

信德集團



SHUN TAK HOLDINGS

STOCK CODE 股份代號：242

2025

信德集團有限公司年報

Shun Tak Holdings Limited Annual Report

UNLEASHING  
*Momentum*  
BREAKING BOUNDARIES

蓄  
勢  
破  
維



Unleashing

# Momentum

Breaking Boundaries

For over six decades, Shun Tak Group has upheld its guiding philosophy of “Integrity and Virtue,” with deep roots in Macao and Hong Kong, a long-cultivated presence across the Greater Bay Area, and a business footprint extending to China’s key economic zones and Singapore. Guided by its “Tourism+” strategy, the Group draws on cross-sectoral experience accumulated over the years across property, transportation infrastructure, hospitality and leisure — shaping tourism through culture and highlighting culture through tourism — to continually deepen the integration of culture and tourism and build an integrated, diversified industry portfolio. Grounded in over sixty years of solid foundation, the Group channels this accumulated strength to forge ahead and transcend conventional boundaries, creating lasting economic and social value for the communities it serves, and realizing the vision of “Use Resources Derived from the Community for the Good of the Community” through sustainable and shared prosperity.

## PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

The performance and the results of operation of the Group as set out in this Annual Report are historical in nature and past performance is not a guarantee of future performance. This Annual Report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual result may also differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the Directors, employees or agents of the Group assume any obligations or liabilities in the event that any of the forward-looking statements or opinions does not materialize or turns out to be incorrect.



# CONTENTS

2	Corporate Information	64	Corporate Governance Report
3	Corporate Profile	83	Remuneration Committee Report
10	Management Profile	84	Nomination Committee Report
15	Financial Highlights and Calendar	85	Audit and Risk Management Committee Report
16	Significant Events	98	Independent Auditor's Report
18	Chairman's Statement	105	Consolidated Income Statement
20	Review of Operations	106	Consolidated Statement of Comprehensive Income
36	Recent Developments and Prospects	107	Consolidated Balance Sheet
38	Sustainability Development Highlights	109	Consolidated Statement of Changes in Equity
42	Schedule of Major Properties	111	Consolidated Cash Flow Statement
49	Group Financial Review	113	Notes to the Financial Statements
53	Report of the Directors	193	Five-Year Financial Summary



## CORPORATE INFORMATION

### Board of Directors

**Ms. Pansy Ho**

Group Executive Chairman and  
Managing Director

**Mr. Norman Ho**

Independent Non-Executive Director

**Mr. Michael Wu**

Independent Non-Executive Director

**Mr. Kevin Yip**

Independent Non-Executive Director

**Ms. Amelia Yau**

Independent Non-Executive Director

**Ms. Daisy Ho**

Executive Director and Deputy  
Managing Director

**Ms. Maisy Ho**

Executive Director

**Mr. David Shum**

Executive Director

**Mr. Rogier Verhoeven**

Executive Director

### Audit and Risk Management Committee

**Mr. Norman Ho** (Chairman)

**Mr. Michael Wu**

**Mr. Kevin Yip**

**Ms. Amelia Yau**

### Remuneration Committee

**Mr. Michael Wu** (Chairman)

**Mr. Norman Ho**

**Mr. Kevin Yip**

**Ms. Amelia Yau**

**Ms. Pansy Ho**

**Ms. Daisy Ho**

**Ms. Maisy Ho**

### Nomination Committee

**Ms. Pansy Ho** (Chairman)

**Mr. Norman Ho**

**Mr. Michael Wu**

**Mr. Kevin Yip**

**Ms. Amelia Yau**

**Ms. Daisy Ho**

### Company Secretary

**Ms. Angela Tsang**

### Registered Office and Contact Details

Penthouse 39th Floor, West Tower

Shun Tak Centre

200 Connaught Road Central

Hong Kong

Tel: (852) 2859 3111

Fax: (852) 2857 7181

Website: [www.shuntakgroup.com](http://www.shuntakgroup.com)

E-mail: [enquiry@shuntakgroup.com](mailto:enquiry@shuntakgroup.com)

### Auditor

**PricewaterhouseCoopers**

Certified Public Accountants and  
Registered Public Interest Entity  
Auditor

### Solicitor

Norton Rose Fulbright

### Principal Bankers

Bank of China (Hong Kong) Limited

Hang Seng Bank Limited

Bank of China, Macau Branch

DBS Bank, Singapore

OCBC Bank, Singapore

The Hong Kong and Shanghai Banking

Corporation Limited

China Construction Bank (Asia)

Corporation Ltd.

Nanyang Commercial Bank, Ltd.

### Share Registrar

Computershare Hong Kong Investor  
Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

### Share Listing

The Company's shares are listed on  
The Stock Exchange of Hong Kong  
Limited.

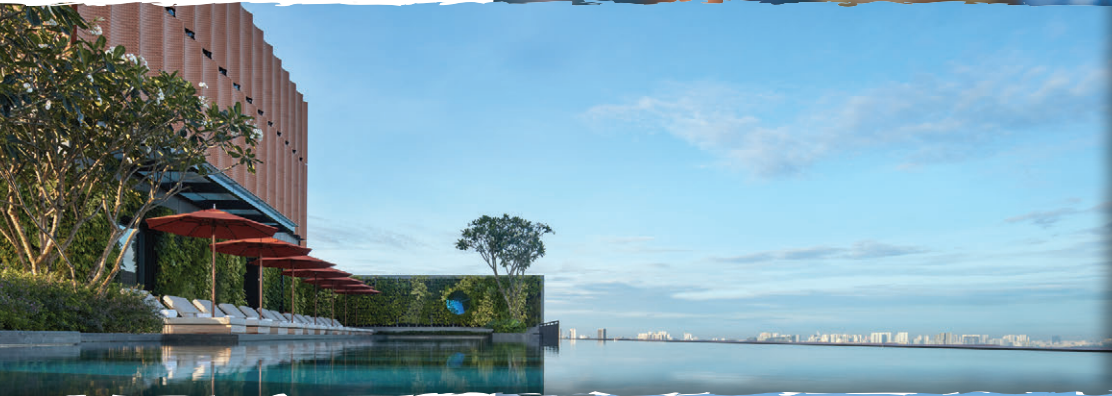
# CORPORATE PROFILE

Shun Tak Holdings Limited (the “Company”) and its subsidiaries (the “Group”) are a leading listed conglomerate with core businesses spanning property, hospitality and leisure, transportation and investments. Established in 1972, the Company (HKSE: 242) has been listed on the Hong Kong Stock Exchange since 1973.

## PROPERTY



## HOSPITALITY AND LEISURE



## TRANSPORTATION



## INVESTMENTS



## CORPORATE PROFILE

### PROPERTY

The Group has a prominent and proven track record of transforming land sites into vibrant mixed-use developments — including residential, retail and lifestyle hubs — in Macao, Hong Kong and the Chinese Mainland. It owns one of the largest developable floor areas in Macao among Hong Kong listed companies and is an important player in Macao's property market with a host of property development projects. It also has a presence in the Guangdong-Hong Kong-Macao Greater Bay Area (the "GBA") and the Chinese Mainland real estate market. Its investments are located in Tongzhou and Dongzhimen in Beijing, Minhang, Qiantan and Jing'an in Shanghai, Hengqin in Zhuhai, Xiqing in Tianjin and Chenggong in Kunming.

#### Macao

The Group partnered with Hongkong Land Holdings Limited to develop One Central. Located at a prime waterfront site on the Macao Peninsula, the project comprises seven prestigious residential towers, a flagship luxury shopping mall with a gross floor area of approximately 400,000 square feet, a five-star hotel Mandarin Oriental, Macau and serviced apartments serviced apartments managed by the same hotel group.

Nova City in Taipa is one of the largest luxury developments in Macao. The project comprises upscale residential units, world-class landscaping and clubhouse facilities. Nova City was the first to introduce comprehensive clubhouse facilities and the first 24-hour fitness facility in Macao. Sales of the five phases have generated a strong market response. Nova Grand, the final phase of Nova City, sits above NOVA Mall — a largescale lifestyle shopping center with a gross floor area over 655,000 square feet developed through a joint venture partnership formed with Abu Dhabi Investment Authority, has become the first retail hub serving the Taipa community since its opening in 2020.

#### Hong Kong

The Group has reshaped several key areas in Hong Kong's property landscape with a diversified portfolio spanning commercial, residential, and retail developments, conveniently linked to transportation hubs. Its signature residential projects in the city include The Belcher's, liberté and Chatham Gate.

The Group's property management arm offers professional property and facility management services to residential developments, clubhouses, office towers, shopping malls and car parks across the Chinese Mainland, Hong Kong and Macao.

#### Chinese Mainland

The Group entered the Northern China property market through its investment in the Beijing Tongzhou Integrated Development. The complex will be developed into an iconic landmark, integrating retail, office space and serviced apartments in a prime location along the famous Grand Canal. The application for bareshell completion certificate is scheduled by our joint venture partner for 2026. The joint venture partner has obtained presale consent for the serviced apartments from the relevant authorities and will closely monitor national policies and market sentiment to determine the appropriate timing for the official launch.

Shun Tak Tower, the Group's wholly owned property in Beijing Dongzhimen near the East 2nd Ring Road, enjoys a well-established transport network covering the airport expressway, major metro lines and bus routes. The 63,000-square-foot site features office and hospitality spaces, and is close to downtown Beijing, the embassy zone and Yansha area.

In 2018, the Group also ventured into Chinese Mainland healthcare sector through a strategic partnership with Perennial Holdings Private Limited to develop mixed-use healthcare complexes near high-speed railway stations. Tianjin South HSR Integrated Development and Kunming South HSR Integrated Development are being developed into one-stop regional healthcare and commercial hubs offering medical, healthcare and eldercare facilities, while featuring hospitality and retail spaces. The



Hengqin Integrated Development

Tianjin South HSR Integrated Development has opened the majority of its hotel, eldercare and healthcare facilities; the remaining components are targeted for opening in 2026. The Kunming South HSR Integrated Development commenced partial operations of its hotel, eldercare and medical services in 2025 and construction on the remaining components is ongoing with phased opening planned.

NEW BUND 31 at Qiantan, Shanghai is a 50/50 joint venture with Shanghai Lujiazui (Group) Company Limited. This cultural and community hub in Shanghai spans a gross floor area of 142,000 square meters, bringing together offices, retail space and a 202-room five-star hotel managed by Artyzen Hospitality Group. The site also features a Performing Arts Center housing a concert hall and several multi-purpose halls with a total capacity of 4,000 spectators.

The Group's mixed-use project in the Suhe Bay Area in Shanghai's Jing'an District (effective interest: 50%) is a strategic partnership with China Resources Land Limited. The development comprises four land plots with a total site area of approximately 65,692 square meters and a total developable gross floor area of approximately 321,182 square meters. Close to major tourism destinations and central business precincts such as the Bund and Lujiazui, the development encompasses residential, office, commercial and cultural components, as well as an underground shopping mall and a central green park.

To capitalize on development opportunities in the GBA, the Group acquired the remaining 30% interest in Hengqin Integrated Development in December 2020. Located in Guangdong-Macao In-Depth Cooperation Zone in Hengqin (the "Zone"), the project boasts unparalleled connectivity with direct access to the port and commercial facilities at the Cotai, Macao. The transport network also includes an extension of the Guangzhou-Zhuhai Intercity Railway, while the site is directly accessible via the Hengqin Line of the Macao Light Rapid Transit.

In July 2025, the Group entered into a Sale and Purchase Agreement with SJM — Investment Limited for the sale of partial premises at the Hengqin Integrated Development, with a coverage that includes 12 floors of the office tower and a standalone retail unit. Spanning a gross floor area of approximately 19,781 square meters, these partial premises are expected to be converted into a 3-star hotel facility by the purchaser. The transaction aligns with the government policy under the "Several Measures to Promote the High-Quality Development of the Hotel Industry in the Zone".

## Singapore

The Group entered the Singapore market in 2016 through the acquisition of premium properties in prime locations around the central business district, building a well-rounded portfolio spanning hotel, commercial and residential developments. It continues to strategically explore valuable investment opportunities in the market.

111 Somerset is a premium commercial development strategically located within the Orchard Road precinct, surrounded by a prime shopping, entertainment and tourism belt with direct MRT access. It comprises approximately a gross floor area of 766,550 square feet of office space, medical suites and a two-level retail podium.

In 2018, the Group acquired two plots of prime residential redevelopment sites in downtown Singapore, which have been developed into Park Nova at 18 Tomlinson Road, close to the Orchard Road Shopping Belt, and Les Maisons Nassim at 14A, 14B and 14C Nassim Road. Situated in the prestigious district of embassies and home to Good Class Bungalows, Nassim Road is regarded as one of the most high-end residential districts in Singapore. Both properties have been developed into luxury residential condominiums for sale.



## CORPORATE PROFILE

### HOSPITALITY AND LEISURE

The Group was a pioneer in introducing top-tier hotel services to Macao through its investments in the former Mandarin Oriental, Macao and former Westin Resort Macau in the late 1980s.

As part of the Group's One Central development project, the 213-room Mandarin Oriental, Macao opened in June 2010, offers refined elegance and bespoke services. The 208-room Grand Coloane Resort, formerly Westin Resort Macau, is a premium resort located on the shores of Coloane Island overlooking Hac Sa Beach and the South China Sea.

In Hong Kong, the Group holds a 70% interest in the 658-room Hong Kong SkyCity Marriott Hotel, located minutes from the Hong Kong International Airport and AsiaWorld-Expo.

To reinforce its presence in the hospitality sector, the Group founded its wholly-owned subsidiary Artyzen Hospitality Group Limited ("AHG") in 2013 to capitalize on the growth of Asian tourism. Catering to increasingly affluent, discerning, and mobile travelers in Chinese Mainland and beyond, AHG integrates hospitality with culture, business, and the arts to create dynamic, multi-dimensional experiences. As at 31 December 2025, the Group holds equity interests in 10 hotels operating in Chinese Mainland, Hong Kong, Macao and Singapore; and manages 14 hotels and service residences through AHG under the brands: Artyzen Hotels and Resorts, Artyzen Habitat, YaTi by Artyzen, The Shàng by Artyzen, and the Grand Coloane Resort.

Artyzen Habitat Dongzhimen Beijing is a 138-room hotel that opened in 2017. Nestled in a vibrant area within Beijing's old fortress walls in

Dongzhimen, it is approximately a 25-minute drive from the airport and close to major rail links.

Opened in 2018 within the Shanghai MixC complex, the 188-room Artyzen Habitat Hongqiao Shanghai is located in one of the city's premier shopping destinations with numerous entertainment hotspots, and is close to Shanghai Hongqiao International Airport and Hongqiao Railway Station. Within the same complex, YaTi by Artyzen Hongqiao Shanghai is an economy hotel offering 303 rooms with superior service for modern travelers.

Artyzen Habitat Qiantan Shanghai and The Shàng by Artyzen commenced operations in September 2022. The 246-unit and 210-unit hotels are strategically located in the emerging Qiantan district in Shanghai, a hub for business, entertainment and residence with world-class sporting facilities.



Opened in December 2023, the 142-room Artyzen Singapore marks the AHG's first property outside of China. Strategically located in central Singapore near the renowned Orchard Road shopping district, major embassies, and the UNESCO World Heritage Site Singapore Botanic Gardens, this luxury property features elegantly designed rooms and suites with balconies, reflecting the distinctive culture and vibrancy of the Lion City.

Artyzen Habitat Hengqin Zhuhai, a 230-room lifestyle hotel opened in March 2024, marks the AHG's debut in the Zone. Strategically located adjacent to Hengqin Port as part of Shun Tak's Hengqin Integrated Development, the hotel offers direct access to the Hengqin Line connecting Macao, Zhuhai Jinwan Airport, Zhuhai Railway Station and Chimelong Ocean Kingdom. Designed for modern travelers, it features graffiti-inspired interiors and well-equipped guestrooms with thoughtfully designed wet and dry bathroom layouts.

Slated to open in 2029, Artyzen Xi'an will mark the Group's entry into the historic city of Xi'an. Located in the heart of the central business district within the Xi'an Hi-Tech Industrial Development Zone, the hotel enjoys close proximity to the Xi'an Grand Theatre and is ideally positioned to form a cultural tourism ecosystem alongside surrounding cultural facilities.

In addition to hotel operations, the Group manages the award-winning Macau Tower Convention & Entertainment Centre ("Macau Tower"), a major MICE venue and tourist destination in Macao. Beyond MICE business, it offers dining, observation decks, retail, and the world's highest commercial bungy jump.

In 2024, the Group expanded its portfolio through a strategic partnership with AJ Hackett International group to develop and operate the "Adventure Zone" at Ocean Park Hong Kong. Spanning approximately 120,000 square meters, the project will offer world-class sky-high adventure experiences, including bungy jumping, giant swings, ziplines, a rail-coaster luge, and adventure parks, complemented by retail and dining options. The development phase of the project is expected to be completed by 2028.

The Group also introduced Artyzen Club, a private business membership club, to Hong Kong's central business district in 2018. The club offers fine Asian and Western cuisines, sports and wellness facilities and versatile venues for corporate and private functions.



Grand Hall, Macau Tower Convention & Entertainment Centre

## CORPORATE PROFILE

### TRANSPORTATION

Envisioning interconnectivity as the cornerstone of regional development, a bridge for cultural exchange, and a driver of socioeconomic advancement, the Group has upheld its longstanding commitment as a pioneer, witness, and contributor to building a seamless multimodal transportation network for over six decades. Having laid the essential groundwork for today's nationally strategic Greater Bay Area ("GBA"), the Group continues to shape the region's future transportation model, striving to foster an expansive and high-quality one-hour living circle.

The year 1999 marked a defining milestone in the transportation sector, as the Group merged its high-speed ferry operations with those of China Travel International Investment Hong Kong Limited ("CTII"), a subsidiary of the state-owned enterprise China

Travel Group, to establish Shun Tak — China Travel Shipping Investments Limited ("STCTSI"). Operated under the brand "TurboJET", this strategic move propelled unprecedented advancements in regional transportation. As a trailblazer in multimodal integration, TurboJET launched the world's first air-sea intermodal platform via Hong Kong International Airport in 2003, later extending the service to Shenzhen Airport. Its extensive network seamlessly connects major GBA cities — including Hong Kong, Macao, Shenzhen, Shekou and Zhuhai — to global destinations.

Amid the dynamic development of the GBA under the national development plan, transportation infrastructure has become increasingly comprehensive, particularly with the inauguration of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), which has driven significant growth in passenger traffic across the region.

To capture emerging opportunities, STCTSI deepened its two-decade partnership to establish a 50/50 joint venture, optimizing cross-border sea and land transportation resources to create a more integrated multimodal transportation platform spanning sea, land, and air. In recent years, the Group has sharpened its competitiveness by participating in a myriad of cross-border transportation services, including the HZMB shuttle buses ("Golden Bus"), "TurboJET Cross Border Limo," "HK-MO Express," "HK-MO Express", and "Macao HK Airport Direct," further solidifying its position as a key contributor to the GBA's transportation development.

Looking ahead, the Group will align with the transportation initiatives outlined in the national development plan by advancing the multimodal transportation network in the region and reinforcing the "Tourism+" initiative in its business strategy. Leveraging its expertise and deep understanding of



regional tourism trends, the Group will diversify its offerings and explore new modes of transportation, such as low-altitude options, to drive the integration of multimodal transport, enhance urban connectivity, and support the development of an efficient and modern transportation system in the GBA. By fostering regional synergy and promoting sustainable, high-quality growth, the Group aims to contribute to the GBA's development as a world-class hub for living, working, and traveling.

## INVESTMENTS

The Group owns valuable investments in Macao and Hong Kong. It possesses an effective interest of approximately 15.8% in Sociedade de Turismo e Diversões de Macau, S.A. ("STDM"). STDM in turn owns approximately 54.81% of SJM Holdings Limited ("SJM Holdings"), a listed company in Hong Kong. SJM

Holdings is effectively entitled to a 100% economic interest in SJM Resorts, Limited (formerly known as "Sociedade de Jogos de Macau S.A."), one of the six gaming concessionaries licensed by the Macao SAR Government to operate casinos in Macao.

The Group, through a three-way consortium with its business partners, was awarded a five-year tenancy agreement for the Kai Tak Cruise Terminal commencing from 1 June 2023. Designed to accommodate the new class of mega-cruisers, the terminal is instrumental in developing Hong Kong into an international cruise hub.

Retail Matters Company Limited is the Group's retail arm and the license holder of "Toys'R'Us" in Macao. Since the opening of its flagship store at NOVA Mall in 2020, Toys'R'Us Macao has established a leading market position, offering over 26,200 square

feet of toys retail space at its two locations — NOVA Mall and Studio City. The Group has also acquired "Stecco Natura Gelaterie" from Italy and become the worldwide owner of this gelato brand.



## MANAGEMENT PROFILE

### MS. PANSY HO

S.B.S., JP  
Group Executive Chairman and  
Managing Director  
aged 63

Ms. Ho Chiu King, Pansy Catilina ("Ms. Pansy Ho") joined the Group as an executive director in 1995, and was appointed the managing director in 1999 and the group executive chairman in 2017 to oversee the Group's overall strategic development and management. She is also the chairman of the executive committee and the nomination committee, a member of the remuneration committee of the Company; and a director of a number of subsidiaries of the Company.

Ms. Pansy Ho is the vice chairman, chief executive officer and a director of the board of Shun Tak — China Travel Shipping Investments Limited and the chairman of its executive committee, and is directly in charge of the Group's transportation businesses, which include ferry and coach operations. She is a director of Shun Tak Shipping Company, Limited\*, Renita Investments Limited\*, Oakmount Holdings Limited\*, Beeston Profits Limited\*, Classic Time Developments Limited\* and Megaprospers Investments Limited\*, the chairman of Macau Tower Convention & Entertainment Centre, a director of Air Macau Company Limited and vice-chairman of Macau International Airport Company Limited. She is also the chairperson and an executive director of MGM China Holdings Limited, a vice-chairman and a non-executive director of Phoenix Media Investment (Holdings) Limited, an independent non-executive director of the board of China Southern Airlines Company Limited, all are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a director of Bravolinks Integrated Marketing Company Limited (which is listed on the National Equities Exchange and Quotations). In addition, she is the chairman of the

board of directors of Estoril-Sol, SGPS, S.A. which is a Portuguese listed gaming company.

In China, Ms. Pansy Ho is a standing committee member of the National Committee of the Chinese People's Political Consultative Conference, a vice chairman of All-China Federation of Industry and Commerce, a standing committee member of the All-China Women's Federation, a standing committee member of Beijing Municipal Committee of the Chinese People's Political Consultative Conference, a senior advisor of the Boao Forum for Asia (BFA), the executive president of All-China Federation of Tourism Chambers of Commerce, a vice director of the Governing Board of the Asia Fund for Cultural Heritage Conservation, a co-chairperson of Sino-International Entrepreneurs Federation and the chairperson of the Advisory Board of the Alliance for Cultural Heritage in Asia (ACHA). In Hong Kong, she is a director of Friends of Hong Kong Association Limited, the chairperson of Hong Kong Federation of Women, an executive vice president of the Federation of Hong Kong Beijing Organisations, a general committee member of The Hong Kong General Chamber of Commerce and a governor of Our Hong Kong Foundation Limited. In Macao, she is a vice president of the board of directors of Macao Chamber of Commerce and the president of the General Association of Macau Beijing Organisations. Internationally, she is also an executive committee member of World Travel & Tourism Council and was appointed as a tourism ambassador by the United Nations World Tourism Organization in October 2018.

Ms. Pansy Ho was appointed as a Justice of the Peace and was awarded the Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region on 1 July 2015 and 1 October 2020 respectively. She was bestowed the Medal of Merit — Tourism by the Government of Macao SAR in September 2019.

Ms. Pansy Ho holds a Bachelor's degree in marketing and international business management from Santa Clara University in the United States. She received an Honorary Doctorate Degree in Business Administration from the Johnson and Wales University in May 2007. She was appointed as Honorary Professor of School of Political Communication by the School of Political Communication of Central China Normal University in November 2013. She received an honorary fellowship from The Hong Kong Academy for Performing Arts in June 2014, an honorary university fellowship from the University of Hong Kong in September 2015, an honorary doctorate in Arts of the Remin University of China and an honorary professor of the Beijing Institute of Fashion Technology (BIFT) in 2025.

Ms. Pansy Ho is a sister of Ms. Daisy Ho and Ms. Maisy Ho, who are an executive director and deputy managing director and an executive director of the Company respectively.

\* *Shun Tak Shipping Company, Limited, Renita Investments Limited, Oakmount Holdings Limited, Beeston Profits Limited, Classic Time Developments Limited and Megaprospers Investments Limited are companies which have an interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO").*

## MR. NORMAN HO

F.C.P.A., B.A., A.C.A.  
Independent Non-Executive Director  
aged 70

Mr. Ho Hau Chong, Norman ("Mr. Norman Ho") has been an independent non-executive director of the Company since 2004. He is also the chairman of the audit and risk management committee and a member of the remuneration committee and nomination committee of the Company.

Mr. Norman Ho is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company, Limited and has over 30 years of experience in management and property development.

Mr. Norman Ho is also an independent non-executive director of Hong Kong Ferry (Holdings) Company Limited and SJM Holdings Limited and an executive director of Miramar Hotel and Investment Company, Limited and Vision Values Holdings Limited, all of which are listed on the Main Board of the Stock Exchange. He was an independent non-executive director of Lee Hing Development Limited (which was listed on the Main Board of the Stock Exchange).

He is a member of the Institute of Chartered Accountants in England and Wales, and a fellow member of the Hong Kong Institute of Certified Public Accountants.

## MR. MICHAEL WU

Independent Non-Executive Director  
aged 67

Mr. Wu Zhi Wen, Michael (former name: Ng Chi Man, Michael) ("Mr. Michael Wu") was appointed as an executive director of the Company in 2009 and re-designated as a non-executive director of the Company in July 2010. Mr. Michael Wu has been re-designated as an independent non-executive director of the Company and appointed as a member of the audit and risk management committee of the Company both with effect from 20 December 2012. He has also been appointed as the chairman of the remuneration committee and a member of the nomination committee of the Company, both with effect from 25 August 2015.

Mr. Michael Wu is a fellow member of the Hong Kong Institute of Certified Public Accountants. He holds a Master's degree in business administration from St. John's University in New York, the U.S.A.

Mr. Michael Wu has substantial experience in corporate and financial management of listed companies in Hong Kong. In the past, he was an executive director and chief executive officer of Viva China Holdings Limited (now known as Viva Goods Company Limited, a company listed on the Main Board of the Stock Exchange), which was listed on the Growth Enterprise Market of the Stock Exchange. Mr. Michael Wu was also an executive director of China Travel International Investment Hong Kong Limited (which is listed on the Main Board of the Stock Exchange) and HKC (Holdings) Limited (which was listed on the Main Board of the Stock Exchange).

## MR. KEVIN YIP

Independent Non-Executive Director  
aged 61

Mr. Yip Ka Kay, Kevin ("Mr. Kevin Yip") was appointed as an independent non-executive director of the Company in October 2015. He has been appointed as a member of the audit and risk management committee of the Company with effect from 11 January 2017; and a member of the nomination committee and remuneration committee of the Company with effect from 27 March 2019.

Mr. Kevin Yip is the managing director and responsible officer of GRE Investment Advisors Limited, a Hong Kong Securities and Futures Commission licensed advisor to NM Strategic Management, LLC and licensed manager to QLA Investment GP SÀRL. Mr. Kevin Yip is also a non-executive director and a member of the audit committee of VCREDIT Holdings Limited and an independent non-executive director and a member of the nomination committee of CSI Properties Limited, both are listed on the Main Board of the Stock Exchange.

Mr. Kevin Yip has extensive experience in private equity, alternative and portfolio investment. He was previously managing director and responsible officer of Bosera Asset Management (International) Co., Limited in Hong Kong. Prior to that he was a founding and senior partner of General Enterprise Management Services (HK) Limited, a private equity management company. He was previously a vice president of JP Morgan International Capital Corporation.

Mr. Kevin Yip is currently a member of the Investment Advisory Committee of EQT Partners, a leading private equity group in Europe, which works with portfolio companies to achieve sustainable growth, operational excellence and market leadership.

## MANAGEMENT PROFILE

### MS. AMELIA YAU

**Independent Non-Executive Director  
aged 63**

Mr. Kevin Yip holds an A.B. Degree in Economics (magna cum laude) from Harvard University, and is currently a member of Dean's Asia Advisory Committee of Harvard University's Faculty of Arts and Sciences. He sits as a non-scientific member of the Institutional Review Board of The University of Hong Kong/Hospital Authority Hong Kong West Cluster and is a member of the Routine and Expedited Panel of the Hospital Authority Central Institutional Review Board. He was chairman emeritus of the Hong Kong Venture Capital and Private Equity Association. He had also served on the Financial Services Advisory Committee of the Trade Development Council of the Hong Kong Special Administrative Region of the People's Republic of China.

Ms. Yau Yu Xin, Amelia ("Ms. Amelia Yau") was appointed as an independent non-executive Director in July 2025. She is also a member of the remuneration committee, nomination committee and audit and risk management committee of the Company.

Ms. Amelia Yau had extensive experience in public accounting. She was a partner at PricewaterhouseCoopers.

Ms. Amelia Yau is a Honorary Treasurer of the Executive Committee and Chairperson of the Committee on Administration and Finance of Youth Outreach, as well as a Council Member and Chairperson of the Audit Committee of Hong Kong, China Tennis Association. She was a panel member of the Securities and Futures Appeals Tribunal between 2019 and 2025.

Ms. Amelia Yau is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. She holds a Bachelor's degree in Accountancy from the Hong Kong Polytechnic University.

### MS. DAISY HO

**B.B.S.  
Executive Director and  
Deputy Managing Director  
aged 61**

Ms. Ho Chiu Fung, Daisy ("Ms. Daisy Ho") joined the Group in 1994 and was appointed an executive director of the Company that year. She became the Group's deputy managing director and chief financial officer in 1999. Ms. Daisy Ho is a member of the executive committee, remuneration committee and nomination committee of the Company and a director of a number of the Company's subsidiaries.

