Reporting Boundary

The ESG Report covers the operation of the Company’s head office in Hong Kong and its subsidiaries in food businesses, property development, property investment and property management and management services for the Year, details of which are as disclosed hereinbelow. While the ESG Report does not cover all of the Group’s operations, the aim of the Group is to consistently upgrade the internal data collection procedure and gradually expand the scope of disclosure.

Segments	Subsidiaries covered in the reporting boundary
Food businesses	- Auric Pacific Group Limited - Auric Pacific Food Industries Pte. Ltd. - Sunshine Bread Sdn Bhd (“Sunshine Bread”)¹ - Cuisine Continental Group (HK) Ltd. (“CC Group”)² - Cuisine Continental (HK) Limited (“CCHK”)³ - Delifrance Singapore Pte. Ltd. (“Delifrance Singapore”)⁴ - LCR Catering Services Limited (“LCRC”)⁵
Property development, property investment and property management	- 福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited) - 福州力寶商業顧問有限公司 (Fuzhou Lippo Commercial Consultants Limited)
Management services	- 北京力寶商業顧問有限公司 (Beijing Lippo Commercial Consultants Limited) - LCR Management Limited

¹ Sunshine Bread is engaged in manufacturing and distribution of bread, cakes and other bakery products in Malaysia and Singapore.

² CC Group operates the brands of “Delifrance”, “alfafa” and “Chatterbox Express” in Hong Kong.

³ CCHK operates the brands of “Chatterbox Café” and “alfafa” in Hong Kong.

⁴ Delifrance Singapore operates the brand of “Delifrance” in Singapore.

⁵ LCRC operates “Lippo Chiuchow Restaurant” in Hong Kong.

Environmental, Social and Governance Report *(continued)*

1. ABOUT THIS REPORT *(continued)*

1.2 Reporting Standard and Principles

The ESG Report was prepared in accordance with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In preparation for the ESG Report, the Group adheres to the reporting principles as set out in the ESG Reporting Code:

Reporting Principles	The Group’s Applications
Materiality	Material ESG issues were identified and prioritised through stakeholder engagement, review of local and international standards and issues of significance to peers. The materiality assessment was presented to the Board of Directors (the “Board”). Relevant contents are disclosed in the ESG Report.
Quantitative	The Group records and discloses key performance indicators in quantitative terms as appropriate.
Balance	The ESG Report discloses information in an objective manner, giving stakeholders an unbiased picture of the Group’s overall ESG performance.
Consistency	As far as practicable and unless stated otherwise, the Group employs consistent measurement methodology to allow for meaningful comparison of ESG data over time.

1.3 Confirmation and Approval

Information in the ESG Report was sourced from the official documents, statistical data and management and operational information collected by the Group. The ESG Report was approved by the Board of the Company on 31 March 2026.

1.4 Opinion and Feedback

The Group values the opinions of stakeholders. If any stakeholder has any feedback or suggestions on the ESG Report, please send them to the registered office of the Company at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong or the Company’s email address at lcr.ir@lippohk.com. Your feedback or suggestions would greatly help the Group continuously improve its ESG performance.

Environmental, Social and Governance Report *(continued)*

2. APPROACH TO ESG

Sustainability is a key component of the Group's long-term business strategy, contributing to value creation and operational resilience. The Group is committed to incorporating ESG into its business decisions through robust governance and risk management practices. Fostering a strong ethical corporate culture is essential for driving performance and the Group strives to conduct operations with principles of integrity and responsibility. Going forward, the Group will continue to amplify efforts in creating long-term value for various stakeholders with unwavering ethical conduct and robust governance.

2.1 Governance Structure

Robust governance is essential for effectively implementing business strategies and creating sustainable value. The Board oversees the Group's ESG-related matters, including climate-related issues. In regular board meetings, the Board assesses and reviews policies, strategies, measures, performance, risks, and impacts related to ESG and climate as needed.

The ESG Working Group, comprising senior management, assists the Board in identifying, assessing, and managing critical ESG issues, as well as developing appropriate ESG strategies. It ensures that policies comply with relevant regulations and works closely with various departments to track ESG performance, review materiality assessments, and report to the Board annually. The Group will continue to seek improvement in its ESG governance and sustainability strategies.

2.2 ESG Risk Management and Internal Control Systems

ESG and climate-related considerations are integrated into the enterprise risk management ("ERM") process. A robust internal control system and formal review process are in place to enhance the accuracy and reliability of information in the ESG report.

The Board maintains ultimate responsibility for the Group's risk management and internal control systems (the "RMIC systems"), approves the risk appetite, and reviews the effectiveness of the RMIC systems at least annually. The Audit Committee, as delegated by the Board, oversees the identification, assessment, and monitoring of the Group's principal risks (including ESG and climate-related risks) and their corresponding mitigation strategies. This framework encompasses all operational areas, demonstrating a cohesive approach across all business units and departments.

Throughout the Year, relevant risk management training was offered to designated risk owners to enhance their ability to identify and address emerging threats. For more details on the Group's risk governance structure, management strategies and key identified risks, please refer to the Risk Management Report on pages 41 to 48.

Environmental, Social and Governance Report *(continued)*

2. APPROACH TO ESG *(continued)*

2.3 Business Ethics

The Group values honesty, integrity, and fairness as the foundation of its core business principles to drive sustainable development. The Group is committed to upholding high ethical standards throughout its operations and complying with all applicable laws, regulations, and policies in the regions it operates. Expectations and standards for business ethics are defined through relevant policies and guidelines established, as outlined below.

(a) *Anti-corruption*

The Anti-corruption Policy outlines the basic behavioural standards for all Directors and staff of the Group. It covers key topics such as prevention of bribery, corruption, extortion and fraud, as well as relationships with suppliers, contractors and customers. Various situations are demonstrated in the Policy as references, including accepting and offering advantages, receiving gifts, unusual discounts and entertainment, dealing with conflicts of interest, and handling confidential information. All employees are expected to comply with these requirements to act ethically and uphold honesty and integrity in business operations.

In order to equip employees with knowledge on the Group's requirements on anti-corruption, the Anti-corruption Policy is explained to new employees during the induction for both head office staff and frontline staff in certain subsidiaries in Hong Kong.

During the Year, the Group did not identify any non-compliance cases with laws and regulations in relation to corruption, bribery, extortion, fraud and money laundering, nor was there any concluded legal case regarding corruption practices brought against it or its employees that would have a significant impact on the Group.

(b) *Data privacy, data security, and intellectual property rights*

The Group is committed to protecting customer data privacy and intellectual property rights of third parties, as well as forbidding the unauthorised utilisation of legally protected materials. The Product and Service Responsibility Policy outlines the guiding principles for protecting customer data and third-party intellectual property. Employees are required to comply with all relevant laws and regulations when handling confidential information. The Group only collects and retains information about its suppliers and customers that is necessary for business activities to preserve confidentiality. Before collecting any data, informed consent is obtained from relevant stakeholders to ensure they understand the purpose and intended use of the collected data.

Subsidiaries in Hong Kong and Singapore that process personal data adhere to privacy policies and operational procedures which regulate aspects such as data collection, use, retention, access, communication and disclosure. These policies are made publicly accessible on the respective companies' websites to ensure transparency for customers and the general public. Individuals may reach out to the designated data protection officer or customer service department for inquiries or to withdraw their consent.

To protect sensitive information, data access is controlled through a combination of technological safeguards and procedural controls. Only authorised personnel are permitted to handle data, minimising risks such as unauthorised or accidental access, deletion, loss or misuse of data.

As a regular practice to maintain responsiveness and effectiveness of policies, the Company is in the process of updating its IT Business Continuity Plan to strengthen operational resilience. The revision is targeted for completion in 2026.

Environmental, Social and Governance Report *(continued)*

2. APPROACH TO ESG *(continued)*

2.3 Business Ethics *(continued)*

(c) *Whistleblowing Policy*

The Group adheres to the principles of openness, probity and accountability. To support this commitment, the Whistleblowing Policy has long been upheld to facilitate our operations' compliance with the corporate policies and applicable laws. The Whistleblowing Policy set out procedures for confidential reporting regarding suspected misconduct, malpractice or irregularity. Information provided by a whistleblower is treated with strict confidentiality, except where disclosure is mandated. Retaliation against informants within the Group is prohibited. The policy is publicly available on the Company's website (www.lcr.com.hk).

Employees and third parties are encouraged to report any concerns about actual or suspected fraud, corruption or unethical behaviour through designated email and phone channels. The Group has established a set of internal escalation procedures under which whistleblowing reports are addressed to managers, department heads, the head of the Internal Audit and Risk Management ("IA & RM") Department, the Chief Executive Officer, or the Audit Committee, depending on the nature of the issues.

The Audit Committee oversees regular policy reviews and updates to ensure ongoing integrity and conducts investigations with assistance from the IA & RM Department. During the Year, one case was received through the whistleblowing channel. Following review by the Audit Committee, the matter was assessed and determined to be a labour dispute rather than a whistleblowing incident. The case has been handled accordingly through the appropriate internal process.

Environmental, Social and Governance Report *(continued)*

2. APPROACH TO ESG *(continued)*

2.4 Stakeholder Engagement

The Group is committed to ensuring that its sustainable development is consistent with the expectations of its stakeholders and endeavours to maintain open and continuous communication with a variety of stakeholders through diversified communication channels.

The Group has identified the following stakeholders that are likely to be impacted by its business activities or likely to have an impact on the Group. By engaging with different stakeholder groups on an ongoing basis, the Group is able to integrate its feedback into our strategic decision-making processes.

Stakeholders		Engagement Channels
Internal	The Board	Regular board meetings
	Management	Regular communication and updates from management
	General staff	- Internal communication platforms (for example intranet and email) - Team meetings and presentations - Training and development opportunities - Grievance mechanism
External	Investors and shareholders	- Annual General Meeting and Results Announcements - Annual report and interim report - Investor meetings - Corporate website and the Stock Exchange website
	Customers	- Customers complaint and feedback system - Customer service channels (for example helpline, WhatsApp and email)
	Business partners, suppliers and service providers	- Tendering and procurement processes - Briefings, meetings and visits - Supplier assessment and performance reviews
	Auditors	- Regular meetings and discussions - Attendance at Audit Committee meetings
	Bankers	- Periodic meetings and discussions - Participation in banking events
	Communities	- Donations and sponsorships for community projects - Public or community event participation - Volunteering opportunities
	Non-governmental organisations	- Joint events and collaborations - Partnerships for social or environmental initiatives
	Media	- Media interviews and press releases - Feedback and responses to media enquiries

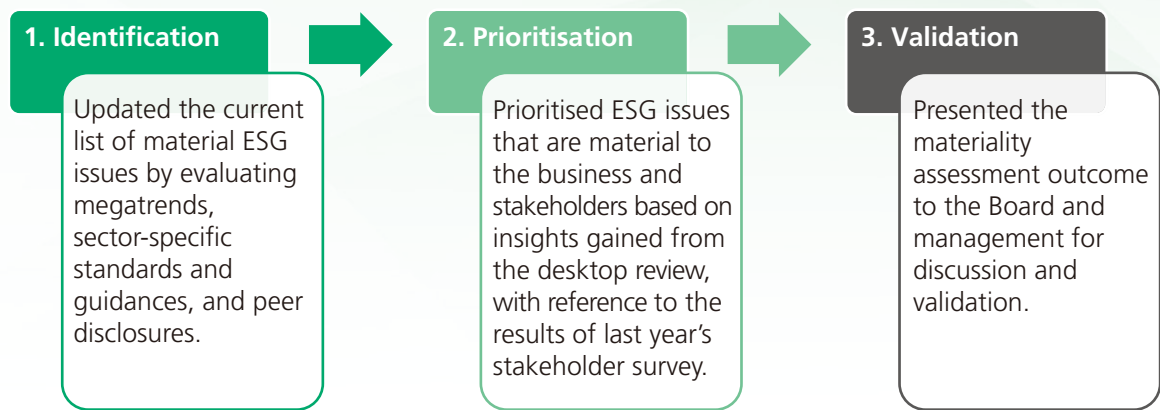
Environmental, Social and Governance Report *(continued)*

2. APPROACH TO ESG *(continued)*

2.5 Materiality Assessment

The Group continued to refine our understanding of sustainability priorities by reviewing the evolving significance of ESG issues to our business and stakeholders. Building on insights from last year’s materiality assessment, we undertook a comprehensive review of our material ESG issues for this Year through a desktop review of global sustainability megatrends, drawing upon the latest publication from the World Economic Forum and MSCI. To obtain a better understanding of sector-specific sustainability-related risks and opportunities, our review also benchmarked peer disclosures and analysed insights from major sustainability ratings and reporting frameworks, including those from the Sustainability Accounting Standards Board.

Materiality Assessment Process



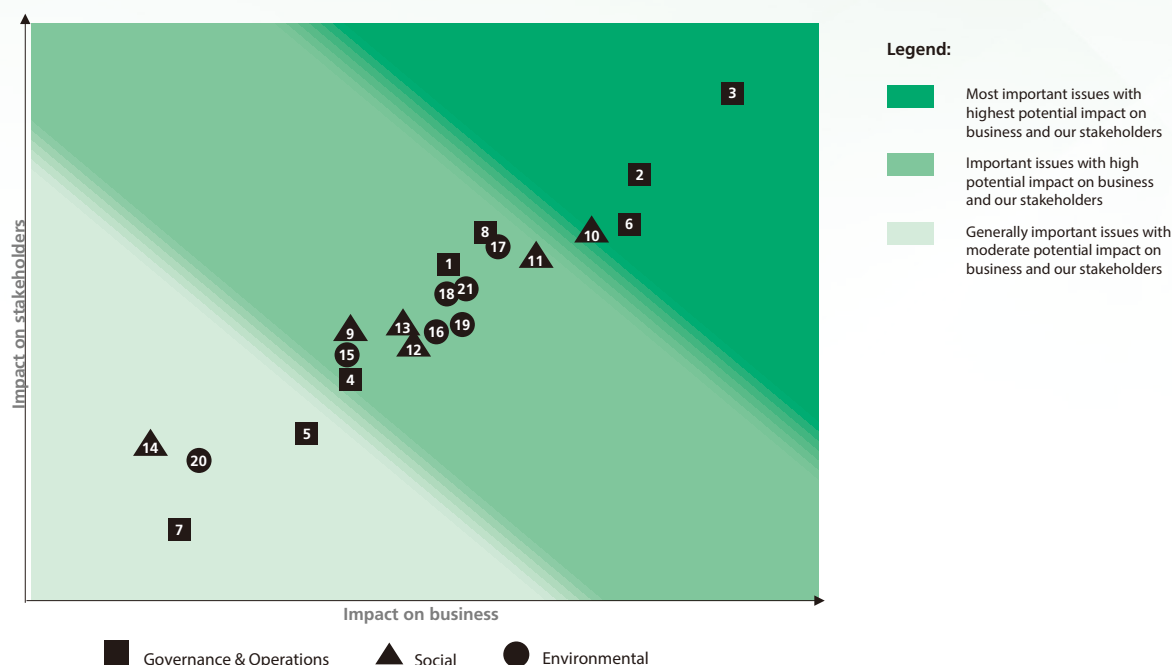
Environmental, Social and Governance Report *(continued)*

2. APPROACH TO ESG *(continued)*

2.5 Materiality Assessment *(continued)*

Materiality Matrix

The materiality matrix displays the relative ranking of 21 material ESG issues based on their impact on business (horizontal axis) and their impact on our stakeholders (vertical axis). Among these, four ESG issues were identified as the most important to the Group, including Safety and quality management, Anti-corruption and whistleblowing, Information security and data privacy, and Employee compensation, wellness and engagement, reflecting their foundational role as core operational and ethical priorities. The results of this assessment will continue to inform the refinement of our ESG priorities and performance targets, enabling us to align resources with areas of greatest strategic importance and value creation.



Governance & Operations		Social		Environmental	
1.	Corporate governance	9.	Diversity and equal opportunities	15.	Air emissions and greenhouse gas emissions
2.	Anti-corruption and whistleblowing	10.	Employee compensation, wellness and engagement	16.	Waste management
3.	Safety and quality management	11.	Employee health and safety	17.	Energy efficiency
4.	Customer communication	12.	Development and training	18.	Water stewardship
5.	Responsible marketing	13.	Labour standards	19.	Packaging material management
6.	Information security and data privacy	14.	Community investment	20.	Environmental mitigation
7.	Protection of intellectual property rights			21.	Climate action
8.	Supply chain management				

Environmental, Social and Governance Report *(continued)*

3. CUSTOMERS AND SUPPLIERS

The Group places a strong emphasis on product and service quality, recognising that these are critical pillars for achieving long-term customer relationships and reinforcing its position as a trusted corporation. The Product and Service Responsibility Policy outlines the approach from sourcing to delivery, adhering to relevant laws and regulations, including privacy, health and safety, advertising, and labelling.

3.1 Safety and Quality Management

(a) *Food businesses*

Ensuring food safety and quality is essential for food businesses to operate in order to preserve brand reputation and customer satisfaction. Our subsidiaries in the food businesses have implemented comprehensive management systems to address these concerns. These systems facilitate the identification, assessment and monitoring of potential food safety risks throughout the supply chain and production processes, as well as compliance with the respective regulations of the countries where the Group operates.

Our bakery factory in Malaysia also adopted the following management systems and attained the relevant certificates:

- ISO 9001 Quality Management System
- FSSC 22000 Food Safety System
- Good Manufacturing Practices (GMP)
- Hazard Analysis and Critical Control Point (HACCP) System

Furthermore, the Group's food businesses have established standardised procedures to manage ingredients and production, ensuring the sold products meet the Group's quality standards and comply with health and safety regulations. To maintain compliance, regular audits are performed to verify adherence to food safety requirements.

Environmental, Social and Governance Report *(continued)*

3. CUSTOMERS AND SUPPLIERS *(continued)*

3.1 Safety and Quality Management *(continued)*

(a) Food businesses *(continued)*

Quality Monitoring Procedures



Supplier assessment

- Conduct evaluation on new and existing suppliers by document review
- Evaluate performance and compliance of existing suppliers through audits



Materials inspection and storage

- Perform assessment in accordance with the established acceptance criteria for receiving raw materials, including raw ingredients, dry ingredients, seasoning and packaging
- Ensure materials are kept in appropriate locations and temperatures according to the product categories



Production

- Staff are required to follow proper operating procedures and maintain personal hygiene and cleanliness when carrying out daily production duties
- Properly clean and maintain production facilities and equipment



Quality assurance

- Perform laboratory testing regularly to ensure the microbiological quality of end products and goods for sale at stores meet regulatory requirements, where applicable



Logistics

- Ensure the condition of warehouse, storage areas and delivery fleet, if any, are properly maintained and cleaned



Retail

- Conduct regular quality assessment of retail stores

To maintain consistent food safety and service standards at our outlets, our food businesses in Hong Kong conduct monthly retail quality assessments across all outlets. The evaluation covers food preparation procedures, food hygiene and personal hygiene practices, customer service and cleanliness and maintenance of the facilities. If any non-compliance issues are identified, designated staff will investigate and implement corrective actions to prevent recurrence.

Environmental, Social and Governance Report *(continued)*

3. CUSTOMERS AND SUPPLIERS *(continued)*

3.1 Safety and Quality Management *(continued)*

(a) Food businesses *(continued)*

Quality Monitoring Procedures *(continued)*

Moreover, a food safety and quality manual guides these operations, detailing risk control measures, communication protocols, staff training requirements, and supplier management guidelines. This manual provides a clear reference for our management team to uphold food safety and quality across all processes.

To strengthen continuous improvement, monthly training sessions are held for store managers, where product quality concerns, customer feedback, and corrective measures are reviewed and discussed. Clear procedures are also in place for handling potentially unsafe or non-compliant products, including product segregation, investigation, and follow-up actions. The respective departments perform root cause analyses and report outcomes to management to determine whether a recall is necessary. During the Year, there were no incidents in which the products sold were subject to recalls for safety and health reasons.

Ensuring a pleasant and safe dining environment remains a priority. Regular cleaning and maintenance of air-conditioning systems help maintain good indoor air quality, enhancing both service quality and customer well-being. By maintaining stringent hygiene standards, the Group strives to deliver a comfortable and enjoyable dining experience for all customers.

The Group also seeks to meet the diverse needs of its customers. In Malaysia, Sunshine Bread strictly complies with the Department of Islamic Development Malaysia (JAKIM) requirements to ensure all products are Halal-certified. An internal Halal Committee oversees full compliance with Halal standards and procedures, reaffirming the Group's commitment to providing safe, quality food options for customers with different dietary requirements.

(b) Property development, property investment and property management

As a property owner and manager, the Group places strong emphasis on the health, safety, and well-being of tenants and customers. Standard operating procedures are implemented to maintain hygienic common areas and effective pest control. Regular maintenance, servicing, and inspection of mechanical systems and fixtures are carried out by contracted property management teams to ensure operational reliability.

The Group also maintains emergency response plans that outline actions to manage potential incidents such as fires or natural disasters. These measures help ensure prompt and coordinated responses to safeguard lives and property.

The Group did not have any ongoing property development projects during the Year. As such, product health and safety and project quality management were not considered material ESG issues for the property development segment. Nevertheless, the Group remains committed to upholding robust safety and quality management standards and will continue to apply these principles with care and precision when new developments commence.

During the Year, the Company did not aware of any incidents of non-compliance related to health and safety relating to products and services provided that would have a significant impact on the Group.

Environmental, Social and Governance Report *(continued)*

3. CUSTOMERS AND SUPPLIERS *(continued)*

3.2 Responsible Marketing

Integrity is fundamental to building trust with our customers. The Group maintains a strong commitment to responsible marketing and accurate product communication across all marketing channels. Food product information is clearly labelled and presented truthfully, whether through digital media, printed materials, or packaging. Product labels are carefully designed to include safe usage instructions, storage guidelines, ingredient lists, allergen information, shelf-life dates, and other essential details.

To uphold these standards, employees involved in marketing and product communication receive regular training on responsible marketing principles. These sessions cover compliance with applicable advertising regulations, avoidance of misleading claims, and protection of customer privacy. Through these practices, the Group ensures that customers receive transparent and reliable information to make informed purchasing decisions.

During the Year, the Company did not aware of any incidents of non-compliance related to advertising, labelling and privacy matters regarding products and services provided that would have a significant impact on the Group.

3.3 Customer Communication

Customers remain at the heart of the Group's operations. The Group takes a structured approach to understanding and addressing customer needs through multiple communication channels, including online surveys, email correspondence, customer service hotlines, and social media platforms. Feedback from these channels provides valuable insights that drive continuous improvement in service quality.

All customer complaints are handled with seriousness and care by a dedicated service team that investigates each case thoroughly. Feedback is analysed to identify root causes, formulate corrective measures, and prevent similar incidents in the future.

In Hong Kong, the Group's food businesses conduct internal sharing sessions to equip restaurant managers with practical skills for managing common customer concerns. These sessions enable frontline staff to better respond to enquiries about products and services, ultimately strengthening customer satisfaction and enhancing service delivery.

3.4 Supply Chain Management

In a rapidly changing global environment, sustainable supply chain management is vital for long-term business resilience. The Group is committed to integrating environmental and social considerations into procurement processes through its Sustainable Supply Chain Policy. This policy defines clear expectations for suppliers to uphold ethical, environmental, and social standards, guiding subsidiaries in responsible sourcing decisions.