In addition to participating in the Group's strategic planning and development, Ms. Daisy Ho is also responsible for the Group's overall financial activities, as well as property development, sales and investments.

Ms. Daisy Ho is a director of Shun Tak Shipping Company, Limited\*, Renita Investments Limited\*, Oakmount Holdings Limited\* and Megaprosper Investments Limited\*. She is also the managing director of SJM Resorts, S.A. (formerly known as Sociedade de Jogos de Macau, S.A.), and the chairman and executive director of its holding company, SJM Holdings Limited which is listed on the Main Board of the Stock Exchange.

Ms. Daisy Ho is vice president and an executive committee member of The Real Estate Developers Association of Hong Kong, a professional member of the Hong Kong Institute of Real Estate Administrators, honorary chairman of the Macau Hotel Association, a vice president of Macao Association of Building Contractors and Developers, a member of The Chinese General Chamber of Commerce, Hong Kong and a standing committee member of its Ladies Committee, director of Macao Chamber of Commerce, life honorary president of Macau Retail and Management Association, a fellow of The Hong Kong Institute of Directors, governor of The Canadian Chamber of Commerce in Hong Kong, chairman of Hong Kong Ballet, advisor and former chairman (2020–2021) of

## MS. MAISY HO

**B.B.S., JP**

**Executive Director**

**aged 58**

Po Leung Kuk, chairman cum director of University of Toronto (Hong Kong) Foundation Limited and chairman of its scholarship selection committee, member of Dean's Advisory Board of Joseph L. Rotman School of Management — University of Toronto, world fellow of The Duke of Edinburgh's Award World Fellowship, honorary vice president of The Hong Kong Girl Guides Association, honorary president of Hong Kong Federation of Women and founding member and steering committee member of the "EmpowerHer Network" of Hong Kong Red Cross.

Ms. Daisy Ho was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region on 1 July 2021.

Ms. Daisy Ho has been appointed as a member of the standing committee on Judicial Salaries and Conditions of Service by the Government of the Hong Kong Special Administrative Region since January 2022.

Ms. Daisy Ho has also been appointed as a member of the Tourism Development Committee by the Government of the Macao Special Administrative Region in March 2026.

Ms. Daisy Ho holds a Master of business administration degree in finance from the University of Toronto and a Bachelor's degree in marketing from the University of Southern California.

Ms. Daisy Ho is a sister of Ms. Pansy Ho, the group executive chairman and managing director of the Company, and Ms. Maisy Ho, an executive director of the Company.

Ms. Ho Chiu Ha, Maisy ("Ms. Maisy Ho") joined the Group in 1996 and has been an executive director of the Company since 2001. She is also a member of the executive committee and remuneration committee of the Company and a director of a number of the Company's subsidiaries.

Since joining the Group, she has been responsible for overseeing the strategic planning and operations of the property management division, as well as retail and merchandising division of the Company. She is also responsible for the operations of the Group's property development projects in China.

Ms. Maisy Ho is a director of Shun Tak Shipping Company, Limited\* and SJM Resorts, S.A. (formerly known as Sociedade de Jogos de Macau, S.A.). She is also the chairman and an executive director of Unitas Holdings Limited which is listed on the Growth Enterprise Market of the Stock Exchange.

Ms. Maisy Ho has been appointed as a member of the Hospital Authority since December 2021, a member of Advisory Board of Tung Wah Group of Hospitals since August 2022, and the chairman of Hospital Governing Committee of Shatin Hospital since April 2023. In January 2024, she has been appointed as a member of The University of Hong Kong Court, and in January 2025, she has been appointed as a member of the Advisory Committee on Arts Development.

In Hong Kong, Ms. Maisy Ho is a standing committee member and honorary chairman of Ladies' Committee of The Chinese General Chamber of Commerce, vice chairlady and honorary chairlady of All-China Women's Federation Hong Kong Delegates Association Limited, executive committee officer and honorary president of Hong Kong Federation of Women, honorary advisor of Federation of HK Jiangsu Women Organisations and honorary chairman of Hong Kong Shanghai Pudong Association. She is the founding president of Hong Kong Federation of Liaoning Associations Limited, executive vice chairman of Hong Kong Volunteers Federation, executive vice president of Hong Kong Poverty Alleviation Association Limited, executive vice chairman of The Hong Kong Island Federation, executive vice chairman of the Hong Kong Youth Patriotic Education Foundation Company Limited, executive vice chairman of the Hong Kong Federation of Dongguan Association Foundation Company Limited, director of Hong Kong Tai Chi Youth Charitable Foundation and honorary vice president of The Hong Kong Girl Guides Association. She is a member of the Board of Governors of Tung Wah College, the school supervisor of Tung Wah Group of Hospitals Chen Zao Men College, past president of Hong Kong Institute of Real Estate Administrators, member of Chartered Institute of Housing Asian Pacific Branch. Ms. Maisy Ho is also a holder of Estate Agent's Licence (Individual).

Ms. Maisy Ho was awarded the Bronze Bauhinia Star and was appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region on 1 July 2016 and 1 July 2024 respectively.

\* Shun Tak Shipping Company, Limited, Renita Investments Limited, Oakmount Holdings Limited and Megaprospere Investments Limited are companies which have an interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.

## MANAGEMENT PROFILE

### MR. DAVID SHUM

Executive Director  
aged 71

In Macao, Ms. Maisy Ho has been appointed as the Honorary Consul of the United Republic of Tanzania to Macao Special Administrative Region of the People's Republic of China since September 2020. She is a standing committee member and deputy chief of Ladies Committee of Macao Chamber of Commerce, executive vice president of Property Management Business Association Macao, vice chairman of supervisory board of Macao International Brand Enterprise Commercial Association, director of Kiang Wu Hospital Charitable Association and vice chairman of board of directors of Global Tourism Economy Research Centre.

In China, she is a standing committee member of the Chinese People's Political Consultative Conference of Liaoning Province.

Ms. Maisy Ho holds a double degree of Bachelor in telecommunications and psychology from Pepperdine University, the United States. She received an honorary university fellowship from the University of Hong Kong in October 2018 and an honorary fellowship from the HKU School of Professional and Continuing Education in February 2024.

Ms. Maisy Ho is a sister of Ms. Pansy Ho, the group executive chairman and managing director of the Company, and Ms. Daisy Ho, an executive director and deputy managing director of the Company.

\* *Shun Tak Shipping Company, Limited is a substantial shareholder of the Company within the meaning of Part XV of the SFO.*

Mr. Shum Hong Kuen, David ("Mr. David Shum") joined the Group in 1992 and has been an executive director of the Company since 2004. He is also a member of the executive committee of the Company and a director of a number of the Company's subsidiaries. He is responsible for the investment activities of the Group.

Mr. David Shum is a director of Shun Tak Shipping Company, Limited\* and an executive director of SJM Holdings Limited (which is listed on the Main Board of the Stock Exchange).

Mr. David Shum holds a Master's degree in business administration from the University of California, Berkeley, the United States.

\* *Shun Tak Shipping Company, Limited is a substantial shareholder of the Company within the meaning of Part XV of the SFO.*

### MR. ROGIER VERHOEVEN

Executive Director  
aged 63

Mr. Rogier Johannes Maria Verhoeven ("Mr. Rogier Verhoeven") was appointed as an executive director of the Company in February 2012. He is a member of the executive committee, the President of the Group Hospitality and Leisure Division and a director of a number of the Company's subsidiaries. He joined the Group as a consultant in 2000.

Possessing extensive experience in business development, general management and the hospitality industry, Mr. Rogier Verhoeven is responsible for strategic business development and asset management of the real estate, mixed use and hospitality investments for the Group's integrated hospitality management company (Artyzen Hospitality Group). He also oversees various other business units and related operations within the Hospitality and Leisure Division.

Mr. Rogier Verhoeven holds a Bachelor's degree in Hotel Management from the Hotel School The Hague, International University of Hospitality Management, in the Netherlands.

# FINANCIAL HIGHLIGHTS AND CALENDAR

## Financial Highlights 2025

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Revenue	<b>2,414,937</b>	4,545,551
Loss attributable to owners of the Company	<b>(478,227)</b>	(823,951)
Total equity	<b>32,872,416</b>	32,732,387
Loss per share (HK cents)		
— basic	<b>(15.8)</b>	(27.3)
— diluted	<b>(15.8)</b>	(27.3)
Dividends per share (HK cents)	<b>—</b>	—
Net asset value per share (HK\$)	<b>10.9</b>	10.8

The calculation of basic loss per share is based on the weighted average number of 3,017,661,785 shares (2024: 3,017,661,785 shares) in issue during the year. Basic and diluted loss per share were the same as the Company had no potentially dilutive ordinary shares in issue for the year ended 31 December 2025 (2024: same).

## Financial Calendar 2026

Announce 2025 annual results	30 March 2026
For determining shareholders' eligibility to attend and vote at Annual General Meeting	
Deadline for lodgement of all transfers	4:30 p.m. on 3 June 2026
Closure of register of members	4 June 2026 to 10 June 2026, both days inclusive
Record date	10 June 2026
Annual General Meeting	10 June 2026
Announce 2026 interim results	August 2026

# SIGNIFICANT EVENTS

## FEBRUARY

Artyzen Hospitality Group signed a management agreement with Xi'an Yang's Real Estate Development Co., Ltd. to introduce its luxury lifestyle hotel brand "Artyzen Hotels and Resorts" in Xi'an, marking the Group's debut in this historic city.



## MARCH

The Group was honored with the title of "Guardian of Asian Cultural Heritage" by the China Foundation for Cultural Heritage Conservation and the Alliance for Cultural Heritage in Asia, in recognition of its contributions to cultural heritage preservation and sustainable development.



## MAY

Macau Cruise launched the new "Outer Harbour — Barra" route, enriching the city's maritime and cultural tourism offerings.

Bank of Communications NEW BUND 31 Performing Arts Center and Artyzen NEW BUND 31 Shanghai were both honored with the IALD Award of Merit for their exceptional lighting designs at the 42nd Annual IALD International Lighting Design Awards held in Las Vegas.



## JUNE

NEW BUND 31 formed a strategic partnership with Shanghai Theatre Academy to collaborate on talent development, artistic innovation, and industry engagement.

The Group signed a memorandum of understanding with Shenzhen Airport to manage ferry services between Shenzhen Airport Terminal, Hong Kong, and Macao, further expanding its multimodal transport network within the Greater Bay Area and enhancing global connectivity for the region.

Artyzen Habitat Hengqin Zhuhai hosted its first "Celebration Night" event, fostering connections among businesses and communities in Macao, Zhuhai, Hong Kong and Shanghai.



## JULY

The Group was elected Vice Chairman units of the Cultural and Tourism Industry Working Committee of the China Chamber of International Commerce.

Artyzen Grand Lapa Macau became the first hotel in Macao to achieve the LEED Gold Certification under the LEED for Operations and Maintenance, awarded by U.S. Green Building Council.



Artyzen Habitat Hengqin Zhuhai received "Five-Leaf China Green Hotel" certification, the highest level in China's green hotel rating system, for integrating sustainability principles into facility management and corporate culture.

The Group entered into a sale and purchase agreement with SJM — Investment Limited for partial premises of its Hengqin Integrated Development, in support of the "Several Measures to Promote the High-Quality Development of the Hotel Industry in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin."

The Group received the "Quam IR Awards 2024 — Main Board Category" in recognition of its excellence in investor relations.



## SEPTEMBER

Artyzen Hospitality Group hosted its General Managers Forum at Artyzen NEW BUND 31 Shanghai, with participation from over 80 team members and business partners.



## OCTOBER

Artyzen Singapore was awarded One MICHELIN Key in the inaugural Global Keys selection of the MICHELIN Guide as one of only seven hotels in Singapore to achieve this distinction.

The Group received the "Outstanding Award in the Cross-border Corporate Category" at the "Standard Chartered Corporate Achievement Awards 2025", recognizing its excellence in cross-regional operations across Hong Kong and the Greater Bay Area.

The Group received two Gold Awards and five Silver Awards at the HR Excellence Awards Hong Kong 2025 organized by Human Resources Online.

The Group received the ESG Award at the 2025 Hong Kong ESG Awards organized by The Chinese Manufacturers' Association of Hong Kong.



## NOVEMBER

TurboJET, in partnership with Shenzhen Airport Group, officially launched a high-speed ferry route between Shenzhen Airport Ferry Terminal and Macau Outer Harbour Ferry Terminal, enhancing the integrated transport network of the Greater Bay Area.



## CHAIRMAN'S STATEMENT

### Dear Shareholders,

In 2025, the global economy faced multiple challenges, including uncertain trade policies, tense geopolitical situations and persistent inflationary pressures, with a volatile and uneven outlook. Hong Kong's business environment remained under pressure, as the trend of residents traveling north for consumption persisted. The retail sector was significantly affected by changes in consumer behavior; although visitor arrivals to Hong Kong rebounded compared with 2024, both residents and visitors remained cautious about high-value spending. Meanwhile, the nation is firmly implementing its strategy to expand domestic demand, and the tourism industry has become a vital force in boosting consumption and driving growth. Against this backdrop, the Group adhered to a prudent business policy, closely followed the national development strategy with its "Tourism+" development strategy, relied on its foundation in the Guangdong-Hong Kong-Macao Greater Bay Area (the "GBA"), and made steady progress in its four core business segments — property, hospitality and leisure, transportation and investment — maintaining resilience amid volatility.

### Deepen Core Segments and Consolidate Development Foundation

The Group has consistently aligned itself with national policies, actively seizing the opportunities presented by the "14th Five-Year Plan" to participate in the high-quality development of the GBA and promote the integrated development of culture and tourism. Our "Tourism+" strategy is unlocking the potential of the GBA by seamlessly integrating high-speed transport, lifestyle hospitality, and cultural experiences to build a differentiated, high-value ecosystem.

Embracing a qualitative transformation, our transportation division is intensifying efforts to optimize extensive multi-modal transport resources while reinventing its offerings to meet the evolving dynamics of the travel and tourism sector.

Our recent collaboration with Shenzhen Airport Group exemplifies our long-standing commitment to developing a more expansive and integrated transportation network for the region. With Shenzhen Bao'an International Airport being earmarked as a key international hub by advancing multimodal transport integration, new opportunities have emerged for us to explore the areas for future business endeavors in yacht economy and low-altitude economy outlined in the "15th Five-Year Plan". These efforts further contribute to positioning the GBA as a world-class region for living, working, and traveling, driving its high-quality development.

In the hospitality and leisure sector, our wholly-owned subsidiary — Artyzen Hospitality Group ("AHG") has deeply integrated its hotels with culture, commerce, and art. In 2025, AHG achieved a turnaround from loss to profit in Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) through prudent operations, marking an important milestone and confirming the resilience of the lifestyle hotel model. AHG signed an agreement with Xi'an Yang's Real Estate to introduce the "Artyzen Hotels and Resorts" luxury lifestyle hotel brand to Xi'an, realizing the brand's first layout in this historic city and reflecting the Group's confidence in long-term market demand. Supported by the continuous expansion of national visa-free policies, the Group's hotels in Macao and Hong Kong enhanced the multi-destination experience, with occupancy rates and demand steadily rebounding. In addition, Artyzen Habitat Hengqin Zhuhai was awarded the "Five-Leaf Green Hotel" certification by National Green Hotel Committee. NEW BUND 31 continued to consolidate its position as a cultural landmark, achieved stable

performance through large-scale events, and its affiliated hotel won numerous industry awards, confirming the core value of experience-driven projects.

Meanwhile, the Group adhered to high-quality development and optimized asset management. The Group's luxury residential projects in Singapore demonstrated strong resilience; some deferred units of Les Maisons Nassim and Park Nova were sold at significant premiums after completion, fully reflecting the long-term attractiveness of high-quality assets in prime locations. In Hengqin, the integration with Macao and the GBA continued to accelerate, with cross-border visitor numbers maintaining strong year-on-year growth. The Group sold part of the premises of Hengqin Integrated Development, which will be repurposed into a hotel facility. This move can benefit from the relevant policy promoting the high-quality development of the hotel industry in Guangdong-Macao In-Depth Cooperation Zone in Hengqin, as well as facilitate the coordinated development of the cultural tourism, convention and exhibition, and commercial and trade industries between Hengqin and Macao. In the leasing business, demand for high-grade office in first-tier cities in Chinese Mainland has slowed due to corporate cost control and operational adjustments by multinational companies. Despite the difficulties, the existing investment portfolio maintained effective management, and the rental income of the leasing portfolio in Shanghai, Beijing, Guangzhou and Hengqin remained stable. Although Hong Kong's retail leasing market was under pressure, the Group maintained its occupancy rate through lease renewals and tenant mix optimization.

## Anchor National Strategy and Plan for Long-Term Development

Financial discipline remained essential to our approach. For the year ended 31 December 2025, the Group recorded an overall loss attributable to shareholders amounted to HK\$478 million (2024: HK\$824 million). Basic loss per share for the year was HK15.8 cents (2024: HK27.3 cents). Having considered the Group's financial performance, cash flow position and future capital requirements, the Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2025. No interim dividend was declared during the year.

Looking ahead, although the national economy faces challenges such as real estate adjustment and domestic demand recovery, and the Group remains cautiously optimistic about the long-term prospects of its business in the Chinese Mainland, the "15th Five-Year Plan" clearly proposes improving the modern comprehensive transportation system and promoting in-depth integration of culture and tourism. Coupled with the deepening

of reform and opening-up and the development of new-quality productive forces, the long-term positive trend remains unchanged. The Group is particularly confident about the prospects of the GBA as the "15th Five-Year Plan" reinforces the commitment to deepening the development of the GBA, providing further support for Macao's role as a world center of tourism and leisure, and for Hong Kong's evolution into the East-meets-West center for international cultural exchange. We believe this strategic direction will unlock significant opportunities for the Group in the region. The Group will continue to respond to the national development strategy, further strengthen the multimodal transportation network to create a seamless travel experience; advance the "Adventure Zone" project at Ocean Park Hong Kong as planned, cooperate with AJ Hackett International group to create innovative tourism products, and continuously release the cultural tourism potential of the GBA. At the same time, it will integrate sustainable development into all links of operations, empower high-quality development through technology, and build a more resilient long-term growth platform.

On behalf of the Board, I sincerely thank all shareholders, business partners and stakeholders for their consistent trust and support, and thank the Group's management team and all colleagues for their dedicated efforts. The Group will continue to rely on the advantages of the GBA, deepen the "Tourism+" development strategy, firmly support national development goals, consolidate its position as an integrated cultural tourism enterprise, and prudently and steadily advance various businesses to create greater long-term value for shareholders.

Thank you.



By order of the Board

**PANSY HO**

Group Executive Chairman and  
Managing Director

30 March 2026



Build the momentum, accumulate like a mountain

Build the

# Momentum

and Achieve Greatness

Property





SHUN TAK  
HENGQIN

信德口岸商务中心

橫琴口岸

## REVIEW OF OPERATIONS



### PROPERTY

In 2025, the property division navigated a mixed macroeconomic landscape. While market conditions in Singapore remained robust, the residential and investment property sectors in the Chinese Mainland and Macao continued to face headwinds amid a softer market sentiment. Overall, the division reported a profit of HK\$756 million (2024: HK\$918 million). The performance reflected lower property sales bookings compared to the prior year, supported by favorable exchange gains.

Nova Grand, Macao

## PROPERTY DEVELOPMENTS

In Macao, the Group's landmark residential projects maintained steady sales under a soft market sentiment. At Nova Grand, Phase V of Nova City, 19 units were transacted and 33 units were recognized in the year, bringing the number of units sold to 94% as of 31 December 2025. While at Nova Park, Phase IV of Nova City, two units were sold and four units were recognized during the year, 99% of its units have been sold.

In Hengqin, the Group's Integrated Development benefits from its proximity to Hengqin Port, the crossing linking Macao's Cotai with Chinese Mainland, where cross-border passenger trips have grown 33% year-on-year to over 30 million in 2025 driven by the new multiple-entry policy for Mainland visitors. A major strategic highlight was the sale of partial premises of the Hengqin integrated development project, with a coverage that includes 12 office floors and a retail unit spanning a gross floor area of approximately 19,781 square meters, to SJM — Investment Limited in July 2025 for hotel conversion, aligning with supportive government policies in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (the "Zone"). Meanwhile, the shopping mall will be opened according to market conditions.

In Singapore, the premium residential market maintained a favorable momentum. The Group's high-quality offerings continued to attract strong demand. At Les Maisons Nassim, a previously cancelled unit was successfully re-contracted in 2025 at a notable premium to its original price. Similarly, at Park Nova, four units were transacted while three of these units and one unit from prior year were recognized in 2025. Among the sales in 2025, one flagship penthouse was transacted and was recorded as one of the highest-priced condominiums (in terms of per square foot) in Singapore, underscoring the sustained demand for the Group's prime residential offerings.

## PROPERTY INVESTMENT

Across the Group's investment property portfolio, operating conditions remained challenging as shifting consumer behaviors, such as

increased northbound travel and the continued rise of online retail, placed pressure on footfall and tenant sales performance. In response, the Group focused on tenant retention, trade-mix refinement, and targeted asset upgrades to sustain occupancy rate and underpin rental income.

## Chinese Mainland

While the broader office leasing market struggled, the Group's Suhe Centre in Shanghai remained resilient and secured several sizable leases, significantly boosting its occupancy rate to approximately 80% (2024: 58%), while MixC World maintained stable operations with occupancy rates at 96% (2024: 94%). The shopping mall benefited from an increased number of Intellectual Property events, which successfully drove stronger footfall and consumer engagement. At Qiantan, NEW BUND 31 further reinforced its positioning as a premier cultural-commercial hub; however, amid the challenging office leasing environment, it recorded softer retail and office occupancy rates of 78% (2024: 87%) and 72% (2024: 70%), respectively. Elsewhere in the Chinese Mainland, Shun Tak Tower in Beijing navigated a challenging office market to achieve an occupancy rate of 68% (2024: 79%). In response to the prevailing trend of consumption downgrade and competition, the local operating team adopted a diverse leasing strategy, offering flexible terms to drive occupancy and tenant acquisition. Additionally, the Group's high-speed railway integrated developments advanced steadily; construction of the Tianjin project has been completed and commercial operations have commenced, while the Kunming project launched phased openings in 2025.

## Hong Kong

The Group's key neighborhood malls delivered a solid performance, with liberté place achieving 100% occupancy (2024: 100%) and The Westwood recording 90% (2024: 87%). At Shun Tak Centre, following the successful completion of its major uplift in 2025, ongoing repositioning and tenant mix refresh initiatives have yielded an occupancy rate of 72% (2024: 71%), with the final vertical

connectivity enhancement works targeted for completion by the third quarter of 2026.

## Macao

NOVA Mall faced continued trading headwinds from cross-border consumption trends, prompting a comprehensive repositioning toward broader customer segments to achieve an 85% occupancy rate (2024: 82%). One Central Shopping Mall also adapted to a softer luxury retail environment by completing a second-floor renovation to introduce nine new Food and Beverage concepts, diversifying its lifestyle-oriented offerings. Shun Tak House remained fully let.

## Singapore

111 Somerset recorded an overall occupancy rate of 96% (2024: 95%). Despite a broader global economic slowdown prompting some tenants to consolidate their office space, the property maintained operational stability through the strategic tenant mix optimization across its office, retail, and medical sectors.

Looking ahead, the Group's leasing teams will maintain an agile approach, dynamically adjusting strategies and leveraging digital initiatives to enhance service quality, while preserving project occupancy levels and ensuring sustainable cash flow. During the year, five office units were recognized. The property sales team will continue to drive sales in response to prevailing market conditions.





Lead the momentum, steady as the forest



Lead the

# Momentum

and Rise to Prominence

Hospitality and Leisure



## REVIEW OF OPERATIONS

### HOSPITALITY AND LEISURE

In 2025, the hospitality and leisure division benefited from the continued global recovery in travel and tourism. While strong visitor arrivals supported occupancy across core markets, evolving travel patterns — characterized by shorter stays and heightened competition in the food and beverage sector — posed ongoing challenges. Guided by the Group's "Tourism+" strategy, the division continued to position its properties to capture cross-border and experiential travel demand within the Greater Bay Area ("GBA") and further afield. Bolstered by effective cost management and new management initiatives at Artyzen Hospitality Group ("AHG"), the division successfully narrowed its loss by 52% year-on-year to HK\$87 million (2024: HK\$180 million).

## Chinese Mainland

Performance was supported by robust domestic and inbound travel demand. Driven by the steady recovery of the travel and tourism sector and the division's continued efforts to ramp up operations at newly established properties, the average occupancy rate across the Chinese Mainland portfolio recorded an encouraging increase of eight percentage points to 61% (2024: 53%). At the individual property level, Artyzen Habitat Hengqin Zhuhai capitalized on its strategic location to capture spillover demand from Macao's concert and event visitors, recording an occupancy rate of 65% (2024: 44%). In Shanghai, properties such as Artyzen Habitat Hongqiao Shanghai and YaTi by Artyzen Hongqiao Shanghai benefited from visa-free policies driving international arrivals, achieving occupancy rates of 65% (2024: 61%) and 50% (2024: 39%), respectively. Although the broader Shanghai market faced intense competitive pressure on hotel operations, Artyzen NEW BUND 31 Shanghai successfully navigated these headwinds and improved its occupancy by 15 percentage points, achieving a rate of 65%. This performance was notably driven by strong synergies with the adjacent Bank of Communications NEW BUND 31 Performing Arts Center. A robust lineup of local and international events — including the musical *Cats*, Shanghai International Arts Festival, Shanghai Fashion Week, and

high-profile concerts — attracted a growing number of performing arts enthusiasts, which directly translated into higher footfall and hospitality revenue for the hotel, further reaffirming NEW BUND 31's position as a premier commercial and cultural hub.

## Hong Kong

Hong Kong SkyCity Marriott Hotel delivered another year of solid performance with an average occupancy rate of 79% (2024: 75%). Despite new market supply, robust demand from major recurring exhibitions at the adjacent AsiaWorld-Expo, alongside the successful renewal of its service contract to host Emirates Airline crew for a further three years, continued to drive room demand, cementing its popularity in the airport hotel segment.

## Macao

Tourism remained resilient. Celebrating its 15th anniversary, Mandarin Oriental, Macau recorded an occupancy rate of 79% (2024: 71%), driven by sustained demand from premium leisure and business travelers. Grand Coloane Resort achieved an occupancy rate of 73% (2024: 67%) through deepened collaboration with travel agencies. Meanwhile, Artyzen Grand Lapa Macau, managed by AHG, became the city's first hotel to achieve LEED Gold Certification (O+M) for existing buildings.

## Singapore

The tourism sector demonstrated robust growth, with the Singapore Tourism Board reporting 16.9 million international visitor arrivals in 2025 and tourism receipts surpassing pre-pandemic levels. Operating in a premium yet highly competitive market, Artyzen Singapore focused on strengthening its presence in the luxury segment, registering an occupancy rate of 61% (2024: 48%). The property has earned prestigious international accolades since its launch. During the year, it was awarded One MICHELIN Key in the inaugural Global MICHELIN Keys selection — an exclusive distinction awarded to only seven hotels in the city.

Underpinning these regional achievements, AHG, the Group's hotel management arm, navigated a highly competitive regional environment by advancing internal initiatives focused on service excellence, sustainability, and organizational capability. These efforts aimed to strengthen its operating platform and long-term brand positioning amid shifting consumer behaviors. As at 31 December 2025, the Group holds equity interests in 10 hotels operating in the Chinese Mainland, Hong Kong, Macao and Singapore; and manages 14 hotels and serviced residences under the brands: Artyzen Hotels and Resorts, Artyzen Habitat, YaTi by Artyzen, The Shàng by Artyzen, and the Grand Coloane Resort, through AHG.



Artyzen NEW BUND 31, Shanghai



Grasp the momentum, sense the wind's direction

Grasp the

# Momentum

and Reach Far

Transportation





## REVIEW OF OPERATIONS

### TRANSPORTATION

The cross-boundary passenger transportation, particularly the Hong Kong-Macao ferry industry, faced headwinds from intense regional competition and extreme weather. The division responded proactively by enhancing marketing, upgrading passenger experience, and providing more convenient, efficient services. Aligned with national strategies, it has refined its GBA-focused multimodal network, expanded its business, and explored opportunities in the low-altitude economy. The Group reported a shared loss of HK\$12 million (2024: HK\$8 million) including derecognition of deferred tax asset.



Supporting national development and deeper regional integration, the division expanded its multimodal transport network across the GBA. A key milestone was partnering with Shenzhen Airport Group to launch a direct ferry route linking Shenzhen Airport Ferry Terminal and Macao Outer Harbour Ferry Terminal, strengthening air-sea connectivity. Meanwhile, China Travel Tours Transportation Services Hong Kong Limited extended its land transport network with a new stop at Kai Tak Cruise Terminal and new cross-border routes to Guangdong.

To further elevate the seamless travel experience, TurboJET enhanced its Premier Grand Class services by introducing "Premier Limo," a cross-border limousine service integrated into its ferry services, offering flexibility in travel.

These service enhancements were backed by digitalization progress and the Group's "Tourism+" collaborations. The electronic boarding system was upgraded with seat selection and onboard shopping functions, while CTG Bus and TurboJET launched a 24-hour AI voice support system. To boost travel demand, TurboJET also partnered with Macau Tower, One Central Macau and NOVA Mall to launch a popular "Mickey & Friends" themed campaign covering the winter holidays and Chinese New Year period.





Seize the momentum, flames soar skyward

Seize the

# Momentum

and Act Decisively

Investments






## REVIEW OF OPERATIONS

### INVESTMENTS

The Group continued to implement its "Tourism+" strategy by strategically deploying resources across a range of investments in the diversified tourism, retail, and integrated leisure segments. These strategic investments serve as integral enablers to capture new growth drivers that support and reinforce the Group's core hospitality and MICE components. Overall, the division reported a profit of HK\$70 million (2024: HK\$72 million).

As a long-term strategic investor in Sociedade de Turismo e Diversões de Macau, S.A. ("STDMA"), the Group received a dividend of HK\$95 million during the year (2024: HK\$88 million).