Environmental, Social and Governance Report *(continued)*

3. CUSTOMERS AND SUPPLIERS *(continued)*

3.4 Supply Chain Management *(continued)*

Supplier selection and evaluation are based on four pillars:

Pillars	Considerations in the supplier selection process
Business Ethics 	• Business code of conduct • Policies related to regulatory compliance • Policies related to the protection of employees' rights • Awards or accreditation obtained related to caring of people • Compliance with laws and regulations related to business ethics, environmental and social responsibility
Product/Service Safety and Quality 	• Quality management system in place • Quality assurance function • Awards or accreditation obtained related to product or service
Work Health and Safety 	• Health and safety management system in place • Health and safety policy established • Health and safety training provided to their staff • Good record of low incident rate • Awards achieved related to health and safety
Environmental Management 	• Environmental management system • Environmental policy established • Environmental-related awards achieved

Preference is given to suppliers demonstrating strong performance across these four pillars. The Group conducts continuous monitoring and periodic reviews to evaluate supplier compliance and drive ongoing improvement.

To foster a sustainable and inclusive supply chain, subsidiaries are encouraged to engage local and diverse suppliers, including small businesses, voluntary and community organisations, ethnic minority groups, and social enterprises. This approach supports local economies while enhancing the Group's overall supply chain resilience.

Subsidiaries in the food segment are also encouraged to adopt green procurement practices, prioritising environmentally responsible products and ingredients — such as organic, seasonal, or fair trade-certified items — and sourcing materials certified by credible organisations, including the Marine Stewardship Council ("MSC"), Aquaculture Stewardship Council ("ASC"), and Forest Stewardship Council ("FSC").

In Singapore, the Group's food business has implemented a Sustainability Policy for suppliers, requiring them to achieve at least 50% compliance in areas including ethical practices, employee welfare, and environmental stewardship. It also prioritises local sourcing to support farming communities and minimise carbon emissions from product transportation.

Environmental, Social and Governance Report *(continued)*

4. PEOPLE

Employees are central to the Group's success and long-term growth. The Group strives to provide a safe, diverse, and engaging workplace where every team member can realise personal and professional potential. We safeguard employee rights by adhering to all applicable labour and human rights laws across our operating locations. The Group's Human Resources Policy sets out our commitment to prohibiting child and forced labour, promoting equality and diversity, supporting career development, and maintaining a safe and healthy working environment.

4.1 Employee Compensation, Wellness and Engagement

The Group offers competitive compensation and benefits that exceed statutory requirements, including paid marriage, medical, and compassionate leave, generous annual leave, and healthcare and life insurance coverage. The Group also conducts annual performance appraisals and salary reviews, considering individual performance, business outcomes, and market benchmarks. These reviews not only guide career development discussions but also help identify growth opportunities.

Across all operations, the Group fosters a work culture that values well-being, inclusion, and work-life balance. In our food businesses, initiatives such as staff discounts and flexible working arrangements support employees' wellness and satisfaction. Employees are also encouraged to voice concerns and share feedback through established communication and grievance channels, including whistleblowing mechanisms administered with confidentiality. Feedback received is reviewed carefully to ensure timely resolution and continuous improvement.

During the Year, the Group received one case of employee grievance through its whistleblowing channels, which was assessed as a labour dispute and was resolved through the appropriate internal process.

4.2 Diversity and Equal Opportunities

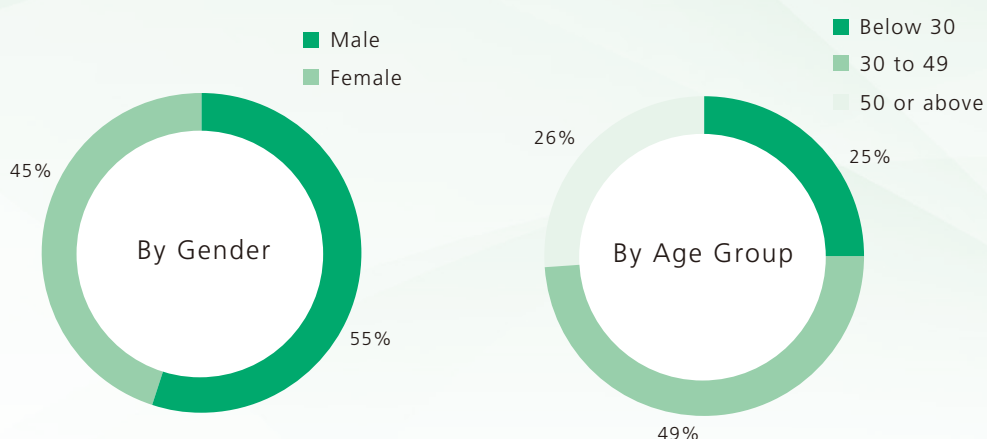
The Group embraces diversity and equal opportunity for all employees and job applicants. Employment decisions — covering recruitment, development, promotion, and compensation — are made based on qualifications, skills, experience, performance, aptitude and potential, regardless of gender, age, family status, marital status, pregnancy, sexual orientation, nationality, race, religious belief, political affiliation, disability or cultural background. During the Year, the Group has formally adopted a Workforce Diversity Policy, which applies to all employees across the Group. The Workforce Diversity Policy sets out the Group's expectations for fair treatment, equal opportunities in all facets of employment, and a workplace free from discrimination, bias, harassment, intimidation and violence, supported by mechanisms such as whistleblowing channels for raising concerns.

Environmental, Social and Governance Report *(continued)*

4. PEOPLE *(continued)*

4.2 Diversity and Equal Opportunities *(continued)*

In addition, certain subsidiaries have implemented specific procedures to advance diversity and inclusion. Our food businesses in Hong Kong communicate relevant policies to staff members during induction training to raise awareness on equal opportunities. Below charts set forth our employment data:



The Group strictly prohibits the use of child or forced labour. During the recruitment process, candidate identities, qualifications, and ages are verified to prevent potential breaches. Suppliers are equally expected to comply with relevant labour and human rights regulations. The Group regularly monitors compliance across operations and investigates cases in accordance with disciplinary guidelines when necessary. Employees are encouraged to report concerns through available grievance mechanisms.

During the Year, there were no reported incidents of non-compliance related to employment practices, child labour or forced labour.

4.3 Employee Health and Safety

The Group recognises a safe workplace as fundamental to employee well-being. Preventive measures and awareness initiatives are implemented to minimise occupational risks and maintain compliance with applicable safety regulations.

(a) Food businesses

To promote a culture of workplace safety, certain subsidiaries have established health and safety committees responsible for developing and monitoring compliance with safety policies. Regular meetings are held to review safety performance, address employee concerns, and ensure alignment with relevant laws and regulations. Workplace safety guidance is also provided on hazard prevention and the correct use of protective equipment; for example, all bakery and restaurant employees are required to wear certified anti-slip footwear.

Environmental, Social and Governance Report *(continued)*

4. PEOPLE *(continued)*

4.3 Employee Health and Safety *(continued)*

(a) Food businesses *(continued)*

Routine and surprise safety inspections are conducted to maintain cleanliness and safety standards. Monthly inspections of first-aid supplies ensure readiness for emergencies. Safety guidelines have been established covering a variety of topics, including:



In Hong Kong, restaurant and outlet managers meet monthly to review incidents and share preventive insights. Meanwhile, in Singapore, quarterly third-party safety audits are conducted across all outlets to identify and address potential hazards. Employees are further encouraged to suggest improvements to strengthen safety practices.

Safety training is included as part of on-the-job training programmes in certain subsidiaries to enhance staff's awareness of safety protocols. To further promote emergency readiness, regular fire drills are also conducted, equipping staff with appropriate response skills.

(b) Property development, property investment and property management

In this segment, employees are equipped with adequate personal protective equipment. Fire drills are conducted regularly to enhance emergency preparedness, and air purifiers have been installed in offices with lower air quality to maintain a healthy work environment.

During the Year, there were 20 cases of work-related injuries across the Group. Each incident was thoroughly investigated to identify the root causes, and preventive measures were implemented to avoid future occurrences. These measures included providing safety training and enhancing workplace safety through facility improvements. Injury cases are discussed in regular meetings and training to foster safety awareness. During the Year, the Company did not aware of any incidents of non-compliance related to occupational health and safety that would have a significant impact on the Group.

Environmental, Social and Governance Report *(continued)*

4. PEOPLE *(continued)*

4.4 Development and Training

The Group views employee development as essential to sustainable growth. Continuous learning opportunities are provided to strengthen professional skills and align staff capabilities with the Group's strategic direction. The Group's Human Resources Policy reinforces our commitment to equipping employees with the knowledge required to perform effectively and advance their careers.

New employees participate in a structured orientation programme introducing them to company policies, values, and health and safety practices. During the Year, employees attended a variety of training programmes, covering topics such as food safety, quality management, occupational health and safety, cybersecurity, business ethics, IT skills, ESG principles, and industrial processes.

Key training programmes include:

Leadership Development

The Group had invested in different leadership development initiatives during the Year. For our food businesses in Hong Kong, the "Young Star Leader" and the "Be a STAR Leader" programmes fostered leadership alignment and people management capabilities within the organisation. Meanwhile, our food business in Singapore identified staff with leadership potential and enrolled them in an external CLIMB Lead and Construct programme, which is designed to groom emerging leaders with an integrated view of management fundamentals to lead and manage effectively for digital transformations, change management, sustainable growth, and profitability.

"Back to Basic" Training Series

Recognising the importance of strong operational fundamentals, our food businesses in Hong Kong provided a "Back to Basic" training series covering core areas of daily operations. Sessions on cash handling, floor management, people management, and food cost management were delivered to reinforce best practices and ensure consistent service and operational standards across all outlets.

Each business division manages its own development programmes, identifying training priorities and allocating budgets annually. To encourage lifelong learning, tuition reimbursement is available for work-related training and development programmes. Furthermore, directors and management also receive periodic training on corporate governance, latest regulatory requirements, and industry developments, helping them guide teams effectively.

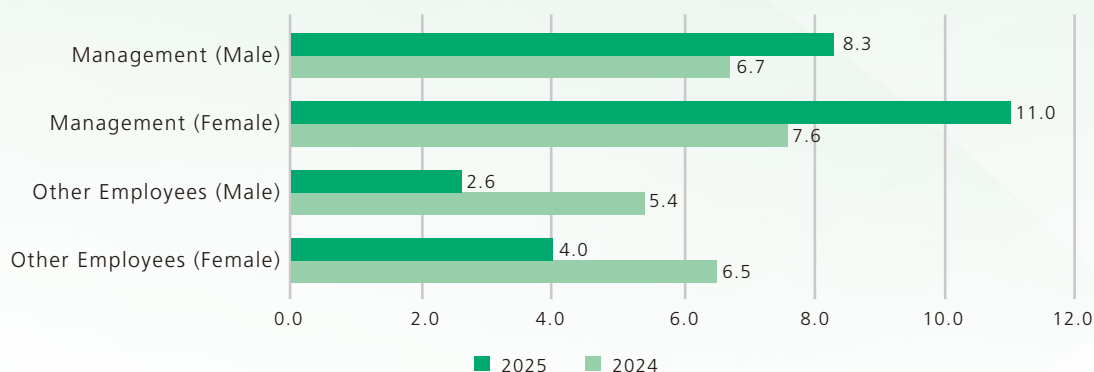
Environmental, Social and Governance Report *(continued)*

4. PEOPLE *(continued)*

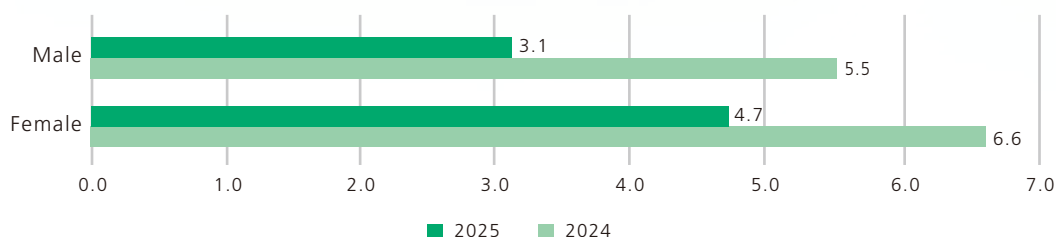
4.4 Development and Training *(continued)*

Development and Training — Performance Data

Average Training Hours per Employee by Employee Category



Average Training Hours per Employee by Gender



4.5 Supporting Our Community

The Group recognises that business success is closely linked with community well-being. Under its Donation Policy, the Group contributes to organisations that promote education, healthcare, poverty alleviation, disaster relief, and religious initiatives. The Board will ensure the donation budget aligns with corporate strategy and supports long-term objectives. During the Year, the Group donated a total of HK\$3,745,000 to various charitable causes.

Looking ahead, the Group will continue to deepen its social contributions, working with partners and stakeholders to create shared value and enhance the well-being of the communities it serves.

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT

The Group remains committed to embedding sustainability into all aspects of its operations, with an emphasis on reducing ecological footprint and managing environmental impacts across key areas such as emissions, resource efficiency, climate resilience, and responsible sourcing. Guided by the Environmental Policy, the Group integrates environmental and resource-efficiency considerations into day-to-day operations and strategic decision-making.

The Environmental Policy sets out guiding principles covering emissions management, use of resources, environmental and natural resources, climate change, green procurement, stakeholder engagement, and participation in environmental initiatives. By supporting and partnering with stakeholders, the Group aims to create long-term positive change and contribute to a more sustainable future.

Robust environmental management systems are in place to monitor, assess, and mitigate operational impacts. Continuous oversight and proactive measures ensure regulatory compliance and alignment with industry standards, helping the Group minimise its footprint and improve performance over time.

5.1 Managing Our Emissions

The Group adopts a proactive, holistic approach to managing emissions and waste, striving to reduce environmental impacts and promote sustainable practices across its operations.

Waste Management

Hazardous waste, primarily generated by the bakery factory in Malaysia, is properly labelled and safely managed to prevent cross-contamination. Employees receive training on safe handling, storage, transportation, and disposal in accordance with legal requirements. In addition, selected hazardous waste materials are sent for recycling at facilities approved by the Department of Environment Malaysia, diverting waste from disposal and reducing associated disposal costs. To further strengthen waste management practice, the bakery factory has established an on-site waste management centre, enabling centralisation and structured management of each waste stream.

For non-hazardous waste such as general office, food, and packaging waste, the Group implements sorting, recycling, and reuse programmes to improve material recovery and minimise disposal.

Examples of waste management measures include:

Managing general waste

Facility	Measures
Offices	• Practise reuse and recycling where applicable • Reuse one-sided paper for printing • Adopt e-communication whenever possible
Production facilities, retail stores and restaurants	• Give priority to durable tools and equipment during purchasing • Reuse store decorations • Reuse shipment trays

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.1 Managing Our Emissions *(continued)*

Waste Management *(continued)*

Managing food waste

Aspect	Measures
Production	• Conduct sales forecasts and monitor the return of excess products to adjust production patterns • Standardise control of the production process to achieve consistency in product quality and reduce defective products
Material/Food storage and management	• Store perishable ingredients properly • Repurpose leftover ingredients in other dishes, such as bread cubes, while maintaining quality and safety standards • Donate surplus food to local organisations for redistribution to the needy
Tracking and recording	• Record the amount of food waste regularly • Practise food waste collection where applicable

Food Waste Reduction

Building on its partnership with Yindii — a food waste reduction platform that enables customers to purchase surplus products online at a discounted rate during the final hours of operation — Delifrance Singapore has taken further steps to minimise food waste across its outlet network.

A “Last Hour Bake” promotion was launched to offer baked products to customers at a reduced price as outlets approach closing time, encouraging the sale of remaining inventory rather than disposal. Complementing this initiative, outlets have been advised to follow scheduled baking plans and to produce pastries only when necessary, reducing the risk of surplus at source. Together, these initiatives reflect Delifrance Singapore’s proactive approach to responsible resource use and waste minimisation.

In 2025, over 90% of the Group’s total non-hazardous waste generated is derived from food waste, which is the main waste stream produced by our food businesses. Recognising both the environmental impact of food disposal and increasing stakeholder expectations around responsible consumption and production, the Group is formalising its approach to managing and reducing food waste. As a first step, the Group’s food businesses have set a short-term food waste reduction target, aiming to achieve a 2% decrease in food waste intensity in 2026 against the 2024 baseline. Beyond 2026, the Group intends to refine its food waste target over time by monitoring performance trends and observing emerging market and industry best practices, with the aim of achieving further medium to long-term waste reductions.

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.1 Managing Our Emissions *(continued)*

Emissions Management

Emissions reduction remains a key environmental objective. The Group applies energy-efficient operational practices and continues to upgrade machinery, equipment, and vehicles to cleaner and lower-carbon alternatives. Continuous monitoring and improvement initiatives are in place to ensure compliance with regulatory requirements and identify areas for emission reduction.

Key initiatives adopted by our food businesses during the Year include:

- Switch off equipment and unnecessary lighting when not in use
- Turn off vehicle engines when not in use
- Consolidate and optimise delivery routes to reduce the number of trips
- Prioritise energy-saving lighting

The Group recognises the need to manage its greenhouse gas emissions across its operations in Hong Kong, Chinese Mainland, Singapore and Malaysia in support of the global transition towards a low-carbon economy. Using 2024 as the baseline year, the Group has set a target to reduce its Scope 1 and 2 emissions intensity by 10% by 2035. The Group will monitor and disclose progress against this target on an annual basis and will periodically review the level of ambition in light of changes in its business activities, market practices and relevant policy developments in the markets where it operates.

In addition to our direct operations, the Group had conducted a comprehensive assessment of our value chain footprint during the Year. Based on this assessment, the Group has identified and reported on key Scope 3 emissions categories in accordance with GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The Group acknowledged that data gaps remain in certain categories due to current limitations in data availability, and is committed to progressively improving its data collection process with a view to expanding its Scope 3 disclosures in the next reporting period.

There are no relevant laws and regulations in relation to the environment that have a significant impact on the Group. During the Year, the Company did not aware of any incident of non-compliance case regarding environmental laws and regulations that would have a significant impact on the Group.

5.2 Moving Towards More Sustainable Resource Practices

Optimising resource use and efficiency across operations is central to the Group's environmental strategy.

Energy Efficiency

Measures implemented include annual energy audits at selected sites to pinpoint areas for improvement, installation of automatic lighting controls and motion sensors, and adoption of energy-saving appliances and systems.

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.2 Moving Towards More Sustainable Resource Practices *(continued)*

Energy Efficiency (continued)

In Malaysia, solar panels installed at the bakery factory generated approximately 1,957,960 kWh of clean energy during the Year, reducing reliance on fossil fuels and lowering greenhouse gas emissions. Sunshine Bread also plans to expand its energy conservation programme through ongoing staff reminders and awareness campaigns on energy-saving practices.

The Group has adopted a phased, efficiency-led approach to improve energy performance over time. Using 2024 as the baseline year, the Group targets a 2% reduction in purchased electricity intensity by 2026, a 3% reduction by 2030 and a 4% reduction by 2035. These phased targets are intended as an initial roadmap to drive continuous improvement while the Group builds internal capabilities and identifies further reduction opportunities. The Group will periodically reassess and, where appropriate, strengthens these targets based on performance trends, technology developments and emerging industry practices.

Water Management

Water efficiency remains a priority, particularly in food operations. In Hong Kong, food outlets have installed water-saving taps, upgraded dishwashers for improved efficiency, replaced running water defrosting with chillers, and perform regular checks to identify and fix leaks. Furthermore, there are plans to desludge the wastewater treatment system at our bakery factory in Malaysia to enhance treatment efficiency and prevent non-compliance with environmental regulations or overflow.

To further strengthen its commitment to responsible water use, the Group has set a water consumption intensity target, aiming to reduce water consumption intensity by 5% by 2035 against the 2024 baseline.

Sustainable Packaging

The Group continues to transition toward eco-friendly packaging and responsible material sourcing. By minimising unnecessary packaging and selecting recyclable or renewable materials such as FSC-certified paper and biodegradable plastics, the Group aims to reduce waste and enhance circularity in its operations. Oversight throughout product development ensures that packaging changes support both functionality and sustainability goals.

5.3 Climate Action

Building on its commitment to enhance climate resilience, the Group continued to strengthen its understanding of climate-related risks and opportunities. In 2024, the Group completed a comprehensive assessment to identify and prioritise climate-related physical and transition risks across its food businesses as well as property development, investment, and management operations. This exercise laid the foundation for more strategic and informed climate risk management.

Identification of Climate-related Risks and Opportunities

The assessment, supported by an external consultant, applied a multi-faceted methodology combining internal data analysis, external benchmarking, and business unit engagement. Desktop research examined existing risk registers, operating profiles, supplier information, and current climate mitigation measures, while benchmarking activities reviewed industry best practices, evolving regulatory expectations, and peer disclosures. A self-assessment questionnaire was also conducted among key business units to validate findings and collect insights on mitigation strategies already in place.

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

The following tables outline the key risks and opportunities and the responses of the Group.