Macau Tower Convention & Entertainment Centre



At the Kai Tak Cruise Terminal, Worldwide Cruise Terminals recorded continued operational progress in 2025 despite regional cruise traffic lagging behind pre-pandemic levels. Key highlights included improved passenger throughput supported by the commencement of a year-round homeport deployment by Piano Land, and the achievement of full leasing across all terminal retail units. Looking ahead, the terminal is well-positioned to benefit from supportive Central Government measures facilitating GBA cruise tourism, including expanded visa-free access to additional nearby ports, alongside ongoing transport connectivity enhancements in the Kai Tak district.

Within the retail segment, Retail Matters Company Limited delivered mixed performances across its portfolio. Toys'R'Us reinforced its position as a leading toy destination in Macao, recording steady sales and profit growth at its flagship stores driven by a balanced mix of trending products and family-focused events. Conversely, Stecco Natura Gelaterie undertook a strategic review of its footprint during the year and resolved to consolidate its focus on the GBA to optimize resource deployment and operational efficiency.



Toys'R'Us, Macao



Kai Tak Cruise Terminal

## RECENT DEVELOPMENTS AND PROSPECTS

The Group remains cautiously confident in the long-term fundamentals of the regional Travel and Tourism ("T&T") sector. As the travel industry enters a more mature and resilient stage of recovery, sustained demand for cultural, leisure, and experiential travel is expected to drive ongoing growth momentum into 2026. This positive outlook is substantially supported by deepening regional integration and continued policy facilitation, notably the extension of the Chinese Mainland's unilateral visa-free entry arrangements to a broader list of countries. Such measures are poised to stimulate inbound tourism and elevate cross-boundary mobility across the Greater Bay Area ("GBA") and the broader Asia-Pacific region.

Against this operating backdrop, the Group will resolutely embed its guiding "Tourism+" strategy across its fully integrated business platform spanning Property, Hospitality and Leisure, Transportation, and Investments. By capitalizing on resilient tourism demand amid shifting consumption behaviors — such as a growing preference for shorter stays and culturally immersive itineraries — the Group is strategically positioned to capture emerging market opportunities while mitigating the impacts of broader geopolitical uncertainties and economic volatility.

Within the property division, the Group's high-end residential projects in Singapore continue to demonstrate exceptional market appeal, reflecting the enduring value of its premium asset portfolio. Building on the strong sales momentum achieved in 2025, one unit at Park Nova was contracted in early 2026. In the Chinese Mainland, the Group's integrated developments continue to progress in alignment with its long-term strategic goals. For the Tongzhou Integrated Development in Beijing, the application for bareshell completion certificate is scheduled by our joint venture partner for 2026. The joint venture partner continues to monitor policy implementation and market conditions to determine the optimal timing for the launch of its commercial apartment offering. In Hengqin, sustained visitor growth and active cross-boundary mobility are reinforcing the Cooperation Zone's tourism positioning. The Group sold certain premises within the Hengqin Integrated Development project to SJM — Investment Limited, poised to benefit by the policy measures promoting the integration of Hengqin and Macao while further enhancing the area's tourism offerings. The purchaser's planned conversion of the property into hotel facilities is intended to promote the coordinated development of cultural tourism,

convention and exhibition, and commercial and trade industries in the Zone.

Beyond property development, the Group's investment and retail property portfolio is proactively adapting to structural shifts in retail consumption and cross-boundary spending habits. Moving forward, the Group will focus heavily on deepening community engagement through dynamic tenant remixing and experiential positioning. Assets in Hong Kong, such as The Westwood, will reinforce their roles as district community hubs through the clustering of education and edutainment offerings, while Macao properties will refine their retail mix to cater to a broader spectrum of local and visitor segments.

The hospitality and leisure division remains steadfast in its commitment to strengthening its cultural tourism footprint across key gateway destinations. Guided by the philosophy of integrating culturally rooted experiences with responsible and sustainable hospitality, Artyzen Hospitality Group ("AHG") continues to elevate its brand presence. Capitalizing on recent prestigious international accolades — including the highly coveted One MICHELIN Key awarded to Artyzen Singapore, while Artyzen Grand Lapa Macau and Artyzen Habitat Hengqin Zhuhai received the industry-leading LEED



Artyzen Habitat Hengqin Zhuhai

Gold and China Green Hotel certifications respectively — AHG is well-positioned to attract modern travelers who prioritize both uncompromising luxury and environmental stewardship. A major highlight within the division's robust development pipeline is the highly anticipated Artyzen Xi'an, a 296-room luxury property scheduled to open in 2029. Strategically located in a city globally renowned for its rich heritage and UNESCO World Heritage sites, this project honors Xi'an's legacy as the eastern gateway of the Overland Silk Road. It perfectly aligns with the nation's Belt and Road Initiative and will serve as a foundational pillar for introducing the Artyzen brand to a major historic tourism hub in the Chinese Mainland.

Empowered by the "Tourism+" strategy, the Group actively embraces its stewardship role in leading market trends within the unique experience-led travel arena. Driven by an evolving traveler preference for highly immersive and thrilling experiences, the joint development project with AJ Hackett International group to operate the Adventure Zone at Ocean Park Hong Kong is advancing smoothly. Covering 120,000 square meters set against the city's spectacular natural terrain, this transformative project will introduce a suite of world-class outdoor adventure attractions, ranging from bungy jumping to zipline courses. With

construction scheduled to commence in 2026 and overall completion targeted for 2028, the project is poised to set a new benchmark for immersive tourism in the region, acting as a powerful catalyst to draw international thrill-seekers and leisure travelers to the GBA.

As a regional "Super Connector" in the GBA integrated transport ecosystem, the transportation division is dedicated to strengthening its sea-land-air multimodal network. Amid a dynamic operating environment, it has actively enhanced intermodal synergies to support the region's long-term vision of integrated mobility. Going forward, the division will keep optimizing services and advancing digital initiatives such as AI-enabled customer service and enhanced electronic boarding to boost operational efficiency amid growing volume of travelers navigating the GBA. Aligned with national development goals, the Group's established foundation in air transportation also positions it well to explore new opportunities in the emerging low-altitude economy.

Looking ahead to 2026 and beyond, the Group remains confident in the resilience and long-term potential of the cultural tourism and real estate sectors. By leveraging its integrated multi-sector platform and unparalleled "Super Connector" role, the Group will maintain a prudent and agile business approach. Through disciplined growth, sustained operational resilience, and continued execution of its "Tourism+" strategy, the Group is exceptionally well-equipped to navigate the evolving regional business landscape and drive sustainable, long-term value creation for its shareholders.



Ocean Park Hong Kong "Adventure Zone" Development

## SUSTAINABILITY DEVELOPMENT HIGHLIGHTS

### Sustainability Governance — Target-driven, Enabling Innovation and Verifiable Performance

The Group is progressively embedding sustainability across its operations. Based on the results of the double materiality assessment, we have further formulated 17 sustainability targets spanning Environmental, Social and Governance (ESG) with a roadmap to 2030, which are disclosed in the Sustainability Report 2025.

In addition, the Group has fully deployed an intelligent data system to enable smarter, more accurate, and real-time performance monitoring and analysis. We have enhanced the completeness of ESG data collection and improved data quality, launched performance tracking with 2024 as the

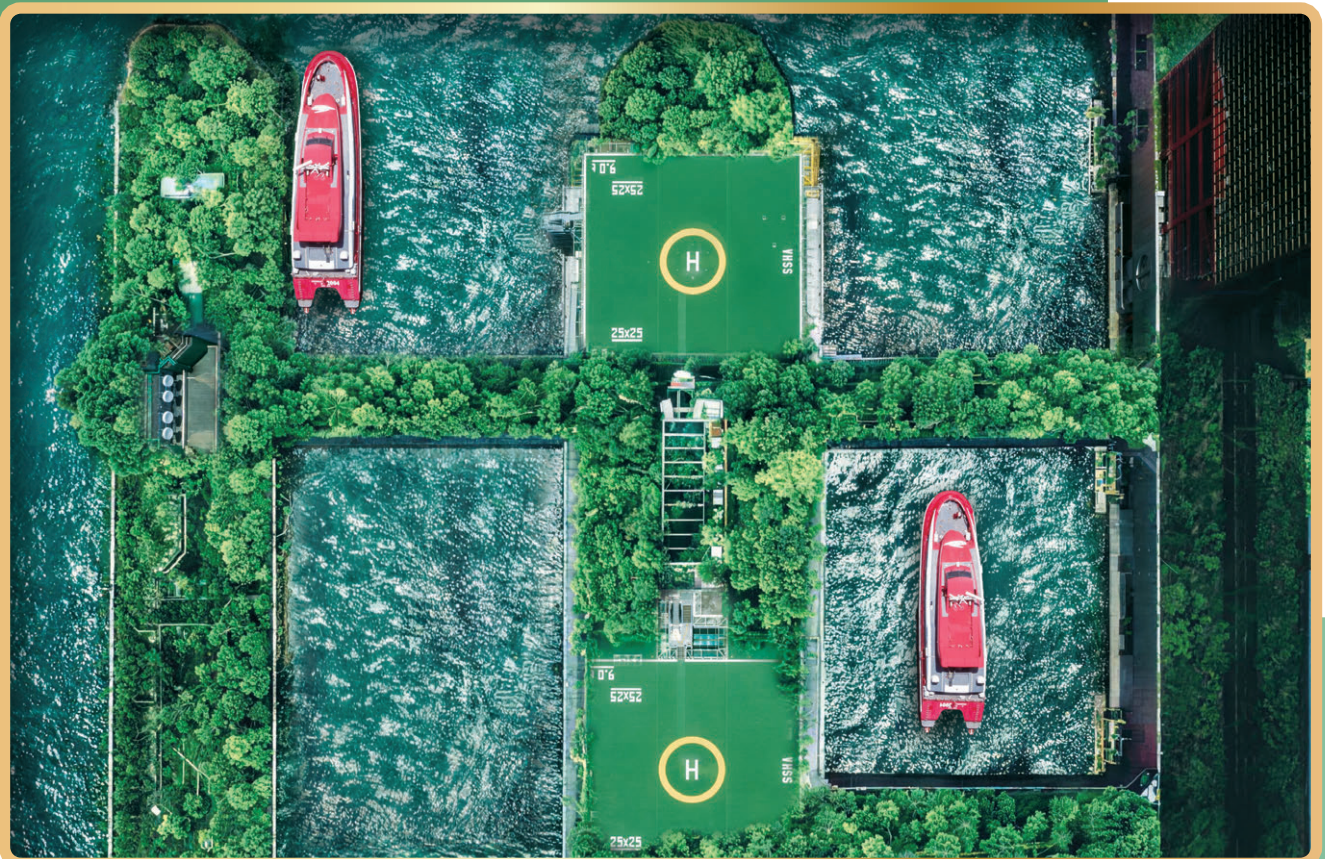
baseline year, and standardized indicators and data processes. These efforts advance our ESG management from commitment to quantifiability, trackability and verifiability, elevating the Group's risk management capabilities and decision-making quality.

### Environmental Harmony — Connecting the Value Chain to Support Synergies between Ecology and Development

The Group has set five environmental sustainability targets for 2030, including linking emissions reduction and energy efficiency targets with financial performance (e.g. greenhouse gas emissions intensity and electricity consumption intensity per million

dollars of revenue), thereby laying the foundation for green transformation and supporting the high-quality development of the green economy.

Artyzen Grand Lapa Macau became the first hotel in Macao to obtain LEED Gold Certification (Building Operations and Maintenance (O+M)). Artyzen Habitat Hengqin Zhuhai was awarded the China Green Hotel Five-Leaf Certification, the highest rating in the scheme, demonstrating the Group's leading practices in environmental management.



Property and Hotel	Green Building Certificates Achieved
<b>CHINA</b>	
NEW BUND 31, Shanghai	<ul style="list-style-type: none"> <li>• LEED Gold Certification (Building Design and Construction (BD+C))</li> <li>• Three-star, the highest rating, under the China Green Building Design Label</li> </ul>
Hengqin Integrated Development	<ul style="list-style-type: none"> <li>• Three-star, the highest rating, under the China Green Building Design Label</li> </ul>
Shanghai Suhe Bay Area Mixed-use Development	<ul style="list-style-type: none"> <li>• LEED Platinum Certification (Building Design and Construction (BD+C))</li> <li>• Two-star under the China Green Building Design Label</li> </ul>
Tianjin South HSR Integrated Development	<ul style="list-style-type: none"> <li>• Two-star under the China Green Building Design Label</li> <li>• WELL Pre-certification under the WELL Building Standard™</li> </ul>
Beijing Tongzhou Integrated Development	<ul style="list-style-type: none"> <li>• LEED Gold Pre-certification (Plot 14-1 &amp; Plot 14-2)</li> </ul>
One Central Macau	<ul style="list-style-type: none"> <li>• WELL Core V.2 Platinum Pre-certification under the WELL Building Standard™</li> </ul>
Kunming South HSR Integrated Development	<ul style="list-style-type: none"> <li>• WELL Pre-certification under the WELL Building Standard™ (Plot A2 Block 5, 7, &amp; 8)</li> </ul>
Artyzen Grand Lapa Macau	<ul style="list-style-type: none"> <li>• LEED Gold Certification (Building Operations and Maintenance (O+M))</li> </ul>
Artyzen Habitat Hengqin Zhuhai	<ul style="list-style-type: none"> <li>• Five-Leaf, the highest rating, under China Green Hotel</li> </ul>
<b>SINGAPORE</b>	
Park Nova	<ul style="list-style-type: none"> <li>• BCA Green Mark Gold Plus Certificate</li> </ul>
Les Maisons Nassim	<ul style="list-style-type: none"> <li>• BCA Green Mark Certificate</li> </ul>

In 2025, the Group conducted and completed Scope 3 greenhouse gas emissions pilot assessment across multiple business sectors. The findings were translated into practical measures that deliver both commercial value and environmental benefits.

The Group will continue to enhance our Scope 3 greenhouse gas emissions data collection and calculation methodologies, extend ESG management across the value chain, and strengthen collaboration with key stakeholders. While driving emission reduction along the value chain, we will further enhance the resilience of the Group's long-term development strategy and uphold our commitment to responsible business conduct.

### Communal Connectivity — Nurturing Youth and Empowering a Sustainable Future for Cultural Tourism

The Group is committed to nurturing the next generation through collaboration across government, business, education, and the cultural tourism ecosystem. By leveraging practical platforms, the Group helps young people gain a deeper understanding of the cultural tourism industry, offering diverse and comprehensive learning and career development opportunities to broaden their career horizons.

In 2024, the Group launched its flagship community investment program, "T+ Exploration," aligned with

the Group's "Tourism+" strategy and the "Communal Connectivity" ESG pillar. Leveraging the Group's diversified business portfolio, the program offers participants immersive learning experiences covering cultural awareness, career planning, and community engagement. The program achieved remarkable results within a short period, successfully nurturing over 100 Youth Ambassadors, engaging some 70 cross-sector professionals, and bringing together around 20 collaborating partners. Throughout 2025, the initiative continued to demonstrate strong impact, attracting participation from additional schools and fostering new collaborations with supportive partners, further enriching program content.

## SUSTAINABILITY DEVELOPMENT HIGHLIGHTS

Building on this success, in 2026, the Group introduced the upgraded "T+ Exploration 2.0," themed "Skyline Stories — From the Lens of Youth," featuring a three-day in-depth study tour across the Greater Bay Area, visiting landmarks such as Macau Tower, Canton Tower and Shenzhen Ping An Finance Centre Free Sky - members of The Greater Bay Area Tower Alliance. The program expanded its participation scope from Hong Kong secondary students to local and overseas tertiary students, promoting youth exchange within the Greater Bay Area.

The Group has also rolled out programs across different business areas, including future business leadership development, cultural and creative incubation, maritime professional training, and hotel and property career immersion, equipping young people with practical skills, broader perspectives and enhanced employability, while building a resilient long-term talent pipeline for the Group.

In addition, the Group actively promotes national education, including sponsoring 30 secondary schools in Hong Kong and Macao to deliver comprehensive national studies programs, fostering youth awareness of the country and enhancing their national pride, benefiting approximately 15,000 students.

Guided by the B.L.I.S.S. principles — Belonging, Legacy, Inclusivity, Sincerity and Sustainability — the Group continues to invest under its community investment framework across four focus areas: #cultureBLISS, #artBLISS, #greenBLISS and #wellnessBLISS. In 2025, the Group contributed to benefiting over 100,000 person-times of beneficiaries.

### Collaborative Inclusion — Fostering a Diverse and Inclusive Workplace for Mutual Growth of Talent and the Group

Talent is the core driver of the Group's success and sustainable growth. The Group is committed to fostering a safe, healthy, and inclusive workplace. This commitment was recognized in 2025, when the Group's Hong Kong headquarters, Macao offices and Artyzen Hospitality Group collectively received two Gold Awards and five Silver Awards at the Hong Kong HR Excellence Awards 2025, covering ESG strategy, diversity, equity and inclusion (DEI), change leadership, employer branding, talent acquisition and employee development.

The Group continues to advance diversity, equity, and inclusion. At present, female representation in senior management at the Group headquarters reached 56.25%, while



the gender pay ratio stood at 1:1.18 (female to male), maintaining the Group's position as an industry benchmark. Respecting the central role of family in Chinese society, we design employee engagement activities across the Group that allow colleagues to spend quality time with their loved ones while strengthening their sense of belonging.

By prioritizing continuous learning and professional development, and actively introducing technology and sustainability related training, the Group maintains its competitive edge. In 2025, the Group invested over 40,000 training hours on our employees.

### Bespoke Sincerity — Shaping Experiences through Trust and Care to Meet Aspirations for Sustainable Living

In response to the growing customer demand for sustainable lifestyles, the Group's businesses continue to integrate environmental and health-related initiatives to reflect evolving consumer values.

For example, the "Urban Oasis" program by Artyzen Club partners with social enterprise to establish a hydroponic and aquaponic garden at Shun Tak Centre, creating a vibrant green hub that enables customers to directly support sustainable consumption combining environmental protection and social good.

Under Artyzen Hospitality Group, three hotels in Macao and Hengqin are actively pioneering plant-based dining, with the goal of achieving 30% of menus to be plant-based options by 2026.

In addition, Artyzen Hospitality Group is expanding its footprint into sports tourism, leveraging health-driven market trends and major sporting events — including the National Games, international golf tournaments, marathons and yoga events — to deliver immersive wellness-focused travel experiences.

In property management, relevant teams have implemented technology-enabled and climate-resilient health and safety measures, including advanced air purification technologies, IoT-based hazard monitoring systems, and integrated typhoon-resilience enhancement works, creating safe and reliable environments for customers and property users.

Detailed information on our sustainability initiatives can be found in our Sustainability Report 2025, available on our official website at [www.shuntakgroup.com](http://www.shuntakgroup.com).



## SCHEDULE OF MAJOR PROPERTIES

### PROPERTIES FOR DEVELOPMENT AND/OR SALE

	Approx. Total Gross Floor Area for the Project (Sq.m)	Approx. Total Site Area for the Project (Sq.m)	Primary Use	Group's Interest	Development Progress as of Dec 2025	Estimated Completion Date
<b>Hong Kong</b>						
Chatham Gate No. 388 Chatham Road North, Kowloon	32 motor car parking spaces (Note 1)	—	Carpark	51%	Completed	—
<b>Macao</b>						
One Central One Central Residences	561 motor car parking spaces	18,344	Carpark	51%	Completed	—
	141 motorcycle parking spaces	—	Carpark	51%	Completed	—
<b>Nova City</b>						
Phase IV – Nova Park (Taipa Lot BT35)	1,360 (Note 2)	5,426	Residential	100%	Completed	—
	80 motor car parking spaces (Note 2)	—	Carpark	100%	Completed	—
Phase V – Nova Grand (Taipa Lot BT2/3)	17,508 (Note 2)	23,843	Residential	71%	Completed	—
	389 motor car parking spaces (Note 2)	—	Carpark	71%	Completed	—
	112 motorcycle parking spaces (Note 2)	—	Carpark	71%	Completed	—

	Approx. Total Gross Floor Area for the Project (Sq.m)	Approx. Total Site Area for the Project (Sq.m)	Primary Use	Group's Interest	Development Progress as of Dec 2025	Estimated Completion Date
<b>PRC</b>						
Plots 13, 14-1 and 14-2 Tongzhou District, Beijing	299,661 (Note 3)	38,926	Commercial/ Office/ Serviced Apartment	24%	Interior works in progress	2026 in phases
Plots Zhu Heng Guo Tu Chu No. 2013-04 Hengqin New District, Zhuhai	331 (Note 1)	23,834	Apartment	100%	Completed	—
Perennial Tianjin South HSR International Healthcare and Business City Zhang Jia Wo Zhen, Xi Qing District, Tianjin	325,150	76,988	Hotel/ Commercial/ Medical/ Eldercare	30%	Partially operating and fitting out works in progress	Since 2024 in phases
Perennial Kunming South HSR International Healthcare and Business City Chenggong District, Kunming, Yunnan	552,094 (Note 6)	65,054	Hotel/ Commercial/ Medical/ Eldercare/MICE	30%	Partially operating and fitting out works in progress	Since 2024 in phases
Shanghai Suhe Bay Mixed Uses Project Suhewan Majestic Mansion Junction of Shanxi North Road, Tiantong Road, Fujian North Road Jing'an District	90 motor car parking spaces (Note 1)	14,845	Carpark	50%	Completed	—
Suhewan MixC World (Suhe Centre) Junction of Shanxi North Road, Fujian North Road, Zhejiang North	96,463	50,847	Office	50%	Completed	—
<b>Singapore</b>						
TripleOne Somerset 111 Somerset Road	45,059 (Note 1)	10,166	Commercial/ Office/ Medical Suite	100%	Asset enhancement works was completed	—
Park Nova 18 Tomlinson Road	403 (Note 7)	4,281	Residential	100%	Completed	—
Les Maisons Nassim 14, 14A, 14B and 14C Nassim Road	574 (Note 7)	6,174	Residential	100%	Completed	—

## SCHEDULE OF MAJOR PROPERTIES

### PROPERTIES UNDER ACQUISITION

	Approx. Total Gross Floor Area for the Project (Sq.m)	Approx. Total Site Area for the Project (Sq.m)	Primary Use	Group's Interest	Development Progress as of Dec 2025	Estimated Completion Date
<b>Macao</b>						
Harbour Mile (Note 4)	110,204 (Note 5)	12,960 (Note 5)	Commercial/ Residential/ Hotel	100%	Land bank	—

### PROPERTIES HELD BY THE GROUP FOR OWN USE

	Approx. Total Gross Floor Area (Sq.m)	Approx. Total Site Area (Sq.m)	Primary Use	Group's Interest	Development Progress as of Dec 2025	Year of Lease Expiry
<b>Hong Kong</b>						
Penthouse 39/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong	1,823	—	Office Premises	100%	—	2055 renewable to 2130
83 and 95 Hing Wah Street West, Kowloon	20,602	19,139	Shipyards	50%	—	2051
<b>Macao</b>						
Edificio Industrial Fu Tai, Macau Unit A4 on 4/F	350	—	Plant	100%	—	2033 renewable to 2049
<b>PRC</b>						
33/F, Plots Zhu Heng Guo Tu Chu No. 2013-04 Hengqin New District, Zhuhai	1,646	—	Office	100%	—	2054
12/F, NEW BUND 31, No. 18 Lane 666, West Haiyang Road, Pudong New District, Shanghai	1,178	—	Office	50%	—	2067
<b>Singapore</b>						
Units 03-37/38/39 and 06-15 111 Somerset Road	301	—	Office	100%	—	2074

## INVESTMENT AND HOTEL PROPERTIES

	Approx. Total Gross Floor Area (Sq.m)	Approx. Total Site Area (Sq.m)	Primary Use	Group's Interest	Approx. Lettable Floor Area (Sq.m)	Year of Lease Expiry
<b>Hong Kong</b>						
The Westwood, 8 Belcher's Street, Hong Kong	20,616	—	Commercial	51%	14,682	2030
The Belcher's, 89 Pok Fu Lam Road, Hong Kong	315 motor car parking spaces	—	Carpark	51%	—	2030
	30 motorcycle parking spaces	—	Carpark	51%	—	2030
Chatham Place, 388 Chatham Road North, Kowloon	5,679	—	Commercial	51%	4,410	2030
Chatham Place, 388 Chatham Road North, Kowloon	24 motor car parking spaces	—	Carpark	51%	—	2030
	3 motorcycle parking spaces	—	Carpark	51%	—	2030
Liberté Place, 833 Lai Chi Kok Road, Kowloon	5,600	—	Commercial	64.56%	3,942	2049
Liberté, 833 Lai Chi Kok Road, Kowloon	512 motor car parking spaces	—	Carpark	64.56%	—	2049
	140 lorry parking spaces	—	Carpark	64.56%	—	2049
	45 motorcycle parking spaces	—	Carpark	64.56%	—	2049
Seymour Place, LG/F & G/F, 60 Robinson Road, Hong Kong	—	—	Commercial	100%	974	2858
Seymour Place, G/F, 1/F - 3/F, 60 Robinson Road, Hong Kong	26 parking spaces	—	Carpark	100%	—	2858
Monmouth Place, L1 - L4, 9L Kennedy Road, Hong Kong	18 parking spaces	—	Carpark	100%	—	2047
Shop 402, Shun Tak Centre, 200 Connaught Road Central, Hong Kong	3,102	—	Commercial	100%	2,682	2055

## SCHEDULE OF MAJOR PROPERTIES

	Approx. Total Gross Floor Area (Sq.m)	Approx. Total Site Area (Sq.m)	Primary Use	Group's Interest	Approx. Lettable Floor Area (Sq.m)	Year of Lease Expiry
Shun Tak Centre Shopping Mall, B/M, G/F - 4/F and flat roofs on 4/F, 7/F and 8/F 200 Connaught Road Central, Hong Kong	—	—	Commercial	55%	19,861	2055
3801-6 and 3812 on 38/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong	1,285	—	Office	55%	—	2055
Shun Tak Centre, 5/F - 6/F, 200 Connaught Road Central, Hong Kong	85 parking spaces	—	Carpark	55%	—	2055
Hong Kong SkyCity Marriott Hotel 1 Sky City Road East, Hong Kong International Airport, Lantau, Hong Kong	42,616	13,776	Hotel	70%	—	2047
<b>Macao</b>						
Macau International Centre, Macau 2/F to 4/F (whole floor) and Flats A, B, C of 5/F, Block 12	2,894	—	Residential	100%	—	2026 renewable to 2049
Mandarin Oriental Macau	30,094	18,344	Hotel	51%	—	2031 Renewable to 2049
One Central Retail Complex, Macau	37,017	—	Commercial	51%	18,490	2031 Renewable to 2049
One Central Retail Carpark, Macau	243 motor car parking spaces	—	Carpark	51%	—	2031 Renewable to 2049
	102 motorcycle parking spaces	—	Carpark	51%	—	2031 Renewable to 2049
Shun Tak House, 11 Largo do Senado, Macau	2,731	—	Commercial	100%	2,673	Freehold
Grand Coloane Resort and Macau Golf & Country Club Hac Sa Beach, Coloane, Macau	42,285	767,373	Hotel/ Golf Course	34.9%	—	2033 renewable to 2049
Nova Mall Avenida de Kwong Tung, Taipa	60,900	—	Commercial	50%	38,698	2031
	609 motor car parking spaces	—	Carpark	50%	—	2031

	Approx. Total Gross Floor Area (Sq.m)	Approx. Total Site Area (Sq.m)	Primary Use	Group's Interest	Approx. Lettable Floor Area (Sq.m)	Year of Lease Expiry
<b>PRC</b>						
Shun Tak Business Centre, 246 Zhongshan Si Road, Guangzhou, PRC	28,453	—	Office	60%	28,453	2045
	5,801	—	Commercial Shopping Arcade	60%	5,801	2035
	51 motor car parking spaces	—	Carpark	60%	—	2035
Shun Tak Tower No. 1. Xiangheyuan Road, Dongcheng District, Beijing	22,273	5,832	Office	100%	22,273	2057
	56 motor car parking spaces	—	Carpark	100%	—	2057
Artyzen Habitat Dongzhimen Beijing	33,566	—	Hotel	100%	—	2047
Artyzen Habitat Hongqiao Shanghai No.3999-5 Hongxin, Minhang District, Shanghai	16,594	3,561	Hotel/ Commercial	100%	720 (Note 8)	2049
YaTi by Artyzen Hongqiao Shanghai No.3999-6 Hongxin, Minhang District, Shanghai	12,686	1,910	Hotel/ Commercial	100%	480 (Note 8)	2049
Plots Zhu Heng Guo Tu Chu No. 2013-04 Hengqin New District, Zhuhai	100,495	—	Commercial/ Office/ Hotel/ Hotel Clubhouse	100%	100,315	2054
	1,094 motor car parking spaces	—	Carpark	100%	—	2054
Shanghai Suhe Bay Mixed Uses Project Suhewan MixC World Junction of Shanxi North Road, Fujian North Road, Zhejiang North	47,978 (Note 9)	—	Commercial	50%	32,621	2056
NEW BUND 31 No.18 Lane 666, West Haiyang Road, Pudong New District, Shanghai	141,557	26,707	Commercial/ Office/ Performing Arts Centre/ Hotel	50%	9,958 73,309	2057 2067 2067 2057
<b>Singapore</b>						
Artyzen Singapore 9 Cuscaden Road, Singapore	11,048	2,391	Hotel	100%	—	Freehold

## SCHEDULE OF MAJOR PROPERTIES

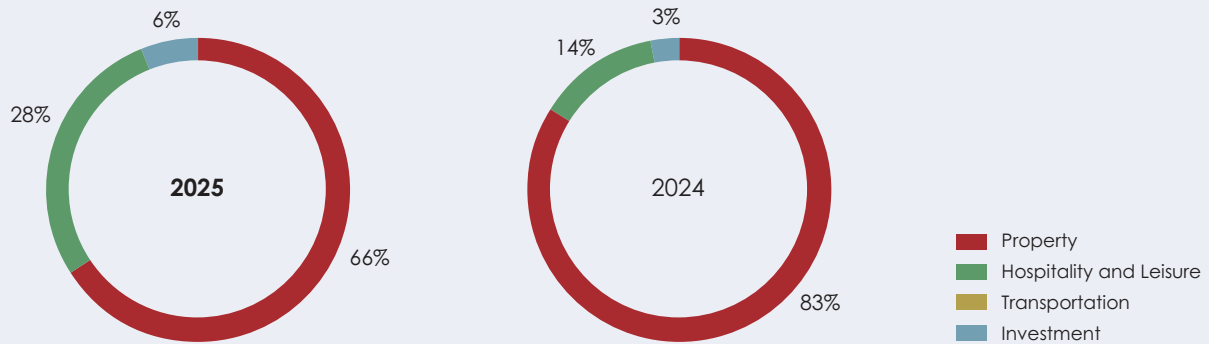
Notes:

- (1) Remaining saleable area or number of car parking spaces for sale as at 31 December 2025.
- (2) Remaining gross floor area or number of car parking spaces for sale as at 31 December 2025.
- (3) The gross floor area, which includes basement area but excludes carpark and mechanical areas, shall be subject to the PRC Government approval and design development.
- (4) Completion date of the acquisition is extended to on or before 31 October 2026 because the Macao SAR Government is still in process of reviewing the land issues and the Master Plan for the Nam Van District.
- (5) The Group is awaiting the Macao SAR Government to advice the lands parcels to be allotted and will review its arrangements for the allotted site and plan strategically for the most productive use of the land in the long term.
- (6) The gross floor area shall be subject to the PRC Government approval and design development.
- (7) Remaining strata area for sales as at 31 December 2025.
- (8) Lettable commercial floor area as at 31 December 2025.
- (9) The gross floor area based on actual measurement report, which include basement area without ancillary rooms and carpark area.