(a) Food businesses

(i) Climate-related physical risks

Risk type	Impacts on business model and value chain	Our mitigation response
Acute — Increased exposure to acute weather events (e.g. storms, floods, extreme temperatures) that threaten physical facilities, disrupt supply chains, compromise workforce availability, and reduce customer access to food and beverage services 	Financial: - Capital expenditures for repairs, asset devaluation, and rising insurance premiums - Increased operational costs (e.g. emergency power solution, expedited shipping, and maintaining a pool of temporary labour) - Revenue losses due to business downtime, perishable goods spoilage, and reduced foot traffic Operational: - Damage to equipment, infrastructure, and inventory, shortening asset lifespans - Supply chain disruptions leading to menu shortages, production delays, and idle facilities - Workforce shortages due to weather-related employee absences	Proactive Site Selection: - Assess flood risk and elevation factors when selecting new locations for outlets and restaurants Emergency Preparedness: - Develop and regularly update business continuity plans, including procedures for temporary closures, remote work, and rapid recovery - Conduct staff training and emergency drills for extreme weather scenarios Supply Chain Resilience: - Diversify suppliers and sourcing locations to mitigate regional disruptions - Implement inventory management systems to maintain critical stock levels Workforce Flexibility: - Cross-train employees and maintain a pool of temporary workers to address staffing shortages - Provide employee support programmes (e.g. emergency aid, flexible scheduling) during disruptions Customer Engagement and Revenue Protection: - Launch targeted promotions and delivery or online ordering options to offset foot traffic declines - Partner with third-party delivery platforms to expand service reach during weather events Insurance Optimisation: - Implement risk mitigation measures to lower insurance premiums - Regularly review and negotiate insurance policies to ensure adequate coverage at competitive rates

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

- (a) Food businesses *(continued)*
- (i) Climate-related physical risks *(continued)*

Risk type	Impacts on business model and value chain	Our mitigation response
Chronic — Rising mean temperature, amplifying cooling demands, accelerating equipment degradation, altering consumer preferences, and destabilising supply chains for critical ingredients 	Financial: - Higher operating costs from increased energy consumption and frequent equipment replacements - Capital expenditures for cooling system upgrades, heat-resilient infrastructure, and safety stock procurement - Margin pressures from volatile ingredient prices and supply chain rerouting Operational: - Reduced lifespans of kitchen equipment and facilities due to heat-related wear and tear Strategic: - Declining foot traffic and customer satisfaction if dining experiences fail to adapt to heat-related preferences - Reputational risks from inconsistent menu availability or perceived lack of climate preparedness	Energy Efficiency and Cooling Optimisation: - Retrofit Heating, Ventilation, and Air Conditioning ("HVAC") systems and kitchen ventilation with energy-efficient technologies to reduce cooling costs - Conduct regular energy audits to prioritise upgrades and maintenance Heat-resilient Infrastructure: - Implement proactive maintenance programmes and invest in durable, heat-resistant equipment Consumer-centric Adaptation: - Adjust menus to feature heat-friendly offerings (e.g. seasonal, lighter dishes) and promote cooling amenities - Enhance indoor dining comfort through climate-controlled spaces and optimised seating layouts Supply Chain Resilience: - Diversify ingredient sourcing regions and maintain strategic safety stock for critical items - Adopt flexible menu planning to accommodate seasonal ingredient availability and price fluctuations

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

(a) Food businesses *(continued)*

(ii) Climate-related transition risks and opportunities

Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Policy and legal — Energy efficiency regulations and stricter standard for building and equipment; carbon pricing mechanism  Resource efficiency — Use of more efficient modes of operations* 	- Increased costs for retrofitting buildings and upgrading equipment to meet new standard - Higher capital expenditure for sustainable building and equipment upgrades - Closure or suspension of operations for building upgrade as requested by the landlord - Potential increase in prices to offset the increased operating costs*	- Conduct assessment of infrastructure, equipment and processes to identify opportunities for energy efficiency improvements and compliance with new standards - Upgrade or replace equipment, prioritising the most critical and energy-intensive assets, to manage costs and minimise operational disruptions - Raise awareness among employees about the importance of reducing carbon emissions and encourage sustainable practices - Keep abreast of latest development in emerging regulation
Technology — Require the adoption of new technologies and significant investment 	Significant initial costs for purchasing and installing low-emissions technologies	Assess current technologies and identify areas for improvement to reduce emissions

* denotes opportunity

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

(a) Food businesses *(continued)*

(ii) Climate-related transition risks and opportunities *(continued)*

Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Market — Customer expectations for sustainability 	• Customers demanding for healthier food option, risking falling behind the competitors • Increased attractiveness to eco-conscious investors, tenants and customers* • Potential to command higher rates or prices due to sustainability credentials*	• Conduct market research to understand evolving customer preferences for sustainability • Implement sustainable sourcing practices and communicate these efforts to customers • Introduce a range of plant-based and healthier menu options to cater to health-conscious customers • Participation in government campaign to promote healthy eating habits
Products and services — Development and/or expansion of low emission goods and services (e.g. green menu); shift in consumer preferences* 		

* denotes opportunity

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

(b) Property development, property investment and property management

(i) Climate-related physical risks

Risk type	Impacts on business model and value chain	Our mitigation response
Acute — Increased exposure to acute weather events (e.g. storms, floods, extreme temperatures) 	Financial: • Capital expenditures for repairs, asset devaluation, and rising insurance premiums • Increased operational costs (e.g. emergency services, backup power, and business downtime) • Revenue losses due to reduced occupancy, foot traffic and temporary closures Operational: • Damage to buildings, infrastructure, and equipment, shortening asset lifespans • Disruptions to utilities, supply chains, and to tenant operations Strategic: • Challenges in securing cost-effective insurance for high-risk locations • Long-term decline in property attractiveness and tenant retention	Proactive Asset Management: • Regular inspections, maintenance, and upgrades to fortify buildings and infrastructure • Investments in resilient amenities (e.g. flood barriers, storm-resistant materials) Emergency Preparedness: • Business continuity plans, emergency response protocols, and remote work capabilities • Backup power systems with scheduled maintenance Tenant Collaboration: • Tenant support for emergency planning and operational continuity • Transparent communication on emergency procedures and post-event recovery Insurance Optimisation: • Risk mitigation initiatives to negotiate competitive premiums and coverage • Regular policy reviews to align with evolving climate risks
Chronic — Rising mean temperature 	Financial: • Higher operating expenses from increased energy consumption • Capital expenditures for cooling system upgrades and infrastructure replacements • Potential insurance cost increases due to equipment failure risks Operational: • Reduced lifespans of property, plant, and equipment from prolonged heat exposure • Operational disruptions and increased maintenance costs tied to heat-related stress on infrastructure Strategic: • Declining occupancy rates for properties lacking climate adaptation measures	• Implement energy-efficient HVAC systems to reduce costs • Proactively maintain equipment to prevent failure • Collaborate with tenants to promote energy efficiency and encourage sustainable behavior through communication and education

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

(b) *Property development, property investment and property management (continued)*

(ii) Climate-related transition risks and opportunities

Risk and opportunity type	Impacts on business model and value chain	Our mitigation response/How we seize the opportunities
Policy and legal — Energy efficiency regulations and stricter standards for building and equipment 	- Increased costs for retrofitting buildings and upgrading equipment to meet new standard - Higher capital expenditure for sustainable building and equipment upgrades - Decreased revenue from potential temporary closure or reduced occupancy during renovation and upgrade periods - Positive impact on the bottom line through sustainable operational practices (e.g. increased revenue by attracting environmentally-conscious tenants) and potential to command higher rates or prices due to sustainability credentials*	- Assess infrastructure, equipment, and processes to identify energy efficiency opportunities and ensure compliance with new standards - Upgrade or replace equipment, prioritising critical and energy-intensive assets, to manage costs and minimise operational disruptions
Products and services — Development and/or expansion of low emission goods and services; shift in consumer preferences* 		

* denotes opportunity

Climate Resilience Assessment

Building on the climate-related risks and opportunities assessment process conducted in the previous year, the Group performed a climate-related scenario analysis during the Year to further assess the resilience of the Group's business model and strategy under a range of plausible climate futures. The analysis was carried out across the same subsidiaries covered within the ESG reporting boundary.

Scenario selection and time horizons

To reflect the Group's strategic context and align with international frameworks, two scenarios representing divergent climate pathways were selected — one assuming a delayed transition with continued high emissions, and the other reflecting an accelerated global shift toward net zero emissions.

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

Scenario selection and time horizons (continued)

Scenario	High Emissions Scenario (3°C to 5+°C warming by 2100)	Net Zero Transition Scenario (1.5°C to 2°C warming by 2100)
Reference scenarios	- Intergovernmental Panel on Climate Change ("IPCC") Shared Socio-economic Pathways ("SSP") 5-8.5 - Network for Greening the Financial System ("NGFS") Current Policies	- IPCC SSP1-2.6 - NGFS Net Zero 2050
Key Assumption	- Minimal climate cooperation; continued fossil fuel reliance - Continuation of existing policies without enhancement - No change or lowered carbon prices - Extreme weather events more frequent and severe	- Rapid decarbonization and strong international cooperation - Immediate stringent climate policies - Rapid increase in carbon prices - Increase in food price driven by land competition between food crops and energy crops and transition policy costs

Risks and opportunities were assessed across three time horizons aligned with the Group's business planning cycles:

- Short term (2025–2030)
- Medium term (2031–2040)
- Long term (2041–2050)

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

Assessment outcomes and strategic responses

Risk factors	Scenario analysis results	Strategic responses
1. Potential Increase in Food Ingredients Procurement Costs Business segment impacted: – Food businesses Value chain impacted: – Upstream Time horizon: – Medium to long term	Procurement costs are projected to increase by approximately 24% by 2040 and 27% by 2050 under the Net Zero Transition Scenario, based on the assumption that the Company continues to purchase same types of goods over the period. This increase is primarily attributed to land competition between food crops and energy crops required for decarbonisation, as well as increased agricultural production costs stemming from transition policies. Under the High Emission Scenario, procurement costs are projected to remain stable or decline slightly through 2050, as limited biofuel expansion creates minimal land competition pressure.	To mitigate potential cost volatility, the Group will continue to: • Diversify suppliers and sourcing regions to mitigate localised disruptions. • Optimise inventory management to buffer against supply shocks. • Expand the portfolio of plant-based and healthier menu options, which may reduce exposure to meat-related commodity price fluctuations associated with agricultural transition costs.
2. Potential Revenue Loss from Business Interruption from Extreme Weather Events Business segment impacted: – Food businesses Value chain impacted: – Own operation Time horizon: – Short, medium and long term	The potential financial impact was assessed based on the projected increase in the frequency of typhoons and heavy rainstorms in Hong Kong, drawing on data from the Hong Kong Observatory*. The analysis suggests that the Company may face increasing disruption to operations under both climate scenarios. Under the Net Zero Transition Scenario, the potential impact is moderate, while under the High Emission Scenario, the exposure to revenue loss and operational interruptions is assessed to be higher due to the greater likelihood of severe weather events.	The Group prioritises operational resilience through: • Regular updates to business continuity plans, covering remote work and rapid recovery procedures. • Partnerships with third-party delivery platforms to maintain service reach during physical disruptions. • Targeted promotional strategies to offset foot traffic declines during adverse weather.

* The analysis covers Hong Kong operations only; outlets in Singapore and Malaysia are excluded as they are infrequently affected by typhoons and face no mandatory closure requirements during heavy rainstorms.

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

Assessment outcomes and strategic responses (continued)

Risk factors	Scenario analysis results	Strategic responses
3. Potential Carbon Costs Associated with Scope 1 and 2 GHG Emissions Business segment impacted: – All businesses Value chain impacted: – Own operation Time horizon: – Medium to long term	While carbon pricing mechanisms are not broadly implemented in the specific sectors or jurisdictions where the Group's subsidiaries primarily operate, the potential exposure — hypothetically estimated in the form of a carbon tax associated with the Company's Scope 1 & 2 GHG emissions — is assessed to be of moderate impact under the Net Zero Transition Scenario, assuming future regulatory expansion. In this calculation, the Company's CO₂ emission levels are assumed to remain constant throughout the period, and carbon price values are derived from the NGFS database. Under the High Emission Scenario, potential carbon cost exposure remains minimal. The magnitude of this risk remains subject to considerable uncertainty, depending on future policy developments, carbon price trajectories, and sectoral coverage.	Regardless of policy trajectories, the Group is committed to: • Conducting regular energy audits and identifying efficiency improvements. • Prioritising upgrades for critical, energy-intensive assets. • Maintaining internal awareness regarding carbon management.

Environmental, Social and Governance Report *(continued)*

5. ENVIRONMENT *(continued)*

5.3 Climate Action *(continued)*

Future improvement

Significant uncertainty remains regarding how climate change will manifest at regional and localised levels under varying climate scenarios, particularly in terms of shifts in temperature, the frequency and severity of extreme weather events and the consequential increase in carbon prices due to climate policies implemented by government.

This uncertainty makes precise prediction of specific impacts on the Group's assets and operations challenging, particularly where local infrastructure, supply chains, or environmental conditions may be affected. The timing, scale, and nature of climate-related risks therefore remain subject to inherent uncertainty.

Despite these uncertainties, the results of the resilience assessment indicate that the Group's existing strategy and business model possess the flexibility to adapt across a range of plausible climate outcomes. The Group will continue to review its financing structure to maintain sufficient capacity for climate-related investments and adaptation measures, ensuring resources are directed toward initiatives that enhance long-term sustainability and value creation.

Environmental, Social and Governance Report *(continued)*

6. PERFORMANCE SUMMARY⁶

Environmental KPIs	Unit	2025	2024
Air Emissions			
Nitrogen oxides ("NO _x ")	Tonnes	27.5	26.5
Sulphur oxides ("SO _x ")	Tonnes	0.04	0.03
Respiratory suspended particles ("RSP")	Tonnes	2.4	2.3
Greenhouse gas ("GHG") emissions			
Total Scope 1 and 2 emissions	Tonnes CO₂e	14,695.7	13,453.3
Scope 1 ⁷	Tonnes CO ₂ e	6,478.6	5,505.7
Scope 2 ⁸	Tonnes CO ₂ e	8,217.1	7,947.6
Scope 1 and 2 emissions intensity	Tonnes CO ₂ e/m ²	0.167	0.150
Total Scope 3 emissions⁹	Tonnes CO₂e	66,502.3	New disclosure in 2025
Category 1 — Purchased goods & services	Tonnes CO ₂ e	34,154.9	
Category 2 — Capital goods	Tonnes CO ₂ e	1,635.0	
Category 3 — Fuel & energy related activities	Tonnes CO ₂ e	3,509.9	
Category 4 — Upstream transportation & distribution	Tonnes CO ₂ e	226.9	
Category 5 — Waste generated in operations	Tonnes CO ₂ e	406.7	
Category 6 — Business travel	Tonnes CO ₂ e	74.7	
Category 7 — Employee commuting	Tonnes CO ₂ e	1,527.1	
Category 15 — Investments	Tonnes CO ₂ e	24,967.1	
Waste generation			
Hazardous waste ¹⁰	Tonnes	32.6	19.4
Non-hazardous waste ¹¹	Tonnes	6,290.5	6,760.5
Hazardous waste intensity	Tonnes/m ²	0.0004	0.0002
Non-hazardous waste intensity	Tonnes/m ²	0.07	0.08

⁶ Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the ESG Report are due to rounding.

⁷ Scope 1 emissions include direct emissions from sources that are owned or controlled by the Group, such as emissions from fuel of company vehicles, genset and cooking equipment, the refrigerant of air conditioning and fire extinguishing systems. The emission factors are based on the IPCC Synthesis Report (AR6) (2021), Greenhouse Gas Protocol, International Energy Agency's Energy Statistics Manual, UK Government GHG Conversion Factors for Company Reporting and United States Environmental Protection Agency's Emission Factors for Greenhouse Gas Inventories.

⁸ Scope 2 emissions include indirect emissions from purchased electricity in Hong Kong, Singapore, the Chinese Mainland and Malaysia, as well as Towngas consumed by the Group. The emission factors are based on the emission factors provided by utility providers in Hong Kong, Singapore and Malaysia and the average emission factor of the national grid in 2022 announced by the Ministry of Ecology and Environment of the People's Republic of China ("PRC").

⁹ Scope 3 emissions are other indirect GHG emissions that occur in the value chain of the Group. The compilation of our Scope 3 GHG emissions is based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Relevant emission factors were sourced from environmentally-extended input output ("EEIO") database EXIOBASE 3 for spend-based category data, and well-to-tank factors from UK Government GHG Conversion Factors for Company Reporting for fuel and energy-related activities.

¹⁰ Hazardous wastes are mainly chemical waste generated from the bakery factory, and the increase in 2025 was due to desludging activities at its wastewater treatment plant.

¹¹ Non-hazardous wastes include domestic solid waste from offices and food waste and packaging waste from food businesses.

Environmental, Social and Governance Report *(continued)*

6. PERFORMANCE SUMMARY⁶ *(continued)*

Environmental KPIs	Unit	2025	2024
Energy consumption			
Total energy consumption	MWh	45,236.1	39,540.8
Direct energy			
Petrol	MWh	74.8	91.7
Diesel	MWh	18,045.6	14,564.9
Natural gas	MWh	8,340.0	8,044.2
Towngas	MWh	1,170.9	1,234.4
Solar energy	MWh	1,958.0	565.4
Indirect energy			
Purchased electricity	MWh	15,646.8	15,040.2
Energy intensity	MWh/m ²	0.51	0.45
Water consumption			
Total water consumption	m³	108,031.9	107,486.8
Water consumption intensity	m ³ /m ²	1.23	1.21
Packaging material used for finished products			
Total packaging material	Tonnes	104.4	97.5
Packaging materials intensity	Tonnes/HK\$1 million revenue	0.12	0.13

Environmental, Social and Governance Report *(continued)*

6. PERFORMANCE SUMMARY⁶ *(continued)*

Social KPIs ¹²		Unit	2025	2024
Workforce				
Total number of employees				
(Year-end number)		Person (%)	1,204 (100%)	1,148 (100%)
By gender	Male	Person (%)	665 (55%)	589 (51%)
	Female	Person (%)	539 (45%)	559 (49%)
By age group	Below 30	Person (%)	297 (25%)	297 (26%)
	30–49	Person (%)	592 (49%)	536 (47%)
	50 or above	Person (%)	315 (26%)	315 (27%)
By region	Hong Kong	Person (%)	505 (42%)	532 (46%)
	Singapore	Person (%)	348 (29%)	383 (33%)
	Malaysia	Person (%)	326 (27%)	208 (18%)
	Chinese Mainland	Person (%)	24 (2%)	25 (2%)
	Indonesia	Person (%)	1 (0.1%)	–
By employee type	Full-time	Person (%)	898 (75%)	836 (73%)
	Part-time	Person (%)	306 (25%)	312 (27%)
By employee category	Management	Person (%)	102 (8%)	91 (8%)
	Other employees	Person (%)	1,102 (92%)	1,057 (92%)
Turnover				
Turnover rate¹³		Person (%)	401 (33%)	536 (47%)
By gender	Male	Person (%)	217 (33%)	271 (46%)
	Female	Person (%)	184 (34%)	265 (47%)
By age group	Below 30	Person (%)	201 (68%)	230 (77%)
	30–49	Person (%)	138 (23%)	227 (42%)
	50 or above	Person (%)	62 (20%)	79 (25%)
By region	Hong Kong	Person (%)	266 (53%)	250 (47%)
	Singapore	Person (%)	35 (10%)	178 (46%)
	Malaysia	Person (%)	99 (30%)	107 (51%)
	Chinese Mainland	Person (%)	1 (4%)	1 (4%)

¹² Employee-related data in Social KPIs covers executive directors, full-time and part-time employees. Temporary and fixed-term employees with contracts shorter than one year are excluded.

¹³ Turnover rate = Employee in each specified category leaving employment/Number of employees in that category x 100%

Environmental, Social and Governance Report *(continued)*

6. PERFORMANCE SUMMARY⁶ *(continued)*

Social KPIs ¹²		Unit	2025	2024
Employee Health and Safety				
Number of Work-related fatalities ¹⁴		Case	0	0
Number of Reportable work-related injuries ¹⁵		Case	20	27
Work-related injury rate ¹⁶		Case/100 Employees	1.7	2.4
Lost days due to work injury		Day	507	443
Development and Training				
Total employees trained¹⁷		Person (%)	700 (58%)	850 (74%)
By gender	Male	Person (%)	372 (56%)	484 (82%)
	Female	Person (%)	328 (61%)	366 (65%)
By employee category	Management (Male)	Person (%)	34 (56%)	31 (55%)
	Management (Female)	Person (%)	36 (88%)	20 (57%)
	Other employees (Male)	Person (%)	338 (56%)	453 (85%)
	Other employees (Female)	Person (%)	292 (59%)	346 (66%)
Average hours of training per employee¹⁸		Hours	3.9	6.0
By gender	Male	Hours	3.1	5.5
	Female	Hours	4.7	6.6
By employee category	Management (Male)	Hours	8.3	6.7
	Management (Female)	Hours	11.0	7.6
	Other employees (Male)	Hours	2.6	5.4
	Other employees (Female)	Hours	4.0	6.5
Supply Chain Management				
Total suppliers		No. of suppliers	1,021	893
By region	Hong Kong	No. of suppliers	279	276
	Singapore	No. of suppliers	337	321
	Malaysia	No. of suppliers	386	280
	Chinese Mainland	No. of suppliers	6	4
	Others	No. of suppliers	13	12
Product Responsibility				
Number of products and service-related complaints received		Case	465	564

¹⁴ There was no work-related fatality occurred in the past 3 years including the Year.

¹⁵ Work-related injuries in 2025 mainly involved cuts, burns, slips and trips. Thorough investigations were conducted on each injury case and the Group implemented preventive measures to prevent reoccurrence. Please refer to Employee Health and Safety for details.

¹⁶ Work-related injury rate = Number of reportable work-related injuries/Total number of employees x 100 employees

¹⁷ Percentage of employees trained = Number of employees trained in each specified category/Number of employees in that category x 100%

¹⁸ Average training hours per employee = Number of training hours for employees in each specified category/ Number of trained employees in that category

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX

The ESG Report is in compliance with the mandatory disclosure requirements and “comply or explain” provisions of the HKEX ESG Reporting Code.

Part B: Mandatory Disclosure Requirements

Mandatory Disclosure Requirements		Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (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 (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.	Governance Structure
Reporting Principles — Materiality	The ESG report should disclosed: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified and the process and results of the issuer’s stakeholder engagement.	Reporting Principles; Materiality Assessment
Reporting Principles — 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.	Reporting Principles; Performance Summary
Reporting Principles — 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.	Reporting Principles; Performance Summary
Reporting Boundary	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.	Reporting Boundary

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs		Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land and generation of hazardous and non-hazardous waste.	Environment; Managing Our Emissions
KPI A1.1	The types of emissions and respective emissions data.	Performance Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Managing Our Emissions; Moving Towards More Sustainable Resource Practices
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them.	Managing Our Emissions

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part C: “Comply or explain” Provisions *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
A. Environmental <i>(continued)</i>		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment; Moving Towards More Sustainable Resource Practices
KPI A2.1	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).	Performance Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Moving Towards More Sustainable Resource Practices
KPI A2.4	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.	Moving Towards More Sustainable Resource Practices
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Performance Summary
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment; Climate Action

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part C: “Comply or explain” Provisions *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	People; Employee Compensation, Wellness and Engagement
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Diversity and Equal Opportunities; Performance Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People; Employee Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Summary
KPI B2.2	Lost days due to work injury.	Performance Summary
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Employee Health and Safety

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part C: “Comply or explain” Provisions *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
B. Social <i>(continued)</i>		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	People; Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training; Performance Summary
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People; Diversity and Equal Opportunities
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity and Equal Opportunities
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity and Equal Opportunities

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part C: “Comply or explain” Provisions *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
B. Social <i>(continued)</i>		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Customers and Suppliers; Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Performance Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customers and Suppliers; Responsible Marketing
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Safety and Quality Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Communication; Performance Summary
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business Ethics
KPI B6.4	Description of quality assurance process and recall procedures.	Safety and Quality Management
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Business Ethics

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part C: “Comply or explain” Provisions *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs		Section
B. Social <i>(continued)</i>		
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
KPI B7.1	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.	Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
Aspect B8: Community Investment		
General Disclosure	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.	Supporting Our Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Supporting Our Community

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures

Reference Paragraph	Description	Section or Remarks
(I) Governance		
19	An issuer shall disclose information about: (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: (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; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (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; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and (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: (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 (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.	Governance Structure; ESG Risk Management and Internal Control Systems

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(II) Strategy		
Climate-related risks and opportunities		
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: (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; (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; (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 (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.	Climate Action
Business model and value chain		
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: (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 (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).	Climate Action

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(II) Strategy <i>(continued)</i>		
Strategy and decision-making		
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: (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: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (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 (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 (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Climate Action The Group continues to utilise its existing resources and take practical steps to reduce its GHG emissions. These efforts include active monitoring of fuel and electricity consumption, as well as improving the energy efficiency of its bakery factories, restaurants, outlets, and offices. Even though the Group has not developed a formalised transition plan, the Group will continue to strengthen its decarbonisation capabilities to identify feasible reduction measures and progressively reduce carbon intensity.
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate Action

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(II) Strategy <i>(continued)</i>		
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (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.	The Group regularly reviews climate-related risks that could impact our operations. These risks have been managed within existing operations without material financial impacts during the reporting period.
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about: (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 (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Based on our current assessment, no material financial impacts are anticipated in the short, medium and long term as a result of climate-related risks.

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(II) Strategy <i>(continued)</i>		
Climate resilience		
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: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (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; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (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; (6) time horizons the issuer used in the analysis; and (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 (iii) the reporting period in which the climate-related scenario analysis was carried out.	Climate Action

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(III) Risk Management		
27	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (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 (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.	Climate Action

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Performance Summary
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; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (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 (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).	Performance Summary

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(IV) Metrics and Targets <i>(continued)</i>		
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Based on our current assessment, we do not consider any of the Group's assets or business activities to be vulnerable to climate-related transition risks.
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Based on our current assessment, we do not consider any of the Group's assets or business activities to be vulnerable to climate-related physical risks.
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group has considered potential climate-related opportunities that could reasonably be expected to affect its prospects over the short, medium and long term. While opportunities such as lower-emission products and services and shifts in consumer preferences have been identified, they are not currently core drivers of the Group's strategy or financial performance.

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(IV) Metrics and Targets <i>(continued)</i>		
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	At the time of reporting, the Group has not assessed the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. We will develop internal methodology to track these capital deployment and provide such disclosures in future reporting periods.
Internal carbon price		
34	An issuer shall disclose: (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 (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	We currently have not applied an internal carbon price in decision-making.
Remuneration		
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).	We currently have not factored climate-related considerations into our remuneration policy.

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(IV) Metrics and Targets <i>(continued)</i>		
Industry-based metrics		
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.	The Group will review the relevance of industry-based metrics that are associated with our business activities, and may expand the suite of disclosed indicators in future reporting periods.
Climate-related targets		
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: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (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); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Climate Action

Environmental, Social and Governance Report *(continued)*

7. APPENDIX — HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Part D: Climate-related Disclosures *(continued)*

Reference Paragraph	Description	Section or Remarks
(IV) Metrics and Targets <i>(continued)</i>		
Climate-related targets <i>(continued)</i>		
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Climate Action
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.	Climate Action
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (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; (d) whether the target was derived using a sectoral decarbonization approach; and (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: (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).	Climate Action The Group currently does not plan to use carbon credits or any other offsetting instruments to offset our GHG emissions.

Independent Auditor's Report



To the members of Lippo China Resources Limited

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Lippo China Resources Limited (the "Company") and its subsidiaries (the "Group") set out on pages 108 to 205, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditor's Report *(continued)*

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of interest in an associate</i> As at 31 December 2025, the carrying amount of the Group's interest in TIH Limited ("TIH"), a material associate of the Group, amounted to HK\$348 million (net of impairment provision of HK\$24 million). The Group's interest in the associate, TIH, is stated at the Group's share of net assets under the equity method of accounting, less any impairment losses at the end of each reporting period. TIH is a listed company in Singapore which is engaged in fund investment and management businesses. As at 31 December 2025, management determined that there was an indication that the Group's interest in TIH might be impaired. Accordingly, management performed an impairment assessment and determined the recoverable amount of the Group's interest in TIH to be approximated by its share of the underlying net assets of TIH. Significant management judgements are involved in determining the appropriateness of using the Group's share of TIH's net assets as an appropriate estimate of its recoverable amount. Significant estimates are also involved in determining the recoverable amount of TIH's underlying assets. Related disclosures are included in Notes 3 and 19 to the consolidated financial statements.	We assessed management's process for identifying the objective evidence of impairment indication for the Group's interest in TIH. We evaluated and tested the assumptions and methodologies used by management in the determination of the recoverable amount. We evaluated the procedures performed by component auditor of TIH and the conclusion they reached for the purpose of impairment assessment. We involved our internal valuation specialists to assist us in assessing the methodology adopted and the assumptions used by the external valuers for the valuation of investments held by TIH, on a sample basis.
<i>Fair value of investment properties</i> As at 31 December 2025, investment properties measured at fair values amounted to HK\$567 million, with a corresponding net fair value loss of HK\$21 million recognised in profit or loss. The valuation process is inherently subjective and dependent on a number of estimates. The Group has engaged independent professional valuers to perform the valuation of the investment properties. Related disclosures are included in Notes 3 and 17 to the consolidated financial statements.	We considered the objectivity, independence and competency of the valuers. We assessed the valuation methodologies adopted and assumptions used by the valuers, and performed market value benchmarking against comparable properties. We involved our internal valuation specialists to assist us in evaluating the methodologies adopted and the assumptions used by the valuers for the valuation of investment properties held by the Group.

Independent Auditor's Report *(continued)*

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report *(continued)*

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report *(continued)*

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

The engagement partner on the audit resulting in this independent auditor's report is Leung Chi Ying (practising certificate number: P04302).

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

31 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	5	864,460	775,302
Cost of sales		(332,623)	(300,708)
Gross profit		531,837	474,594
Administrative expenses	7	(436,634)	(409,194)
Other operating expenses	7	(138,859)	(180,867)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	7	4,143	(63,299)
Net fair value loss on investment properties		(20,919)	(37,162)
Provision for impairment losses on fixed assets	16	(40,538)	(79,934)
Other losses — net	6	(23,305)	(8,735)
Litigation settlement	8	—	(386,482)
Finance costs	9	(52,617)	(56,700)
Share of results of associates		23,439	41,799
Share of results of joint ventures		—	(450)
Loss before tax	7	(153,453)	(706,430)
Income tax	12	97,887	(2,333)
Loss for the year		(55,566)	(708,763)
Attributable to:			
Equity holders of the Company		(61,271)	(683,698)
Non-controlling interests		5,705	(25,065)
		(55,566)	(708,763)
Loss per share attributable to equity holders of the Company	13	HK\$	HK\$
Basic and diluted		(0.07)	(0.74)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Loss for the year		(55,566)	(708,763)
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		52,572	(9,158)
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	6	(16,038)	–
Share of other comprehensive income/(loss) of associates		49,062	(30,782)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax		85,596	(39,940)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax			
Changes in fair value of equity instruments at fair value through other comprehensive income		8,623	(2,950)
Other comprehensive income/(loss) for the year, net of tax		94,219	(42,890)
Total comprehensive income/(loss) for the year		38,653	(751,653)
Attributable to:			
Equity holders of the Company		(885)	(719,019)
Non-controlling interests		39,538	(32,634)
		38,653	(751,653)

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Intangible assets	15	21,034	21,034
Fixed assets	16	794,593	835,349
Investment properties	17	566,904	575,482
Right-of-use assets	18(a)	121,768	150,164
Interests in associates	19	891,993	823,692
Interests in joint ventures	20	41,423	78,286
Financial assets at fair value through other comprehensive income	21	68,118	46,267
Financial assets at fair value through profit or loss	22	369,914	390,988
Debtors, prepayments and other assets	23	15,091	18,270
Deferred tax assets	29	7,625	5,893
		2,898,463	2,945,425
Current assets			
Inventories	24	30,462	25,001
Debtors, prepayments and other assets	23	174,394	141,269
Financial assets at fair value through profit or loss	22	120,141	101,927
Other financial assets	25	–	7,082
Tax recoverable		199	116
Restricted cash	26	6,500	–
Cash and cash equivalents		233,879	283,187
		565,575	558,582
Current liabilities			
Bank and other borrowings	27	123,736	191,554
Lease liabilities	18(b)	53,742	55,910
Creditors, accruals and other liabilities	28	248,978	162,855
Tax payable		20,569	119,206
		447,025	529,525
Net current assets		118,550	29,057
Total assets less current liabilities		3,017,013	2,974,482

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Bank and other borrowings	27	828,356	774,304
Lease liabilities	18(b)	78,209	105,901
Creditors, accruals and other liabilities	28	8,010	10,808
Deferred tax liabilities	29	6,198	10,541
		920,773	901,554
Net assets		2,096,240	2,072,928
Equity			
Equity attributable to equity holders of the Company			
Share capital	30	150,000	1,705,907
Reserves	31	1,714,873	70,893
		1,864,873	1,776,800
Non-controlling interests		231,367	296,128
Total equity		2,096,240	2,072,928

Davy Kwok Fai Lee
Director

Stephen Riady
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to equity holders of the Company								
	Share capital (Note 30) HK\$'000	Capital reduction reserve (Note 31(a)) HK\$'000	Fair value reserve of financial assets at FVOCI* HK\$'000	Other assets revaluation reserve HK\$'000	Exchange equalisation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2025	1,705,907	–	(92,153)	5,395	35,404	122,247	1,776,800	296,128	2,072,928
Profit/(Loss) for the year	–	–	–	–	–	(61,271)	(61,271)	5,705	(55,566)
Other comprehensive income/(loss) for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	18,739	–	18,739	33,833	52,572
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	–	–	–	–	(16,038)	–	(16,038)	–	(16,038)
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	8,623	–	–	–	8,623	–	8,623
Share of other comprehensive income of associates	–	–	–	–	49,062	–	49,062	–	49,062
Total comprehensive income/(loss) for the year	–	–	8,623	–	51,763	(61,271)	(885)	39,538	38,653
Capital reduction (Note 30)	(1,555,907)	1,555,907	–	–	–	–	–	–	–
Transfer to retained profits (Note 31)	–	(687,811)	–	–	–	687,811	–	–	–
Change in non-controlling interests without change in control (Note 33)	–	–	–	–	–	89,319	89,319	(104,299)	(14,980)
Transfer of fair value reserve upon derecognition of equity instruments at fair value through other comprehensive income	–	–	2,055	–	–	(2,055)	–	–	–
Share of equity movements arising on equity transactions of an associate	–	–	–	–	–	(361)	(361)	–	(361)
At 31 December 2025	150,000	868,096	(81,475)	5,395	87,167	835,690	1,864,873	231,367	2,096,240
At 1 January 2024	1,705,907	–	(245,518)	5,395	67,775	962,202	2,495,761	328,762	2,824,523
Loss for the year	–	–	–	–	–	(683,698)	(683,698)	(25,065)	(708,763)
Other comprehensive loss for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	(1,589)	–	(1,589)	(7,569)	(9,158)
Changes in fair value of equity instruments at fair value through other comprehensive income	–	–	(2,950)	–	–	–	(2,950)	–	(2,950)
Share of other comprehensive loss of associates	–	–	–	–	(30,782)	–	(30,782)	–	(30,782)
Total comprehensive loss for the year	–	–	(2,950)	–	(32,371)	(683,698)	(719,019)	(32,634)	(751,653)
Transfer of fair value reserve upon derecognition of equity instruments at fair value through other comprehensive income	–	–	156,315	–	–	(156,315)	–	–	–
Share of equity movements arising on equity transactions of an associate	–	–	–	–	–	58	58	–	58
At 31 December 2024	1,705,907	–	(92,153)	5,395	35,404	122,247	1,776,800	296,128	2,072,928

* FVOCI stands for fair value through other comprehensive income.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Cash generated from operations	35(a)	50,695	176,012
Interest received		691	8,144
Dividends received from:			
A joint venture		–	1,016
An associate		5,756	5,633
Investments		7,369	10,025
Taxes paid:			
Chinese Mainland and overseas		(7,241)	(4,220)
Net cash flows from operating activities		57,270	196,610
Cash flows from investing activities			
Distribution from financial assets at fair value through profit or loss		11,967	12,474
Distribution from a joint venture		39	–
Proceeds from disposal of:			
Financial assets at fair value through profit or loss		8,912	10,434
Subsidiaries	34	–	957
Payments to acquire:			
Fixed assets		(27,140)	(30,305)
Exploration and evaluation assets		(497)	(428)
Financial assets at fair value through other comprehensive income		(6,453)	–
Financial assets at fair value through profit or loss		(15,609)	(12,204)
Additions to investment properties		–	(822)
Advances to joint ventures		(91)	(64)
Litigation settlement	8	77,050	(386,482)
Net cash flows from/(used in) investing activities		48,178	(406,440)
Cash flows from financing activities			
Drawdown of bank and other borrowings		358,297	799,439
Repayment of bank and other borrowings		(373,828)	(478,033)
Principal portion of lease payments		(67,949)	(67,142)
Finance costs paid		(55,766)	(57,478)
Acquisition of non-controlling interests		(14,980)	–
Increase in restricted cash		(6,500)	–
Net cash flows from/(used in) financing activities		(160,726)	196,786
Net decrease in cash and cash equivalents		(55,278)	(13,044)
Cash and cash equivalents at beginning of year		283,187	301,604
Exchange realignments		5,970	(5,373)
Cash and cash equivalents at end of year		233,879	283,187

Notes to the Financial Statements

1. CORPORATE AND GROUP INFORMATION

Lippo China Resources Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operation are principally engaged in investment holding, property investment, property development, food businesses, healthcare services, property management, mineral exploration and extraction, securities investment and treasury investment.

The immediate holding company of the Company is Skyscraper Realty Limited, a company incorporated in the British Virgin Islands. In the opinion of the Directors, the ultimate holding company of the Company is Lippo Capital Group Limited, a company incorporated in Hong Kong.

Details of the principal subsidiaries are set out on pages 196 to 202.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

Basis of consolidation

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

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

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

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

Notes to the Financial Statements *(continued)*

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation (continued)

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

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

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

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

³ No mandatory effective date yet determined but available for adoption

Notes to the Financial Statements *(continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(continued)*

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

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of HKFRS 18 is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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

Notes to the Financial Statements *(continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(continued)*

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

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

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

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

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES

(a) Interests in associates and joint ventures

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

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

If an interest in an associate becomes an interest in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(b) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

(c) Business combinations and goodwill

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

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

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

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

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

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

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

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

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

(d) Fair value measurement

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

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

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Fair value measurement *(continued)*

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

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

(e) Impairment of non-financial assets

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

In testing a CGU for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual CGU if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of CGUs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(f) Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(g) Fixed assets and depreciation

Fixed assets, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of fixed assets is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of fixed assets comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

Freehold land	Not depreciated
Buildings and leasehold improvements	Over the unexpired terms of the leases or 2½% to 20%, whichever is shorter
Furniture, fixtures, plant and equipment	6⅔% to 33⅓%
Motor vehicles	10% to 20%

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

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

Construction in progress is not depreciated as the asset is not available for use. It is reclassified to the appropriate category of fixed assets when completed and ready for use.

(h) Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. When fair value is not reliably determinable for a property under development, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably determinable.

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(h) Investment properties *(continued)*

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

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Fixed assets and depreciation” for owned property and/or accounts for such property in accordance with the policy stated under “Right-of-use assets” for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is dealt with as a movement in the other assets revaluation reserve. On disposal of the asset, the relevant portion of the other assets revaluation reserve realised in respect of previous valuations is transferred to the retained profits as a movement in reserves.

(i) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Intangible asset relating to unpatented technology acquired in a business combination has finite useful life and is measured at cost less impairment losses and is amortised on a straight-line basis over its estimated useful life of 10 years.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(j) Leases *(continued)*

Group as a lessee (continued)

At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

(i) Right-of-use assets

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

Leasehold land and buildings	1 to 10 years
Plant and equipment	2 to 5 years
Motor vehicles	2 to 10 years

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

(ii) Lease liabilities

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

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(j) Leases *(continued)*

Group as a lessee (continued)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and other equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

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

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

(k) Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVPL").

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

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(k) Investments and other financial assets *(continued)*

Initial recognition and measurement (continued)

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at FVOCI (debt instruments)

For debt investments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at FVOCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as revenue in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVPL

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on the equity investments are also recognised as revenue in the statement of profit or loss when the right of payment has been established.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(l) Derecognition of financial assets

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

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

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

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

(m) Impairment of financial assets

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

General approach

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

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(m) Impairment of financial assets *(continued)*

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

(n) Financial liabilities

Initial recognition and measurement

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

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(n) Financial liabilities *(continued)*

Subsequent measurement

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

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

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

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

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

(o) Derecognition of financial liabilities

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

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

(p) Offsetting of financial instruments

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(q) Derivative financial instruments

When appropriate, the Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

(r) Inventories

Inventories are stated at the lower of cost and net realisable value. In relation to the food manufacturing business, cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, labour and production overheads based on the level of normal activity. In relation to the food retail business, cost is determined on the first-in, first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(s) Cash and cash equivalents

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

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

(t) Provisions

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

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(u) Income tax

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

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

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

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

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

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

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

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

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(u) **Income tax** *(continued)*

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

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

(v) **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

(w) **Revenue recognition**

Revenue from contracts with customers

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

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

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(w) Revenue recognition *(continued)*

Revenue from contracts with customers (continued)

(i) Revenue from food manufacturing operation

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective promotional rebates and trading term rebates based on the aggregate sales over a period of time.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated promotional rebates and trading term rebates and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction price only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected promotional rebates and trading term rebates payable to customers where considerations have been received from the customers and refunds due to expected returns from the customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the goods less expected costs to recover the goods, and adjust them against cost of sales correspondingly.

At the end of each reporting period, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

The Group has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

(ii) Revenue from restaurant operation

Revenue from restaurant operation is recognised upon the delivery of food and beverage to and acceptance by customers, net of discounts.

(iii) Provision of management services

Revenue from the provision of management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(w) Revenue recognition *(continued)*

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(x) Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

(y) Contract liabilities

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

(z) Employee benefits

Paid leave entitlement

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of each reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward at the end of each reporting period.

Retirement benefits

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In Hong Kong, the Group operates defined contribution Mandatory Provident Fund retirement benefit schemes (the "MPF Schemes") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Schemes. Contributions are made based on a percentage of the employees' relevant income and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Schemes. The assets of the MPF Schemes are held separately from those of the Group in independently administered funds. The Group's employer contributions vest fully with the employees when contributed into the MPF Schemes except for the Group's employer voluntary contributions forfeited when the employees leave employment prior to fully vesting in such contributions, which can be used to reduce the amount of future employer contributions or to offset against future administration expenses or to refund to the Group, in accordance with the rules of the MPF Schemes.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(z) Employee benefits *(continued)*

Retirement benefits (continued)

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. Contributions are made to the central pension scheme based on a percentage of the employees' relevant income and are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group's subsidiaries in Singapore and Malaysia make contributions to the Central Provident Fund Scheme ("CPF") in Singapore and the Employees Provident Fund ("EPF") in Malaysia, respectively. Both CPF and EPF are defined contribution pension schemes. Contributions to the CPF and EPF are recognised as an expense in the statement of profit or loss in the period in which the related service is performed.

(aa) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(ab) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

(ac) Dividends and distributions

Final dividends and distributions are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends and distributions are disclosed in the notes to the financial statements. Interim dividends and distributions are simultaneously proposed and declared, because the Company's articles of association grants the Directors the authority to declare interim dividends and distributions. Consequently, interim dividends and distributions are recognised immediately as a liability when they are proposed and declared.

Notes to the Financial Statements *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

(ad) Foreign currencies

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

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

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

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange equalisation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

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

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

Notes to the Financial Statements *(continued)*

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

(a) Judgements

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

Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Group includes the renewal period as part of the lease term for certain leases due to the significance of these assets to its operations.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. 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 could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. The Group may provide ancillary services to the occupants of properties it holds. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property. The property is an investment property only if the ancillary services are insignificant to the arrangement as a whole.

Notes to the Financial Statements *(continued)*

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty

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

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (i) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties as at 31 December 2025 was HK\$566,904,000 (2024 — HK\$575,482,000). Further details are disclosed in Note 17 to the financial statements.

Impairment of non-financial assets

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

The recoverable amount of the CGU to which goodwill has been allocated to is determined based on value-in-use calculations. The key assumptions applied in the determination of the value in use are disclosed and further explained in Note 15 to the financial statements. The carrying amount of intangible assets as at 31 December 2025 was HK\$21,034,000 (2024 — HK\$21,034,000).

Notes to the Financial Statements *(continued)*

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Estimation uncertainty *(continued)*

Impairment of interests in associates

After applying the equity method, the Group assesses whether there is any objective evidence of impairment for the interests in associates. The interests in associates are tested for impairment when there is objective evidence of impairment. The carrying amount of interests in associates as at 31 December 2025 was HK\$891,993,000 (2024 — HK\$823,692,000). Further details are disclosed in Note 19 to the financial statements.

Fair value of unlisted equity investments

When the fair values of financial assets recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the use of comparable recent arm's length transactions and other valuation techniques commonly used by other market participants. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as the implied equity value, volatility and discount rate. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Group classifies the fair value of these investments as Level 3. Further details are included in Note 40 to the financial statements.

Provision for expected credit losses on trade debtors

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade debtors is disclosed in Note 23 to the financial statements.

Notes to the Financial Statements *(continued)*

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has reportable operating segments as follows:

- (a) the property investment segment includes investments relating to the letting and resale of properties;
- (b) the treasury investment segment includes investments in money markets;
- (c) the securities investment segment includes investments in securities that are held for trading and for long-term strategic purposes;
- (d) the food businesses segment mainly includes food manufacturing and food retail operations in chains of cafés and bistros;
- (e) the healthcare services segment includes the provision of healthcare management services;
- (f) the property management segment includes the provision of property management services; and
- (g) the “other” segment comprises principally development and sale of properties, mineral exploration and extraction and investment in a closed-end fund.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) and comprises segment results of the Company and its subsidiaries, the Group’s share of results of associates and joint ventures.

Segment results are measured consistently with the Group’s profit/(loss) before tax except that the Group’s share of results of associates and joint ventures, unallocated corporate expenses and certain finance costs are excluded from such measurement.

Segment assets exclude interests in associates and joint ventures, deferred tax assets, tax recoverable and other head office and corporate assets which are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other head office and corporate liabilities which are managed on a group basis.

Inter-segment transactions are on an arm’s length basis in a manner similar to transactions with third parties.