## GROUP FINANCIAL REVIEW

### REVENUE ANALYSIS

#### Revenue by Division



(HK\$ million)	2025	2024	Variance	Change	Remarks
Property	<b>1,598</b>	3,767	(2,169)	-58%	The decrease was mainly attributable to reduced property sales recognized for residential units in Singapore and Macao.
Hospitality and Leisure	<b>683</b>	646	37	+6%	The increase was mainly attributable to improvement in hotel performance.
Transportation	-	-	-	0%	Shun Tak-China Travel Shipping Investments Limited ("STCT") became an associate of the Group after the restructuring in July 2020.
Investment	<b>134</b>	133	1	+1%	Investment division remained stable during the year.
<b>Total</b>	<b>2,415</b>	4,546	(2,131)	-47%	

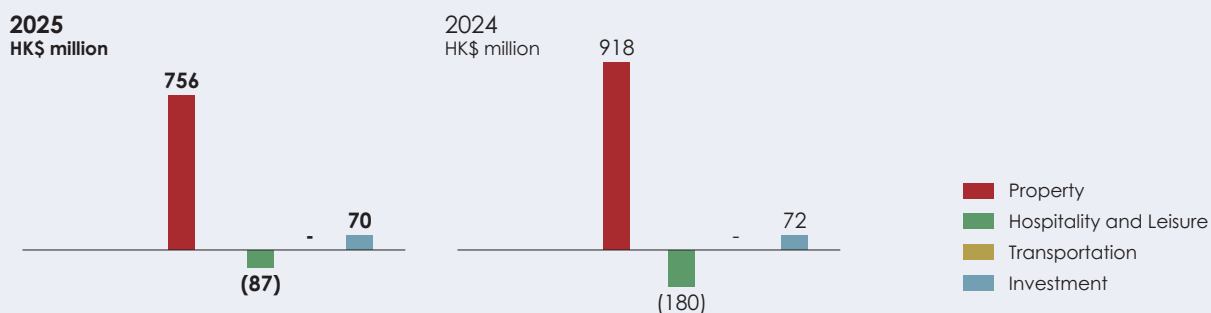
#### Revenue by Geographical Area

(HK\$ million)	2025	2024	Variance	Change	Remarks
Hong Kong	<b>553</b>	545	8	+1%	The increase was mainly attributable to improvement in hotel operations performance.
Macao	<b>892</b>	1,347	(455)	-34%	The decrease was mainly attributable to reduced property sales recognized for Nova Grand.
Chinese Mainland	<b>227</b>	213	14	+7%	The increase was mainly attributable to improvement in hotel operations performance.
Singapore	<b>743</b>	2,441	(1,698)	-70%	The decrease was mainly attributable to reduced property sales recognized in Singapore.
<b>Total</b>	<b>2,415</b>	4,546	(2,131)	-47%	

## GROUP FINANCIAL REVIEW

### PROFIT AND LOSS ANALYSIS

#### Segment results by Division



(HK\$ million)	2025	2024	Variance	Change	Remarks
Property	756	918	(162)	-18%	The decrease was mainly attributable to reduced property sales recognized for residential units in Singapore and Macao.
Hospitality and Leisure	(87)	(180)	93	+52%	The increase was mainly attributable to improvement in hotel performance.
Transportation	—	—	—	0%	STCT became an associate of the Group after the restructuring in July 2020.
Investment	70	72	(2)	-3%	Investment division remained stable during the year.
Unallocated net income	101	67	34	+51%	The variance was mainly due to higher foreign exchange gain and interest income generated from fixed deposits during the year.
Fair value changes on investment properties	(294)	(400)	106	+27%	The fair value loss on investment properties reflected the performance of our portfolio in the property market.

(HK\$ million)	2025	2024	Variance	Change	Remarks
Operating profit	<b>546</b>	477	69	+14%	
Finance costs	<b>(515)</b>	(695)	180	+26%	The variance was mainly attributable to the decrease in interest rates.
Share of results of joint ventures	<b>(343)</b>	(291)	(52)	-18%	The variance was mainly due to the increased attributable share of fair value loss of investment properties for a joint venture.
Share of results of associates	<b>(141)</b>	(155)	14	+9%	The variance was mainly due to the decreased attributable share of fair value loss of investment properties in associates.
Loss before taxation	<b>(453)</b>	(664)	211	+32%	
Taxation	<b>(9)</b>	(86)	77	+90%	The decrease was mainly attributable to recognition of deferred tax assets and decreased taxable profit generated from reduced property sales.
Loss for the year	<b>(462)</b>	(750)	288	+38%	
Profit attributable to non-controlling interests	<b>(16)</b>	(74)	58	+78%	The variance was mainly attributable to decreased profit shared by non-controlling interests in property division.
Loss attributable to owners of the Company	<b>(478)</b>	(824)	346	+42%	

+/- Note: In our tabulated figures, positive changes represent an improving result and negative changes represent a worsening result.

### Liquidity, Financial Resources and Capital Structure

At 31 December 2025, the Group's total net assets increased by HK\$140 million over last year to HK\$32,872 million. Cash and liquidity position remains strong and healthy. During the year, net cash from operating activities amounted to HK\$1,987 million. Major cash inflow of investing activities included HK\$222 million interest received, HK\$133 million proceeds from disposal of financial assets at fair value through other comprehensive income and HK\$105 million dividends received from financial assets at fair value through other comprehensive income. The major cash outflow of investing activities consisted of HK\$2,537 million increase in bank deposits with maturities over three months, HK\$168 million payment for investment in associates and HK\$83 million advance to joint ventures. Net cash used in financing activities of HK\$544 million was mainly attributable to the composite effect from repayments of loans, drawdown of new bank loans, payment of finance costs and dividend paid to non-controlling interests.

Cash Flow Variance Analysis (HK\$ million)	2025	2024	Variance
Operating activities	<b>1,987</b>	1,888	99
Investing activities	<b>(2,361)</b>	(683)	(1,678)
Financing activities	<b>(544)</b>	(780)	236
Net (decrease)/increase in cash and cash equivalents	<b>(918)</b>	425	(1,343)

## GROUP FINANCIAL REVIEW

The Group's bank balances and deposits amounted to HK\$9,556 million as at 31 December 2025, representing an increase of HK\$1,746 million as compared with the position as at 31 December 2024. It is the Group's policy to secure adequate funding to satisfy cash flows required for working capital and investing activities. Total bank loan facilities available to the Group as at 31 December 2025 amounted to HK\$19,369 million, of which HK\$3,366 million remained undrawn. The principal amount of Group's bank borrowings outstanding at the year end amounted to HK\$16,003 million.

Based on a net borrowings of approximately HK\$6,392 million at the year end, the Group's gearing ratio (expressed as a ratio of net borrowings to equity attributable to owners of the Company) was 20.7% (2024: 25.1%). The Group will continue with its financial strategy of maintaining a healthy gearing ratio and consider steps to reduce its finance costs.

The maturity profile of the principal amount of Group's borrowings is set out below:

### Maturity Profile

Within 1 year	1-2 years	2-5 years	over 5 years	Total
17%	25%	57%	1%	100%

### Material Acquisitions, Disposals and Commitments

There was no material acquisition or disposal of the Group during the year.

In July 2025, the Group entered into a sale and purchase agreement with SJM – Investment Limited, an indirect subsidiary of SJM Holdings Limited. Pursuant to the agreement, the Group has conditionally agreed to sell, and SJM – Investment Limited has conditionally agreed to buy, office units and a retail unit located in Zhuhai, PRC, for a consideration of RMB724 million. Subject to the fulfilment of conditions precedent including, among others, approvals by the relevant governmental authorities for the hotel conversion and settlement of consideration instalments, the disposal is expected to be completed in the second half of 2026.

As at 31 December 2025, the Group had outstanding commitments of approximately HK\$27 million for development of an adventure zone at a theme park in Hong Kong.

In January 2018, the Group entered into an agreement with other partners to jointly invest in Perennial HC Holdings Pte. Ltd. ("HC Co"), which will invest in potential real estate projects in the Chinese Mainland predominantly for healthcare usage, with hotel and/or with retail components, complemented by healthcare-related amenities and mixed use properties. The total committed capital for HC Co is US\$500 million. The Group holds 30% equity interest in HC Co and thus has its share of commitment at US\$150 million. As at 31 December 2025, the Group has an outstanding commitment to contribute capital of approximately US\$53 million (equivalent to approximately HK\$413 million) to HC Co.

### Charges on Assets

At the year end, bank loans with principal amount of approximately HK\$4,643 million (2024: HK\$4,976 million) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK\$11,236 million (2024: HK\$10,983 million). Out of the above secured bank loans, an aggregate principal amount of HK\$518 million (2024: HK\$533 million) was also secured by pledges of shares in certain subsidiaries.

### Contingent Liabilities

There was no material contingent liabilities of the Group at the year end. As at 31 December 2024, the Company had provided a corporate guarantee for securing a banking facility granted to an associate and the amount utilized was HK\$100 million.

### Human Resources

The Group, including subsidiaries but excluding joint ventures and associates, employed approximately 1,700 employees at the year end. The Group adopts competitive remuneration packages for its employees. Promotion and salary increments are based on performance. Social activities are organized to foster team spirit amongst employees and they are encouraged to attend training classes that are related to the Group's businesses and developments.

# REPORT OF THE DIRECTORS

The directors (the "Directors") of Shun Tak Holdings Limited (the "Company") have the pleasure of submitting their report together with the audited financial statements for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries, joint ventures and associates are set out in note 42 to the financial statements.

The analysis of performance by the Company and its subsidiaries (the "Group") for the year by reportable operating segments in business operation and geographical locations is set out in note 33 to the financial statements.

## GROUP FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2025 and the state of affairs of the Company and of the Group as at that date are shown in the financial statements on pages 105 to 192.

## DIVIDEND

No interim dividend was declared by the board of directors (the "Board") during the year ended 31 December 2025 (2024: nil).

The Board does not recommend the payment of any final dividend (2024: nil) in respect of the year ended 31 December 2025.

## DIVIDEND POLICY

The delivery of stable and sustainable returns to shareholders is a key goal of the Company which endeavors to maintain its stable dividend policy (the "Dividend Policy"). In implementing this important goal, the Company takes into account a number of factors including its anticipated consolidated annual profits; the Group's financial, working capital and cash flow positions; operations, earnings and investment returns; development pipeline and future funding requirements; capital and other reserve requirements and surplus; and other conditions or factors set out in the Dividend Policy which the Board deems to be relevant and appropriate.

## BUSINESS REVIEW

A review of the Group's business for the year ended 31 December 2025 and discussion of its future development are provided in Chairman's Statement, Review of Operations, and Recent Developments and Prospects on pages 18 to 37.

A description of the principal risks and uncertainties that the Group may be facing is provided in the Audit and Risk Management Committee Report on pages 85 to 97.

The Group has set up systems and procedures to ensure compliance with relevant laws and regulations which have a significant impact on the Group and in the conduct of its businesses, including internal control procedures, code of conduct and internal policies for prevention of bribery, risk management and whistleblowing, staff training, regular review of sufficiency and effectiveness of its systems and procedures, timely communication to relevant departments and staff upon enactment of, or changes in, relevant laws and regulations, and regular reminders of compliance.

# REPORT OF THE DIRECTORS

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to integrating environmental sustainability into its business strategy and daily operations. The Sustainability Policy provides an overarching framework for identifying, managing and mitigating the environmental impacts arising from the Group's activities. To further embed sustainable practices across operations and enhance supply chain management, the Group implemented a Sustainable Procurement Policy in 2020, which sets out expectations for suppliers' sustainability performance and supports responsible sourcing.

To strengthen its response to climate related risks and opportunities, the Group adopted a Climate Change Policy in 2022. Building on this framework, a climate related financial impact assessment was conducted in 2024, covering both physical and transition risks and opportunities under different climate scenarios and time horizons. The assessment enables the Group to better understand potential climate related impacts on its business, supports informed decision making, and enhances resilience in response to climate related uncertainties and stakeholder expectations.

In 2025, the Group completed a Scope 3 greenhouse gas emissions pilot assessment across multiple business sectors. The assessment provided insights into emissions hotspots along the value chain and informed the development of practical mitigation measures that deliver both environmental benefits and business value. This marked a further step in extending climate related management beyond direct operations and strengthening long-term sustainability across the value chain. Relevant disclosures are set out in the Climate Action Report 2024 published on the Group's corporate website and in the Sustainability Report 2025.

In 2021, the Group established four environmental targets to be achieved by 2030, focusing on reducing the intensity of greenhouse gas emissions, electricity consumption, water usage and waste generation. In response to the Group's evolving business operations and development priorities, these targets were reviewed and recalibrated in 2025. Drawing on insights from the Group's climate related and sustainability assessments, the Group has since set five environmental sustainability targets for 2030, including linking greenhouse gas emissions reduction, as well as energy and water efficiency, to financial performance (measured as intensity per million revenue), promoting green building practices, and maintaining a high waste diversion rate. These targets provide a clear roadmap for the Group's environmental management, support green transformation, and contribute to the high-quality development of the green economy.

## RELATIONSHIPS WITH STAKEHOLDERS

The Group recognizes that maintaining constructive and responsible relationships with its stakeholders is fundamental to its long-term sustainability and business success. Key stakeholder groups include employees, customers, suppliers and business partners, as well as the communities in which the Group operates. Their views and expectations are taken into consideration in the formulation of the Group's strategies, policies and operational practices.

The Group regards its employees as valuable assets and is committed to fostering a workplace that is safe, healthy, fair and inclusive. The Group endeavors to provide an environment that supports personal wellbeing, professional development and career progression, while promoting equal opportunity and work life balance. Through ongoing engagement and training initiatives, the Group seeks to enhance employee capability and engagement in support of sustainable growth.

The Group strives to deliver high standards of service across its businesses. It places importance on customer engagement and is committed to safeguarding customer health, safety and privacy. The Group upholds transparency and integrity in its business practices, with the aim of building long-term trust and delivering positive customer experiences.

Suppliers and business partners are recognized as important collaborators in the Group's value chain. The Group is committed to promoting responsible business practices and sharing its core values with its supply chain. To this end, the Group implemented a Supplier Code of Conduct in 2020, which sets out the minimum standards of business conduct expected of suppliers, covering areas such as ethical behavior, compliance, and sustainability considerations. The Group seeks to build long-term, mutually beneficial relationships based on integrity and shared responsibility.

The Group remains mindful of its role within the broader community and endeavors to operate responsibly, contributing positively to social and economic development in the areas where it operates.

Further information about the Group's sustainability and environmental policies and performance and relationships with stakeholders can be found in the Group's annual Sustainability Report available on the Company's corporate website: [www.shuntakgroup.com](http://www.shuntakgroup.com).

#### **FIVE-YEAR FINANCIAL SUMMARY**

A summary of the results, and of the assets and liabilities, of the Group together with an analysis of its performance using key performance indicators for the last five financial years, are set out on page 193.

#### **PARTICULARS OF PROPERTIES**

Particulars regarding the properties and property interests held by the Group are shown in the Schedule of Major Properties on pages 42 to 48.

#### **SHARES ISSUED**

No shares were issued during the year ended 31 December 2025.

Details of the share capital of the Company during the year are shown in note 30 to the financial statements.

#### **DISTRIBUTABLE RESERVES**

Distributable reserves of the Company as at 31 December 2025, calculated under Part 6 of the Hong Kong Companies Ordinance (Cap. 622), amounted to HK\$5,573,669,000 (2024: HK\$5,350,056,000).

#### **DONATIONS**

During the year, the Group made donations of HK\$8,128,000 (2024: HK\$3,713,000) for charitable and community purposes.

#### **DEBENTURES**

No debentures were issued during the year ended 31 December 2025.

#### **EQUITY-LINKED AGREEMENTS**

Save for the share option scheme of the Company disclosed under the heading of "Share Options" below, no equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.

#### **BANK BORROWINGS**

Details of the Group's bank borrowings are shown in note 27 to the financial statements.

#### **MAJOR CUSTOMERS AND SUPPLIERS**

To avoid over-reliance on a single source of supply, it is the Group's policy to have several suppliers for particular materials. The Group maintains good relationships with its major suppliers and has not experienced any significant difficulties in sourcing essential materials.

During the year, less than 30% of the Group's total turnover was attributable to the Group's five largest customers combined. Less than 30% of the Group's total purchases was attributable to the Group's five largest suppliers combined.

# REPORT OF THE DIRECTORS

## DIRECTORS

### (a) Directors of the Company

The Directors during the year and up to the date of this report are:

#### **Executive Directors:**

Ms. Pansy Ho (*Group Executive Chairman and Managing Director*)

Ms. Daisy Ho (*Deputy Managing Director*)

Ms. Maisy Ho

Mr. David Shum

Mr. Rogier Verhoeven

#### **Independent Non-Executive Directors:**

Mr. Norman Ho

Mr. Charles Ho (passed away on 11 June 2025)

Mr. Michael Wu

Mr. Kevin Yip

Ms. Amelia Yau (appointed on 2 July 2025)

In accordance with Articles 83 and 84 of the Company's Articles of Association, Ms. Pansy Ho and Mr. Norman Ho will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, have offered themselves for re-election.

Ms. Amelia Yau was appointed by the Board as an Independent Non-Executive Director on 2 July 2025. In accordance with Article 79 of the Company's Articles of Association, Ms. Amelia Yau will hold office until the forthcoming annual general meeting of the Company and, being eligible, has offered herself for re-election.

The Company has received a confirmation of independence from each of the Independent Non-Executive Directors, namely Mr. Norman Ho, Mr. Michael Wu, Mr. Kevin Yip and Ms. Amelia Yau, and considers them to be independent.

Brief biographical details of the Directors as at the date of this report are set out on pages 10 to 14.

### (b) Directors of the Company's subsidiaries

The list of directors and alternate directors who have served on the boards of the Company's subsidiaries during the year, and up to the date of this report, is available on the Company's corporate website at [www.shuntakgroup.com](http://www.shuntakgroup.com).

## DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## RELATED PARTY TRANSACTIONS

Details of significant related party transactions entered by the Group in the normal course of business during the year ended 31 December 2025 are set out in note 34 to the financial statements.

The transactions disclosed in sub-paragraph 1 below under the heading of "Directors' Interests in Transactions, Arrangements or Contracts and Connected Transactions", constitute related party transactions under the HKFRS Accounting Standards. These transactions also fall under the definition of continuing connected transactions under Chapter 14A of the Listing Rules and have complied with the requirements under Chapter 14A of the Listing Rules.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONNECTED TRANSACTIONS

1. On 1 April 2021, the Company entered into an agreement (the "Master Consultancy Agreement") with Occasions Asia Pacific Limited ("Occasions"), to set out a framework for the provision of brand marketing and consultancy services by Occasions and its subsidiaries (the "Occasions Group") to the Group from time to time on a non-exclusive basis.

Since September 2020, Ms. Pansy Ho, who is the Group Executive Chairman and Managing Director as well as a substantial shareholder of the Company, has indirectly held 50% of the entire issued share capital of Occasions. Therefore, Occasions has become an associate of Ms. Pansy Ho and a connected person of the Company under the Listing Rules since September 2020.

The Master Consultancy Agreement is for a term of 3 years from 1 January 2021 to 31 December 2023. Subject to compliance with the requirements of the Listing Rules, the Master Consultancy Agreement may be renewed by the parties before its termination by mutual agreement in writing.

The Master Consultancy Agreement expired on 31 December 2023 and was renewed on 26 March 2024 for a further term of 3 years from 1 January 2024 to 31 December 2026 (the "Renewed Master Consultancy Agreement").

Further details of the Renewed Master Consultancy Agreement were disclosed in the Company's announcement dated 26 March 2024.

During the year, HK\$1.3 million was paid for the provision of brand marketing and consultancy services by the Occasions Group to the Group under the Renewed Master Consultancy Agreement.

Under Chapter 14A of the Listing Rules, the transactions mentioned in sub-paragraph 1 above constituted continuing connected transactions of the Company and require disclosures in the Company's annual report. The price and terms of such transactions have been determined in accordance with pricing policies and guidelines set out in relevant announcement.

The aforesaid continuing connected transactions and the report by Group Internal Audit Department on the relevant internal control procedures have been reviewed by the Independent Non-Executive Directors who have confirmed that the transactions were entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) in accordance with the relevant agreement on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the 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.

Accordingly, the auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions mentioned in sub-paragraph 1 above in accordance with Rule 14A.56 of the Listing Rules.

## REPORT OF THE DIRECTORS

2. On 8 December 2022, the Company entered into a renewed master service agreement (the "Renewed MGM Agreement") with MGM Grand Paradise Limited ("MGM"), a company in which Ms. Pansy Ho holds an indirect beneficial interest. The Renewed MGM Agreement governs the terms for the provision of products and services, including but not limited to, the provision of dry cleaning and laundry services and property cleaning services, and the sale of cash vouchers from the Group to MGM and/or its subsidiaries (the "MGM Group") and the provision of rental of hotel rooms between MGM Group and the Group.

The Renewed MGM Agreement was for a term of 3 years from 1 January 2023 to 31 December 2025 and was renewable for successive terms of 3 years by mutual agreement in writing.

On 11 September 2025, the Company and MGM entered into an amendment agreement (the "Amendment Agreement") to increase the annual cap on revenue receivable by the Group for the products and services provided by the Group for the financial year ended 31 December 2025.

The Renewed MGM Agreement and Amendment Agreement expired on 31 December 2025.

On 23 December 2025, the Company and MGM entered into a further renewed master service agreement (the "Further Renewed MGM Agreement") to renew the Renewed MGM Agreement for a further 3 years from 1 January 2026 to 31 December 2028. The Further Renewed MGM Agreement governs the terms for (i) the provision of products and services by the Group to the MGM Group, including but not limited to, the sale of cash vouchers, the provision of rental rooms at corporate rates, dry cleaning and laundry services and property cleaning services and (ii) the MGM Group's provision of rental of hotel rooms at wholesale room rates or intercompany rates and the sale of "Macau 2049" show tickets to the Group.

Save for the transactions mentioned in sub-paragraphs 1 and 2 above, there were no other transactions, arrangements and contracts of significance subsisting at the end of the year or at any time during the year in relation to the Group's business to which the Company's subsidiaries (or its holding companies) were a party and in which a Director or its connected entities had a material interest, whether directly or indirectly.

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The Directors named in the paragraphs below hold interests in businesses which are considered to compete or likely to compete, either directly or indirectly, with the Group's businesses during the year.

Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum are directors of Shun Tak Centre Limited which is also engaged in the business of property investment.

Ms. Pansy Ho and Mr. David Shum are directors of Sociedade de Turismo e Diversões de Macau, S.A. ("STDM") which is also engaged in the businesses of property investment, property development and/or hospitality and leisure. Ms. Daisy Ho is an appointed representative of Lanceford Company Limited, a corporate director of STDM. Ms. Maisy Ho is an appointed representative of the Company, a corporate director of STDM.

The above-mentioned competing businesses are managed by separate entities with independent management and administration. The Directors are of the view that the Group is capable of carrying on its businesses independently of, and at arm's-length from, the businesses of these entities. When making decisions, the relevant Directors, in performance of their duties as Directors of the Company, have acted and will continue to act in the best interests of the Group.

Save as disclosed above, none of the Directors held any interest in any company or business which competes or may compete with the business of the Group during the year.

## DISCLOSURE OF INTERESTS

### (1) Directors' Interests

As at 31 December 2025, the interests or short positions of the Directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules, were as follows:

#### (a) Interests of the Directors in Shares and Underlying Shares of the Company

Name of Director	Nature of Interests	Number of shares held		Note	Approximate percentage of total issued shares
		Personal Interests	Corporate Interests		
Ms. Pansy Ho	Interests in issued shares	185,826,636	373,620,627	(iii)	18.54%
	Interests in issued shares	—	65,040,000	(v)	2.16%
	Interests in unissued shares	—	148,883,374	(ii)	4.93%
Ms. Daisy Ho	Interests in issued shares	93,013,044	134,503,471	(iv)	7.54%
	Interests in issued shares	—	65,040,000	(v)	2.16%
	Interests in unissued shares	—	148,883,374	(ii)	4.93%
Ms. Maisy Ho	Interests in issued shares	40,297,902	31,717,012	(vi)	2.39%
Mr. David Shum	Interests in issued shares	5,660,377	—		0.19%

Notes:

- (i) As at 31 December 2025, the total number of issued shares of the Company was 3,017,661,785.
- (ii) The 148,883,374 unissued shares in which Ms. Pansy Ho and Ms. Daisy Ho were deemed to hold interests under the SFO, are the same parcel of shares, and represents the maximum amount of consideration shares to be issued to Alpha Davis Investments Limited ("ADIL") pursuant to the agreement dated 1 November 2016 in relation to the extension of the long stop date of the sale and purchase agreement dated 11 November 2004 (and the supplemental agreements thereto) regarding the acquisition of sites in Nam Van District, Macao by the Group and the proposed transfer as described in the Company's circular dated 29 November 2016 (the "Sai Wu Agreement"). ADIL is owned as to 53% by Megaproper Investments Limited ("MIL") which in turn is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho.
- (iii) The 373,620,627 shares in which Ms. Pansy Ho was deemed to hold interests under the SFO, comprised 189,396,066 shares held by Beeston Profits Limited ("BPL") and 184,224,561 shares held by Classic Time Developments Limited ("CTDL"). Both BPL and CTDL are wholly-owned by Ms. Pansy Ho.
- (iv) The 134,503,471 shares in which Ms. Daisy Ho was deemed to hold interests under the SFO, were held by St Lukes Investments Limited, which is wholly-owned by Ms. Daisy Ho.
- (v) The 65,040,000 shares in which Ms. Pansy Ho and Ms. Daisy Ho were deemed to hold interests under the SFO, were the same parcel of shares, held by MIL through its wholly-owned subsidiary, Business Dragon Limited (see note (ii) above).
- (vi) The 31,717,012 shares in which Ms. Maisy Ho was deemed to hold interests under the SFO, were held by LionKing Offshore Limited, which is wholly-owned by Ms. Maisy Ho.

## REPORT OF THE DIRECTORS

### (b) *Interests of the Directors in Shares and Underlying Shares of Other Associated Corporations of the Company*

Name of Director	Name of company	Corporate interests	Percentage of total issued shares
Ms. Pansy Ho	Shun Tak & CITS Coach (Macao) Limited	1,500 shares	Note (i) 15.00%

Note:

- (i) As at 31 December 2025, there was a total of 10,000 shares of Shun Tak & CITS Coach (Macao) Limited in issue.

All the interests disclosed in sub-paragraphs (1)(a) and (1)(b) above represented long position interests in the shares or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed in sub-paragraphs (1)(a) and (1)(b) above, none of the Directors or chief executive of the Company or any of their associates had, or were deemed to hold, any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2025.

### (2) Share Options

At the annual general meeting of the Company held on 29 June 2022, the shareholders of the Company passed a resolution to adopt a new share option scheme (the "2022 Share Option Scheme") under which the Directors may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein.

No share options were granted under the 2022 Share Option Scheme since its adoption.

A summary of the 2022 Share Option Scheme disclosed in accordance with the Listing Rules is set out below:

- |                   |  |
|-------------------|--|
| (i) Purpose       | To recognize, motivate and incentivize the participants whom the Board considers to have made contributions, or will make contributions, to the Company; attract, retain or maintain ongoing relationship with the participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Company's business. |
| (ii) Participants | Any person employed by the Company or its affiliates; any officer or director of the Company or its affiliates; or a person seconded to work for the Company or its affiliates.  |

(iii)	Total number of shares available for issue and percentage on issued shares as at the date of this annual report	No share option has been granted under the 2022 Share Option Scheme as at the date of this annual report. The total number of shares available for issue under the 2022 Share Option Scheme is 302,037,978, representing approximately 10% of the Company's total number of issued shares as at the date of this annual report. The Company has 3,017,661,785 shares in issue as at the date of this annual report.
(iv)	Maximum entitlement of each participant	In any 12-month period: <ul style="list-style-type: none"><li>— 1% of the issued shares (excluding substantial shareholders and Independent Non-Executive Directors)</li><li>— 0.1% of the issued shares (for substantial shareholders and Independent Non-Executive Directors)</li></ul>
(v)	The period within which the option may be exercised by the grantee	Determine by the Board at its absolute discretion except such period must not expire later than 10 years from the date of grant.
(vi)	The vesting period of options granted	There is no minimum vesting period prescribed in the 2022 Share Option Scheme, but the Board may at its absolute discretion to decide whether an option is subject to a minimum vesting period, after taking into consideration factors such as the nature and timing of the contribution or benefit being recognized or awarded, the reason for such grant, his/her importance to the Company and such other factors that the Board may consider appropriate.
(vii)	The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid	An offer for the grant of an option may be accepted within 15 business days from the date of the offer and HK\$1.00 is payable on acceptance of the grant of an option.
(viii)	The basis of determining the subscription price	The subscription price is determined by the Board and shall be at least the higher of: <ul style="list-style-type: none"><li>— the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of offer; and</li><li>— the average closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer.</li></ul>
(ix)	The remaining life	The 2022 Share Option Scheme shall remain in force until 28 June 2032.

## REPORT OF THE DIRECTORS

### (3) Substantial Shareholders' and Other Persons' Interests

As at 31 December 2025, according to the register of interests or short positions in shares required to be kept by the Company under Section 336 of the SFO (other than the interests of the Directors and chief executive of the Company) or information available to the Company, the following shareholders held interests in 5% or more of the issued shares of the Company:

Name of shareholder	Nature of interests	Capacity	Long position/ short position	Number of shares/ underlying shares held	Approximate percentage of total issued shares
	Note				Note (i)
Renita Investments Limited ("Renita") and its subsidiary	(ii) Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	500,658,864	16.59%
Oakmount Holdings Limited ("Oakmount")	(ii) Interests in issued shares	Beneficial owner	Long position	396,522,735	13.14%
Shun Tak Shipping Company, Limited ("STS") and its subsidiaries	(iii) Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	373,578,668	12.38%
Beeston Profits Limited ("BPL")	(iv) Interests in issued shares	Beneficial owner	Long position	189,396,066	6.28%
Classic Time Developments Limited ("CTDL")	(iv) Interests in issued shares	Beneficial owner	Long position	184,224,561	6.10%
Megaprospers Investments Limited ("MIL")	(v) Interests in issued shares	Interest of controlled corporation	Long position	65,040,000	2.16%
	(vi) Interests in unissued shares	Interest of controlled corporation	Long position	148,883,374	4.93%

Notes:

- (i) As at 31 December 2025, the total number of issued shares of the Company was 3,017,661,785.
- (ii) The 500,658,864 shares comprised 396,522,735 shares held by Oakmount, which is wholly-owned by Renita. Accordingly, part of the interest of Renita in the Company duplicates the interest of Oakmount in the Company. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maily Ho hold beneficial interests in Renita and Oakmount. Ms. Pansy Ho and Ms. Daisy Ho are directors of Renita and Oakmount.
- (iii) Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maily Ho and Mr. David Shum hold beneficial interests in, and are directors of, STS.
- (iv) Ms. Pansy Ho holds 100% interests in and is a director of BPL and CTDL.
- (v) MIL is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho. Ms. Pansy Ho and Ms. Daisy Ho are directors of MIL. The 65,040,000 shares are held by Business Dragon Limited, a wholly-owned subsidiary of MIL.
- (vi) The 148,883,374 unissued shares represented the maximum amount of consideration shares to be issued to Alpha Davis Investments Limited ("ADIL") pursuant to the Sai Wu Agreement. ADIL is owned as to 53% by MIL.

Save as disclosed above, as at 31 December 2025, no other person (other than the Directors or the chief executive of the Company) held any 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 SFO or according to information available to the Company.

#### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

#### **ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES**

Save as disclosed in the above sub-paragraphs under the heading of "Directors' Interests" and "Share Options", at no time during the year was the Company (or any of its subsidiaries) a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors or their nominees to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

#### **MANAGEMENT CONTRACTS**

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

#### **SUFFICIENCY OF PUBLIC FLOAT**

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

#### **PERMITTED INDEMNITY PROVISION**

The Company's Articles of Association provide that every Director of the Company shall be entitled to be indemnified out of the assets of the Company against any liability to a third party incurred by them or any one of them as holder of any such office or appointment.

A permitted indemnity provision is in force as at the date of this report and was in force throughout the year for the benefit of all Directors pursuant to the directors' and officers' liability insurance arranged by the Company.

#### **AUDITOR**

The financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers who retired and, being eligible, offered themselves for re-appointment as auditor at the forthcoming annual general meeting of the Company.

On behalf of the Board

**Pansy Ho**  
*Group Executive Chairman and Managing Director*

Hong Kong, 30 March 2026

# CORPORATE GOVERNANCE REPORT

## A. CORPORATE GOVERNANCE PRACTICES

The board of directors ("Board" or "Directors") of Shun Tak Holdings Limited (the "Company") is committed to principles of good corporate governance standards and procedures. This report describes the Company's efforts to apply the principles and comply with the provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is committed to maintaining high standards of corporate governance and fostering sustainable business growth and development. To oversee the Group's strategies and development of corporate sustainability, the executive committee ("Executive Committee") was delegated by the Board to establish a sustainability steering committee ("Sustainability Steering Committee") which is responsible for formulating the Group's sustainability vision, strategy and policy, monitoring and reviewing environmental, social and governance ("ESG") related goals and targets, evaluating the impact of initiatives and measuring the performance, and giving advice on the implementation progress of ESG goals and targets. The Sustainability Steering Committee reports to the Board through the Executive Committee on the Company's ESG issues on a regular basis. In 2014, the Executive Committee adopted a sustainability policy ("Sustainability Policy") to demonstrate the Company's commitment to sustainable business growth and development through adoption of sound ESG approaches and the Company has published its annual sustainability reports since then.

The Listing Rules require every listed company to report how it applies the principles in the CG Code and to confirm that it complies with such provisions, or provide an explanation if it does not. The Board periodically reviews the Company's practices to ensure compliance with increasingly stringent requirements and to meet rising expectations of its shareholders ("Shareholders"). A corporate governance policy (the "CG Policy") outlining the Company's governance framework and practices was adopted by the Board in 2012 and updated in August 2017.

The Board is of the opinion that the Company has complied with the CG Code provisions throughout the year ended 31 December 2025, except for Code provisions B.2.4(b) and C.2.1 as explained in the following sections.

### CG Code provision B.2.4(b)

Pursuant to Code provision B.2.4(b), where all the independent non-executive directors ("INEDs") of the Company have served more than nine years on the Board, the Company should appoint a new INED at the forthcoming annual general meeting. During the period from 11 June 2025 (being the date of 2025 annual general meeting of the Company ("AGM")) and up to 1 July 2025, although Mr. Norman Ho, Mr. Michael Wu and Mr. Kevin Yip have served as INEDs for more than nine years, in view of the streamlined structure of the Company, the Board as a whole is responsible for formulating the Company's strategy, policies and guidelines. None of the INEDs is involved in the daily management of the Company. All the INEDs are familiar with the Company's operations and continue to provide objective input and invaluable contributions to the Board. The Board is of the view that the long service of the then INEDs will not affect their independent judgments and considered them to remain independent under the Listing Rules despite the fact that they have served the Company for more than nine years.

The Company had been actively identifying a suitable candidate to be appointed as an INED at 2025 AGM through both internal and external sources and used its best endeavors to finalize the appointment as soon as practicable. However, additional time was required for identifying and selecting a suitable candidate, as well as completing the internal procedures for the appointment. On 2 July 2025, the Company appointed a new INED to the Board and had complied with CG Code provision B.2.4(b) accordingly.

### CG Code provision C.2.1

Pursuant to Code provision C.2.1, the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. The Board is of the view that since all major decisions have been made in discussion among Board members and appropriate Board committees ("Board Committee"), the allocation of power and authority within the corporate structure is adequately balanced to satisfy the objective of this Code provision. In addition, there are four INEDs on the Board who offer their respective experience, expertise and independent advice and views from different perspectives. Therefore, it is in the best interest of the Company that Ms. Pansy Ho, with her in-depth knowledge of the businesses and extensive experience in the operations of the Company and its subsidiaries (the "Group"), assumes her dual capacity.

### Model Code for Securities Transactions

Code provision C.1.3 requires directors to comply with the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules (the "Model Code").

The Model Code was adopted by the Company as its own code for Directors' securities transactions. All Directors expressly confirmed that they had fully complied with the Model Code during the year ended 31 December 2025.

## B. THE BOARD

### Corporate Culture

The Group positions itself as a cross-sector, cross-regional conglomerate in the Guangdong-Hong Kong-Macao Greater Bay Area with a strong heritage and boundless potentials. The Group creates sustainable communities by connecting families, businesses and other stakeholders with dedication and foresight.

Originating in 1962 with the inauguration of a passenger ferry service between Hong Kong and Macao, and formally established in 1972, the Group has grown into a trusted leader in property, hospitality and leisure, tourism and transportation — continuously creating shared value and nurturing cordial relationships with stakeholders and the community.

As a responsible corporate citizen, the Group is committed to playing an instrumental role in advancing sustainable development. A healthy corporate culture across the Group is vital for achieving its vision and mission of long-term and sustainable growth. The Board defines the Group's purpose, values, strategic direction, and risk appetite, fostering a culture that cultivates trusted and sustainable businesses where every customer, partner, investor, supplier and employee benefits from shared success.

The desired culture is consistently developed in the operating practices, workplace policies and stakeholder engagement. Measures for assessing and monitoring corporate culture include employee engagement, retention and training, financial reporting, whistleblowing mechanism, risk management, data privacy and security and regulatory compliance (including compliance with the Code of Conduct and other operating policies of the Group), staff safety and wellness, as well as audit and assurance.

#### VISION

To be the most trusted conglomerate in Asia, rooted in Hong Kong and Macao

#### MISSION

To create shared value for all stakeholders and the communities in which the Group operates

#### PRINCIPLES

Integrity and Virtue

# CORPORATE GOVERNANCE REPORT

## Corporate Strategy

With "Tourism+" as its growth strategy, the Group harnesses its diverse expertise in property, hospitality and leisure, transportation, infrastructure and investments to deliver cultural and economic value to the communities it serves, while contributing to national development.

The Board, together with senior management, set the tone and shape the corporate culture and strategic direction of the Group, which is underpinned by the core values of acting lawfully, ethically and responsibly across all levels of the Group. The Board promotes a culture of high standards in corporate governance and robust practices for the benefits of Shareholders and stakeholders.

By aligning the corporate culture with its purpose, values and strategy, the Board believes that the Group will continue to be a trusted partner of choice across Asia.

## Board Composition

The key principles of good governance require the Company to have an effective Board with collective responsibility for its success, values and enhancement of Shareholders' value. Non-executive Directors have particular responsibilities to oversee the Company's development, scrutinize its management performance, and advise on critical business issues. The Board is satisfied that it has met these requirements.

The Company has a balanced Board of Executive Directors and INEDs so that no individual or small group can dominate its decision-making process. To help the Board perform its duties and make decisions on the Company's affairs, Board Committees (including Executive Committee, remuneration committee ("Remuneration Committee"), nomination committee ("Nomination Committee") and audit and risk management committee ("Audit and Risk Management Committee")) have been established under the Company's Articles of Association ("Articles"). Other Board Committees may be formed from time to time. Further details about Board Committees are discussed in the latter part of this report and separate reports on pages 83 to 97 of this annual report.

Changes in members of the Board and its Committees during the year ended 31 December 2025 and up to the date of this report are set out below:

- Mr. Charles Ho, a then INED and member of the Remuneration Committee and Nomination Committee, passed away on 11 June 2025;
- Ms. Amelia Yau was appointed as an INED and a member of the Remuneration Committee, Nomination Committee and Audit and Risk Management Committee, all with effect from 2 July 2025; and
- Ms. Maisy Ho was appointed as a member of the Remuneration Committee, effective from 2 July 2025.

As at the date of this report, the Board has 9 members and its composition is as follows:

**The Board**  
(Total number of Directors: 9)

	Length of Tenure (Note 1)	Current period of appointment (Note 2)
<b>Executive Directors</b>		
Ms. Pansy Ho ( <i>Group Executive Chairman and Managing Director</i> )	31 years	2023-2026
Ms. Daisy Ho ( <i>Deputy Managing Director</i> )	31 years	2025-2028
Ms. Maisy Ho	24 years	2024-2027
Mr. David Shum	21 years	2025-2028
Mr. Rogier Verhoeven	14 years	2024-2027
Total number: 5 (Representing 56% of the total number of Directors)		
	Length of Tenure (Note 1)	Current period of appointment (Note 2)
<b>Independent Non-Executive Directors</b>		
Mr. Norman Ho	21 years	2023-2026
Mr. Michael Wu	13 years	2024-2027
Mr. Kevin Yip	10 years	2025-2028
Ms. Amelia Yau (Note 3)	8 months	2025-2026
Total number: 4 (Representing 44% of the total number of Directors)		

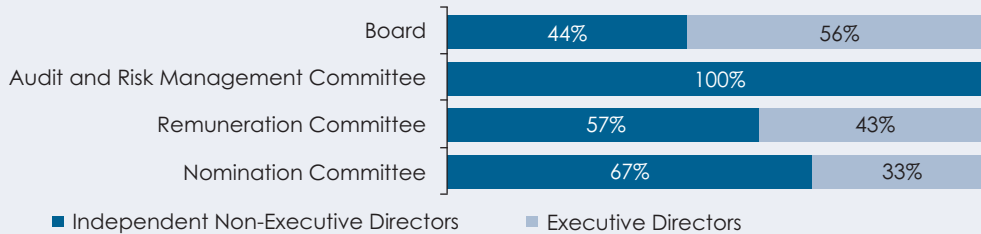
Notes:

1. Approximate number of years/months up to the date of this report.
2. From the year of appointment or last re-election, whichever is later.
3. Ms. Amelia Yau was appointed on 2 July 2025 and shall hold office until 2026 AGM.

Brief biographies of Directors are set out in "Management Profile" in this annual report.

# CORPORATE GOVERNANCE REPORT

## Board Independence



The Company has four INEDs who comprise more than one-third of the Board. Three INEDs possess professional accounting qualifications. The Company received a confirmation from each of the INEDs confirming independence under Rule 3.13 of the Listing Rules.

The Nomination Committee noted that Mr. Norman Ho (an INED of the Company) is an independent non-executive director of SJM Holdings Limited (stock code: 880) ("SJM Holdings") in which (i) Ms. Daisy Ho (an executive Director and Deputy Managing Director of the Company) is the chairman and an executive director and (ii) Mr. David Shum (an executive Director of the Company) is an executive director. Taking into consideration his role as an INED of the two companies without holding any shares in the two companies, the Nomination Committee does not consider that such cross-directorship relationship will affect Mr. Norman Ho in performing his duties as an INED. The Board and the Nomination Committee have assessed his independence in light of these circumstances, including (i) his background, experience, achievements and character, and (ii) the nature of the Company's relationship with SJM Holdings and his roles, and concluded that his independence would not be affected. It was decided that potential conflicts, which are minimal, could be managed and that the benefits of his appointment outweigh any risk of conflict. The Nomination Committee is of the view that all INEDs are independent under the Listing Rules criteria.

Ms. Pansy Ho, as the Group Executive Chairman and Managing Director of the Company, is mainly responsible for Board leadership and overall performance of the Group.

The Board is responsible for fostering and monitoring the corporate culture, defining the purpose, values and strategy direction, overseeing the Group's strategic development, setting the risk appetite and appropriate policies to manage risks in pursuit of the Group's strategic objectives, and scrutinizing operational and financial performance to ensure they align with the desired culture.

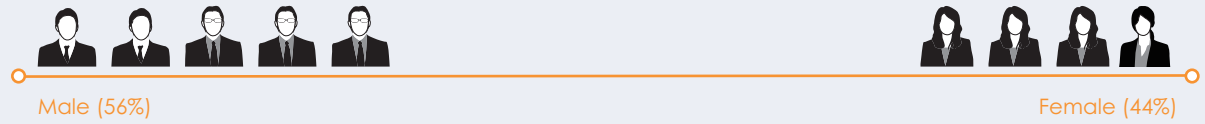
Management is delegated by the Board for carrying out the Group's day-to-day operations. The Group Executive Chairman and Managing Director together with the Deputy Managing Director, working with other Executive Directors and the executive management team, are responsible for managing the Group's businesses; formulating policies for Board consideration; carrying out strategies adopted by the Board; making recommendations on strategic planning, operating plans, major projects and business proposals; and assuming full accountability to the Board for the Group's operations. The Executive Directors conduct regular meetings with the management of the Group and associated companies during which operational issues and financial performance are reviewed. The Executive Directors regularly report to the Board and on an ad hoc basis when necessary.

## Board Diversity

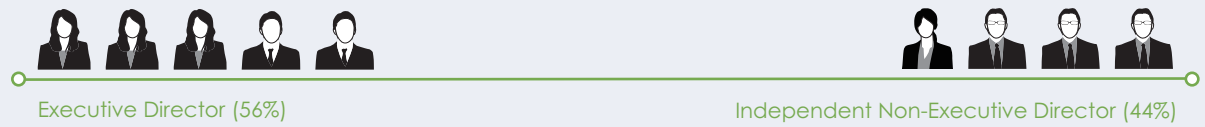
In 2013, the Board adopted a board diversity policy (the "Board Diversity Policy") to achieve a diverse Board and enhance performance quality. "Diversity" would be considered from various aspects, including gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, etc. Board appointments are based on merit and candidates will be assessed against objective criteria, with due regard for the benefits of diversity. The Nomination Committee will monitor implementation of the policy and, to ensure its effectiveness, it will review the policy and recommend revisions to the Board for consideration and approval, when necessary.

Board diversity is shown below. Directors' biographical details are set out in "Management Profile" in this annual report.

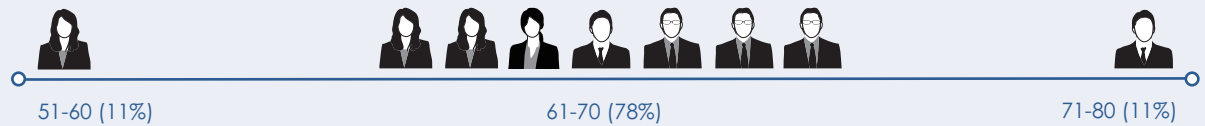
**Gender**



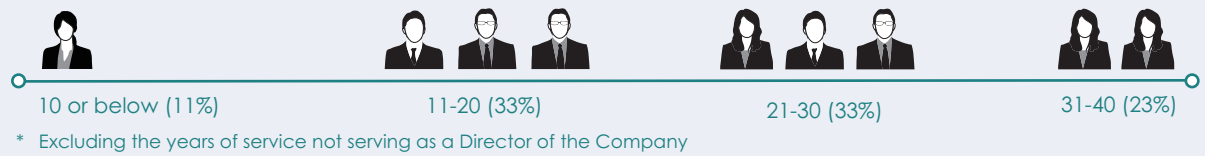
**Designation**



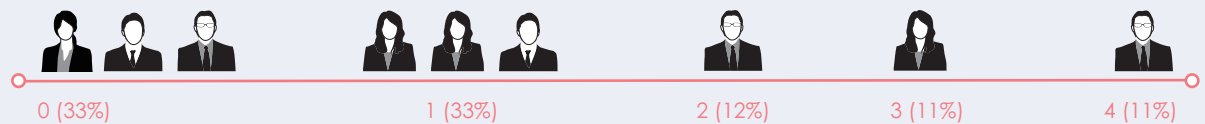
**Age group**



**Length of service (years)\***



**Directorship with other listed companies (number of companies)**



Directors are from diverse and complementary backgrounds. The valuable experience and expertise they bring to our business are critical for the long-term growth of the Company. The Nomination Committee reviewed the composition of the Board under diversified perspectives and monitored the implementation and effectiveness of the Board Diversity Policy and considered that the Board Diversity Policy is effective.

Given the fairer gender proportion on the Company's Board (56% male and 44% female) as illustrated above, the Board is satisfied that gender diversity has been achieved at Board level.

# CORPORATE GOVERNANCE REPORT

The following sets out the total workforce (including senior management) by gender of the Group as at 31 December 2025:

	Number of Employees	Percentage
Male	775	47%
Female	880	53%

The Group has made progress in past years to maintain a satisfactory gender mix. All human resources processes including recruitment, promotion, rewards and career development opportunities continue to be based on competence, knowledge, experience and merit of the employees and prospective employees, regardless of gender.

The current composition of the Board under diversified perspectives is summarized as follows:

## Skills, Knowledge and Professional Experience

Accounting and Finance	8	88.9%
China Market Experience	9	100.0%
Corporate Responsibility/ Sustainability	9	100.0%
Executive Management and Leadership Skills	9	100.0%
Financial Service and Investment	8	88.9%
Global Market Experience	9	100.0%
Governance	9	100.0%
Hotel Management	8	88.9%
Human Resources	6	66.7%
Investment Banking/ Mergers and Acquisitions	8	88.9%
Other Listed Board Experience/Role	7	77.8%
Property Development and Investment	8	88.9%
Risk Management	9	100.0%
Strategic Planning	9	100.0%
Technology	8	88.9%
Transportation Service	8	88.9%

Note: The perspectives selected above have been identified as attributes of a director in alignment with the Company's nature of business.

## Board Practice

To ensure that the Board works effectively and performs its responsibilities, its members are provided with monthly updates on Company performance, financial position and prospects. Directors have full and timely access to relevant information and are properly briefed on issues considered at Board meetings. The duty of preparing the meeting agenda is delegated to the company secretary (the "Company Secretary"). Each Director may request inclusion of items on the agenda.

To make informed decisions, Directors are given information packages with explanation and analysis of agenda items not less than three days before a meeting. The Company Secretary keeps Directors informed of corporate governance issues and regulatory changes, and ensures Board procedures follow the CG Code and relevant legal requirements. The Board is provided with sufficient resources to perform its duties and, if required, an individual Director may engage independent professional advisers at the Company's expenses to provide advice on specific matters under the standard procedures adopted by the Board in 2005 (the "Mechanism").

Under the Mechanism, a Director shall give prior notice to the Company Secretary of his/her intention to seek independent professional advice and shall provide the name(s) of any independent professional advisers he/she proposes to instruct together with a brief summary of the subject matter. The Company Secretary can provide the names of suggested independent professional advisers upon request of the Director. The Company Secretary shall provide a written acknowledgment of receipt of the notification. Any advice obtained under the Mechanism shall be made available to the other members of the Board, if the Board so requests. The Mechanism is to ensure independent views and input are available to the Board under the appropriate circumstances. The Executive Committee reviewed the implementation and effectiveness of the Mechanism and considered that the Mechanism is effective.

If a Director has a conflict of interest in any matter under Board consideration, such matter will be dealt with by a physical Board meeting instead of a written resolution. Such Director shall abstain from voting, and not be counted in the quorum, for any resolution in which he or she has a material interest.

An open atmosphere exists for Directors to contribute alternative views at meeting. Major decisions are taken after full discussion. Minutes of Board and Board Committee meetings are recorded in detail with draft minutes circulated for comment before approval by Directors and Board Committee members, respectively. Minutes and written resolutions of the Board and Board Committees are kept by the Company Secretary and open for inspection by Directors. Such minutes and written resolutions are circulated to Directors at regular Board meetings.

The Company has appropriate directors' and officers' liability insurance for legal action against Directors.

## Board Activities

Board activities are structured to assist the Board in achieving its goal to support and advise management on the delivery of the Group's strategy within a transparent governance framework. The diagram below shows the key areas of focus for the Board and the main activities during 2025.

# CORPORATE GOVERNANCE REPORT



During the year, a total of four Board meetings were held primarily to review quarterly business performance and strategy in the business or other relevant areas.

Directors are expected to attend all meetings of the Board and the Board Committees on which they serve and to devote sufficient time to the Company to perform their duties. Where directors are unable to attend a meeting, they receive papers for that meeting giving them the opportunity to raise any issues with the Chairman in advance of the meeting. At each scheduled meeting, the Board receives updates from the relevant business/supporting units on the financial and operational performance of the Group and any specific developments in their areas of the businesses for which they are directly responsible and of which the Board should be aware. Chairpersons of the respective Board Committees would also report on matters discussed and/or approved at the relevant Board Committees' meetings held prior to the Board meetings.

## Appointments and Re-election of Directors

All INEDs are appointed for a specific term of three years. Under the Articles, every Director, including those appointed for a specific term, is subject to retirement by rotation at least once every three years at the Company's AGM. Any Director appointed by the Board is subject to re-election by Shareholders at the next AGM following his or her appointment. Directors who are subject to retirement and re-election at the forthcoming AGM are set out in "Report of the Directors" in this annual report.

## Directors' Induction, Development and Training

Each newly-appointed Director is offered training on the Company's key areas of business operations and practices. Newly-appointed Directors are offered orientation materials that set out the duties and responsibilities of directors under the Listing Rules and relevant ordinances and regulations. Directors are provided with "A Guide on Directors' Duties" issued by the Hong Kong Companies Registry and "Guidelines for Directors" issued by Hong Kong Institute of Directors ("HKIoD") which set out the general principles of directors' duties and "Corporate Governance Guide for Boards and Directors" issued by the Stock Exchange which set out a framework and clear guidance for corporate governance disclosure, application and implementation. All INEDs are given "Guide for Independent Non-Executive Directors" issued by HKIoD and "A Snapshot of INEDs' Roles and Responsibilities" issued by the Stock Exchange.

The Company encourages Directors to participate in continuing professional training and development courses to enhance relevant knowledge and skills. The Company also updates Directors on the latest development of Listing Rules and applicable laws and regulations to facilitate awareness and ensure compliance. The Executive Committee is responsible for reviewing training and continuous professional developments of Directors and senior management. During the year, the Company had provided trainings to Directors on updates covering topics of the Stock Exchange's consultation conclusion regarding review of CG Code, its e-learning on continuing obligations, revised CG Code on risk management and internal control systems, consultation conclusion regarding further paperless listing reforms, beneficial ownership regime in the British Virgin Islands, anti-corruption and ethical business culture for good Corporate Governance, IT governance, and model personal data protection Artificial Intelligence ("AI") framework, etc. The Company had also organized a training session on key considerations for generative AI adoption.

# CORPORATE GOVERNANCE REPORT

According to training records provided by Directors, a summary of their training during the year is shown below:

Directors	Area					Total no. of hours
	The Board, its committees and directors roles, responsibilities and effectiveness	Company's obligations and directors' duties, and key legal and regulatory developments	Corporate governance and ESG matters	Risk management and internal controls	Industry-specific developments, business trends and strategies	
<b>Group Executive Chairman and Managing Director</b>						
Ms. Pansy Ho	3.5	6.5	1.5	2.0	0.5 2.0 6.5	22.5
<b>Independent Non-Executive Directors</b>						
Mr. Norman Ho	7.0 3.5	15.0 6.5	5.0 1.5	2.0 2.0	0.5 2.0 2.0	47.0
Mr. Michael Wu	3.5	6.5	1.5	2.0	0.5 2.0	16.0
Mr. Kevin Yip	4.0 3.5	1.5 6.5	1.5	2.0	0.5 1.0 2.0	22.5
Ms. Amelia Yau	9.5 5.5 1.0	1.5 14.5	5.0 0.75	1.5	0.5 1.5 2.0	43.5
<b>Deputy Managing Director</b>						
Ms. Daisy Ho	3.5	6.5 6.5	1.5	2.0	0.5 2.0	22.5
<b>Executive Directors</b>						
Ms. Maisy Ho	3.5	6.5	1.5	2.0	0.5 6.5 2.0	22.5
Mr. David Shum	3.5	6.5	0.5 1.5	2.0	0.5 2.0	16.5
Mr. Rogier Verhoeven	3.5	6.5	1.5	2.0	0.5 2.0	16.0

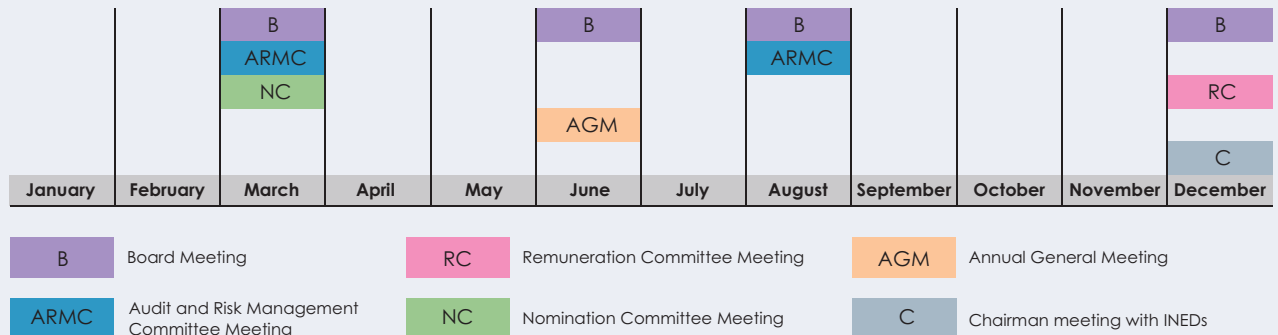
- – Internal training provided/organized by the Company
- – External training provided/organized by other corporations
- – Self-study for reading materials provided by the Company or access to web-based e-learning courses
- – Attending conference and/or forum

Ms. Amelia Yau, who has been appointed as an INED and a member of the Remuneration Committee, Nomination Committee and Audit and Risk Management Committee on 2 July 2025, has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 26 June 2025, and has confirmed that she understood her obligations as a Director. Ms. Amelia Yau has completed no less than 24 hours of the continuous professional development required by Rule 3.09F within 18 months of the date of her appointment pursuant to Rule 3.09H.

## Meeting Attendance by Directors during the year

Regular Board meetings are held at least four times every year at approximately quarterly intervals. Additional Board meetings are held if required. During the year ended 31 December 2025, the Board held four meetings, and the Group Executive Chairman and Managing Director held one meeting with INEDs without the presence of Executive Directors.