Notes to the Financial Statements (continued)

4. SEGMENT INFORMATION (continued)

Year ended 31 December 2025

	Property investment HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Property management HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Revenue									
External	17,385	466	11,745	821,230	–	12,257	1,377	–	864,460
Inter-segment	4,368	–	–	–	–	560	–	(4,928)	–
Total	21,753	466	11,745	821,230	–	12,817	1,377	(4,928)	864,460
Segment results	(59,838)	466	(27,231)	16,062	–	9,709	(837)	(102)	(61,771)
Unallocated corporate expenses									(71,969)
Finance costs									(43,152)
Share of results of associates	–	–	–	–	3,439	–	20,000	–	23,439
Loss before tax									(153,453)
Segment assets	1,000,151	168,305	562,908	773,500	–	605	5,084	(3,433)	2,507,120
Interests in associates	–	–	–	–	502,304	–	389,689	–	891,993
Interests in joint ventures	–	–	41,423	–	–	–	–	–	41,423
Unallocated assets									23,502
Total assets									3,464,038
Segment liabilities	218,681	–	41,585	372,336	441,124	1,343	295,716	(994,153)	376,632
Unallocated liabilities									991,166
Total liabilities									1,367,798
Other segment information:									
Capital expenditure (Note)	60	–	–	27,119	–	2	497	–	27,678
Depreciation	(14,324)	–	–	(111,622)	–	(4)	(38)	3,994	(121,994)
Interest income	–	466	1,732	245	–	–	–	–	2,443
Finance costs	–	–	–	(9,737)	–	–	–	272	(9,465)
Loss on disposal of fixed assets	(14)	–	–	(411)	–	–	–	–	(425)
Gain on lease modification	–	–	–	1,796	–	–	–	–	1,796
Write-back of provisions/(Provisions) for impairment losses on:									
Fixed assets	(40,538)	–	–	–	–	–	–	–	(40,538)
A joint venture	–	–	(40,672)	–	–	–	–	–	(40,672)
Inventories	–	–	–	(1,778)	–	–	–	–	(1,778)
Loans and receivables	–	–	57	–	–	–	–	–	57
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	6,780	(2,637)	–	–	–	–	4,143
Net fair value loss on investment properties	(20,919)	–	–	–	–	–	–	–	(20,919)
Unallocated:									
Capital expenditure (Note)									80
Depreciation									(4,005)
Finance costs									(43,152)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations									16,038

Notes to the Financial Statements *(continued)*

4. SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024

	Property investment HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Food businesses HK\$'000	Healthcare services HK\$'000	Property management HK\$'000	Other HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
Revenue									
External	16,998	2,809	11,314	727,796	–	12,470	3,915	–	775,302
Inter-segment	4,368	–	–	–	–	590	–	(4,958)	–
Total	21,366	2,809	11,314	727,796	–	13,060	3,915	(4,958)	775,302
Segment results	(118,324)	2,809	(57,829)	(34,755)	(461)	9,775	4,283	151	(194,351)
Unallocated corporate expenses									(505,901)
Finance costs									(47,527)
Share of results of associates	–	–	–	–	(512)	–	42,311	–	41,799
Share of results of joint ventures	–	–	–	(431)	–	–	(19)	–	(450)
Loss before tax									(706,430)
Segment assets	1,062,163	236,020	556,009	698,477	–	683	4,527	(7,458)	2,550,421
Interests in associates	–	–	–	–	470,175	–	353,517	–	823,692
Interests in joint ventures	–	–	41,279	36,970	–	–	37	–	78,286
Unallocated assets									51,608
Total assets									3,504,007
Segment liabilities	212,793	–	41,513	343,826	436,520	1,529	300,476	(992,483)	344,174
Unallocated liabilities									1,086,905
Total liabilities									1,431,079
Other segment information:									
Capital expenditure (Note)	922	–	–	28,726	–	7	428	–	30,083
Depreciation	(16,656)	–	–	(117,191)	–	(6)	(39)	3,994	(129,898)
Interest income	–	2,809	1,479	1,944	–	–	2,737	–	8,969
Finance costs	–	–	–	(9,698)	–	–	–	525	(9,173)
Gain/(Loss) on disposal of:									
Fixed assets	–	–	–	(12,897)	–	–	–	–	(12,897)
Subsidiaries	–	–	–	–	–	–	957	–	957
Write-back of provisions/(Provisions)									
for impairment losses on:									
Fixed assets	(79,934)	–	–	–	–	–	–	–	(79,934)
Inventories	–	–	–	(1,022)	–	–	–	–	(1,022)
Loans and receivables	–	–	180	(344)	–	–	1,562	–	1,398
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	–	–	(65,774)	2,475	–	–	–	–	(63,299)
Net fair value loss on investment properties	(37,162)	–	–	–	–	–	–	–	(37,162)
Unallocated:									
Capital expenditure (Note)									1,472
Depreciation									(4,377)
Finance costs									(47,527)
Loss on disposal of fixed assets									(6)
Litigation settlement									(386,482)

Note: Capital expenditure includes additions to fixed assets, investment properties and exploration and evaluation assets.

Notes to the Financial Statements *(continued)*

4. SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Hong Kong	275,310	265,688
Chinese Mainland	6,526	5,920
Republic of Singapore	465,888	456,551
Malaysia	106,837	32,764
Other	9,899	14,379
	864,460	775,302

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

(b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Hong Kong	870,870	974,042
Chinese Mainland	144,683	145,087
Republic of Singapore	999,696	945,977
Malaysia	324,247	290,774
Other	102,454	131,772
	2,441,950	2,487,652

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

Information about a major customer

Revenue of approximately HK\$130,654,000 for the year ended 31 December 2025 (2024 — HK\$119,811,000) was derived from sales by the food businesses segment to a single customer.

Notes to the Financial Statements *(continued)*

5. REVENUE

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers:		
Revenue from food manufacturing operation	436,559	348,155
Revenue from restaurant operation	382,654	376,103
Provision of management services	12,635	12,866
	831,848	737,124
Revenue from other sources:		
Property rental income from operating leases:		
Variable lease payments that do not depend on an index or a rate	–	26
Other lease payments, including fixed payments	17,385	16,972
	17,385	16,998
Interest income	2,443	8,969
Dividend income	10,013	9,835
Other	2,771	2,376
	32,612	38,178
	864,460	775,302

Notes to the Financial Statements *(continued)*

5. REVENUE *(continued)*

Revenue from contracts with customers

(a) Disaggregated revenue information

Segments	Food businesses HK\$'000	Property management HK\$'000	Other HK\$'000	Total HK\$'000
Year ended 31 December 2025				
Types of goods or services:				
Revenue from food manufacturing operation	436,559	–	–	436,559
Revenue from restaurant operation	382,654	–	–	382,654
Provision of management services	–	12,257	378	12,635
Total revenue from contracts with customers	819,213	12,257	378	831,848
Geographical markets:				
Hong Kong	251,153	10,268	378	261,799
Chinese Mainland	–	1,989	–	1,989
Republic of Singapore	462,881	–	–	462,881
Malaysia	105,179	–	–	105,179
Total revenue from contracts with customers	819,213	12,257	378	831,848
Timing of revenue recognition:				
Goods transferred at a point in time	819,213	–	–	819,213
Services transferred over time	–	12,257	378	12,635
Total revenue from contracts with customers	819,213	12,257	378	831,848
Year ended 31 December 2024				
Types of goods or services:				
Revenue from food manufacturing operation	348,155	–	–	348,155
Revenue from restaurant operation	376,103	–	–	376,103
Provision of management services	–	12,470	396	12,866
Total revenue from contracts with customers	724,258	12,470	396	737,124
Geographical markets:				
Hong Kong	240,738	10,526	396	251,660
Chinese Mainland	–	1,944	–	1,944
Republic of Singapore	452,151	–	–	452,151
Malaysia	31,369	–	–	31,369
Total revenue from contracts with customers	724,258	12,470	396	737,124
Timing of revenue recognition:				
Goods transferred at a point in time	724,258	–	–	724,258
Services transferred over time	–	12,470	396	12,866
Total revenue from contracts with customers	724,258	12,470	396	737,124

Notes to the Financial Statements *(continued)*

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(a) Disaggregated revenue information *(continued)*

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

Segments	Food businesses HK\$'000	Property management HK\$'000	Other HK\$'000	Total HK\$'000
Year ended 31 December 2025				
Revenue from contracts with customers				
External customers	819,213	12,257	378	831,848
Inter-segment	–	560	–	560
Total revenue from contracts with customers	819,213	12,817	378	832,408
Revenue from other sources — external	2,017	–	999	3,016
Total	821,230	12,817	1,377	835,424
Year ended 31 December 2024				
Revenue from contracts with customers				
External customers	724,258	12,470	396	737,124
Inter-segment	–	590	–	590
Total revenue from contracts with customers	724,258	13,060	396	737,714
Revenue from other sources — external	3,538	–	3,519	7,057
Total	727,796	13,060	3,915	744,771

(b) Performance obligations

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

(i) Revenue from food manufacturing operation

Revenue from food manufacturing operation is recognised at a point in time when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with volume discounts based on the aggregate sales over a period of time. Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period of 30 to 90 days is allowed according to relevant business practice.

Notes to the Financial Statements *(continued)*

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(b) Performance obligations *(continued)*

(ii) Revenue from restaurant operation

Revenue from restaurant operation is recognised at a point in time when the food and beverage are delivered to and accepted by the customer, net of discounts. The payment of the transaction price is due immediately at the point when the customer purchases the goods.

(iii) Provision of management services

The performance obligation is satisfied over time as services are rendered. Accordingly, the service fee income is recognised as the service is performed over time.

6. OTHER LOSSES — NET

	2025 HK\$'000	2024 HK\$'000
Gain/(Loss) on disposal of:		
Fixed assets	(425)	(12,903)
Subsidiaries <i>(Note 34)</i>	—	957
Gain on lease modification	1,796	—
Write-back of provisions/(Provisions) for impairment losses on:		
A joint venture	(40,672)	—
Inventories	(1,778)	(1,022)
Loans and receivables	57	1,398
Foreign exchange gains — net	1,679	2,835
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	16,038	—
	(23,305)	(8,735)

Notes to the Financial Statements *(continued)*

7. LOSS BEFORE TAX

Loss before tax is arrived at after crediting/(charging):

	2025 HK\$'000	2024 HK\$'000
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss mandatorily classified as such, including those held for trading:		
Equity securities	20,992	(18,210)
Debt securities	(1,100)	(1,572)
Investment funds	(14,979)	(43,341)
Derivative financial instruments	(770)	(176)
	4,143	(63,299)
Employee benefit expense <i>(Note (a))</i> :		
Wages and salaries	(317,045)	(280,932)
Retirement benefit costs <i>(Note (b))</i>	(17,173)	(16,480)
Total staff costs <i>(Note (c))</i>	(334,218)	(297,412)
Interest income:		
Loans and advances	1,724	4,649
Financial assets at fair value through profit or loss	–	961
Other	719	3,359
Depreciation of fixed assets <i>(Note (d))</i>	(59,255)	(67,043)
Depreciation of right-of-use assets <i>(Note (e))</i>	(66,744)	(67,232)
Auditors' remuneration <i>(Note (e))</i>	(5,055)	(5,251)
Lease payments not included in the measurement of lease liabilities <i>(Note 18(c))</i>	(4,449)	(3,377)
Direct operating expenses arising from rental-earning investment properties	(1,929)	(1,640)
Selling and distribution expenses <i>(Note (f))</i>	(58,195)	(48,847)
Legal and professional fees <i>(Note (f))</i>	(6,424)	(56,452)
Consultancy and service fees <i>(Note (f))</i>	(9,478)	(11,508)
Utilities charges <i>(Note (f))</i>	(12,538)	(14,061)
Cost of inventories sold <i>(Note (c) and Note (d))</i>	(330,694)	(299,068)
Government grants <i>(Note (g))</i>	1,251	2,003

Note:

- (a) The amounts include Directors' emoluments disclosed in Note 10 to the financial statements.
- (b) At 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024 — Nil).
- (c) Total staff costs of HK\$31,143,000 (2024 — HK\$25,279,000) and HK\$303,075,000 (2024 — HK\$272,133,000) are included in "Cost of inventories sold" and "Administrative expenses" in the consolidated statement of profit or loss, respectively.
- (d) Depreciation of fixed assets of HK\$17,004,000 (2024 — HK\$18,852,000) and HK\$42,251,000 (2024 — HK\$48,191,000) are included in "Cost of inventories sold" and "Administrative expenses" in the consolidated statement of profit or loss, respectively.
- (e) The amounts are included in "Administrative expenses" in the consolidated statement of profit or loss.
- (f) The amounts are included in "Other operating expenses" in the consolidated statement of profit or loss.
- (g) Government grants mainly represent subsidies received in Singapore. There are no unfulfilled conditions or other contingencies attaching to these grants.

Notes to the Financial Statements *(continued)*

8. LITIGATION SETTLEMENT

Reference was made to the Group's minority ownership interest in Skye Mineral Partners, LLC ("Skye") whose major asset, prior to the events described below, was substantially all of the equity interests in CS Mining, LLC ("CS Mining"), a company that owned a number of copper ore deposits in the U.S.A. Subsequently, CS Mining sold its assets through a court-supervised sale process under its bankruptcy proceedings and a former joint venture of the Company participated and won the bid to acquire the assets in 2017. In 2018, a verified complaint was filed in a state court in the U.S.A. by the majority investors in Skye (the "Majority Investors") individually and derivatively on behalf of Skye against, among others, certain entities and persons in or related to the Group (collectively, the "Parties"), alleging, among other things, that they suffered from diminution in the value of their equity interests in CS Mining based on an alleged scheme perpetrated by the Parties on CS Mining. The Group, individually and derivatively on behalf of Skye, also filed a counterclaim against the Majority Investors and their related persons (the "Counterparties"), in which the Group claimed that the Counterparties, at all relevant times, controlled both Skye and CS Mining, preferred their own interests over those of Skye and its creditors and other owners and that this misconduct of the Counterparties caused the Group to suffer loss. The parties agreed to attempt to consensually resolve the litigation in mediation and prior to the commencement of trial in the litigation, the parties reached a settlement, which was memorialised in a settlement agreement dated 20 September 2024 (the "Settlement Agreement"). Under the Settlement Agreement, the litigation and all claims that existed with respect to the Group's ownership interest and participation in Skye and CS Mining were settled and the Parties and the Counterparties agreed to fully and forever release and discharge all the claims against each other and Skye was dissolved (the "Settlement"). In consideration of the Settlement, the Group paid US\$49.5 million (equivalent to approximately HK\$386,482,000) to the Counterparties under the Settlement Agreement. While the Group continues to maintain that it has no liability in respect of the claims, the Settlement Agreement entered into by the Group avoided the risk, uncertainty and costs associated with litigation.

Following the Settlement made by the Group under the Settlement Agreement, the Group has in turn sought indemnity under a corporate liability insurance policy. In February 2026, the Group entered into an agreement with the relevant insurers and recovered a total sum of US\$24.75 million (equivalent to approximately HK\$192,624,000), of which US\$9.9 million (equivalent to approximately HK\$77,050,000) had been advanced by the above insurers to the Group during the year ended 31 December 2025 with the balance received in full subsequently in 2026. Further details are set out in Note 42 to the financial statements.

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank and other borrowings	46,064	49,908
Interest on lease liabilities	6,553	6,792
	52,617	56,700

Notes to the Financial Statements *(continued)*

10. DIRECTORS' EMOLUMENTS

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

	2025 HK\$'000	2024 HK\$'000
Directors' fees	3,304	3,071
Basic salaries, allowances and benefits in kind	4,658	4,083
Discretionary bonuses paid and payable	9,223	3,777
Retirement benefit costs	135	119
	17,320	11,050

The emoluments paid to each of the Directors during the year ended 31 December 2025 are as follows:

2025	Directors' fees HK\$'000	Basic salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses paid and payable HK\$'000	Retirement benefit costs HK\$'000	Total HK\$'000
Executive directors:					
Stephen Riady	282	2,127	7,087	81	9,577
John Luen Wai Lee	282	685	1,000	18	1,985
Davy Kwok Fai Lee	282	992	536	18	1,828
James Siu Lung Lee	282	854	600	18	1,754
Brian Riady	282	–	–	–	282
	1,410	4,658	9,223	135	15,426
Non-executive director:					
Leon Nim Leung Chan	464	–	–	–	464
Independent non-executive directors:					
Edwin Neo	530	–	–	–	530
Victor Ha Kuk Yung	497	–	–	–	497
Min Yen Goh	403	–	–	–	403
	1,430	–	–	–	1,430
	3,304	4,658	9,223	135	17,320

Notes to the Financial Statements *(continued)*

10. DIRECTORS' EMOLUMENTS *(continued)*

The emoluments paid to each of the Directors during the year ended 31 December 2024 are as follows:

2024	Directors' fees HK\$'000	Basic salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses paid and payable HK\$'000	Retirement benefit costs HK\$'000	Total HK\$'000
Executive directors:					
Stephen Riady	272	2,104	2,087	74	4,537
John Luen Wai Lee	272	662	1,000	18	1,952
Davy Kwok Fai Lee <i>(Note)</i>	156	470	90	9	725
James Siu Lung Lee	272	847	600	18	1,737
Brian Riady	272	–	–	–	272
	1,244	4,083	3,777	119	9,223
Non-executive director:					
Leon Nim Leung Chan	447	–	–	–	447
Independent non-executive directors:					
Edwin Neo	511	–	–	–	511
Victor Ha Kuk Yung	480	–	–	–	480
Min Yen Goh	389	–	–	–	389
	1,380	–	–	–	1,380
	3,071	4,083	3,777	119	11,050

Note: Davy Kwok Fai Lee was appointed as an executive director of the Company on 7 June 2024.

There were no arrangements under which a Director waived or agreed to waive any emoluments during the year.

No share options were granted to the Directors during the year.

Notes to the Financial Statements *(continued)*

11. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

The five highest paid employees during the year ended 31 December 2025 included one Director (2024 — one Director), details of whose emoluments are set out in Note 10 to the financial statements. Details of the emoluments of the remaining four (2024 — four) non-director, highest paid employees for the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, allowances and benefits in kind	9,877	9,221
Discretionary bonuses paid and payable	1,650	2,610
Retirement benefit costs	216	126
	11,743	11,957

The number of non-director highest paid employees whose emoluments fell within the following bands is as follows:

	2025 Number of employees	2024 Number of employees
HK\$2,500,001 to HK\$3,000,000	2	2
HK\$3,000,001 to HK\$3,500,000	2	2
	4	4

12. INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Current tax		
Charge for the year	12,235	8,033
Overprovision in prior years	(104,226)	(1,092)
	(91,991)	6,941
Deferred tax (Note 29)	(5,896)	(4,608)
Total tax charge/(credit) for the year	(97,887)	2,333

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2024 — 8.25% or 16.5%), as appropriate. For the companies operating in Chinese Mainland, the Republic of Singapore and Malaysia, corporate taxes have been calculated on the estimated assessable profits for the year at the rates of 25%, 17% and 24% (2024 — 25%, 17% and 24%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Notes to the Financial Statements *(continued)*

12. INCOME TAX *(continued)*

A reconciliation of the tax credit applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax charge/(credit) at the effective tax rate is as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(153,453)	(706,430)
Tax at the statutory tax rate of 16.5% (2024 — 16.5%)	(25,320)	(116,561)
Effect of different tax rates in other jurisdictions	(293)	(657)
Adjustments in respect of current tax of previous years	(104,226)	(1,092)
Profits and losses attributable to joint ventures and associates	(3,867)	(6,823)
Income not subject to tax	(6,570)	(5,662)
Expenses not deductible for tax	24,112	111,883
Effect of partial tax exemption and tax relief	(416)	(245)
Benefits from tax losses/temporary differences previously unrecognised	(1,436)	(1,416)
Tax losses/temporary differences not recognised	20,129	22,906
Tax charge/(credit) at the Group's effective rate	(97,887)	2,333

13. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(a) Basic loss per share

Basic loss per share is calculated based on (i) the consolidated loss for the year attributable to equity holders of the Company; and (ii) the weighted average number of approximately 918,691,000 ordinary shares (2024 — approximately 918,691,000 ordinary shares) outstanding during the year.

(b) Diluted loss per share

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

14. DIVIDEND

The Directors have resolved not to recommend the payment of any final dividend for the year ended 31 December 2025 (2024 — Nil).

Notes to the Financial Statements *(continued)*

15. INTANGIBLE ASSETS

	Goodwill HK\$'000	Trademark licence agreement HK\$'000	Unpatented technology HK\$'000	Total HK\$'000
2025				
Cost:				
At 1 January 2025	150,576	184,845	81,031	416,452
Exchange adjustments	8,343	11,906	5,219	25,468
At 31 December 2025	158,919	196,751	86,250	441,920
Accumulated amortisation and impairment losses:				
At 1 January 2025	129,542	184,845	81,031	395,418
Exchange adjustments	8,343	11,906	5,219	25,468
At 31 December 2025	137,885	196,751	86,250	420,886
Net carrying amount:				
At 31 December 2025	21,034	–	–	21,034
2024				
Cost:				
At 1 January 2024	155,770	192,257	84,280	432,307
Exchange adjustments	(5,194)	(7,412)	(3,249)	(15,855)
At 31 December 2024	150,576	184,845	81,031	416,452
Accumulated amortisation and impairment losses:				
At 1 January 2024	134,736	192,257	84,280	411,273
Exchange adjustments	(5,194)	(7,412)	(3,249)	(15,855)
At 31 December 2024	129,542	184,845	81,031	395,418
Net carrying amount:				
At 31 December 2024	21,034	–	–	21,034

Trademark licence agreement relates to the right to use the “Délifrance” trademark granted under a licence agreement. The value of the trademark licence agreement was fully impaired in prior years.

Unpatented technology relates to Delifrance’s Modified Sous Vide Process for the Group’s food retail business, which allows for the preparation of food to reduce wastage significantly, increases the shelf life of the food items, and reduces the time required to reheat food significantly. The value of the unpatented technology was fully impaired in prior years.

Notes to the Financial Statements *(continued)*

15. INTANGIBLE ASSETS *(continued)*

Impairment testing of goodwill

The carrying amount of goodwill acquired through business combinations allocated to the food businesses is as follows:

	Goodwill HK\$'000	Compounded revenue growth rate %	Long-term growth rate %	Pre-tax discount rate per annum %
At 31 December 2025				
All Around Limited	21,034	1.7	1.0	8.5
At 31 December 2024				
All Around Limited	21,034	3.2	1.0	10.0

The recoverable amounts have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a period of five years (2024 — five years). Management has considered and determined the factors applied in these financial budgets which include budgeted gross margins and the target growth rates.

Key assumptions used in the value-in-use calculations

Compounded revenue growth rate — The compounded revenue growth rate is the rate which revenue grows over a period of five years, taking into account the effect of annual compounding. Management determines the growth rate based on past performance and its expectations for market development. The forecast is based on management's past experience and does not exceed the long-term average growth rate for the industries relevant to the CGUs.

Long-term growth rate — The forecast long-term growth rate is based on published industry research and does not exceed the long-term average growth rate for the industry.

Pre-tax discount rate — The discount rate represents the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital.

Impairment loss recognised

For the years ended 31 December 2025 and 2024, impairment assessment review had been performed for the goodwill acquired in All Around Limited and it was assessed that there was no impairment as the recoverable amount was in excess of the carrying value. No impairment loss was charged to the consolidated statement of profit or loss during the year ended 31 December 2025 (2024 — Nil) based on the impairment assessment review.

Sensitivity to changes in assumptions

For the years ended 31 December 2025 and 2024, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the business units to materially exceed their recoverable amounts.

Notes to the Financial Statements *(continued)*

16. FIXED ASSETS

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures, plant and equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
2025						
At 1 January 2025						
Cost	945,828	213,914	296,541	23,633	364	1,480,280
Accumulated depreciation and impairment losses	(304,877)	(170,248)	(162,532)	(7,274)	–	(644,931)
Net carrying amount	640,951	43,666	134,009	16,359	364	835,349
At 1 January 2025, net of accumulated depreciation and impairment losses	640,951	43,666	134,009	16,359	364	835,349
Additions	188	1,841	6,050	18,897	285	27,261
Disposals	–	(244)	(181)	–	–	(425)
Depreciation provided during the year	(17,574)	(17,298)	(21,413)	(2,970)	–	(59,255)
Impairment during the year	(40,538)	–	–	–	–	(40,538)
Exchange adjustments	16,759	1,163	12,660	1,608	11	32,201
At 31 December 2025, net of accumulated depreciation and impairment losses	599,786	29,128	131,125	33,894	660	794,593
At 31 December 2025						
Cost	964,602	197,829	315,440	44,656	660	1,523,187
Accumulated depreciation and impairment losses	(364,816)	(168,701)	(184,315)	(10,762)	–	(728,594)
Net carrying amount	599,786	29,128	131,125	33,894	660	794,593

Notes to the Financial Statements *(continued)*

16. FIXED ASSETS *(continued)*

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures, plant and equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
2024						
At 1 January 2024						
Cost	942,606	211,279	306,738	20,435	3,787	1,484,845
Accumulated depreciation and impairment losses	(204,977)	(161,346)	(151,265)	(6,720)	–	(524,308)
Net carrying amount	737,629	49,933	155,473	13,715	3,787	960,537
At 1 January 2024, net of accumulated depreciation and impairment losses	737,629	49,933	155,473	13,715	3,787	960,537
Additions	148	14,022	10,686	4,147	1,302	30,305
Reclassification	–	1,541	–	–	(1,541)	–
Disposals	–	(24)	(9,627)	(12)	(3,240)	(12,903)
Depreciation provided during the year	(19,722)	(21,044)	(24,566)	(1,711)	–	(67,043)
Impairment during the year	(79,934)	–	–	–	–	(79,934)
Exchange adjustments	2,830	(762)	2,043	220	56	4,387
At 31 December 2024, net of accumulated depreciation and impairment losses	640,951	43,666	134,009	16,359	364	835,349
At 31 December 2024						
Cost	945,828	213,914	296,541	23,633	364	1,480,280
Accumulated depreciation and impairment losses	(304,877)	(170,248)	(162,532)	(7,274)	–	(644,931)
Net carrying amount	640,951	43,666	134,009	16,359	364	835,349

As at 31 December 2025, the Group carried out an impairment assessment of its office buildings situated in Hong Kong reported under the property investment segment as a result of drop in market value of the properties in Hong Kong during the year. The Group assessed the recoverable amounts of those land and buildings and the carrying amount of the land and buildings was written down to their recoverable amount of HK\$306,000,000 (2024 — HK\$357,000,000). An impairment loss of HK\$40,538,000 (2024 — HK\$79,934,000) was recognised in the consolidated statement of profit or loss during the year ended 31 December 2025. The estimates of the recoverable amount were based on the fair value less costs of disposal. The fair value is categorised as a Level 3 measurement. The fair value is estimated on the basis of capitalisation of the net income and has allowed for outgoings and, in appropriate cases, made provisions for reversionary income potential. The key input was the capitalisation rate of 3.6% (2024 — 3.2%).

Certain land and buildings were pledged to secure banking facilities granted to the Group as set out in Note 27 to the financial statements.

Notes to the Financial Statements *(continued)*

17. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
Carrying amount at beginning of year	575,482	617,149
Additions	–	822
Fair value adjustments	(20,919)	(37,162)
Exchange adjustments	12,341	(5,327)
Carrying amount at end of year	566,904	575,482

Certain investment properties were pledged to secure banking facilities granted to the Group as set out in Note 27 to the financial statements.

The Group engages external, independent and professionally qualified valuers to perform valuations for determining the fair value of the Group's investment properties for financial reporting purposes. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has reviewed the valuation results by verifying the major inputs and assumptions made by the independent valuers and assessing the reasonableness of property valuation.

Based on professional valuations as at 31 December 2025 made by CBRE, Inc., Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Dalia Assis, Newmark Polska Sp. z o.o., RHL Appraisal Limited and Vigers Appraisal and Consulting Limited, independent qualified valuers, the investment properties were revalued on an open market, existing use basis at HK\$566,904,000 (2024 — HK\$575,482,000).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 31 December 2025				
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	–	–	335,750	335,750
Chinese Mainland	–	–	118,354	118,354
Overseas	–	–	112,800	112,800
	–	–	566,904	566,904
At 31 December 2024				
Recurring fair value measurement for:				
Completed investment properties in:				
Hong Kong	–	–	354,350	354,350
Chinese Mainland	–	–	119,542	119,542
Overseas	–	–	101,590	101,590
	–	–	575,482	575,482

Notes to the Financial Statements *(continued)*

17. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy *(continued)*

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024 — Nil).

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

Class of property	Valuation techniques	Significant unobservable inputs	Range
Completed investment properties in:			
Hong Kong	Market approach	Price per square metre	HK\$136,000 to HK\$223,500 (2024 — HK\$121,000 to HK\$263,500)
	Income approach	Capitalisation rate	3.6% to 8.0% (2024 — 3.2% to 8.0%)
Chinese Mainland	Market approach	Price per square metre	HK\$10,000 to HK\$11,500 (2024 — HK\$10,500 to HK\$11,500)
Overseas	Market approach	Price per square metre	HK\$8,500 to HK\$110,500 (2024 — HK\$7,500 to HK\$123,500)

Under the market approach, fair value is estimated by the direct comparison method on the assumption of the sale of the property interest with the benefit of vacant possession and by referring to comparable sales transactions as available in the market. The key input was the market price per square metre. A significant increase/decrease in the market price in isolation would result in a significant increase/decrease in the fair value of the investment properties.

Under the income approach, fair value is estimated on the basis of capitalisation of the net income and has allowed for outgoings and, in appropriate cases, made provisions for reversionary income potential. The key input was the capitalisation rate. A significant increase/decrease in the capitalisation rate in isolation would result in a significant decrease/increase in the fair value of the investment properties.

Notes to the Financial Statements *(continued)*

18. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties, equipment and motor vehicles used in its operations. Leases of properties generally have lease terms of 1 to 10 years. Equipment generally has lease terms of 2 to 5 years, while motor vehicles generally have lease terms of 2 to 10 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. The Group has elected not to recognise right-of-use assets and lease liabilities for leases with lease term of 1 year or less and leases of low-value assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

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

	Land and buildings HK\$'000	Plant and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
2025				
At 1 January 2025	136,045	1,246	12,873	150,164
Additions	34,543	1,653	14,762	50,958
Depreciation provided during the year	(54,376)	(1,068)	(11,300)	(66,744)
Lease modification	(18,120)	–	(137)	(18,257)
Exchange adjustments	4,936	58	653	5,647
At 31 December 2025	103,028	1,889	16,851	121,768
2024				
At 1 January 2024	149,501	1,869	9,739	161,109
Additions	44,745	239	13,977	58,961
Depreciation provided during the year	(55,649)	(823)	(10,760)	(67,232)
Exchange adjustments	(2,552)	(39)	(83)	(2,674)
At 31 December 2024	136,045	1,246	12,873	150,164

Notes to the Financial Statements *(continued)*

18. LEASES *(continued)*

The Group as a lessee *(continued)*

(b) Lease liabilities

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

	2025 HK\$'000	2024 HK\$'000
Balance at beginning of year	161,811	172,820
Additions	50,958	58,961
Interest expenses	6,553	6,792
Payments	(74,502)	(73,934)
Lease modification	(20,053)	–
Exchange adjustments	7,184	(2,828)
Balance at end of year	131,951	161,811
Analysed into:		
Within one year	53,742	55,910
After one year but within two years	38,836	59,705
After two years but within five years	36,031	38,397
Over five years	3,342	7,799
	78,209	105,901
	131,951	161,811

The maturity analysis of lease liabilities is disclosed in Note 41(b) to the financial statements.

(c) Amounts recognised in profit or loss

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	6,553	6,792
Depreciation of right-of-use assets	66,744	67,232
Expense relating to short-term leases (included in administrative expenses)	613	183
Expense relating to leases of low-value assets (included in administrative expenses)	215	222
Variable lease payments not included in the measurement of lease liabilities (included in administrative expenses)	3,621	2,972

Notes to the Financial Statements *(continued)*

18. LEASES *(continued)*

The Group as a lessee *(continued)*

(d) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. The Group does not expect to exercise the termination options under the lease contracts. Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease terms:

	2025 HK\$'000	2024 HK\$'000
Extension options expected not to be exercised		
Payable after five years	44,848	42,134

(e) Variable lease payments

The Group leased certain properties which contain variable lease payment terms that are based on the percentage of sales in excess of the base rent. There are also minimum annual base rental arrangements for these leases. The amounts of the fixed and variable lease payments made during the year ended 31 December 2025 for these leases were HK\$44,478,000 and HK\$3,621,000 (2024 — HK\$42,905,000 and HK\$2,972,000), respectively.

(f) The total cash outflow for leases is disclosed in Note 35(d) to the financial statements.

The Group as a lessor

The Group leases certain properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market condition. Details of the rental income recognised by the Group are included in Note 5 to the financial statements.

At the end of the reporting period, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	8,307	10,761
After one year but within two years	2,515	5,785
After two years but within three years	1,190	2,394
After three years but within four years	1,190	1,161
After four years but within five years	918	1,161
After five years	—	894
	14,120	22,156

Notes to the Financial Statements *(continued)*

19. INTERESTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	624,488	572,375
Goodwill	291,239	273,615
Provisions for impairment losses	(23,734)	(22,298)
	891,993	823,692

Certain shares in a listed associate were pledged to secure banking facilities granted to the Group as set out in Note 27 to the financial statements.

Details of the principal associates are set out on page 203.

Healthway Medical Corporation Limited ("Healthway") and TIH Limited ("TIH") are considered as material associates of the Group.

Healthway

Healthway has a wide network of over 130 clinics, primarily in Singapore, offering comprehensive services including general practitioner and family medicine clinics, health screening, adult specialists, baby and child specialists, dental services, day surgery centre and allied healthcare services. Healthway is accounted for using the equity method. As at 31 December 2025, the Group's equity interest in Healthway remained at 40.76% (2024 — 40.76%).

TIH

TIH is a closed-end fund listed in Singapore which focuses on investment in various sectors in Asia such as consumer and industrial products, healthcare, technology, media and telecommunications, food, manufacturing and chemicals. TIH is accounted for using the equity method. As at 31 December 2025, the Group's equity interest in TIH remained at 39.92% (2024 — 39.92%).

The Group assessed that there was indication that the carrying amount of interest in TIH might be impaired as at 31 December 2025. The recoverable amount of the associate is estimated based on value-in-use. The Directors considered no impairment loss was necessary as at 31 December 2025 (2024 — Nil).

Notes to the Financial Statements *(continued)*

19. INTERESTS IN ASSOCIATES *(continued)*

The following table illustrates the summarised consolidated financial information of Healthway and TIH, adjusted for fair value adjustments on acquisition (if any) and any differences in accounting policies and reconciled to the carrying amounts in the financial statements:

	Healthway		TIH	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current assets	338,185	305,916	337,022	320,672
Non-current assets	859,636	807,429	575,576	497,490
Current liabilities	(311,986)	(254,965)	(39,635)	(41,616)
Non-current liabilities	(232,740)	(245,830)	(969)	(108)
Net assets, excluding goodwill	653,095	612,550	871,994	776,438
Less: Non-controlling interests	(27,646)	(29,199)	–	–
Net assets attributable to equity holders of the associates	625,449	583,351	871,994	776,438
Reconciliation to the Group's interests in associates:				
Group's share of net assets of associates, excluding goodwill	254,925	237,766	348,100	309,954
Goodwill, less cumulative impairment	247,379	232,409	–	–
Carrying amount of the investments	502,304	470,175	348,100	309,954
Revenue for the year	1,104,696	1,081,918	41,215	122,754
Profit/(Loss) for the year attributable to equity holders of the associates	8,436	(1,255)	59,298	103,424
Other comprehensive income/(loss) for the year attributable to equity holders of the associates	71,271	(45,968)	50,678	(29,937)
Total comprehensive income/(loss) for the year attributable to equity holders of the associates	79,707	(47,223)	109,976	73,487
Dividend received from the associate for the year	–	–	5,756	5,633
Fair value of the Group's listed investments <i>(Note)</i>	N/A	N/A	143,111	112,500

Note: Based on the quoted market prices as at 31 December 2025 and 2024 (Level 1 in the fair value hierarchy)

N/A: Not applicable

Notes to the Financial Statements *(continued)*

19. INTERESTS IN ASSOCIATES *(continued)*

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

	2025 HK\$'000	2024 HK\$'000
Share of the associates' profit/(loss) for the year	(3,672)	1,024
Share of the associates' other comprehensive loss for the year	(219)	(96)
Share of the associates' total comprehensive income/(loss) for the year	(3,891)	928
Aggregate carrying amount of the Group's interests in the associates	41,589	43,563

20. INTERESTS IN JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Share of net liabilities	–	(2,015)
Due from joint ventures	215,302	213,265
Provisions for impairment losses	(173,879)	(132,964)
	41,423	78,286

As at 31 December 2025, the amounts due from joint ventures included balances of HK\$40,558,000 (2024 — HK\$38,930,000), which are unsecured, bear interest at rates ranging from nil to 5% per annum (2024 — nil to 5% per annum) and are repayable when the resources of the joint venture permit. The remaining balances with the joint ventures are unsecured, interest-free and repayable on demand. In the opinion of the Directors, the amounts due from joint ventures are considered as part of the Group's net investments in the joint ventures. As at 31 December 2025, the loss allowance for impairment of amounts due from joint ventures amounted to HK\$173,879,000 (2024 — HK\$132,964,000), which represented lifetime ECLs made for credit-impaired balances. Loss allowance of HK\$40,672,000 (2024 — Nil) was provided for the year ended 31 December 2025, which represented lifetime ECLs provided for credit-impaired receivables with a gross carrying amount of HK\$40,672,000 in view of the prevailing business operation environment of investment of such joint venture. Except for the credit-impaired balances, there has been no significant increase in credit risk of the remaining balances. As at 31 December 2025 and 2024, the loss allowance for such remaining balances was assessed to be minimal.

Details of the principal joint ventures are set out on page 204.

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

	2025 HK\$'000	2024 HK\$'000
Share of the joint ventures' loss and total comprehensive loss for the year	–	(450)
Aggregate carrying amount of the Group's interests in the joint ventures	41,423	78,286

Notes to the Financial Statements *(continued)*

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
Financial assets at fair value through other comprehensive income:		
Listed equity securities (<i>Note</i>)	36,739	10,879
Unlisted equity securities	31,379	35,388
	68,118	46,267

Note: As at 31 December 2025, the Group held approximately 28.8% (2024 — 19.0%) of the ordinary shares in H2G Green Limited (“H2G”, a company listed on the Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited). It is considered that the Group is not in a position to exercise significant influence over H2G as the Group had no representative in the board of directors of H2G and it is not practical for the Group to exercise any significant influence. The investment in H2G is classified as financial assets at fair value through other comprehensive income and the fair value of the investment was HK\$35,791,000 (2024 — HK\$10,699,000) as at 31 December 2025.

The Group has designated certain equity securities as financial assets at fair value through other comprehensive income as the Group considers these equity securities to be strategic in nature.

As at 31 December 2025, certain financial assets at fair value through other comprehensive income were pledged to secure banking facilities granted to the Group as set out in Note 27 to the financial statements (2024 — Nil).

During the year ended 31 December 2025, the Group recognised dividend income of HK\$2,444,000 (2024 — HK\$654,000) from investments held at the end of the reporting period. Such dividend income is included in “Revenue” in the consolidated statement of profit or loss.

During the year ended 31 December 2025, the Group derecognised certain financial assets at fair value through other comprehensive income upon completion of dissolution of the investee during the year ended 31 December 2025. The fair value on the date of dissolution was nil and the accumulated loss of HK\$2,055,000 was transferred from fair value reserve of financial assets at fair value through other comprehensive income to retained profits upon dissolution.

During the year ended 31 December 2024, the Group completed a share swap of one of its unlisted investments to a listed investment in a related business, both of which were designated as financial assets at fair value through other comprehensive income. The share swap allowed the Group to enhance liquidity of its investment portfolio. The fair value on the date of transfer was HK\$8,785,000 and the accumulated loss of HK\$2,500,000 was transferred from fair value reserve of financial assets at fair value through other comprehensive income to retained profits upon completion. The Group also derecognised certain financial assets at fair value through other comprehensive income upon dissolution of the investee during the year ended 31 December 2024. The fair value on the date of dissolution was nil and the accumulated loss of HK\$153,815,000 was transferred from fair value reserve of financial assets at fair value through other comprehensive income to retained profits upon dissolution.

Notes to the Financial Statements *(continued)*

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Mandatorily classified as such, including those held for trading:		
Equity securities	120,141	101,927
Debt securities	16,357	17,457
Investment funds	353,557	373,531
	490,055	492,915
Analysed for financial reporting purposes as:		
Current assets	120,141	101,927
Non-current assets	369,914	390,988
	490,055	492,915

Certain financial assets at fair value through profit or loss were pledged to secure banking facilities granted to the Group as set out in Note 27 to the financial statements.

23. DEBTORS, PREPAYMENTS AND OTHER ASSETS

Trade debtors mainly relate to the food businesses operation. Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period is allowed according to relevant business practice. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by the senior management. The Group does not hold any collateral or other credit enhancements over its trade debtors balances. Trade debtors are non-interest bearing.

Included in the balances are trade debtors with an ageing analysis, based on the invoice date and net of loss allowance, as follows:

	2025 HK\$'000	2024 HK\$'000
Outstanding balances with ages:		
Within 30 days	52,335	35,339
Between 31 and 60 days	26,980	22,548
Between 61 and 90 days	14,720	13,749
Over 90 days	1,586	1,115
	95,621	72,751

As at 31 December 2024, the balances of debtors, prepayments and other assets included loans and advances of HK\$6,139,000, which were unsecured, bore interest at a rate of 5.0% per annum and were repayable within one year. The Group did not hold any collateral or other credit enhancements over these balances. Such loans and advances were fully paid during the year.

Notes to the Financial Statements *(continued)*

23. DEBTORS, PREPAYMENTS AND OTHER ASSETS *(continued)*

The remaining balances of debtors, prepayments and other assets are non-interest bearing and relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance for these balances was assessed to be minimal.

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

	2025 HK\$'000	2024 HK\$'000
Balance at beginning of year	1,587	1,320
Impairment losses recognised	–	344
Write-off	(6)	(18)
Exchange adjustments	108	(59)
Balance at end of year	1,689	1,587

An impairment analysis for trade debtors is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on the past due status of the debtors and adjusted for factors specific to the debtors, general economic condition forecasts and forward-looking information that is available without undue cost or effort. No loss allowance (2024 — HK\$344,000) was charged to the consolidated statement of profit or loss for the year ended 31 December 2025.

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

	Expected credit loss rate	2025 Gross carrying amount HK\$'000	Expected credit losses HK\$'000	Expected credit loss rate	2024 Gross carrying amount HK\$'000	Expected credit losses HK\$'000
Current	0%	40,509	–	0%	36,583	–
Past due:						
Within 30 days	2.1%	45,962	981	3.3%	30,991	1,013
Between 31 and 90 days	7.2%	9,198	660	9.6%	5,609	540
Between 91 and 120 days	3.9%	466	18	2.9%	802	23
Over 121 days	2.6%	1,175	30	3.1%	353	11
	1.7%	97,310	1,689	2.1%	74,338	1,587

Notes to the Financial Statements *(continued)*

23. DEBTORS, PREPAYMENTS AND OTHER ASSETS *(continued)*

The movements in the loss allowance for impairment of loans and advances included in debtors, prepayments and other assets are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at beginning of year	57	1,799
Impairment losses reversed	(57)	(1,742)
Balance at end of year	–	57

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate, general economic condition forecasts and forward-looking information that is available without undue cost or effort. All loans and advances provided were considered to have low credit risk, and the loss allowance was therefore limited to 12-month ECLs. During the year ended 31 December 2025, a loss allowance of HK\$57,000 (2024 — HK\$1,742,000) was reversed, which was mainly due to the repayment of loans and advances during the year. As all the loans and advances were repaid during the year, there was no loss allowance for impairment of loans and advances as at 31 December 2025 (2024 — HK\$57,000).

24. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials and stores	18,056	14,681
Finished goods and goods for sale	12,406	10,320
	30,462	25,001

25. OTHER FINANCIAL ASSETS

	2025 HK\$'000	2024 HK\$'000
Derivative financial instruments:		
Forward currency contracts <i>(Note)</i>	–	2,497
Warrants	–	4,585
	–	7,082

Note: Forward currency contracts were mainly used to hedge the foreign exchange exposure related to the food businesses operation. The notional amount of the outstanding forward currency contracts as at 31 December 2024 was HK\$96,418,000.

26. RESTRICTED CASH

As at 31 December 2025, restricted cash balances with a carrying amount of HK\$6,500,000 (2024 — Nil) were placed in designated bank accounts for interest reserve requirement for the banking facilities granted to the Group as set out in Note 27 to the financial statements.

Notes to the Financial Statements *(continued)*

27. BANK AND OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Current portion:		
Bank loans — secured <i>(Note (a))</i>	123,736	191,554
Non-current portion:		
Bank loans — secured <i>(Note (a))</i>	641,090	604,304
Other loans — unsecured <i>(Note (b))</i>	187,266	170,000
	828,356	774,304
	952,092	965,858
Bank and other borrowings by currency:		
Hong Kong dollar	842,500	925,191
Singapore dollar	7,266	—
Malaysian ringgit	102,326	40,667
	952,092	965,858
Bank loans repayable:		
Within one year or on demand	123,736	191,554
In the second year	487,502	173,004
In the third to fifth years, inclusive	153,588	431,300
	764,826	795,858
Other borrowings repayable:		
In the second year	7,266	170,000
In the third to fifth years, inclusive	180,000	—
	187,266	170,000

The Group's bank loans bear interest at rates ranging from 4.8% to 6.7% per annum (2024 — 5.0% to 6.8% per annum).

Note:

- (a) At the end of the reporting period, the bank loans were secured by:
- (i) investment properties and land and buildings of the Group with carrying amounts of HK\$323,469,000 (2024 — HK\$338,067,000) and HK\$599,786,000 (2024 — HK\$640,951,000), respectively;
 - (ii) financial assets at fair value through other comprehensive income with a carrying amount of HK\$35,791,000 (2024 — Nil), financial assets at fair value through profit or loss with a carrying amount of HK\$103,495,000 (2024 — HK\$63,254,000) and shares in a listed associate of the Group with market value of HK\$143,111,000 (2024 — HK\$112,500,000);
 - (iii) bank balances of the Company of HK\$6,500,000 (2024 — Nil); and
 - (iv) fixed and floating charges over all the assets of certain subsidiaries of the Group.
- (b) At the end of the reporting period, all other loans were unsecured and comprised:
- (i) loans of HK\$180,000,000 (2024 — HK\$170,000,000) advanced from Lippo Limited ("Lippo"), an intermediate holding company of the Company, which bear interest at a rate of 5.9% per annum (2024 — 7.2% per annum); and
 - (ii) a loan of HK\$7,266,000 advanced from Lippo Capital Limited ("Lippo Capital"), an intermediate holding company of the Company, which bears interest at a rate of 1% per annum (2024 — Nil).

Notes to the Financial Statements *(continued)*

28. CREDITORS, ACCRUALS AND OTHER LIABILITIES

Included in the balances are trade creditors with an ageing analysis, based on the invoice date, as follows:

	2025 HK\$'000	2024 HK\$'000
Outstanding balances with ages:		
Within 30 days	31,479	27,003
Between 31 and 60 days	10,608	13,186
Between 61 and 90 days	1,181	3,794
Over 90 days	399	483
	43,667	44,466

The balances of creditors are non-interest bearing and are generally settled on their normal trade terms.