The timeline for meetings of the Board, Board Committee and Shareholders held in 2025 is set out below:



Attendance by Directors at meetings of the Board, Audit and Risk Management Committee, Remuneration Committee, Nomination Committee and 2025 AGM during the year is shown below:

Name of Director	Board	Audit and Risk Management Committee (Note 4)	Remuneration Committee	Nomination Committee	2025 AGM (Note 4)
(Number of Meetings Attended/Entitled to Attend)					
<b>Group Executive Chairman and Managing Director</b>					
Ms. Pansy Ho	4/4	n/a	1/1	1/1 <sup>C</sup>	1/1
<b>Independent Non-Executive Directors</b>					
Mr. Norman Ho	4/4	2/2 <sup>C</sup>	1/1	1/1	1/1
Mr. Charles Ho (Note 1)	1/2	n/a	n/a	1/1	0/1
Mr. Michael Wu	4/4	2/2	1/1 <sup>C</sup>	1/1	1/1
Mr. Kevin Yip	4/4	2/2	1/1	1/1	1/1
Ms. Amelia Yau (Note 2)	2/2	1/1	1/1	n/a	n/a
<b>Deputy Managing Director</b>					
Ms. Daisy Ho	4/4	n/a	1/1	1/1	1/1
<b>Executive Directors</b>					
Ms. Maisy Ho (Note 3)	3/4	n/a	1/1	n/a	1/1
Mr. David Shum	4/4	n/a	n/a	n/a	1/1
Mr. Rogier Verhoeven	4/4	n/a	n/a	n/a	1/1

C – Chairman of the Board Committee

Notes:

- Mr. Charles Ho passed away on 11 June 2025.
- Ms. Amelia Yau was appointed as an INED and a member of the Remuneration Committee, Nomination Committee and Audit and Risk Management Committee, all with effect from 2 July 2025.
- Ms. Maisy Ho was appointed as a member of the Remuneration Committee with effect from 2 July 2025.
- Representatives of the external auditor participated in two Audit and Risk Management Committee Meetings held in March and August 2025, and also attended the 2025 AGM.

# CORPORATE GOVERNANCE REPORT

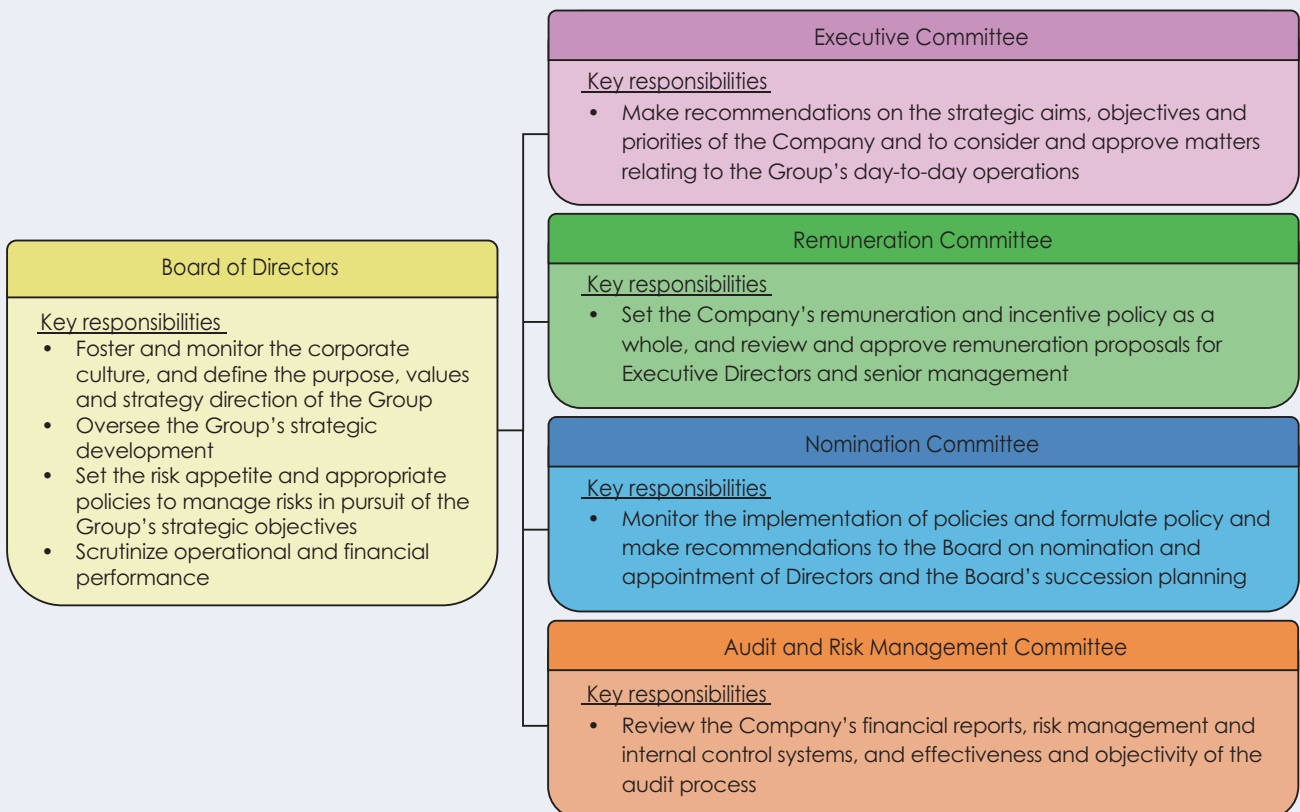
## C. BOARD COMMITTEES

The Board has established four Board Committees, namely the Executive Committee, Remuneration Committee, Nomination Committee and Audit and Risk Management Committee, to assist it in carrying out its responsibilities.

The current composition of the Board Committees is as follows:



Each of the Board Committees has defined duties and responsibilities set out in their respective terms of reference which are no less exacting than those in the CG Code and which are regularly reviewed and updated upon regulatory changes or Board direction. Other Board Committees for dealing with ad hoc matters when necessary are delegated with specific duties and authorities by the Board. All Board Committees are provided with sufficient resources to perform their duties.



## Executive Committee

### Composition

The Executive Committee consists of five members, namely, Ms. Pansy Ho (Group Executive Chairman and Managing Director), Ms. Daisy Ho (Deputy Managing Director), Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven. Ms. Pansy Ho is the chairman of the Executive Committee.

### Duties and Responsibilities

To operate more efficiently, the Executive Committee was established to make recommendations on the strategic aims, objectives and priorities of the Company and to consider and approve matters relating to the Group's day-to-day operations. The duties and responsibilities of the Executive Committee are set out in its terms of reference. Meetings are held as required by its work.

The Executive Committee was delegated by the Board to perform corporate governance functions set out in Code provision A.2.1 of the CG Code including:

- (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- (ii) reviewing and monitoring training and professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and
- (v) reviewing compliance with the CG Code and disclosure in the corporate governance report.

As at the date of this report, the Executive Committee has reviewed the Company's policies and practices including:

- the Company's compliance with the CG Code and its disclosure in this report;
- Directors' participation in continuous professional development;
- Shareholders' Communication Policy;
- Dividend Policy;
- CG Policy;
- Policies and Procedures on Risk Management;
- Inside Information Policy;
- Share Repurchase Policy; and
- the Company's Mechanism and procedures to ensure that independent views and input are available to the Board.

## CORPORATE GOVERNANCE REPORT

In light of Code provision D.2, the Executive Committee was delegated by the Board to (i) assist the Board in evaluating and determining the nature and extent of risks the Board is willing to take to achieve the Group's strategic objectives; and (ii) oversee management in the design, implementation and ongoing monitoring of risk management (including, among others, risks relating ESG) and internal control systems and to ensure their appropriateness and effectiveness.

### Other Board Committees

Details of the Remuneration Committee, Nomination Committee and Audit and Risk Management Committee, including their composition, duties and responsibilities, annual work summary and applicable policies are set out in the separate reports on pages 83 to 97 of this annual report.

### D. INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for ensuring that appropriate and effective risk management and internal control systems are established and maintained for the purpose of dealing with identified risks (including, ESG risks and in particular, climate-related risks and opportunities), safeguarding of assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of financial reports and achieving compliance with applicable laws and regulations. The Executive Committee assists the Board in designing, implementing and monitoring the Group's risk management and internal control systems. Through the Audit and Risk Management Committee, the Board is responsible for the continuous review of the effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance, information technology and security, fraud prevention and detection and risk management controls. Such process includes a self-assessment from the head of each business or supporting unit and subsidiary, the Executive Committee's annual review and confirmation and internal audit reviews conducted by the Group Internal Audit Department. For the year under review, there is no significant change in the assessment of risks and the risk management and internal control systems and there is no significant control failings and weaknesses identified. The Board considers the risk management and internal control systems of the Group to be adequate and effective and the Company has complied with the risk management and internal control code provisions set out in the CG Code. Further information about the Group's risk management and internal control framework and process are set out in the "Audit and Risk Management Committee Report" on pages 85 to 97 of this annual report.

### Inside Information Policy

The Company adopted a policy and procedure on disclosure of inside information (the "Inside Information Policy") setting out the Group's procedure in handling such information to ensure its equal and timely dissemination to comply with the requirements under Part XIVA of the Securities and Futures Ordinance and the Listing Rules. The Executive Committee was delegated by the Board to monitor the Inside Information Policy and assess the nature and materiality of relevant information and determine appropriate actions. An Inside Information Taskforce has also been set up to assist the Executive Committee on disclosure matters. The Group will provide appropriate training to officers and employees likely to be in possession of inside information.

### Auditor's Remuneration

For the year ended 31 December 2025, the fees paid/payable by the Group to PricewaterhouseCoopers ("PwC") for their audit and non-audit services amounted to approximately HK\$13.4 million and HK\$4.3 million respectively, while the audit and non-audit fees paid/payable by the Group to other auditors were HK\$0.5 million and HK\$0.2 million respectively. The non-audit services mainly included interim review, taxation, due diligence and other services.

## Accountability and Audit

For each financial year, the Directors acknowledge their responsibility for preparing the financial statements which give a true and fair view of the state of affairs, profit and cash flow of the Company and the Group in accordance with HKFRS Accounting Standards, the Hong Kong Companies Ordinance and the Listing Rules. In preparing financial statements for the year ended 31 December 2025, the Directors have selected suitable accounting policies and applied them consistently. The Directors also made judgments and estimates that are prudent and reasonable and prepared the financial statements on a going concern basis. The Company announced its interim and annual results in a timely manner following the relevant periods as required by the Listing Rules.

The statement from the Company's external auditor about the auditor's responsibilities for the audit of the Company's financial statements is set out in the "Independent Auditor's Report" in this annual report.

### **E. PROACTIVE INVESTOR RELATIONS**

The Company aims to maintain an ongoing dialogue and communication with its Shareholders. It is the Board's responsibility to ensure that satisfactory dialogue takes place. The Board adopted a shareholders' communication policy (the "Shareholders' Communication Policy") setting out the Company's principles in relation to Shareholders' communication, with the objective to ensure direct, open and timely communications. The primary channel between the Company and Shareholders is the publication of interim reports, annual reports, circulars and notices to Shareholders. The Company's share registrar, Computershare Hong Kong Investor Services Limited (the "Share Registrar"), serves Shareholders on all share registration matters. General meetings further provide the forum and opportunity for Shareholders to exchange views directly with Board members. The Executive Committee recently reviewed the implementation and effectiveness of the Shareholders' Communication Policy and considered that the Shareholders' Communication Policy is effective.

The Company continues its proactive policy to promote investor relations by regular meetings with institutional investors and research analysts. Our Investor Relations Department maintains open communications with the investment community. To ensure investors have an informed understanding of the Company's strategies, operations and management, our management engages in proactive investor relation activities. These include participating in regular one-on-one meetings, post-results analyst briefings, investor conferences and international non-deal roadshows. Our Investor Relations Department also actively provides the investment community with the Company's latest news and developments as they arise through other channels such as IR Newsletters. The Company garnered multiple industry awards in recognition of the Investor Relations Department's proactive engagement with the investment community.

The Company maintains a corporate website ([www.shuntakgroup.com](http://www.shuntakgroup.com)) which provides Shareholders, investors and the public with updated information on the Group's activities and development. The Corporate Presentation which includes an overview of the Group's businesses and latest financial results is also available on the corporate website. Corporate information on the Group's businesses, statutory announcements and notices are distributed by emails to the registered mailing list which can be joined by interested parties on the Company's website. The Company Secretary and the Investor Relations Department serve as the major channels of communication between Directors, Shareholders, investors and the public. The public is encouraged to contact the Group as appropriate.

## CORPORATE GOVERNANCE REPORT

Shareholders may at any time send their enquiries to the Board, addressed to the Company Secretarial Department or Investor Relations Department with contact details set out below:

Registered Office : Penthouse 39th Floor, West Tower, Shun Tak Centre  
200 Connaught Road Central  
Hong Kong  
Telephone : (852) 2859 3111  
Facsimile : (852) 2857 7181  
E-mail : enquiry@shuntakgroup.com  
ir@shuntakgroup.com

In relation to enquiries on the shareholding matters of the Company, Shareholders could send enquiries to the Share Registrar with their contact details set out below:

Address : Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong  
Telephone : (852) 2862 8555  
Facsimile : (852) 2865 0990  
E-mail : hkinfo@computershare.com.hk

### F. DETAILS OF SHAREHOLDERS

#### Shareholding of the Company

Shareholding distribution based on the Company's register of members as at 31 December 2025 is shown below:

Size of Registered Shareholding	Number of Shareholders	Percentage of Shareholders	Number of shares held	Percentage of shares in issue
1 to 2,000	943	61.80%	386,245	0.01%
2,001 to 10,000	244	15.99%	1,234,548	0.04%
10,001 to 100,000	286	18.74%	8,812,521	0.29%
100,001 to 500,000	36	2.36%	7,107,319	0.24%
500,001 or above	17	1.11%	3,000,121,152	99.42%
<b>Total</b>	<b>1,526 (Note 2)</b>	<b>100.00%</b>	<b>3,017,661,785 (Note 1)</b>	<b>100.00%</b>

Notes:

- 76.19% of the Company's shares in issue were held through Central Clearing and Settlement System of Hong Kong ("CCASS").
- Actual number of Shareholders is much bigger as many shares are held through intermediaries including CCASS.

## Details of the Shareholders' Meetings

The last Shareholders' meeting was the Company's 2025 AGM held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Wednesday, 11 June 2025 at 2:30 p.m.. The notice for the 2025 AGM setting out details of each proposed resolution and other relevant information in the circulars were distributed to all Shareholders more than 21 days before the 2025 AGM. Separate resolutions were proposed on each substantially separate issue, including re-election of individual Directors. In strict compliance with Rule 13.39(4) of the Listing Rules, the Company's Articles stated that all resolutions proposed in a general meeting will be decided on poll except for procedural or administrative matters. The Share Registrar was appointed as the scrutineer for vote-taking at the 2025 AGM. Procedures for conducting a poll were explained by the Share Registrar before commencement of poll voting at the 2025 AGM.

All resolutions at the 2025 AGM were duly passed including (i) receipt of the audited financial statements of the Company for the year ended 31 December 2024 and the reports of Directors and the independent auditor; (ii) re-election of Mr. Charles Ho, Mr. Kevin Yip, Ms. Daisy Ho and Mr. David Shum as Directors of the Company; (iii) approval of the Directors' fees; (iv) re-appointment of PwC as auditor of the Company and authorization to the Board to fix its remuneration; (v) granting of the general mandate to the Board to buy back the Company's shares; (vi) granting of the general mandate to the Board to issue new shares of the Company; and (vii) authorization to the Board to extend the general mandate to issue new shares by adding the number of shares bought back.

The poll results were posted on the websites of the Company and the Stock Exchange in accordance with the Listing Rules as soon as after the closure of the 2025 AGM.

## Important Shareholders' Dates

Important Shareholders' dates in the financial year 2026 are set out in "Financial Highlights and Calendar" in this annual report.

## Dividend Information

The Company's dividend policy is set out in "Report of the Directors" in this annual report. Dividend payment history is available on the Company's website.

## Shareholders' Rights

### Procedures for Shareholders to Convene a General Meeting

In accordance with Section 566 of the Hong Kong Companies Ordinance (Chapter 622) (the "Ordinance"), Shareholders representing at least 5% of the total voting rights of all Shareholders having a right to vote at general meetings can make a requisition to convene a general meeting. The requisition must state the objects of the meeting, and be signed by the Shareholders concerned and deposited at the registered office of the Company for the attention of the Company Secretary. The requisition must also (a) state the name(s) of the requisitioner(s), (b) the contact details of the requisitioner(s) and (c) the number of ordinary shares of the Company held by the requisitioner(s).

### Procedures for Shareholders to Put Forward Proposals at General Meeting

According to the Ordinance, Shareholder(s) representing at least 2.5% of the total voting rights of all Shareholders who have a relevant right to vote; or at least 50 Shareholders who have a relevant right to vote can submit a written request to move a resolution at the general meeting of the Company. The written request must state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution, signed by the relevant Shareholder(s) and deposited at the registered office of the Company.

## CORPORATE GOVERNANCE REPORT

### G. COMPANY SECRETARY

The Company Secretary is a full-time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary is responsible for advising the Board on governance matters. For the year under review, the Company Secretary has taken no less than 15 hours of relevant professional training.

### H. OTHERS

#### Constitutional Documents

During the year ended 31 December 2025, no amendment was made to the Company's Articles. The latest version of the Articles is available on the websites of the Company and the Stock Exchange.

Resolution for the adoption of new Articles of Association of the Company, mainly to align with the requirements under the Ordinance, the Listing Rules and current corporate practices, will be proposed at the forthcoming AGM for the Shareholders' approval.

#### Looking Forward

The Company will continue to review its corporate governance practices on a timely basis and take necessary and appropriate actions to ensure compliance with the required practices and standards including code provisions in the CG Code.

Hong Kong, 30 March 2026

# REMUNERATION COMMITTEE REPORT

## COMPOSITION

The Remuneration Committee consists of seven members, namely, Mr. Norman Ho, Mr. Michael Wu, Mr. Kevin Yip and Ms. Amelia Yau (all being INEDs), Ms. Pansy Ho (Group Executive Chairman and Managing Director), Ms. Daisy Ho (Executive Director and Deputy Managing Director) and Ms. Maisy Ho (Executive Director). Mr. Michael Wu is the chairman of the Remuneration Committee. Mr. Charles Ho passed away and ceased to be a member of the Remuneration Committee on 11 June 2025. Ms. Amelia Yau and Ms. Maisy Ho were appointed members of the Remuneration Committee on 2 July 2025.

## DUTIES AND RESPONSIBILITIES

The principal role of the Remuneration Committee is to set the Company's remuneration and incentive policy as a whole, and review and approve remuneration proposals for Executive Directors and senior management. The emoluments of the Directors, including basic salary and performance bonus, are based on each Director's skills, knowledge and involvement in the Company's affairs, the Company's performance and profitability, remuneration benchmark in the industry and prevailing market conditions. No Director has taken part in setting his or her own remuneration.

According to its terms of reference (a copy of which is posted on the websites of the Company and the Stock Exchange), the Remuneration Committee shall meet at least once a year. Additional meetings may be held as required. Decisions may also be made by circulation of written resolutions accompanied by explanatory materials.

## ANNUAL WORK SUMMARY

During the year ended 31 December 2025, a Remuneration Committee meeting was held. The Remuneration Committee reviewed, made recommendation on INEDs' remuneration packages to the Board, approved the remuneration packages for Executive Directors, senior management and staff, and approved the Remuneration Committee Report as incorporated in the 2024 Annual Report.

## REMUNERATION POLICY

The remuneration policy of the Company (the "Remuneration Policy") establishes a formal and transparent procedure for determining remuneration of Directors and senior management. To achieve the Company's corporate goals and objectives, packages offered by the Group are competitive, adequate (but not excessive), in line with current market practices and able to attract, retain, motivate and reward Directors and senior management. To ensure that the Remuneration Policy is effective, the Remuneration Committee will review the policy and recommend revisions to the Board when necessary. The Remuneration Policy was updated in December 2017.

Directors' interests in the Company's shares, underlying shares and debentures, along with interests in contracts, are set out in "Report of the Directors". Particulars regarding Directors' emoluments and the five highest paid individuals are set out in "Notes to the Financial Statements" in this annual report.

**Michael Wu**

*Chairman of Remuneration Committee*

Hong Kong, 30 March 2026

# NOMINATION COMMITTEE REPORT

## COMPOSITION

The Nomination Committee consists of six members, namely, Mr. Norman Ho, Mr. Michael Wu, Mr. Kevin Yip and Ms. Amelia Yau (all being INEDs), Ms. Pansy Ho (Group Executive Chairman and Managing Director) and Ms. Daisy Ho (Executive Director and Deputy Managing Director). Ms. Pansy Ho is the chairman of the Nomination Committee. Mr. Charles Ho passed away and ceased to be a member of the Nomination Committee on 11 June 2025. Ms. Amelia Yau was appointed a member of the Nomination Committee on 2 July 2025.

## DUTIES AND RESPONSIBILITIES

The Nomination Committee is responsible for (i) formulating policy and making recommendations to the Board on nomination and appointment of Directors and the Board's succession planning; and (ii) monitoring the implementation of the Board Diversity Policy and nomination policy (the "Nomination Policy") and reviewing the same and recommending any revisions to the Board for consideration. The Nomination Committee develops selection procedures for candidates and will consider different criteria including relevant professional knowledge, industry experience, and the standards set forth in Rules 3.08 and 3.09 of the Listing Rules. It reviews the structure, size and composition of the Board annually to ensure that it has balanced skills and expertise to provide effective leadership to the Company. It assesses the independence of INEDs under the criteria in Rule 3.13 of the Listing Rules.

According to its terms of reference (a copy of which is posted on the websites of the Company and the Stock Exchange), the Nomination Committee shall meet as required by its work. Decision may also be made by circulation of written resolutions accompanied by explanatory materials.

## ANNUAL WORK SUMMARY

During the year ended 31 December 2025, a Nomination Committee meeting was held to review the structure, size, composition and diversity of the Board; the Directors' involvement in the Company's affairs; the implementation and effectiveness of the Board Diversity Policy and Nomination Policy; and the independence of INEDs; and make recommendations to the Board for putting forward Directors, who were subject to retirement by rotation, for re-appointment at 2025 AGM; and approve the Nomination Committee Report as incorporated in the 2024 Annual Report. The Nomination Committee also recommended to the Board for approval of the appointment of (i) Ms. Amelia Yau as an INED and a member of the Remuneration Committee, Nomination Committee and Audit and Risk Management Committee and (ii) Ms. Maisy Ho as a member of the Remuneration Committee both on 2 July 2025.

## NOMINATION POLICY

In December 2018, the Company adopted the Nomination Policy which sets out the nomination procedures and the process and criteria to select and recommend candidates for directorship. The Nomination Committee would select the candidates based on the objective criteria, including without limitation, educational background, professional experience, skills, knowledge, personal qualities and the benefit of diversity as set out under the Board Diversity Policy. The Nomination Committee would also take into account whether the candidate can demonstrate his/her commitment, competence and integrity required for the position, and in case of INEDs, the independence requirements under the Listing Rules and their time commitment to the Company. The Nomination Committee monitors the implementation of the Nomination Policy and will review and recommend any revisions to the Board for consideration and approval, when necessary, to enhance effectiveness. The Nomination Policy was updated in March 2022 and March 2026.

### **Pansy Ho**

*Chairman of Nomination Committee*

Hong Kong, 30 March 2026

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## COMPOSITION

The Audit and Risk Management Committee consists of four members, namely, Mr. Norman Ho, Mr. Michael Wu, Mr. Kevin Yip and Ms. Amelia Yau, all being INEDs. Mr. Norman Ho is the chairman of the Audit and Risk Management Committee and Ms. Amelia Yau was appointed a member of the Audit and Risk Management Committee on 2 July 2025. The Board is satisfied that the Audit and Risk Management Committee members collectively possess adequate financial experience to properly perform its duties and responsibilities. Mr. Norman Ho, Mr. Michael Wu and Ms. Amelia Yau hold professional accounting qualifications required by Rule 3.10(2) of the Listing Rules, details of which are set out in their biographies in "Management Profile" in this annual report.

## DUTIES AND RESPONSIBILITIES

The Audit and Risk Management Committee's primary responsibilities include reviewing the Company's financial reports, risk management and internal control systems (including, among others, risks relating to ESG), and effectiveness and objectivity of the audit process.

According to its terms of reference (a copy of which is posted on the websites of the Company and the Stock Exchange), the Audit and Risk Management Committee shall meet at least twice a year. Decisions may be made by circulating written resolutions accompanied by explanatory materials.

## ANNUAL WORK SUMMARY

During the year ended 31 December 2025, two Audit and Risk Management Committee meetings were held to review, inter alia, (i) the Company's interim and year-end financial reports, particularly areas requiring judgment, before submission to the Board; (ii) the internal audit program and the effectiveness of the internal audit function (including audit progress, findings and management's responses); (iii) the adequacy and effectiveness of the risk management and internal control systems (including the risk management processes, the principal risks identified and risk mitigation controls); (iv) PwC's confirmation of independence, its reports for the Audit and Risk Management Committee and management's letter of representation; (v) the fees for annual audit and non-audit services for the year ended 31 December 2024 and recommendations regarding re-appointment of the Company's external auditor; and (vi) the adequacy of resources, qualifications, experiences and training requirements of staff responsible for accounting, financial reporting, treasury, financial analysis, ESG and internal audit functions and approved the Audit and Risk Management Committee Report as incorporated in the 2024 Annual Report.

The Audit and Risk Management Committee also reviewed continuing connected transactions; reviewed and approved PwC's terms of engagement as the Company's external auditor for the year ended 31 December 2025, and its further engagement to (a) review the Company's preliminary results announcement for the year ended 31 December 2025; and (b) report on continuing connected transactions as disclosed in this annual report. As at the date of this report, the Audit and Risk Management Committee also considered the fees for annual audit and non-audit services for year ended 31 December 2025, and recommended the re-appointment of PwC (the retiring auditor at the forthcoming AGM) as the Company's external auditor.

With the introduction of the Group's whistleblowing policy (the "Whistleblowing Policy") since December 2011 and its updates in August 2017 and March 2022, employees and those who deal with the Group (e.g. customers and suppliers) are provided with a channel and guideline to report suspected misconduct, malpractice or irregularity within the Group without fear of reprisal or victimization. The Audit and Risk Management Committee was delegated with the overall responsibility for monitoring and reviewing the effectiveness of the Whistleblowing Policy.

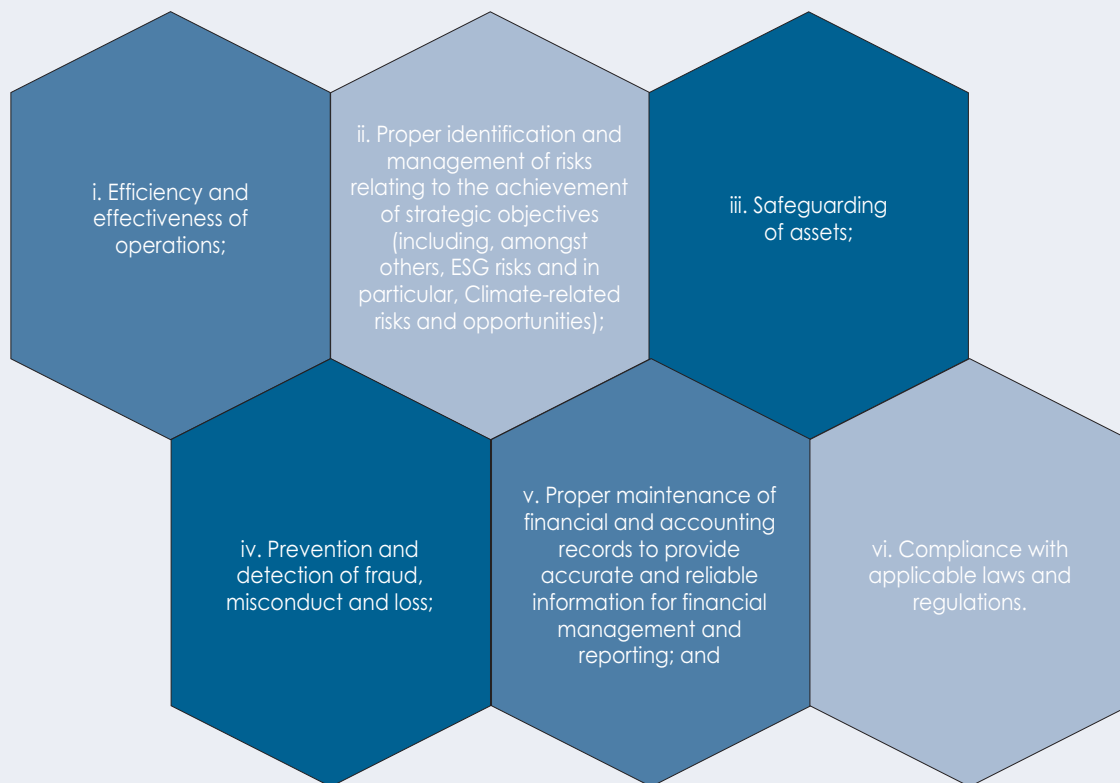
## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

To promote and support anti-corruption laws and regulations, the Group has set up systems and internal procedures for prevention of bribery, fraud and corruption. Details of the procedures are set out in the Group's code of conduct and communicated across all business units and relevant trainings are provided to employees. Regular seminars, including presentations by the Hong Kong Independent Commission Against Corruption, are organized for new and existing employees.

### RISK MANAGEMENT AND INTERNAL CONTROL

#### Responsibilities of the Board and Management









Shun Tak Group's risk management and internal control responsibilities reside at all levels within the Group, from the Board down to heads of business and supporting units as well as the general staff. The Board has overall responsibility for ensuring that appropriate and effective risk management and internal control systems are established and maintained. The Executive Committee assists the Board in designing, implementing and monitoring the Group's risk management and internal control systems which have been designed to ensure:



Such systems are aimed at mitigating risks faced by the Group to an acceptable level, but not eliminating all risks. Hence, such systems can only provide reasonable, but not absolute, assurance that there will not be any material misstatement in the financial information and any financial loss or fraud.