29. DEFERRED TAX

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and movements during the year are as follows:

	Depreciation allowance in excess of related depreciation HK\$'000	Revaluation of properties HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	Tax losses/ Unabsorbed capital allowances HK\$'000	Provision and accruals HK\$'000	Total HK\$'000
2025							
At 1 January 2025	35,067	8,910	17,897	(19,626)	(36,121)	(1,479)	4,648
Deferred tax charged/(credited) to the statement of profit or loss during the year (Note 12)	5,756	(5,388)	(1,717)	1,831	(5,173)	(1,205)	(5,896)
Exchange adjustments	3,937	238	1,193	(1,300)	(4,200)	(47)	(179)
At 31 December 2025	44,760	3,760	17,373	(19,095)	(45,494)	(2,731)	(1,427)
2024							
At 1 January 2024	28,412	13,474	20,423	(22,118)	(29,649)	(870)	9,672
Deferred tax charged/(credited) to the statement of profit or loss during the year (Note 12)	1,285	(4,088)	(1,834)	1,734	(1,250)	(455)	(4,608)
Exchange adjustments	5,370	(476)	(692)	758	(5,222)	(154)	(416)
At 31 December 2024	35,067	8,910	17,897	(19,626)	(36,121)	(1,479)	4,648

Notes to the Financial Statements *(continued)*

29. DEFERRED TAX *(continued)*

The following is the reconciliation to the consolidated statement of financial position for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets recognised in the consolidated statement of financial position	(7,625)	(5,893)
Deferred tax liabilities recognised in the consolidated statement of financial position	6,198	10,541
	(1,427)	4,648

The Group has tax losses of HK\$2,071,932,000 (2024 — HK\$1,941,366,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose, except for tax losses of HK\$60,991,000 (2024 — HK\$11,908,000) which will expire in one to five years (2024 — one to five years) and tax losses of HK\$140,624,000 (2024 — HK\$168,416,000) which will expire after five years. Deferred tax assets have not been recognised in respect of these tax losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group also has unrecognised deferred tax assets in respect of unabsorbed capital allowances of HK\$23,694,000 (2024 — HK\$17,369,000) available for offsetting future taxable income, subject to compliance with the relevant rules and procedures and agreement of the respective tax authorities. The Group did not recognise those deferred tax assets as it is not probable that taxable profits will be available against which the unabsorbed capital allowances can be utilised.

Pursuant to the People's Republic of China Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement became effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008.

As at 31 December 2025, there were no significant unrecognised deferred tax liabilities (2024 — Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures as the Group has no liability to additional tax should such amounts be remitted.

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

Notes to the Financial Statements *(continued)*

30. SHARE CAPITAL

	Number of ordinary shares	HK\$'000
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 1 January 2025	918,691,271	1,705,907
Capital Reduction (<i>Note</i>)	–	(1,555,907)
At 31 December 2025	918,691,271	150,000

Note: A capital reduction took effect on 29 July 2025, pursuant to which the credit standing to the share capital account of the Company was reduced to HK\$150,000,000.00 (the “Capital Reduction”). The credit arising from the Capital Reduction was transferred to a capital reduction reserve account of the Company and part of which would then be used by the Company to set-off against the accumulated losses standing in the Company’s financial statements.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

31. RESERVES

The amounts of the Group’s reserves and movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 112.

Note:

- (a) Capital reduction reserve
After the Capital Reduction became effective on 29 July 2025, the credit arising from the Capital Reduction of HK\$1,555,907,000 was transferred from the share capital account to the capital reduction reserve account, of which HK\$687,811,000 was transferred to the retained profits to set-off against the accumulated losses standing in the financial statements during the year ended 31 December 2025.

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Auric Pacific Group Limited (“Auric”) is considered a subsidiary that has material non-controlling interests. The percentage of ownership interest held by its non-controlling shareholders as at 31 December 2025 was 52.95% (2024 — 59.77%). Details of the Group’s subsidiary that has material non-controlling interests are set out below:

	2025 HK\$'000	2024 HK\$'000
Profit/(Loss) for the year allocated to non-controlling interests	10,240	(15,656)
Accumulated balances of non-controlling interests at the end of the reporting period	207,924	267,913

Notes to the Financial Statements *(continued)*

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised consolidated financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	2025 HK\$'000	2024 HK\$'000
Current assets	214,849	125,935
Non-current assets	376,300	349,211
Current liabilities	(301,372)	(252,639)
Non-current liabilities	(73,148)	(46,867)
Revenue	438,546	350,058
Total expenses	(421,417)	(376,248)
Profit/(Loss) for the year	17,129	(26,190)
Total comprehensive income/(loss) for the year	29,420	(11,019)
Net cash flows from operating activities	12,372	35,434
Net cash flows used in investing activities	(23,203)	(7,466)
Net cash flows from/(used in) financing activities	35,427	(24,865)
Net increase in cash and cash equivalents	24,596	3,103

33. CHANGES IN NON-CONTROLLING INTERESTS WITHOUT CHANGE IN CONTROL

During the year ended 31 December 2025, the Group acquired the entire interest held by a non-controlling shareholder of Jeremiah Holdings Limited ("Jeremiah") at a cash consideration of HK\$14,530,000 (the "Acquisition"). Following the Acquisition, the Group's interest in Jeremiah was increased from 60% to 100%. The Company, through Jeremiah and other subsidiaries of the Group, holds interests in Auric and Superfood Retail Limited ("Superfood"), both of which are non-wholly owned subsidiaries of the Company. As a result of the Acquisition, the Group's effective interests in Auric and Superfood were increased from approximately 40.23% as at 31 December 2024 to approximately 47.05% as at 31 December 2025.

During the year ended 31 December 2025, the Group also acquired 5% additional interest in LCR Catering Services Limited ("LCRC"), a non-wholly owned subsidiary of Superfood, from a non-controlling shareholder of LCRC at a cash consideration of HK\$450,000. Following the above acquisition, Superfood, through its wholly-owned subsidiary, holds 95% (2024 — 90%) interest in LCRC.

As a result of the above transactions, the Group recognised a decrease in non-controlling interests of HK\$104,299,000 and an increase in retained profits of HK\$89,319,000 for the year ended 31 December 2025.

Notes to the Financial Statements *(continued)*

34. DISPOSAL OF SUBSIDIARIES

	2024 HK\$'000
Net assets disposed of:	
Cash and cash equivalents	4,043
Gain on disposal of subsidiaries (Note 6)	957
	5,000
Satisfied by:	
Cash	5,000

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries was as follows:

	2024 HK\$'000
Cash consideration	5,000
Cash and cash equivalents disposed of	(4,043)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	957

Notes to the Financial Statements *(continued)*

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of loss before tax to cash generated from operations

	Note	2025 HK\$'000	2024 HK\$'000
Loss before tax		(153,453)	(706,430)
Adjustments for:			
Share of results of associates		(23,439)	(41,799)
Share of results of joint ventures		–	450
Gain on disposal of subsidiaries	6	–	(957)
Loss on disposal of fixed assets	6	425	12,903
Provisions/(Write-back of provisions) for impairment losses on:			
Fixed assets	16	40,538	79,934
A joint venture	6	40,672	–
Inventories	6	1,778	1,022
Loans and receivables	6	(57)	(1,398)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	6	(16,038)	–
Net fair value loss/(gain) on financial instruments at fair value through profit or loss	7	(4,143)	63,299
Net fair value loss on investment properties		20,919	37,162
Gain on lease modification	6	(1,796)	–
Finance costs	9	52,617	56,700
Interest income	5	(2,443)	(8,969)
Dividend income	5	(10,013)	(9,835)
Depreciation of fixed assets	7	59,255	67,043
Depreciation of right-of-use assets	7	66,744	67,232
Litigation settlement	8	–	386,482
		71,566	2,839
Decrease/(Increase) in other financial assets		183	(7,258)
Increase in inventories		(5,680)	(2,959)
Decrease/(Increase) in debtors, prepayments and other assets		(19,207)	25,623
Decrease in financial instruments at fair value through profit or loss		2,781	181,853
Increase/(Decrease) in creditors, accruals and other liabilities		1,052	(23,517)
Decrease in other financial liability		–	(569)
Cash generated from operations		50,695	176,012

(b) Major non-cash transactions

Save as disclosed elsewhere in the financial statements, the Group had the following major non-cash transactions:

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$50,958,000 (2024 — HK\$58,961,000) and HK\$50,958,000 (2024 — HK\$58,961,000), respectively, in respect of lease arrangements.

Notes to the Financial Statements *(continued)*

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(c) Changes in liabilities arising from financing activities

	Bank and other borrowings HK\$'000	Interest payable HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2025	965,858	915	161,811	1,128,584
Changes from financing cash flows:				
Drawdown of bank and other borrowings	358,297	–	–	358,297
Repayment of bank and other borrowings	(373,828)	–	–	(373,828)
Principal portion of lease payments	–	–	(67,949)	(67,949)
Finance costs paid	(4,700)	(44,513)	(6,553)	(55,766)
Total changes from financing cash flows	(20,231)	(44,513)	(74,502)	(139,246)
Addition to lease liabilities	–	–	50,958	50,958
Lease modification	–	–	(20,053)	(20,053)
Exchange adjustments	4,457	–	7,184	11,641
Finance costs charged to the statement of profit or loss	2,008	44,056	6,553	52,617
At 31 December 2025	952,092	458	131,951	1,084,501
At 1 January 2024	644,832	533	172,820	818,185
Changes from financing cash flows:				
Drawdown of bank and other borrowings	799,439	–	–	799,439
Repayment of bank and other borrowings	(478,033)	–	–	(478,033)
Principal portion of lease payments	–	–	(67,142)	(67,142)
Finance costs paid	(2,700)	(47,986)	(6,792)	(57,478)
Total changes from financing cash flows	318,706	(47,986)	(73,934)	196,786
Addition to lease liabilities	–	–	58,961	58,961
Exchange adjustments	780	–	(2,828)	(2,048)
Finance costs charged to the statement of profit or loss	1,540	48,368	6,792	56,700
At 31 December 2024	965,858	915	161,811	1,128,584

(d) Total cash outflow for leases

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

	2025 HK\$'000	2024 HK\$'000
Within operating activities	4,449	3,377
Within financing activities	74,502	73,934
	78,951	77,311

Notes to the Financial Statements *(continued)*

36. CONTINGENT LIABILITIES

Save as disclosed elsewhere in the financial statements, the Group had the following contingent liabilities at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Secured bankers' guarantee	1,496	1,371
Unsecured bankers' guarantee	3,428	3,385
	4,924	4,756

The bankers' guarantees were mainly issued in lieu of rental and utility deposits for the premises used in the food businesses segment. The secured bankers' guarantees were secured by certain assets pledged as security for the bank borrowings of the Group.

37. COMMITMENTS

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

	2025 HK\$'000	2024 HK\$'000
Contracted, but not provided for:		
Properties, plant and equipment	95,833	7,273
Financial assets at fair value through profit or loss	63,963	76,629
	159,796	83,902

Notes to the Financial Statements *(continued)*

38. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

- (a) During the year, LCR Management Limited, a wholly-owned subsidiary of the Company, received rental income (including service charges) of HK\$328,000 (2024 — HK\$348,000) from Lippo, an intermediate holding company of the Company, and HK\$1,009,000 (2024 — HK\$1,072,000) from Hongkong Chinese Limited (“HKC”), a fellow subsidiary of the Company, respectively. The rentals were determined by reference to the then prevailing open market rentals. Such leases will expire on 31 July 2026. The Group expects the total future minimum lease receivables from Lippo and HKC for the year ending 31 December 2026 to be HK\$147,000 and HK\$449,000, respectively.
- (b) During the year, the Group received interest income of HK\$1,559,000 (2024 — HK\$1,565,000) from a joint venture of the Group.
- (c) During the year, the Group paid interest expense of HK\$5,248,000 (2024 — HK\$2,340,000) and HK\$11,000 (2024 — Nil) to Lippo and Lippo Capital, respectively pursuant to certain unsecured loans granted by such holding companies, details of which are disclosed in Note 27 to the financial statements.
- (d) During the year, the Group paid management service fee of HK\$2,148,000 (2024 — HK\$2,102,000) to a joint venture of HKC. The fee was charged pursuant to the terms of the agreement signed between the parties.
- (e) On 3 January 2020, Delifrance Singapore Pte. Ltd. (formerly known as Maxx Coffee Singapore Pte. Ltd.) (the “Maxx Coffee Franchisee”), a non-wholly owned subsidiary of the Company, entered into a franchise agreement (the “Maxx Coffee Franchise Agreement”) with PT Maxx Coffee Prima (the “Maxx Coffee Franchisor”), pursuant to which the Maxx Coffee Franchisor agreed to grant the Maxx Coffee Franchisee the exclusive right and licence in Singapore to carry on the business of establishing, developing and operating the Maxx Coffee shops (the “Business”) for an initial term of ten years commencing from the date of the Maxx Coffee Franchise Agreement, with an option for the Maxx Coffee Franchisee to extend for another five years upon expiration of the initial term. Due to an internal group restructuring, on 30 December 2021, the Maxx Coffee Franchisee entered into a sub-franchise agreement (the “Maxx Coffee Sub-Franchise Agreement”) with Maxx Coffee Singapore Pte. Ltd., a wholly-owned subsidiary of the Maxx Coffee Franchisee, in relation to the Business commencing from 1 January 2022. The terms of the Maxx Coffee Sub-Franchise Agreement are substantially the same as the terms of the Maxx Coffee Franchise Agreement and in particular, the royalty fees to be paid by the Maxx Coffee Sub-Franchisee under the Maxx Coffee Sub-Franchise Agreement will be same as those payable by the Maxx Coffee Franchisee to the Maxx Coffee Franchisor under the Maxx Coffee Franchise Agreement. During the years ended 31 December 2025 and 2024, no royalty fee was paid by the Group to the Maxx Coffee Franchisor. As at the date when the Maxx Coffee Franchise Agreement was entered into, the Maxx Coffee Franchisor was indirectly controlled by PT Inti Anugerah Pratama, of which Dr. Stephen Riady, an executive Director and the Chairman of the Board of Directors of the Company, and his brother, Mr. James Tjahaja Riady, were the ultimate beneficial owners.

Notes to the Financial Statements *(continued)*

38. RELATED PARTY TRANSACTIONS *(continued)*

- (f) On 14 December 2020, Cuisine Continental Group (HK) Limited and Cuisine Continental (HK) Limited (the “Chatterbox Franchisees”), non-wholly owned subsidiaries of the Company, entered into franchise agreements (the “Chatterbox Franchise Agreements”) with Chatexpress Pte. Ltd. (the “Chatterbox Franchisor”), a joint venture of HKC, pursuant to which the Chatterbox Franchisor agreed to grant to the Chatterbox Franchisees the exclusive right and licence to carry on the business of establishing and operating the restaurants known as “Chatterbox Café” and “Chatterbox Express” (together, the “Outlets”), and to conduct the business of operating casual dining restaurants and food delivery business at and from the Outlets and the channels (that is, sale and fulfilment of products via approved online food ordering and delivery platforms and any other mode of trading other than the Outlets as expressly designated by the Chatterbox Franchisor in accordance with the Chatterbox Franchise Agreements) within Hong Kong for an initial term of seven years commencing from 1 January 2021, with an option for the Chatterbox Franchisees to extend for another seven years upon expiration of the initial term. During the year, the Group paid to the Chatterbox Franchisor a royalty fee of HK\$2,541,000 (2024 — HK\$2,735,000).
- (g) As at 31 December 2025, the Group had balances with its joint ventures, further details of which are set out in Note 20 to the financial statements.
- (h) The key management personnel of the Group are its Directors. Details of the Directors’ emoluments are disclosed in Note 10 to the financial statements.

The transactions referred to in items (e) and (f) above were also continuing connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules. Further details of such transactions are disclosed in the section headed “Continuing Connected Transactions” in the Report of the Directors. The transactions referred to in items (a), (c) and (d) above were continuing connected transactions exempt from the reporting, annual review and independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. The transactions referred to in items (b), (g) and (h) above were not continuing connected transactions or connected transactions as defined under Chapter 14A of the Listing Rules which were subject to the disclosure requirements under the Listing Rules.

In respect of the above transactions, the ultimate holding company of the Company, HKC, Lippo and Lippo Capital is Lippo Capital Group Limited. The Company and HKC are publicly listed companies in Hong Kong. The relationships between the Company, HKC, Lippo and Lippo Capital are defined, and the Directors’ interests therein are separately reported.

Notes to the Financial Statements *(continued)*

39. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

	Financial assets at fair value through profit or loss — Mandatorily classified as such, including those held for trading HK\$'000	Financial assets at fair value through other comprehensive income — Equity securities HK\$'000	Financial assets at amortised cost HK\$'000	Derivative financial instruments HK\$'000	Total HK\$'000
At 31 December 2025					
Financial assets at fair value through other comprehensive income	–	68,118	–	–	68,118
Financial assets at fair value through profit or loss	490,055	–	–	–	490,055
Amounts due from joint ventures	–	–	41,423	–	41,423
Financial assets included in debtors, prepayments and other assets	–	–	126,593	–	126,593
Restricted cash	–	–	6,500	–	6,500
Cash and cash equivalents	–	–	233,879	–	233,879
	490,055	68,118	408,395	–	966,568
At 31 December 2024					
Financial assets at fair value through other comprehensive income	–	46,267	–	–	46,267
Financial assets at fair value through profit or loss	492,915	–	–	–	492,915
Other financial assets	–	–	–	7,082	7,082
Amounts due from joint ventures	–	–	80,301	–	80,301
Financial assets included in debtors, prepayments and other assets	–	–	106,138	–	106,138
Cash and cash equivalents	–	–	283,187	–	283,187
	492,915	46,267	469,626	7,082	1,015,890

Notes to the Financial Statements *(continued)*

39. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

Financial liabilities

	Financial liabilities at amortised cost	
	2025	2024
	HK\$'000	HK\$'000
Bank and other borrowings	952,092	965,858
Financial liabilities included in creditors, accruals and other liabilities	228,570	157,238
	1,180,662	1,123,096

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets:				
Financial assets at fair value through other comprehensive income	68,118	46,267	68,118	46,267
Financial assets at fair value through profit or loss	490,055	492,915	490,055	492,915
Other financial assets	–	7,082	–	7,082
	558,173	546,264	558,173	546,264

Management has assessed that the fair values of cash and cash equivalents, restricted cash, financial assets included in debtors, prepayments and other assets, amounts due from joint ventures, fixed rate other loan and financial liabilities included in creditors, accruals and other liabilities approximate to their carrying amounts largely due to the short-term maturity of these instruments. In addition, the fair values of interest-bearing bank loans and floating rate other loans approximate to their carrying amounts as they are floating rate instruments that are repriced to market interest rates at or near the end of the reporting period and the changes in fair value as a result of the Group's non-performance risk were considered to be minimal.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of significant financial instruments. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines major inputs applied in the valuation.

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

The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity securities and derivatives are based on quoted market prices.

Notes to the Financial Statements *(continued)*

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The fair values of unlisted debt securities are determined by reference to the quoted market prices from the broker using a valuation technique with market observable inputs or calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of the forward currency contracts are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include present value calculations using forward pricing.

The fair values of unlisted investment funds are assessed to approximate the net asset values indicated on the net asset value statements issued by the investment fund managers, which take into consideration the fair values of the underlying assets held under the investments. For unlisted investment funds classified under Level 3 of the fair value measurement hierarchy, when the net asset value increases/decreases by 3% (2024 — 3%), the fair value will be increased/decreased by HK\$10,607,000 (2024 — HK\$11,206,000).

The fair values of unlisted equity securities are estimated based on either the market approach or the income approach. The market approach is based on the price multiple determined with reference to comparable public companies and includes appropriate risk adjustments for lack of marketability. The income approach uses the discounted cash flow model which requires management to make assumptions about model inputs, including forecast cash flows, the discount rate and volatility based on observable or unobservable market data.

Below is a summary of significant unobservable inputs to the valuation of the unlisted equity securities used in Level 3 fair value measurements as at 31 December 2025:

	Valuation techniques	Significant unobservable inputs	Range/Rate	Sensitivity of fair value to the input
Unlisted equity securities	Market approach	Enterprise value to sales multiple ("Multiple")	2.87 (2024 — 3.10)	When Multiple increases/decreases by 0.1 (2024 — 0.1), the fair value will be increased/decreased by HK\$392,000 and HK\$392,000 (2024 — HK\$377,000 and HK\$377,000), respectively.
	Income approach	Discount rate	15.9% to 21.4% (2024 — 16.5% to 23.8%)	When discount rate increases/decreases by 3% (2024 — 3%), the fair value will be decreased/increased by HK\$1,140,000 and HK\$1,621,000 (2024 — HK\$1,768,000 and HK\$2,550,000), respectively.
		Discount for lack of marketability ("DLOM")	15.6% (2024 — 15.6%)	When DLOM increases/decreases, the fair value will be decreased/increased. Fair value changes resulting from reasonably possible changes in DLOM were not significant (2024 — not significant).

Notes to the Financial Statements *(continued)*

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 31 December 2025				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income:				
Equity securities	36,739	–	31,379	68,118
Financial assets at fair value through profit or loss:				
Equity securities	120,141	–	–	120,141
Debt securities	–	16,357	–	16,357
Investment funds	–	–	353,557	353,557
	156,880	16,357	384,936	558,173
At 31 December 2024				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income:				
Equity securities	10,879	–	35,388	46,267
Financial assets at fair value through profit or loss:				
Equity securities	101,927	–	–	101,927
Debt securities	–	17,457	–	17,457
Investment funds	–	–	373,531	373,531
Other financial assets:				
Forward currency contracts	–	2,497	–	2,497
Warrants	4,585	–	–	4,585
	117,391	19,954	408,919	546,264

Notes to the Financial Statements *(continued)*

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy (continued)

The movements in fair value measurements in Level 3 during the year are as follows:

	Equity securities at fair value through other comprehensive income HK\$'000	Investment funds at fair value through profit or loss HK\$'000
At 1 January 2025	35,388	373,531
Total losses recognised in the statement of profit or loss	–	(14,979)
Total losses recognised in other comprehensive income	(4,332)	–
Additions	323	15,609
Disposals	–	(8,912)
Distributions	–	(11,967)
Exchange adjustments	–	275
At 31 December 2025	31,379	353,557
At 1 January 2024	38,233	428,259
Total losses recognised in the statement of profit or loss	–	(43,388)
Total gains recognised in other comprehensive income	5,940	–
Additions	–	12,204
Disposals	(8,785)	(10,434)
Distributions	–	(12,595)
Exchange adjustments	–	(515)
At 31 December 2024	35,388	373,531

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024 — Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes to the Financial Statements *(continued)*

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has established policies and procedures for risk management which are reviewed regularly by the Executive Directors and senior management of the Group to ensure the proper monitoring and control of all major risks arising from the Group's activities at all times.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The risk management function is carried out by individual business units and regularly overseen by the Group's senior management with all the risk limits approved by the Executive Directors of the Group, which are summarised below. The Group's accounting policies in relation to derivatives are set out in Note 2.4 to the financial statements.

(a) Credit risk

Credit risk arises from the possibility that the counterparty in a transaction may default. It arises from treasury, investment, food businesses and other activities undertaken by the Group.

The Group trades only with recognised and creditworthy parties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control for trade debtors. New customers are subject to credit evaluation while the Group continues to monitor existing customers, especially those with repayment issues. Credit approval for loans and advances takes into account the type and tenor of loans, creditworthiness and repayment ability of prospective borrowers, collateral available and the resultant risk concentration in the context of the Group's total assets. Appropriate allowances are made for probable losses when necessary for identified debtors.

Maximum exposure and year-end staging

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

	12-month ECLs	Lifetime ECLs			Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
As at 31 December 2025					
Amounts due from joint ventures*	41,423	–	173,879	–	215,302
Financial assets included in debtors, prepayments and other assets					
Trade debtors**	–	–	–	97,310	97,310
Others*	30,972	–	–	–	30,972
Restricted cash***	6,500	–	–	–	6,500
Cash and cash equivalents***	233,879	–	–	–	233,879
	312,774	–	173,879	97,310	583,963

Notes to the Financial Statements *(continued)*

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk *(continued)*

Maximum exposure and year-end staging (continued)

	12-month ECLs	Lifetime ECLs			Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
As at 31 December 2024					
Amounts due from joint ventures*	80,301	–	132,964	–	213,265
Financial assets included in debtors, prepayments and other assets					
Trade debtors**	–	–	–	74,338	74,338
Others*	33,444	–	–	–	33,444
Cash and cash equivalents***	283,187	–	–	–	283,187
	396,932	–	132,964	74,338	604,234

* Further details in respect of the Group's loss allowance for impairment of amounts due from joint ventures and other financial assets included in debtors, prepayments and other assets are disclosed in Notes 20 and 23 to the financial statements, respectively.

** For trade debtors to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 23 to the financial statements.

*** The bank balances are deposited with creditworthy financial institutions with no recent history of default. The Group considers these balances to have low credit risk and the amount of the loss allowance for impairment was negligible.

Concentration of credit risk

The Group's exposure to credit risk arising from trade debtors and loans and advances at the end of the reporting period based on the information provided to key management is as follows:

	2025 HK\$'000	2024 HK\$'000
By geographical area:		
Hong Kong	912	737
Republic of Singapore	63,934	65,811
Others	30,775	12,342
	95,621	78,890

Notes to the Financial Statements *(continued)*

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk

The Group manages the liquidity structure of its assets, liabilities and commitments in view of market conditions and its business needs, as well as to ensure that its operations meet the statutory requirement for the minimum liquidity ratio whenever applicable.

Management comprising Executive Directors and senior managers monitors the liquidity position of the Group on an on-going basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Group's financial resources. All of the Group's banking facilities are subject to the fulfilment of covenants. The relevant group entities are required to comply with certain financial covenants which are commonly found in lending arrangements with financial institutions. As at 31 December 2025, approximately 13% (2024 — 20%) of the Group's debts would mature in less than one year based on the carrying values of bank and other borrowings.

The maturity profile of liabilities of the Group as at the end of the reporting period, based on the contractual undiscounted payments (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period), is as follows:

	3 months or less HK\$'000	1 year or less but over 3 months HK\$'000	5 years or less but over 1 year HK\$'000	Over 5 years HK\$'000	Total HK\$'000
At 31 December 2025					
Bank and other borrowings	108,275	62,568	893,603	–	1,064,446
Lease liabilities	11,768	46,437	79,239	3,409	140,853
Financial liabilities included in creditors, accruals and other liabilities	90,826	137,744	–	–	228,570
Bankers' guarantee	2,211	2,543	170	–	4,924
	213,080	249,292	973,012	3,409	1,438,793
At 31 December 2024					
Bank and other borrowings	165,035	81,709	849,094	–	1,095,838
Lease liabilities	17,791	43,910	105,597	8,038	175,336
Financial liabilities included in creditors, accruals and other liabilities	90,292	66,946	–	–	157,238
Bankers' guarantee	893	1,434	2,429	–	4,756
	274,011	193,999	957,120	8,038	1,433,168

Notes to the Financial Statements *(continued)*

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets and liabilities. The Group's interest rate positions mainly arise from treasury and other investment activities undertaken.

The Group monitors its interest-sensitive products and investments and net repricing gap and limits interest rate exposure through management of maturity profile, currency mix and choice of fixed or floating interest rates. When appropriate, interest rate swaps would be used to manage this risk in a cost-effective manner. The interest rate risk is managed and monitored regularly by the senior management of the Group.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate monetary assets and liabilities).

	2025		2024	
	Increase/ (Decrease) in basis points	Increase/ (Decrease) in profit before tax HK\$'000	Increase/ (Decrease) in basis points	Increase/ (Decrease) in profit before tax HK\$'000
Hong Kong dollar	+50	(4,131)	+50	(4,565)
United States dollar	+50	169	+50	316
Singapore dollar	+50	203	+50	204
Renminbi	+50	60	+50	148
Hong Kong dollar	-50	4,131	-50	4,565
United States dollar	-50	(169)	-50	(316)
Singapore dollar	-50	(203)	-50	(204)
Renminbi	-50	(60)	-50	(148)

(d) Foreign currency risk

Foreign currency risk is the risk to earnings or capital arising from movements in foreign exchange rates. The Group's foreign currency risk primarily arises from currency exposures originating from its foreign exchange dealings and other investment activities conducted in currencies other than the functional currencies of the operating units.

The Group monitors the relative foreign exchange positions of its assets and liabilities to minimise foreign currency risk. When appropriate, hedging instruments including forward contracts, swaps and currency loans would be used to manage the foreign exchange exposure. The foreign currency risk is managed and monitored on an on-going basis by the senior management of the Group.

The Group uses forward currency contracts to mitigate the currency exposures on transactions under the food businesses segment. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward currency contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. The Group does not apply hedge accounting.

Notes to the Financial Statements *(continued)*

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(d) Foreign currency risk *(continued)*

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollar and Singapore dollar exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (arising from United States dollar and Singapore dollar denominated financial instruments).

	Increase/(Decrease) in profit before tax	
	2025	2024
	HK\$'000	HK\$'000
United States dollar against Hong Kong dollar		
— strengthened by 3% (2024 — 3%)	1,091	2,012
— weakened by 3% (2024 — 3%)	(1,091)	(2,012)
Singapore dollar against Hong Kong dollar		
— strengthened by 3% (2024 — 3%)	(17)	618
— weakened by 3% (2024 — 3%)	17	(618)

At the end of the reporting period, total cash and cash equivalents of the Group's subsidiaries in Chinese Mainland denominated in Renminbi amounted to HK\$12,014,000 (2024 — HK\$78,923,000). The conversion of these Renminbi balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the government in Chinese Mainland.

(e) Equity price risk

Equity price risk is the risk that the fair values of financial assets decrease as a result of changes in the levels of equity indices and the values of individual financial assets. The Group is exposed to equity price risk mainly arising from individual financial assets included in financial assets at fair value through other comprehensive income (Note 21) and financial assets at fair value through profit or loss (Note 22) as at 31 December 2025. The Group's listed financial assets are mainly listed on the stock exchanges in Hong Kong and the Republic of Singapore and are valued at quoted market prices at the end of the reporting period.

The market equity indices (rounded down) for the following stock exchanges, at the close of business of the nearest trading day to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 December 2025	High/Low 2025	31 December 2024	High/Low 2024
Hong Kong — Hang Seng Index	25,630	27,381/18,671	20,059	23,241/14,794
Republic of Singapore — Straits Times Index	4,646	4,665/3,372	3,787	3,842/3,092

Notes to the Financial Statements *(continued)*

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(e) Equity price risk *(continued)*

The senior management of the Group regularly reviews and monitors the mix of securities in the Group's investment portfolio based on the fair value to ensure the loss arising from the changes in the market values of the investment portfolios is capped within an acceptable range.

The following table demonstrates the sensitivity to every 3% change in the fair values of the equity investments and investment funds, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve of financial assets at FVOCI.

	2025				2024			
	3% increase		3% decrease		3% increase		3% decrease	
	Increase in profit before tax HK\$'000	Increase in equity* HK\$'000	Decrease in profit before tax HK\$'000	Decrease in equity* HK\$'000	Increase in profit before tax HK\$'000	Increase in equity* HK\$'000	Decrease in profit before tax HK\$'000	Decrease in equity* HK\$'000
Financial assets at fair value through other comprehensive income								
Hong Kong	-	674	-	(674)	-	721	-	(721)
Republic of Singapore	-	1,211	-	(1,211)	-	457	-	(457)
Global and others	-	159	-	(159)	-	210	-	(210)
	-	2,044	-	(2,044)	-	1,388	-	(1,388)
Financial assets at fair value through profit or loss								
Hong Kong	49	-	(49)	-	34	-	(34)	-
Republic of Singapore	2,913	-	(2,913)	-	2,245	-	(2,245)	-
Global and others	11,249	-	(11,249)	-	11,985	-	(11,985)	-
	14,211	-	(14,211)	-	14,264	-	(14,264)	-

* Excluding retained profits

Notes to the Financial Statements *(continued)*

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(f) Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is calculated by dividing its total borrowings, net of non-controlling interests, by equity attributable to equity holders of the Company. Total borrowings include current and non-current bank and other borrowings as stated in the consolidated statement of financial position.

	2025 HK\$'000	2024 HK\$'000
Bank and other borrowings (<i>Note 27</i>)	952,092	965,858
Less: Non-controlling interests in bank and other borrowings	(54,182)	(24,311)
Bank and other borrowings, net of non-controlling interests	897,910	941,547
Equity attributable to equity holders of the Company	1,864,873	1,776,800
Gearing ratio	48.1%	53.0%

42. EVENT AFTER THE REPORTING PERIOD

As disclosed in Note 8 to the financial statements, the Group has sought indemnity under a corporate liability insurance policy. In February 2026, the Group entered into an agreement with the relevant insurers and recovered a total sum of US\$24.75 million (equivalent to approximately HK\$192,624,000), which shall be accounted for by the Group as other income from insurance recoveries in the consolidated statement of profit or loss for the year ending 31 December 2026.

Notes to the Financial Statements *(continued)*

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Fixed assets	1,191	1,565
Interests in subsidiaries	1,885,632	1,777,468
Interest in a joint venture	–	39,023
Financial assets at fair value through profit or loss	14,800	15,900
	1,901,623	1,833,956
Current assets		
Debtors, prepayments and other assets	623	25,435
Restricted cash	6,500	–
Cash and cash equivalents	140,896	142,508
	148,019	167,943
Current liabilities		
Bank loans	67,130	161,963
Creditors, accruals and other liabilities	97,112	7,830
Tax payable	297	297
	164,539	170,090
Net current liabilities	(16,520)	(2,147)
Total assets less current liabilities	1,885,103	1,831,809
Non-current liabilities		
Bank and other borrowings	782,636	763,228
Net assets	1,102,467	1,068,581
Equity		
Share capital	150,000	1,704,032
Reserves (<i>Note</i>)	952,467	(635,451)
Total equity	1,102,467	1,068,581

Davy Kwok Fai Lee
Director

Stephen Riady
Director

Notes to the Financial Statements *(continued)*

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

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

	Capital reserve HK\$'000	Capital reduction reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total HK\$'000
2025				
At 1 January 2025	705	–	(636,156)	(635,451)
Capital Reduction	–	1,554,032	–	1,554,032
Transfer to retained profits	–	(685,936)	685,936	–
Profit and total comprehensive income for the year	–	–	33,886	33,886
At 31 December 2025	705	868,096	83,666	952,467
2024				
At 1 January 2024	705	–	58,019	58,724
Loss and total comprehensive loss for the year	–	–	(694,175)	(694,175)
At 31 December 2024	705	–	(636,156)	(635,451)

After the Capital Reduction became effective on 29 July 2025, the credit arising from the Capital Reduction of HK\$1,554,032,000 was transferred from the share capital account to the capital reduction reserve account, of which HK\$685,936,000 was transferred to the retained profits to set-off against the accumulated losses standing in the financial statements during the year ended 31 December 2025.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026.

Particulars of Principal Subsidiaries

PARTICULARS OF PRINCIPAL SUBSIDIARIES AS AT 31 DECEMBER 2025 ARE SET OUT BELOW.

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)*		Principal activities
Golden Sunshine Worldwide Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Grand Vista Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Kingz Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Rickon Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Admiralty Development Limited	Hong Kong	HK\$446,767,129	–	100	Property investment
Asia Now Resources Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Investment holding
Cajan Enterprises Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Investment holding
Castar Assets Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
Chalton Assets Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
China Gold Pte. Ltd.	Republic of Singapore	S\$1	–	100	Investment holding
China Pacific Electric Limited	British Virgin Islands/ Hong Kong	US\$100	–	100	Investment holding
Continental Equity Inc.	British Virgin Islands	US\$1	–	100	Investment

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated) [#]		Principal activities
Direct Union Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Investment
Dragon Board Holdings Limited	British Virgin Islands/ Hong Kong	S\$1	–	100	Investment holding
Dukestown Sp. z o.o.	Poland	PLN600,000	–	100	Property investment
Energetic Realty Limited 安利捷物業有限公司	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
Ethnos Ltd.	Israel	NIS100	–	100	Property investment
福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited) — wholly foreign-owned re-invested enterprise ^{##}	People's Republic of China	RMB810,000*	–	100	Property management
福州力寶商業顧問有限公司 (Fuzhou Lippo Commercial Consultants Limited) — wholly foreign-owned enterprise ^{##}	People's Republic of China	HK\$100,000*	–	100	Real estate leasing and agency services, and consultancy services
Gentle Care Pte. Ltd.	Republic of Singapore	S\$1	–	100	Investment holding
Golden Super Holdings Limited	British Virgin Islands	US\$1	–	100	Investment
Grandbeam Limited	Hong Kong	HK\$1	–	100	Investment holding
Hongkong China Treasury Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Securities investment

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated) [#]		Principal activities
Innovation Lab Technology Pte. Ltd.	Republic of Singapore	S\$1	–	100	Software product development
Istan Assets Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
JB Property Holdings Pte. Ltd.	Republic of Singapore	S\$1	–	100	Property investment
Jeremiah Holdings Limited	British Virgin Islands/ Hong Kong	S\$1,298,645	–	100	Investment holding
Kaiser Union Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Investment holding
Keytime Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
LCR Management Limited	Hong Kong	HK\$1	–	100	Management services
Laurel Century Limited	British Virgin Islands	US\$1	–	100	Investment holding
Liberty Town Holding Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
Lippo Consortium Pte. Limited	Republic of Singapore	S\$2	–	100	Property development
Lippo Property Management Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Investment holding
Mantor Assets Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
Mastafield Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
Pantogon Holdings Pte Ltd	Republic of Singapore	S\$1,000,000	–	100	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated) [#]		Principal activities
莆田力寶商業顧問有限公司 (Putian Lippo Commercial Consultants Limited) — wholly foreign-owned enterprise ^{##}	People's Republic of China	RMB2,000,000*	—	100	Commercial consulting
莆田塔林基礎建設有限公司 (Putian Talin Infrastructure Co., Ltd.) — wholly foreign-owned enterprise ^{##}	People's Republic of China	US\$300,000*	—	100	Property services
Radical Profits Limited	British Virgin Islands/ Hong Kong	US\$1	—	100	Property investment
Reiley Inc.	British Virgin Islands/ Hong Kong	US\$1	—	100	Investment holding
Rock Phoenix Limited	British Virgin Islands	US\$1	—	100	Property investment
Season Spark Limited	British Virgin Islands/ Hong Kong	US\$1	—	100	Investment
Serene Yield Limited	British Virgin Islands/ Hong Kong	US\$1	—	100	Property investment
Star Heaven Limited	British Virgin Islands	US\$1	—	100	Investment holding
Star Trendy Limited	British Virgin Islands/ Hong Kong	US\$1	—	100	Property holding
Starford Corporation Limited	Hong Kong	HK\$1	—	100	Investment
Tamsett Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	—	100	Investment holding

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated)#		Principal activities
Trefar Enterprises Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
West Tower Holding Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
Win Joyce Limited	Hong Kong	HK\$2	–	100	Investment
Winplace Global Limited	British Virgin Islands	US\$1	–	100	Investment holding
Wollora Assets Limited	British Virgin Islands/ Hong Kong	US\$1	–	100	Property investment
Writring Investments Limited	Hong Kong	HK\$2	–	100	Property investment
Nine Heritage Pte Ltd	Republic of Singapore	S\$1,000,000	–	80	Investment holding
China Chance Investments Limited	Hong Kong	HK\$10	–	70	Investment holding
Auric Pacific Group Limited	Republic of Singapore	S\$60,251,954	–	47.05	Investment holding
Auric Pacific Food Industries Pte Ltd	Republic of Singapore	S\$34,400,000	–	47.05	Wholesale of confectionery and bakery products
Sunshine Bread Sdn. Bhd.	Malaysia	RM25,000,002	–	47.05	Manufacture of bread, cakes and other bakery products, provision of food management and training services, consultation, supply and related matters

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated) [#]	Principal activities
Superfood Retail Limited	British Virgin Islands/ Hong Kong	US\$2,048,260	– 47.05	Investment holding
Cuisine Continental Group (HK) Limited	Hong Kong	HK\$12,000,000	– 47.05	Selling of food and beverages, operation of cafés and kiosk and provision of catering services
Cuisine Continental (HK) Limited	Hong Kong	HK\$3,000,000	– 47.05	Selling of food and beverages, operation of restaurants and the wholesale business
Cuisine Creations Pte. Ltd.	Republic of Singapore	S\$2	– 47.05	Management and holding company and development and sale of its subsidiary's franchising activities
Delifrance Singapore Pte. Ltd.	Republic of Singapore	S\$4,000,002	– 47.05	Manufacture and sale of bakery and pastry products and operation of café-bakeries and bakery corners

Particulars of Principal Subsidiaries *(continued)*

Name of company	Place of incorporation/ registration and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Company/Group (unless otherwise stated) [#]	Principal activities
Maxx Coffee Singapore Pte. Ltd.	Republic of Singapore	S\$300,000	– 47.05	Selling of food and beverages and operation of cafés and kiosk
LCR Catering Services Limited	Hong Kong	HK\$9,000,000	– 44.70	Owns and operates a restaurant in Hong Kong

[#] based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein

^{##} type of legal entity

^{*} paid up registered capital

Note:

NIS – New Israeli shekels

PLN – Poland zlotys

RM – Malaysian ringgits

RMB – People's Republic of China renminbi

S\$ – Singapore dollars

US\$ – United States dollars

As at 31 December 2025, all the subsidiaries of the Company had no loan capital or convertible loan capital.

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

Particulars of Principal Associates

PARTICULARS OF PRINCIPAL ASSOCIATES AS AT 31 DECEMBER 2025 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Group [#]	Principal activities
Lippo-Savills Property Management Limited	Corporate	Hong Kong	HK\$2	50	Property management services
Healthway Medical Corporation Limited	Corporate	Republic of Singapore	S\$277,630,000	40.76	Healthcare services
莆田華正自來水有限公司 (Putian Hua Zheng Water Co., Ltd.)	Equity joint venture enterprise	People's Republic of China	RMB9,250,000*	40	Water supply
TIH Limited	Corporate	Republic of Singapore	S\$56,650,000	39.92	Private equity investment
Moolahgo Pte. Ltd.	Corporate	Republic of Singapore	Note (b)	Note (b)	Digital financial services

[#] based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein

* paid up registered capital

Note:

(a) RMB – People's Republic of China renminbi
S\$ – Singapore dollars
US\$ – United States dollars

(b) Its issued share capital comprised of (i) S\$179,840 ordinary share capital; (ii) S\$216,922 non-voting preference share capital; and (iii) US\$3,349,510.70 non-voting preference share capital. The Group was interested in approximately 86.81% of its non-voting preference share capital.

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

Particulars of Principal Joint Ventures

PARTICULARS OF PRINCIPAL JOINT VENTURES AS AT 31 DECEMBER 2025 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operations	Issued and fully paid ordinary share capital (unless otherwise stated)	Approximate percentage of equity attributable to the Group (unless otherwise stated) [#]	Principal activities
Vasily Asia Limited	Corporate	British Virgin Islands	US\$100	50	Investment
Collyer Quay Limited	Corporate	Cayman Islands	Note (b)	Note (b)	Investment holding

[#] based on the number of issued shares carrying voting rights and represents the effective holding of the Group after non-controlling interests therein

Note:

(a) US\$ – United States dollars

(b) Its issued share capital comprised of 100 management shares of US\$1.00 each and 100 participating shares of US\$0.01 each, of which the Group was interested in 50 management shares and 60 participating shares which entitled the Group to 50% of the voting rights and 60% of the dividend and distribution of this company.

Particulars of Joint Operation

PARTICULARS OF JOINT OPERATION AS AT 31 DECEMBER 2025 ARE SET OUT BELOW.

Name of company	Form of business structure	Place of incorporation and operation	Registered capital	Approximate percentage of interest attributable to the Group [#]	Principal activity
雲南東鑫礦產勘查有限公司 (Yunnan Dong Xin Mineral Exploration Company Limited)	Chinese-foreign cooperative joint-venture enterprise	People's Republic of China	US\$14,900,000	72	Exploration of mineral resources

[#] represents the effective interest of the Group after non-controlling interests therein

Note:

US\$ – United States dollars

Schedule of Major Properties

(1) PROPERTIES HELD FOR INVESTMENT AS AT 31 DECEMBER 2025

Description	Use	Approximate gross floor area	Status	Percentage of the Group's interest
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(square metres)

Hong Kong

Lippo Centre 89 Queensway Central Inland Lot No. 8615	Commercial	1,384 (net floor area)	Rental	100
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The above property is held under long term lease.

People's Republic of China

19th Floor to 29th Floor and 13 car parking spaces of Lippo Tianma Plaza 1 Wuyibei Road Fuzhou, Fujian	Commercial	11,955	Rental	100
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The above properties are held under medium term leases.

Overseas

353 Pasir Panjang Road #05-02, #05-03 and #05-05 Jubilee Residence Singapore 118695	Residential	711	Rental	100
10 Harav Agan Street Jerusalem Block 30050 Parcel 101 Israel	Commercial	940	Rental	100

The above properties are freehold.

Schedule of Major Properties *(continued)*

(2) PROPERTIES HELD AS FIXED ASSETS AS AT 31 DECEMBER 2025

Description	Use	Approximate gross floor area (square metres)	Approximate percentage of the Group's interest
Hong Kong			
Lippo Centre 89 Queensway Central Inland Lot No. 8615	Commercial	2,491 (net floor area)	100
2nd Floor of Sun Court 3 Belcher's Street Kennedy Town Subsection 1 of Section C of Marine Lot No. 262, the remaining portion of Section C of Marine Lot No. 262 and the remaining portion of Marine Lot No. 262	Commercial	743	100
3 units and 3 car parking spaces of Celestial Garden 5 Repulse Bay Road Rural Building Lot No. 979	Residential	660	100

The above properties are held under long term leases.

Overseas

No. 2 and 3, Jalan Teknologi 6 Kawasan Perindustrian Taman Teknologi 2 71760 Bandar Enstek Negeri Sembilan Darul Khusus Malaysia	Industrial	31,910	47.05
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The above property is freehold.

Summary of Financial Information

	Year ended 31 December 2025 HK\$'000	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000	Year ended 31 December 2022 HK\$'000	Year ended 31 December 2021 HK\$'000
Profit/(Loss) attributable to equity holders of the Company	(61,271)	(683,698)	(146,420)	(277,890)	48,665
Total assets	3,464,038	3,504,007	3,976,330	4,392,037	5,004,747
Total liabilities	(1,367,798)	(1,431,079)	(1,151,807)	(1,369,002)	(1,542,782)
Net assets	2,096,240	2,072,928	2,824,523	3,023,035	3,461,965
Non-controlling interests	(231,367)	(296,128)	(328,762)	(349,818)	(383,625)
Equity attributable to equity holders of the Company	1,864,873	1,776,800	2,495,761	2,673,217	3,078,340



Lippo China Resources Limited 力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 156)