## Main features of the risk management and internal control systems

The Board has established a framework to maintain appropriate and effective risk management and internal control systems, which includes the following key procedures:

-  (i) setting core values and beliefs which form the basis of the Group's overall risk philosophy;
-  (ii) evaluating and determining the nature and extent of risks that the Group is willing to take in achieving its strategic objectives;
-  (iii) defining a management structure with clear lines of responsibility and authority limits which hold individuals accountable for their risk management and internal control responsibilities;
-  (iv) adopting an organizational structure which provides necessary information flow for risk analysis and management decision-making;
-  (v) imposing budgetary and management accounting controls to efficiently allocate resources and provide timely financial and operational performance indicators;
-  (vi) ensuring effective financial reporting controls to timely record complete and accurate accounting and management information;
-  (vii) overseeing the Executive Committee's policies and procedures on risk management, implementing risk mitigation measures and reviewing risk management results; and
-  (viii) through the Audit and Risk Management Committee, ensuring that appropriate risk management and internal control procedures are in place and function effectively.

## Ongoing and annual review

Through the Audit and Risk Management Committee, the Board continues to review the effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance, information technology and security, fraud prevention and detection and risk management controls. Such process encompasses a self-assessment from the head of each business or supporting unit and subsidiary, the Executive Committee's annual review and internal audit reviews conducted by the Group Internal Audit Department ("GIAD").

### Control self-assessment from the Head of each Business or Supporting Unit and Subsidiary

On an annual basis, the head of each business or supporting unit and subsidiary signs a confirmation to the Board that he/she has self-assessed the risk management and internal control systems of their operations against the criteria for effective internal control and risk management in the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework") and confirms that such systems are operating effectively.


The Executive Committee also conducts an annual review of the Group's risk management and internal control systems by referencing the criteria in the COSO Framework under the components of (i) control environment (ii) risk assessment (iii) control activities (iv) information and communication (v) monitoring activities and confirms to the Board that the Group's risk management and internal control systems are adequate and are operating effectively.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### Internal audit reviews conducted by GIAD

The GIAD reports to the Audit and Risk Management Committee and has unrestricted access to the Group's records and personnel. To ensure systematic coverage of all auditable areas (i.e. business and supporting units and subsidiaries of the Group) and effective deployment of resources, a four-year strategic audit plan adopting a risk ranking methodology has been formulated. This plan is revised annually to reflect organizational changes and new business development and is submitted for the Audit and Risk Management Committee's approval. Ad-hoc reviews will also be conducted if areas of concern are identified by the Audit and Risk Management Committee and management.

The GIAD reviews risk management and internal controls by:

- 
- (i) evaluating the control environment and risk identification and assessment processes;
  - (ii) assessing the adequacy of risk response measures and internal controls; and
  - (iii) testing the implementation of such measures and functioning of key controls through audit sampling.

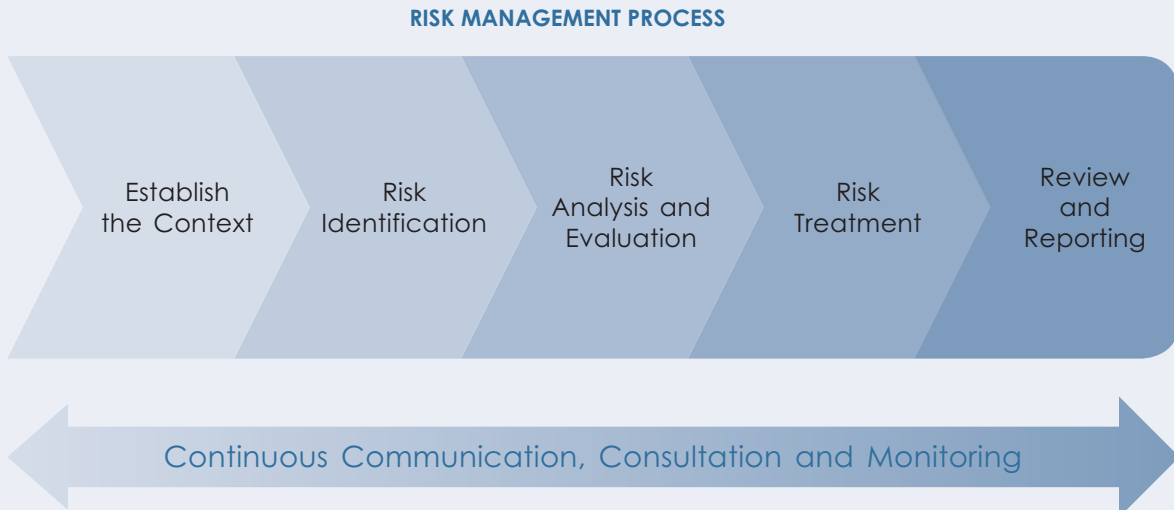
The GIAD also assists the Audit and Risk Management Committee in its reviews of the adequacy of resources, qualifications, experiences and training requirements of staff responsible for accounting, financial reporting, treasury, financial analysis, ESG and internal audit functions. During each audit, staff qualifications and experience as well as manpower plans and training programs and budgets are also reviewed to ensure competent staff are in place to maintain effective risk management and internal control systems. An audit report incorporating control deficiencies findings and management's rectification plans is issued for each audit.

The GIAD reports to the Audit and Risk Management Committee on the results of its assessment of the risk management and internal control systems and status of implementation of follow-up actions on control deficiencies periodically. In addition, the head of the GIAD attends Audit and Risk Management Committee meetings twice a year to report its progress.

### The process used to identify, evaluate and manage risks (including, among others, risks relating to ESG)

Risk management is integrated into the Group's culture and day-to-day activities. With reference to International Standard on Risk Management-Principles and Guidelines ("ISO31000"), policies and procedures on risk management have been established to ensure a consistent approach to identify and address risks (including, amongst others, risks relating to ESG) in business processes. The Board has established a well-defined Risk Appetite to guide employees on the level of risk permitted. Each unit maintains a risk register to record identified risks and opportunities (including any emerging risks) by taking into account various external and internal factors including economic, financial, political, technological, health and safety, legislation and regulations, operational, processing, execution, ESG and in particular, climate-related risks and opportunities, where applicable, as well as the Group's strategies and objectives and stakeholders' expectations. A formal assessment is conducted to rank each of the identified risk. The risk ratings are determined based on the likelihood of a risk occurring and its potential impact or consequences.

Risk treatment options and mitigation controls are identified, analyzed, implemented and reviewed. Risk management results are reported to the Executive Committee and the Audit and Risk Management Committee twice a year.



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## PRINCIPAL RISK FACTORS

The Group's financial performance, operations and prospects for growth may be affected by risks and uncertainties, both direct and indirect. Based on the Group's risk assessment policies and procedures, key risk factors are identified and are set out below (For details of the Climate Change Risk, please refer to the Group's sustainability report which was separately issued in April 2026) but they are not exhaustive or comprehensive and there may be additional risks not yet known to the Group or known risks whose significance will appear only in the future:

1	<p>Macroeconomic Environment</p>	<p><b>What are the risks?</b></p> <p>Changes in domestic, regional or global economic conditions may negatively affect consumer sentiment and lead to fluctuations in property prices and affect the value of properties owned or under development.</p> <p>Any continuous negative conditions such as escalating inflation, high unemployment rates, depressed stock or property prices, reduced disposable income, exchange rates fluctuations, etc. would significantly and adversely impact tourism and business spending patterns or reduce demand for business travel and hospitality and leisure businesses.</p> <p>Geopolitical conflicts, rising trade tensions and elevated borrowing costs in Asia and/or around the world may create uncertainty in the regional and global economic outlook.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>Global outlook remains uncertain. The regional economy is picking up slower than expected after global pandemic threat. The persistent uncertainty arising from geoeconomic confrontation, geopolitical instability, trade barriers and tariffs, high interest rates, and the looming threat of recession have dampened investment and consumer sentiment.</p> <p>The Group derives a substantial portion of its revenue and operating profits from its property development, investments and property management services segments. The Group's performance is therefore dependent on economic conditions and performance of property markets in Hong Kong, Macao, Chinese Mainland and Singapore.</p> <p>A sluggish macroeconomic environment is likely to adversely affect consumer sentiment and private consumption, and consequential downward pressure on room rates and occupancy levels of the Group's hotels, and may reduce demand for the Group's transportation and hospitality and leisure-related services such as restaurants, tourism facilities, MICE and retail businesses, all leading to a decline in revenue.</p>
---	----------------------------------	---	---

<p>2</p>	<p>Cybersecurity, AI-Driven Digital Threats, and Reliance on Technology and Automated Systems</p>	<p><b>What are the risks?</b></p> <p>Cyberthreats, outdated technology, inadequate security measures may lead to failure of automated systems and causes disruption of operations, loss of important data, leakage of personal data and payment information etc, which result in financial loss and reputational damages.</p> <p>With AI adoption accelerating, cyberattacks are becoming faster, more sophisticated, and harder to detect with rising risks from ransomware, AI-generated phishing and fraud, data breaches, cloud vulnerability and third-party/ supply chain cyber exposure.</p> <p>Any inability to utilize data analytics to achieve market intelligence or increase productivity and efficiency may cause the loss of competitive advantages.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>Our businesses require the use of sophisticated technology and automated systems such as property management, sales and leasing, hospitality and leisure related systems, ticketing and reservation, navigation and telecommunication, payment and accounting, etc. Failure of such systems could result in suspension of operations, breach of data privacy regulations, damage of reputation and loss of revenues and may give rise to uninsured liabilities.</p> <p>Failure to identify and remediate vulnerabilities in our systems, networks, applications, processes or internal control procedures may subject our systems to exploitation which may lead to a complete compromise of the systems.</p> <p>Our existing IT infrastructure may not be able to meet performance expectations. Rapid speed of innovations enabled by advanced technologies may outpace the Group's ability to compete or manage the risk appropriately.</p>
----------	---	---	--

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

<p>3</p>	<p>Government Policies, Regulations and Approvals</p>	<p><b>What are the risks?</b></p> <p>Property, transportation and hospitality and leisure businesses are subject to extensive legal compliance requirements, grant of licenses or concessions, safety, hygiene, environmental, minimum wage and other necessary government approvals.</p> <p>Any breaches, incidents, or failure to receive licenses, concessions or approvals from relevant governments may cause suspensions of operations, loss of rights to operate or to pursue development plans. Government policies and regulations such as the cooling measures for property market, may lead to fluctuations in property prices and affect the schedule of land sales and approvals for land use.</p> <p>Contravention of Data Privacy Protection Regulations may result in huge amount of penalties.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>Changes in government policies and increasingly stringent regulatory requirements may delay the Group in securing the required approvals, commencement and completion of its property projects and affect profits.</p> <p>Hospitality and leisure operations are subject to a wide range of laws and regulations and policies including healthcare, hygiene, personal data privacy, taxation, environmental, safety, fire, food preparation, building and security etc. Increases in minimum wages could cause higher operations costs and lower profits.</p> <p>The renewal of approvals at various operational stages of ferry operations must comply with conditions set by government authorities or shipping classification societies. Increases in departure tax or changes in visa approvals or entry restrictions may reduce passenger traffic and adversely affect revenue.</p> <p>Ensuring protection of data while complying with applicable legal and regulatory requirements for collecting, storing, securing, processing and using of sensitive data requires significant resources and increases the cost of operations.</p>
----------	---	---	--

4	Competition	<p><b>What are the risks?</b></p> <p>The Group's owned or managed hotels are subject to intense competition from large, multi-branded hotel chains, emerging regional "life style" brands and competition from new alternative suppliers such as Airbnb and HomeAway. New integrated resorts which offer greater variety pose a threat to the traditional hotels.</p> <p>The Hong Kong-Zhuhai-Macao Bridge opens up land transportation to Macao which directly competes with the Hong Kong-Macao ferry service.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>If the Group's owned or managed hotels cannot compete successfully, the operating margins, market share and earnings may be diminished.</p> <p>Revenue from the ferry traffic has been substantially reduced after opening of the Bridge. Rental income from the major source of patron flow at Shun Tak Centre – Macao ferry commuters, has been negatively impacted.</p>
5	Outbreaks of Contagious Disease, Civil Unrest, Natural Disasters or Any Non-controllable Events	<p><b>What are the risks?</b></p> <p>Outbreaks of war, contagious disease, civil unrest, severe weather conditions, natural disasters, terrorist attacks, disastrous events or travel security measures may lead to disruption of normal community life, reduction of passenger traffic and personal/business travels, suspension of operations and delay of property development schedules.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>The Group's property leasing, hospitality and leisure, transportation, MICE and tourism related businesses are adversely affected by factors beyond the Group's control such as pandemic threat, severe weather conditions, natural disasters, travel security measures, civil unrest, terrorist attacks or outbreak of wars. Any occurrence may result in substantial loss of revenue or suspension of operations.</p>

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

<p>6</p>	<p>Availability of Labour, Resources and Materials</p>	<p><b>What are the risks?</b></p> <p>The Group needs to attract, retain and develop sufficiently skilled and experienced workforces to maintain high standards of quality and guest and customer services.</p> <p>Other factors which may increase the Group's cost, impact operations or cause construction delays include late delivery, adverse quality, shortages or increased costs of materials, contractor services, parts and components to maintain our fleet, properties and hospitality and leisure facilities.</p> <p>Unable to integrate ESG, and in particular, climate-related initiatives into supply chain strategy may result in failure to achieve the Group's emission targets or violation of the Group's culture of diversity, equity and inclusion and worker safety.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>Labour shortage in the hospitality and leisure and servicing industry may affect the service quality of the Group's hospitality and leisure and transportation businesses.</p> <p>Any pandemic, severe weather or natural disasters may impact on the supply chains, from raw materials to finished products. Suppliers and service providers may be facing business continuity issues. Forced closure of factories and inward and logistic services due to severe weather or disasters may cause shortages of supplies and delay of the schedule of goods delivery.</p> <p>The Group relies upon affordable supplies of building materials and experienced and skillful contractors for its property project and, if unavailable, may lead to delays in completion, increase in costs and reduced profitability. Engaging suppliers who do not operate sustainably may damage the Group's reputation.</p>
<p>7</p>	<p>Counterparty, Employee Misconduct, Negligence, Legal Compliance and Fraud Risks</p>	<p><b>What are the risks?</b></p> <p>Business counterparties may fail to enforce standards and contractual terms which may give rise to disagreements. Any premature termination of, or inability to renew management or franchise agreements may cause suspension of operations, loss of business or increase in operational costs.</p> <p>Risks may also arise from employees' misconduct or negligence such as non-compliance with rules and regulations, internal policies and procedures, corruption, fraud or other malpractices. The Group may itself become involved in investigations and regulatory proceedings for breach of rules and regulations, improper business conduct, market abuse or bribery, etc.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>The Group's bankers, joint venture partners, buyers, tenants, contractors, debtors, suppliers, etc. may potentially fail to honour their contractual, financial or operational obligations or other disagreements may cause the Group to delay its growth plans, service initiatives, or lose revenue, incur litigation costs or other liabilities and damage of reputation.</p> <p>Potential claims may arise for breach and negligence resulting from employee misconduct and fraud.</p> <p>Any dealings with parties convicted of money laundering or financing terrorism offence may result in breach of laws or revocation of license.</p> <p>Substantial legal liability could materially and adversely affect the Group's business and financial results or cause reputational harm.</p>

## 8 Climate Change Risk

**What are the risks?**

Climate change and environmental-related risks, such as frequent occurrence of extreme weather events, rising global temperature and rise in sea level, may cause disruption to the Group's business operations and supply chain, as well as physical damage to the critical infrastructure of the Group's assets especially for those located in coastal areas. Extreme weather events may also pose direct health and safety risks to our employees exposed at their workplaces.

More stringent policy and social awareness over climate change issues may also pose transition risks. More stringent policy imposes extra costs for us to meet the increasing regulatory and reporting requirements. Greater awareness of the public of reduction in carbon intensity may imply a higher expectation on the Group's products and services to mitigate adverse impacts brought by climate change. Failure to respond promptly to such social awareness and changes in investors' and customers' preference will adversely affect the Group's revenue and reputation.

**What are the possible impacts of occurrence?**

Climate change risks may pose a great challenge to the Group's property development and management businesses. Extra operating and investment costs for maintenance, and technical and management measures are required to tackle physical risks brought by extreme weather events such as super hurricanes and typhoons, flooding and heatwaves. Increased insurance costs for such extreme weather events may also cause a possible devaluation and lower rental premium of the Group's assets, which will in turn reduce the Group's revenue.

In order to respond to the investors' and customers' concerns and awareness of climate change issues, more investments are required to conduct technology and equipment upgrades and adopt green materials for property development projects to enhance energy efficiency and reduce carbon emissions, which will increase the investment and construction cost to the Group.

Introduction of more environmental and climate-related legislations by the government to restrict carbon emissions also poses transition risks to the Group. More stringent green building codes to the existing buildings may lead to earlier retirement of the equipment. More sustainability disclosures and measures are required to be fulfilled and adopted. Any breaches of the laws and regulations may result in disruption to the Group's business, possible fines and penalties as well as reputational harm.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

9	Strategic, Decision Making and Integration Risks	<p><b>What are the risks?</b></p> <p>The results of the Group's strategic decisions or business plans may fall short of expectations due to unsatisfactory implementation of plans or an inability to adapt to adverse business conditions.</p> <p>Without the agility to pivot in response to change can lead to strategic failure.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>The Group may face challenges from establishing new businesses or acquiring ones with existing operations, managing them in markets where it possesses limited experience and failure to generate synergies, and this may drain or overstretch the Group's management and capital resources.</p>
10	Financial Risk	<p><b>What are the risks?</b></p> <p>Foreign exchange rate and interest rate fluctuations may result in losses or significantly increase the cost of financing.</p> <p>The inability to access sufficient capital/liquidity may restrict the Group's growth opportunities.</p>	<p><b>What are the possible impacts of occurrence?</b></p> <p>The Group adopts a prudent approach to financial risk management to minimize currency exposure and interest rate risks. Majority of funds raised by the Group are on a floating rate basis. Except for bank loans with principal amount of RMB226 million and SGD640 million, the Group's outstanding borrowings at year-end were not denominated in foreign currencies. Approximately 75% of the bank deposits, cash and bank balances are denominated in Hong Kong dollar ("HKD"), Macao pataca ("MOP") and US dollar ("USD") and the remaining balance mainly in Singapore dollar ("SGD") and Renminbi ("RMB"). MOP and USD are pegged to HKD. The Group's principal operations are primarily conducted in HKD while its financial assets and liabilities are denominated in USD, MOP, SGD and RMB. The Group will from time-to-time review its foreign exchange and market conditions to determine if hedging is required.</p>

---

## RISK MITIGATION MEASURES

The Group's risk management and internal control systems ensure the proper identification, management and mitigation of risks (including, among others, risks relating to ESG and in particular, climate-related risks). The Executive Committee, together with a panel of senior management and working groups who are experienced in business development, fuel hedging, crisis management, safety, health and environmental protection, business continuity and information technology, closely monitor potential risks to minimize their impact (if any) on the Group; and explore ways to develop and enhance services and products, reduce cost and generate income for the Group.

---

**Norman Ho**

*Chairman of Audit and Risk Management Committee*

Hong Kong, 30 March 2026

# INDEPENDENT AUDITOR'S REPORT



**To the Members of Shun Tak Holdings Limited**  
*(incorporated in Hong Kong with limited liability)*

羅兵咸永道

## OPINION

### What we have audited

The consolidated financial statements of Shun Tak Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 105 to 192, comprise:

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

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## 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.

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

- Valuation of investment in Sociedade de Turismo e Diversões de Macau, S.A. ("STDM")
- Valuation of investment properties held by the Group, its joint ventures and associates
- Carrying values of hotel properties

### Key Audit Matter

#### Valuation of investment in STDM

*Refer to notes 2(j), 3(b), 19 and 39(e) to the consolidated financial statements.*

The Group has equity interests in STDM which is accounted for as financial asset at fair value through other comprehensive income.

Management has performed valuation assessment for the investment in STDM. As at 31 December 2025, the fair values of investment in STDM were HK\$1,523 million.

STDM is an unlisted company with no quoted market price in an active market and the fair value is determined by using market approach which is calculated based on dividend income expected from STDM capitalized by a capitalization rate.

The key assumptions used, such as expected future dividend income and capitalization rate, require significant management's judgement. Management estimates the future dividend from STDM with reference to the Group's forecast results of STDM, the historical dividend distribution amount from STDM and the sustainability of such distribution. The capitalization rate adopted is derived with reference to dividend yields of comparable listed companies with similar business nature.

We focused on this area because of the financial significance of the balances, subjectivity of judgements and estimation uncertainty involved.

### How our audit addressed the Key Audit Matter

Our audit procedures in relation to management's valuation of the investment in STDM included:

- Understanding management's processes for determining the valuation of investment in STDM and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied.
- Involving in-house valuation experts in assessing the appropriateness and consistency of the methodologies used in the valuation model.
- Checking the mathematical accuracy of the underlying calculations in the valuation.
- Assessing the reasonableness of the key inputs and assumptions by (1) comparing management's expected future dividend income from STDM to the historical trend in light of available information of STDM; and by (2) comparing the applied capitalization rate to market information of dividend yields of comparable listed companies with the support of our in-house valuation experts.
- Considering the results of sensitivity analysis on reasonably possible changes in the key assumptions adopted.

We considered the judgements made and the assumptions used in the valuation of investment in STDM to be supportable based on the evidence gathered.

## INDEPENDENT AUDITOR'S REPORT

### Key Audit Matter

#### Valuation of investment properties held by the Group, its joint ventures and associates

Refer to notes 2(g), 3(a), 14, 16 and 17 to the consolidated financial statements.

The Group's investment properties are stated at fair value. As at 31 December 2025, the fair value of investment properties held through the Group's subsidiaries was HK\$8,779 million. The Group also has interests in a number of investment properties held through its joint ventures and associates.

The fair value was determined by the Group with reference to the valuations performed by independent professional valuers ("Valuers").

For completed investment properties, the fair value was derived using the direct comparison approach or income approach. Due to the unique nature of each investment property, the assumptions applied in the valuations were determined having regard to each property's characteristics such as location, building age and occupancy status. The key assumptions used in the valuation, such as current market rents, capitalization rate and recent transacted prices were influenced by prevailing market conditions and with reference to comparable transactions.

For investment properties under construction, fair value was derived using the residual method by deducting development costs and developer's profit from the estimated fair value of the proposed development assuming completed as at the date of valuation under income approach or direct comparison approach.

We focused on this area because of the financial significance of the balances, subjectivity of judgements and estimation uncertainty involved.

### How our audit addressed the Key Audit Matter

Our audit procedures in relation to the valuation of investment properties included:

- Understanding management's processes for determining the valuation of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied.
- Evaluating the competence, capabilities and objectivity of the Valuers, and reading valuation reports of the investment properties.
- Involving our in-house valuation experts in assessing the appropriateness of the methodologies used in the valuation of each property.
- Testing, on a sample basis, the accuracy of property specific information such as location, building age and occupancy status.
- With the support of our in-house valuation experts, assessing the reasonableness of the judgement and key assumptions used in the valuations, including market rents, capitalization rate and recent transacted prices of comparable transactions, by conducting independent market research.
- With the support of our in-house valuation experts, assessing the reasonableness of estimated costs to complete and developer's profit for properties under construction by comparing them to the market construction costs and developer's profit of similar properties.

We found the valuation methodologies being appropriate and the key assumptions used in the valuation of investment properties were supportable in light of available evidence.

**Key Audit Matter****Carrying values of hotel properties**

*Refer to notes 2(f), 3(d), 12 and 13 to the consolidated financial statements.*

The Group holds a number of hotel properties in Hong Kong, Chinese Mainland and Singapore with carrying amounts included in property, plant and equipment of HK\$3,562 million and right-of-use assets of HK\$605 million as at 31 December 2025.

Management performs an impairment assessment of its hotel properties at the separate cash-generating unit ("CGU") level, where impairment indicators exist, to determine the recoverable amounts of the hotel properties. The recoverable amounts are determined as the higher of the CGU's value-in-use and fair value less costs to sell. In determining the fair value less costs to sell, independent professional valuers (the "valuers") are engaged by the Group to perform the valuation of the hotel properties.

Based on the impairment assessments carried out by management, no provision for impairment of hotel properties was recognized in the consolidated income statement for the year ended 31 December 2025.

The impairment assessment involves significant judgements and estimation uncertainty in respect of future business performance and key assumptions including capitalization rate, discount rates, occupancy rates, average daily room rates, value per room, etc.

We focused on this area because of the financial significance of the balances, subjectivity of judgements and estimation uncertainty involved.

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

Our procedures in relation to management's assessment of the carrying values of the hotel properties included:

- Understanding and reviewing management's impairment assessment process, including the identification of indicators of impairment and appropriateness of the valuation models used, the forecast of future performance and inspection of the operating results of the respective hotels and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied.
- Evaluating the competence, capabilities and objectivity of the valuers, and reading the valuation reports of hotel properties.
- Where there were indicators of impairment, assessing the appropriateness of methodologies and key assumptions used by the valuers and management in the calculations of the recoverable amounts. This included the involvement of our in-house valuation experts to assess the discount rate, capitalization rate and value per room with reference to market data, if applicable. The reasonableness of other key assumptions, such as occupancy rates and average daily room rates applied in the forecasts, as well as recent transacted prices of comparable transactions, were also assessed by comparing them to historical results, latest economic and industry forecasts and market data.
- Evaluating management's future cash flow forecasts and the processes by which they were drawn up, including testing the underlying calculations and comparing them to the latest management approved budgets and the actual results of the prior period.
- Considering the results of sensitivity analysis on reasonably possible changes in the key assumptions adopted.

We found the significant judgements and estimates adopted by management in the impairment assessments of hotel properties were supportable based on our work and the evidence obtained.

# INDEPENDENT AUDITOR'S REPORT

## OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND AUDIT AND RISK MANAGEMENT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit and Risk Management Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Management 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 and Risk Management 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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Sung Lai, Arthur (practicing certificate number: P05714).

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 30 March 2026

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	Note	2025	2024
		HK\$'000	HK\$'000
<b>Revenue</b>	4	<b>2,414,937</b>	4,545,551
Other income	4	<b>350,437</b>	335,626
		<b>2,765,374</b>	4,881,177
Other gains/(losses), net	5	<b>181,293</b>	(20)
Cost of inventories sold and services provided		<b>(712,006)</b>	(2,446,336)
Staff costs		<b>(679,063)</b>	(668,128)
Depreciation and amortization		<b>(173,257)</b>	(168,743)
Other costs		<b>(542,225)</b>	(720,899)
Fair value changes on investment properties		<b>(293,918)</b>	(400,019)
<b>Operating profit</b>	6	<b>546,198</b>	477,032
Finance costs	8	<b>(515,486)</b>	(695,093)
Share of results of joint ventures	16	<b>(342,931)</b>	(291,178)
Share of results of associates	17	<b>(141,241)</b>	(154,408)
<b>Loss before taxation</b>		<b>(453,460)</b>	(663,647)
Taxation	9(a)	<b>(9,168)</b>	(85,915)
<b>Loss for the year</b>		<b>(462,628)</b>	(749,562)
<b>Attributable to:</b>			
Owners of the Company		<b>(478,227)</b>	(823,951)
Non-controlling interests		<b>15,599</b>	74,389
<b>Loss for the year</b>		<b>(462,628)</b>	(749,562)
<b>Loss per share (HK cents)</b>	11		
– basic		<b>(15.8)</b>	(27.3)
– diluted		<b>(15.8)</b>	(27.3)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025	2024
	HK\$'000	HK\$'000
<b>Loss for the year</b>	<b>(462,628)</b>	(749,562)
<b>Other comprehensive income/(loss)</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Reversal of asset revaluation reserve upon sales of properties, net of tax	<b>(20,302)</b>	(37,021)
Currency translation differences	<b>494,714</b>	(328,636)
Share of currency translation difference of joint ventures	<b>230,013</b>	(149,922)
Share of currency translation difference of associates	<b>71,527</b>	(124,824)
Share of other comprehensive income/(loss) of associates	<b>1,176</b>	(1,482)
<b>Items that will not be reclassified to profit or loss:</b>		
Equity instruments at fair value through other comprehensive income:		
Changes in fair value	<b>172,365</b>	191,735
Currency translation differences	<b>12,347</b>	(10,010)
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>961,840</b>	(460,160)
<b>Total comprehensive income/(loss) for the year</b>	<b>499,212</b>	(1,209,722)
<b>Attributable to:</b>		
Owners of the Company	<b>471,266</b>	(1,274,101)
Non-controlling interests	<b>27,946</b>	64,379
<b>Total comprehensive income/(loss) for the year</b>	<b>499,212</b>	(1,209,722)

# CONSOLIDATED BALANCE SHEET

As at 31 December 2025

	Note	2025	2024
		HK\$'000	HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	12	3,661,813	3,627,526
Right-of-use assets	13	641,043	662,262
Investment properties	14	8,779,090	9,420,396
Joint ventures	16	9,758,316	9,880,735
Associates	17	5,593,736	5,499,183
Intangible assets	18	2,009	2,072
Financial assets at fair value through other comprehensive income	19	1,718,132	1,679,046
Deferred tax assets	9(c)	119,301	64,012
Other non-current assets	20	563,347	579,953
		<b>30,836,787</b>	31,415,185
<b>Current assets</b>			
Inventories	21	8,397,331	8,463,897
Trade and other receivables, deposits paid and prepayments	22	892,823	1,285,644
Contract assets	26	502,136	1,228,916
Taxation recoverable		581	377
Short term deposits	23	5,124,929	2,587,447
Cash and cash equivalents	23	4,431,309	5,222,432
		<b>19,349,109</b>	18,788,713
Assets held for sale	24	580,668	—
		<b>19,929,777</b>	18,788,713
<b>Current liabilities</b>			
Trade and other payables, and deposits received	25	838,943	774,443
Contract liabilities	26	101,833	105,798
Lease liabilities		20,847	32,468
Bank borrowings	27	2,715,380	5,617,689
Provision for employee benefits	28	6,912	6,739
Taxation payable		198,685	316,917
Loans from non-controlling interests	29	50,000	35,000
		<b>3,932,600</b>	6,889,054
<b>Net current assets</b>		<b>15,997,177</b>	11,899,659
<b>Total assets less current liabilities</b>		<b>46,833,964</b>	43,314,844

# CONSOLIDATED BALANCE SHEET

As at 31 December 2025

	Note	2025	2024
		HK\$'000	HK\$'000
<b>Non-current liabilities</b>			
Contract liabilities	26	43,713	44,159
Lease liabilities		18,600	32,819
Bank borrowings	27	13,232,425	9,817,943
Deferred tax liabilities	9(c)	663,410	684,136
Other non-current liabilities		3,400	3,400
		<b>13,961,548</b>	10,582,457
<b>Net assets</b>			
		<b>32,872,416</b>	32,732,387
<b>Equity</b>			
Share capital	30	9,858,250	9,858,250
Other reserves	32	21,053,873	20,582,883
<b>Equity attributable to owners of the Company</b>			
Non-controlling interests		30,912,123	30,441,133
		<b>1,960,293</b>	2,291,254
<b>Total equity</b>		<b>32,872,416</b>	32,732,387

**Pansy Ho**  
Director

**Daisy Ho**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Equity attributable to owners of the Company											Non-controlling interests	Total equity		
	Share capital	Capital reserve	Legal reserve	Special reserve	Investment revaluation reserve	Hedging reserve	Asset revaluation reserve	Exchange reserve	Retained profits	Proposed dividends	Total				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2025	9,858,250	11,109	66,982	(151,413)	392,743	4,265	176,784	(1,270,264)	21,352,677	—	30,441,133	2,291,254	32,732,387		
(Loss)/profit for the year	—	—	—	—	—	—	—	—	(478,227)	—	(478,227)	15,599	(462,628)		
<b>Items that may be reclassified to profit or loss:</b>															
Reversal of asset revaluation reserve upon sales of properties, net of tax	—	—	—	—	—	—	(20,302)	—	—	—	(20,302)	—	(20,302)		
Currency translation differences	—	—	—	—	—	—	494,714	—	—	—	494,714	—	494,714		
Share of currency translation difference of joint ventures	—	—	—	—	—	—	—	230,013	—	—	230,013	—	230,013		
Share of currency translation difference of associates	—	—	—	—	—	—	—	71,527	—	—	71,527	—	71,527		
Share of other comprehensive income of associates	—	9	1,167	—	—	—	—	—	—	—	1,176	—	1,176		
<b>Items that will not be reclassified to profit or loss:</b>															
Equity instruments at fair value through other comprehensive income:															
Changes in fair value	—	—	—	—	172,365	—	—	—	—	—	172,365	—	172,365		
Disposal	—	—	—	—	135,516	—	—	—	(135,516)	—	—	—	—		
Currency translation differences	—	—	—	—	—	—	—	—	—	—	—	12,347	12,347		
Other comprehensive income/(loss) for the year, net of tax	—	9	1,167	—	307,881	—	(20,302)	796,254	(135,516)	—	949,493	12,347	961,840		
Total comprehensive income/(loss) for the year	—	9	1,167	—	307,881	—	(20,302)	796,254	(613,743)	—	471,266	27,946	499,212		
Dividend to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(358,907)	(358,907)		
Transfers	—	—	241	—	—	—	—	—	(241)	—	—	—	—		
Disposal of subsidiaries	—	—	—	—	—	—	—	(276)	—	—	(276)	—	(276)		
	—	—	241	—	—	—	—	(276)	(241)	—	(276)	(358,907)	(359,183)		
As at 31 December 2025	9,858,250	11,118	68,390	(151,413)	700,624	4,265	156,482	(474,286)	20,738,693	—	30,912,123	1,960,293	32,872,416		

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Equity attributable to owners of the Company										Non-controlling interests	Total equity	
	Share capital	Capital reserve	Legal reserve	Special reserve	Investment revaluation reserve	Hedging reserve	Asset revaluation reserve	Exchange reserve	Retained profits	Proposed dividends			Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	9,858,250	11,220	67,361	(151,413)	201,008	4,265	213,805	(666,882)	22,177,620	—	31,715,234	2,350,945	34,066,179
(Loss)/profit for the year	—	—	—	—	—	—	—	—	(823,951)	—	(823,951)	74,389	(749,562)
<b>Items that may be reclassified to profit or loss:</b>													
Reversal of asset revaluation reserve upon sales of properties, net of tax	—	—	—	—	—	—	(37,021)	—	—	—	(37,021)	—	(37,021)
Currency translation differences	—	—	—	—	—	—	—	(328,636)	—	—	(328,636)	—	(328,636)
Share of currency translation difference of joint ventures	—	—	—	—	—	—	—	(149,922)	—	—	(149,922)	—	(149,922)
Share of currency translation difference of associates	—	—	—	—	—	—	—	(124,824)	—	—	(124,824)	—	(124,824)
Share of other comprehensive loss of associates	—	(111)	(1,371)	—	—	—	—	—	—	—	(1,482)	—	(1,482)
<b>Items that will not be reclassified to profit or loss:</b>													
Equity instruments at fair value through other comprehensive income:													
Changes in fair value	—	—	—	—	191,735	—	—	—	—	—	191,735	—	191,735
Currency translation differences	—	—	—	—	—	—	—	—	—	—	—	(10,010)	(10,010)
Other comprehensive (loss)/income for the year, net of tax	—	(111)	(1,371)	—	191,735	—	(37,021)	(603,382)	—	—	(450,150)	(10,010)	(460,160)
Total comprehensive (loss)/income for the year	—	(111)	(1,371)	—	191,735	—	(37,021)	(603,382)	(823,951)	—	(1,274,101)	64,379	(1,209,722)
Dividend to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(124,070)	(124,070)
Transfers	—	—	992	—	—	—	—	—	(992)	—	—	—	—
	—	—	992	—	—	—	—	—	(992)	—	—	(124,070)	(124,070)
As at 31 December 2024	9,858,250	11,109	66,982	(151,413)	392,743	4,265	176,784	(1,270,264)	21,352,677	—	30,441,133	2,291,254	32,732,387

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	2025	2024
	HK\$'000	HK\$'000
<b>Operating activities</b>		
Loss before taxation	(453,460)	(663,647)
Adjustments for:		
Depreciation and amortization	173,257	168,743
Fair value changes on investment properties	293,918	400,019
Finance costs	515,486	695,093
Interest income	(256,960)	(247,424)
Dividend income from financial assets at fair value through other comprehensive income	(105,214)	(101,987)
Share of results of joint ventures	342,931	291,178
Share of results of associates	141,241	154,408
Realization of asset revaluation reserve upon sale of properties	(23,070)	(42,069)
Net loss on disposal of property, plant and equipment	1,168	20
Net gain on deregistration of a subsidiary	(169)	—
Impairment loss on property, plant and equipment	—	1,913
Impairment losses recognized on trade and other receivables	2,520	28
Write-off of prepayments	—	20,447
Operating profit before working capital changes	631,648	676,722
Decrease in inventories of properties, excluding net finance costs capitalized	506,614	1,778,558
Decrease/(increase) in other inventories	3,106	(1,955)
Decrease/(increase) in trade and other receivables, deposits paid and prepayments	394,886	(318,324)
Decrease/(increase) in contract assets	726,780	(94,539)
Decrease in trade and other payables, and deposits received	(42,361)	(117,308)
(Decrease)/increase in contract liabilities	(4,411)	23,296
Increase/(decrease) in provision for employee benefits	173	(579)
Net cash generated from operations	2,216,435	1,945,871
Income tax paid	(229,049)	(58,006)
<b>Net cash from operating activities</b>	<b>1,987,386</b>	<b>1,887,865</b>

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025	2024
		HK\$'000	HK\$'000
<b>Investing activities</b>			
Addition to property, plant and equipment		(43,667)	(54,255)
Addition to investment properties		(1,798)	(2,551)
Advances to a joint venture		(83,000)	(90,600)
Advances to an associate		(628)	—
Repayments from associates		—	440
Payment for investment in an associate		(168,090)	(46,684)
Repayments of mortgage loans		59	54
Capital refund from an investment fund		441	181
Prepayment for purchasing of property, plant and equipment		(2,633)	(5,004)
Proceeds from disposal of property, plant and equipment		168	—
Proceeds from disposal of financial assets at fair value through other comprehensive income		132,839	—
Increase in bank deposits with maturities over three months		(2,537,482)	(838,979)
Interest received		222,315	224,559
Dividends received from financial assets at fair value through other comprehensive income		105,457	98,674
Dividends received from joint ventures		9,500	25,000
Dividends received from an associate		5,000	6,152
<b>Net cash used in investing activities</b>		<b>(2,361,519)</b>	<b>(683,013)</b>
<b>Financing activities</b>			
Drawdown of new bank loans	37	5,925,000	7,371,191
Repayments of bank loans	37	(5,684,016)	(7,279,054)
Repayment of a loan from non-controlling interest		—	(15,361)
Payment for lease liabilities (including interest)	37	(37,398)	(41,923)
Finance costs (including interests and bank charges) paid		(504,931)	(690,975)
Dividends paid to shareholders	37	(9)	(19)
Dividends paid to non-controlling interests	37	(242,927)	(124,070)
<b>Net cash used in financing activities</b>		<b>(544,281)</b>	<b>(780,211)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(918,414)</b>	<b>424,641</b>
<b>Effect of foreign exchange rates changes</b>		<b>127,291</b>	<b>(87,727)</b>
<b>Cash and cash equivalents as at 1 January</b>		<b>5,222,432</b>	<b>4,885,518</b>
<b>Cash and cash equivalents as at 31 December</b>	23	<b>4,431,309</b>	<b>5,222,432</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Shun Tak Holdings Limited (the "Company") is a public listed company incorporated in Hong Kong with limited liability. The address of the registered office and principal place of business of the Company is Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Company has its shares listed on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated.

The principal activity of the Company is investment holding while the activities of its principal subsidiaries, joint ventures and associates are set out in note 42.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

### (a) Accounting policies

A summary of the material accounting policies adopted by the Company and its subsidiaries (collectively referred to as the "Group") is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (b) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and certain financial assets which have been measured at fair value.

These consolidated financial statements comply with the applicable requirements of Hong Kong Companies Ordinance (Cap. 622), with the exception of Section 381 which requires a company to include all the subsidiary undertakings (within the meanings of Schedule 1 to Cap. 622) in the Company's annual consolidated financial statements. Section 381 is inconsistent with the requirements of HKFRS 10 "Consolidated Financial Statements" so far as Section 381 applies to subsidiary undertakings which are not controlled by the Group in accordance with HKFRS 10. For this reason, under the provision of Section 380(6), the Company has departed from Section 381 and has not treated such companies as subsidiaries but they are accounted for in accordance with the accounting policies in note 2(c). The subsidiaries excluded subsidiary undertakings of the Group are disclosed in note 42.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

# NOTES TO THE FINANCIAL STATEMENTS

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (b) Basis of preparation (Continued)

#### (i) Impact of amended standards

##### **Amendments to standards adopted by the Group**

The following amendments to standards are relevant to the Group's operations and first effective for the Group's financial year beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1    Lack of Exchangeability

The adoption of the above amendments to standards did not have any significant impact to the Group's results for the year ended 31 December 2025 and the Group's financial position as at 31 December 2025.

#### (ii) New standards, amendments to standards and interpretation not yet adopted

The HKICPA has issued new standards, amendments to standards and interpretation which are relevant to the Group's operations but are not yet effective for the Group's financial year beginning on 1 January 2025 and have not been early adopted:

Amendments to HKFRS 9 and HKFRS 7 <sup>(1)</sup>	Classification and Measurement of Financial Instruments
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>(1)</sup>	Annual Improvements to HKFRS Accounting Standards — Volume 11
HKFRS 18 <sup>(2)</sup>	Presentation and Disclosure in Financial Statements
HKFRS 19 <sup>(2)</sup>	Subsidiaries without Public Accountability: Disclosures
Amendments to HK Interpretation 5 <sup>(2)</sup>	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 10 and HKAS 28 <sup>(3)</sup>	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

<sup>(1)</sup> Effective for annual periods beginning 1 January 2026

<sup>(2)</sup> Effective for annual periods beginning 1 January 2027

<sup>(3)</sup> Effective date to be determined

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for HKFRS 18, these new standards, amendments to standards and interpretation would not be expected to have a material impact to the results of the Group, while the Group is in a process of assessing their impact.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (c) Basis of consolidation, separate financial statements and equity accounting

#### (i) Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

All intra-group transactions, balances and unrealized gains and losses resulting from intra-group transactions and dividends are eliminated unless the transaction provides evidence of an impairment of transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

# NOTES TO THE FINANCIAL STATEMENTS

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (c) Basis of consolidation, separate financial statements and equity accounting (Continued)

#### (ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Dilution gains or losses on transaction with non-controlling interests are also recorded in equity.

#### (iii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### (iv) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income ("OCI") in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

#### (v) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (c) Basis of consolidation, separate financial statements and equity accounting (Continued)

#### (v) Associates (Continued)

The Group's share of post-acquisition profit or loss is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Gains and losses on dilution of equity interest in associates are recognized in the consolidated income statement.

#### (vi) Joint arrangements

The Group has applied HKFRS 11 to all joint arrangement. Under HKFRS 11 Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

#### (d) Operating segments

An operating segment is a component of the Group that engages in business activities from which the Group may earn revenues and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. The executive committee is identified as the Group's chief operating decision maker who makes strategic decisions.

#### (e) Foreign currency translation

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

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

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Changes in the fair value of debt instruments denominated in a foreign currency and classified as financial asset through fair value through other comprehensive income are analysed between exchange differences resulting from changes in amortized cost of the investment and other changes in the carrying amount of the investment. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as financial assets at fair value through other comprehensive income ("FVOCI"), are included in other comprehensive income.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (e) Foreign currency translation (Continued)

#### (iii) Group companies

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

1. assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
2. income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
3. all resulting exchange differences are recognized in other comprehensive income.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

### (f) Property, plant and equipment

Property, plant and equipment including buildings and leasehold land held for own use (classified as finance leases) are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings comprise mainly offices. Leasehold land classified as finance lease and all other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Depreciation is provided to write off the cost of items of property, plant and equipment, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following annual rates:

Hotel buildings	2% or over the remaining lease terms, if shorter
Leasehold buildings	1.7% — 2.4% or over the remaining lease terms, if shorter
Other assets	5% — 33%

# NOTES TO THE FINANCIAL STATEMENTS

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (f) Property, plant and equipment (Continued)

The residual values and useful lives of items of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(i)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other gains/losses, net' in the consolidated income statement.

No depreciation is provided on hotel building under construction, construction in progress and freehold land.

### (g) Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group or for sale in the ordinary course of business. It also includes properties that are being constructed or developed for future use as investment properties.

Investment properties are measured initially at cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at fair value, representing open market value determined at each balance sheet date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair value are recognized in the consolidated income statement.

### (h) Intangible assets

Separately acquired licences, franchises, trademarks and royalties are classified as intangible assets and stated at historical cost less accumulated amortization and any accumulated impairment losses. For franchises, trademarks and royalties, amortization is provided over the estimated finite useful lives of 15 years using the straight-line method.

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

Assets that have an indefinite useful life — for example, goodwill or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Financial assets

#### I. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortized cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The classification of debt financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

#### II. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Financial assets (Continued)

#### II. Measurement (Continued)

##### **Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated income statement.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

##### **Equity instruments**

All equity investments shall subsequently measured at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Financial assets (Continued)

#### III. Impairment

The Group assesses on a forward looking basis for the expected credit loss ("ECL") associated with its financial assets carried at amortized cost and debt instruments at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach required by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

#### IV. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### (k) Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Changes in fair value of derivative instruments that do not qualify for hedge accounting are recognized immediately in the consolidated income statement.

The Group documents at the inception of the transaction the economic relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

For cash flow hedge, where instruments are designated to hedge against a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, the effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognized in OCI. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated income statement.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

#### (l) Properties for or under development

Properties for or under development are classified under current assets and stated at the lower of cost and net realisable value. Costs include the acquisition cost of land, aggregate cost of development, other direct expenses and where applicable borrowing costs. Net realisable value represents the estimated selling price less estimated costs of completion and estimated selling expenses.

#### (m) Inventories and properties held for sale

Inventories and properties held for sale are stated at the lower of cost and net realisable value. In respect of unsold properties, cost is determined by apportionment of the total land and development costs, other direct expenses and where applicable borrowing costs attributable to unsold properties. Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses after the balance sheet date, or by management estimates of anticipated sale proceeds based on prevailing market conditions. In respect of other inventories, cost comprises all costs of purchase and is determined using the first-in first-out basis or weighted average basis as appropriate. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### (n) Trade and other receivables

Trade receivables are amounts due from customers for inventories sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

For trade receivables, the Group applies the simplified approach required by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. For other receivables, the Group assesses on a forward looking basis for the ECL under 12 months expected losses method. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### (o) Contract related assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net contract asset or a net contract liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognized as contract assets if the cumulative revenue recognized in profit or loss exceeds cumulative payments made by customers. Conversely, the contract is a liability and recognized as contract liabilities if the cumulative payments made by customers exceeds the revenue recognized in profit or loss.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortized cost. Contract liabilities are recognized as revenue when the Group transfers the goods or services to the customers and therefore satisfies its performance obligation.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (o) Contract related assets and contract liabilities (Continued)

The incremental costs of obtaining a contract with a customer are capitalized and presented as contract related assets under "other receivables, deposits and prepayments", if the Group expects to recover those costs, and are subsequently amortized on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. The Group recognizes an impairment loss in the consolidated income statement to the extent that the carrying amount of the contract related assets recognized exceeds the remaining amounts of consideration that the Group expects to receive less the costs that directly relate to those goods or services and have not been recognized as expenses.

### (p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

### (q) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (r) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### (s) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognized in the consolidated income statement as other income or finance costs.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

#### (s) Borrowings (Continued)

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

#### (t) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

#### (u) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The deferred tax liabilities in relation to investment properties in the Chinese Mainland or Macao that are measured at fair value are determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (u) Taxation (Continued)

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized. Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### (v) Employee benefits

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

Obligations for contributions to defined contribution retirement plans, including contributions payable under the Mandatory Provident Fund Schemes Ordinance, are recognized as an expense as incurred.

### (w) Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

#### (w) Share-based payments (Continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

#### (x) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

#### (y) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events but is not recognized because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

#### (z) Revenue and other income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognizes revenue when it satisfies the identified performance obligation by transfer the promised good or service to the customer; and when specific criteria have been met for each of the Group's activities, as described below. Goods and services are transferred when or as the customer obtain control of them. The Group bases its estimate on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (z) Revenue and other income recognition (Continued)

Control of the good or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.

Revenue from sales of properties is recognized over time when the Group's performance under the sale contract does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise revenue from sales of property is recognized at point in time.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the construction (excluding land cost and borrowing cost) costs incurred up to the end of reporting period as a percentage of total estimated construction costs for each contract.

For property sales contract for which the control of the property is transferred at a point in time, revenue is recognized when the buyer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

The excess of cumulative revenue recognized in profit or loss over the cumulative billings to purchasers of properties is recognized as contract assets. The excess of cumulative billings to purchasers of properties over the cumulative revenue recognized in profit or loss is recognized as contract liabilities.

Proceeds received from purchasers prior to meeting the revenue recognition criteria are included in pre-sales proceeds in the consolidated balance sheet under current liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

#### (z) Revenue and other income recognition (Continued)

Revenue from management services is recognized over time upon provision of services.

Revenue from hotel management and club operations are recognized over time on a basis that reflects the timing, nature and value when the relevant services, facilities or goods are provided.

Hotel revenue comprises amounts earned in respect of rental of rooms, food and beverage sales and other ancillary services. Revenue from room rental and ancillary services are recognized over time on a basis that reflect the timing, nature and value during the period of stay for the hotel guests or when the relevant services are provided. Revenue from food and beverage sales is generally recognized at a point in time when services are rendered.

Rental income is recognized on a straight-line basis over the period of the lease.

Dividend income is recognized when the right to receive payment is established.

Interest income is accrued on a time proportion basis on the principal outstanding and at the effective interest rate applicable.

#### (aa) Leases

A lease is recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### (aa) Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

### (ab) Assets held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, financial assets and investment properties that are carried at fair value, which are specifically exempt from this requirement.

### (ac) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements, the Group has made accounting related estimates based on assumptions about current and, for some estimates, future economic and market conditions. Although our estimates and assumptions contemplate current and, as applicable, expected future conditions that the Group considers are relevant and reasonable, including but not limited to the potential impacts to our operations arising from different monetary, fiscal and government policy responses aimed at reviving the economies, it is reasonably possible that actual conditions could differ from our expectations. As a result, our accounting estimates and assumptions may change over time in response to how market conditions develop. In addition, actual results could differ significantly from those estimates and assumptions.

The Group makes estimates, assumptions and judgements as appropriate in the preparation of the financial statements. These estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

### (a) Valuation of investment properties

The fair value of each investment property is individually determined at each balance sheet date by independent professional valuers based on a market value assessment. The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the amount is determined within a range of reasonable fair value estimates. The valuers have applied the income approach or the direct comparison method. The fair value derived from income approach is based upon estimates of future results and a set of assumptions specific to each property to reflect its tenancy and cashflow profile, while the direct comparison approach considers the recent prices of similar properties with adjustments to reflect the difference in characteristics of the properties.

The fair values of investment properties under construction are determined by reference to independent valuations. For majority of the Group's investment properties under construction, their fair value reflects the expectations of market participants of the value of the properties when they are completed, less deductions for the costs required to complete the projects and appropriate adjustments for profit and risk. The valuation and all key assumptions used in the valuation should reflect market conditions at the end of each reporting period. The key assumptions include value of completed properties, period of development, outstanding construction costs, finance costs, other professional costs, risk associated with completing the projects and generating income after completion and investors' return as a percentage of value or cost. Further details of the judgements and assumptions made were disclosed in note 14.

### (b) Valuation of financial assets at fair value through other comprehensive income

The fair value of the unlisted equity investment in STDM which is not traded in an active market is estimated using valuation technique. The Group uses its judgement to apply the market approach as the valuation method and use significant judgements to make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the key assumptions used and the impact of changes to these assumptions are disclosed in note 39(e).

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (c) Estimated net realisable value of properties for or under development and properties held for sale

The Group's properties for or under development are stated at lower of cost and net realisable value. In determining whether allowances should be made, the Group takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price) less estimated costs to completion of the properties. An allowance is made if the net realisable value is less than the carrying amount.

For the carrying value of the Group's completed properties held for sale, the Group takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price, less estimated costs of selling expenses). Allowance was made reference to the latest market value of those inventories identified.

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

Property, plant and equipment and right-of-use assets are regularly reviewed for impairment whenever there are any indications of impairment and will recognize an impairment loss if the carrying amount of an asset is higher than its estimated recoverable amount. The recoverable amounts of property, plant and equipment have been determined based on the higher of their fair values less costs of disposal and value in use, taking into account the latest market information and past experience.

Details of the judgements and assumptions made were further disclosed in note 12.

#### (e) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovation. Management will change the depreciation charge where useful lives are different from the previously estimated lives. It will also write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

#### (f) Income taxes

The Group is subject to income taxes in certain jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcomes of these matters is different from the amounts that initially recorded, such differences will impact the current tax and deferred tax provision in the period in which such determination is made.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the expectation of future taxable profit that will be available against which tax losses can be utilized. The outcome of their actual utilization may be different.

## NOTES TO THE FINANCIAL STATEMENTS

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (f) Income taxes (Continued)

Land Appreciation Tax ("LAT") is levied on the appreciation of land value, being the proceeds from the sales of properties less deductible expenditure including land costs, borrowing costs and all property development expenditure.

Property development business of the Group in the Chinese Mainland are subject to LAT, which have been included in the tax expenses. However, the implementation of these taxes varies amongst various Chinese Mainland cities and the Group has not finalized its LAT returns with various tax authorities. Accordingly, judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes these tax liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the tax expense and provisions for LAT in the period in which such determination is made.

#### (g) Revenue recognition

Revenue from property development activities is recognized over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time. The properties contracted for pre-sale to customers have generally no alternative use for the Group due to contractual restrictions. However, whether there is an enforceable right to payment and hence the related contract revenue should be recognized over time depends on the terms of each contract and the relevant laws that apply to that contract. Judgement is required in such determination.

For property development revenue that is recognized over time, the Group recognizes such property development revenue by reference to the progress of satisfying the performance obligation at the reporting date. This is measured based on the Group's costs incurred up to the reporting date and budgeted costs which depict the Group's performance towards satisfying the performance obligation. Judgements are required in the determination in these estimates, such as the accuracy of the budgets, the extent of the costs incurred and the allocation of costs to each property unit.

#### 4 REVENUE AND OTHER INCOME

The Group is principally engaged in the businesses of property development, investment and management, hospitality and leisure, transportation and investment holding.

	2025	2024
	HK\$'000	HK\$'000
<b>Revenue</b>		
Revenue from sales of properties	932,468	3,107,395
Revenue from hotel operation	562,978	524,069
Rental income	489,453	468,651
Management fees and others	324,787	343,405
Dividend income from financial assets at FVOCI	105,214	101,987
Interest income from mortgage loans receivable	37	44
	<b>2,414,937</b>	4,545,551
<b>Other income</b>		
Interest income from:		
— Bank deposits	251,991	241,062
— Others	4,932	6,318
Others (note)	93,514	88,246
	<b>350,437</b>	335,626
<b>Revenue and other income</b>	<b>2,765,374</b>	4,881,177

Note: Amount includes forfeiture income from property sales of HK\$37,700,000 (2024: HK\$48,295,000).

#### 5 OTHER GAINS/(LOSSES), NET

	2025	2024
	HK\$'000	HK\$'000
Net exchange gains	182,292	—
Net gain on deregistration of a subsidiary	169	—
Net loss on disposal of property, plant and equipment	(1,168)	(20)
	<b>181,293</b>	(20)

## NOTES TO THE FINANCIAL STATEMENTS

### 6 OPERATING PROFIT

	2025	2024
	HK\$'000	HK\$'000
<b>After crediting:</b>		
Rental income from investment properties	<b>228,332</b>	222,039
Less: Direct operating expenses arising from investment properties	<b>(44,464)</b>	(48,920)
	<b>183,868</b>	173,119
Dividend income from listed investments	<b>10,317</b>	14,483
Dividend income from unlisted investments		
— STD	<b>94,896</b>	87,503
— others	<b>1</b>	1
<b>After charging:</b>		
Cost of inventories sold		
— properties	<b>540,582</b>	2,214,067
— others	<b>44,037</b>	42,381
	<b>584,619</b>	2,256,448
Exchange (gain)/loss, net	<b>(182,292)</b>	137,820
Depreciation		
— property, plant and equipment (note 12)	<b>115,233</b>	108,769
— right-of-use assets: leasehold land	<b>26</b>	26
— right-of-use assets: buildings	<b>34,045</b>	37,001
— right-of-use assets: prepaid premium for land lease and land use rights	<b>23,890</b>	22,885
Amortization		
— intangible assets (note 18)	<b>63</b>	62
Auditors' remuneration		
— audit services	<b>13,901</b>	13,453
— non-audit services	<b>4,476</b>	3,592
Expenses under short-term lease and low-value assets lease	<b>5,339</b>	2,943
Variable lease payment expense (note 13(c))	<b>18,807</b>	17,914
Impairment losses recognized		
— property, plant and equipment (note 12)	<b>—</b>	1,913
— trade receivables (note 22(a))	<b>314</b>	28
— other receivables	<b>2,206</b>	—
Write-off of prepayments	<b>—</b>	20,447
Staff costs		
— salaries and wages	<b>624,907</b>	615,235
— provident fund contributions	<b>21,424</b>	21,359
— directors' emoluments (note 7(a))	<b>32,732</b>	31,534

## 7 BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

### (a) Directors' emoluments

For the year ended 31 December 2025

Name	As Director (note i)				As management (note ii)	Total
	Fees	Salaries, allowance and benefits	Performance bonus	Provident fund contributions		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Executive Directors</b>						
Ms. Pansy Ho	50	7,388	152	366	—	7,956
Ms. Daisy Ho	50	6,275	130	314	—	6,769
Ms. Maisy Ho	50	4,775	199	239	—	5,263
Mr. David Shum	50	3,626	76	—	—	3,752
Mr. Rogier Verhoeven	50	2,583	54	129	3,713	6,529
<b>Independent Non-Executive Directors</b>						
Mr. Norman Ho	500	180	—	—	—	680
Mr. Charles Ho (passed away on 11 June 2025)	222	—	—	—	—	222
Mr. Michael Wu	500	160	—	—	—	660
Mr. Kevin Yip	500	100	—	—	—	600
Ms. Amelia Yau (appointed on 2 July 2025)	251	50	—	—	—	301
	<b>2,223</b>	<b>25,137</b>	<b>611</b>	<b>1,048</b>	<b>3,713</b>	<b>32,732</b>

For the year ended 31 December 2024

Name	As Director (note i)				As management (note ii)	Total
	Fees	Salaries, allowance and benefits	Performance bonus	Provident fund contributions		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Executive Directors</b>						
Ms. Pansy Ho	50	7,244	—	359	—	7,653
Ms. Daisy Ho	50	6,153	—	307	—	6,510
Ms. Maisy Ho	50	4,682	—	234	—	4,966
Mr. David Shum	50	3,555	—	—	—	3,605
Mr. Rogier Verhoeven	50	2,535	—	127	3,648	6,360
<b>Independent Non-Executive Directors</b>						
Mr. Norman Ho	500	180	—	—	—	680
Mr. Charles Ho	500	—	—	—	—	500
Mr. Michael Wu	500	160	—	—	—	660
Mr. Kevin Yip	500	100	—	—	—	600
	<b>2,250</b>	<b>24,609</b>	<b>—</b>	<b>1,027</b>	<b>3,648</b>	<b>31,534</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 7 BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

#### (a) Directors' emoluments (Continued)

Notes:

- (i) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries.
- (ii) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiaries and included salaries, discretionary bonuses and employer's contributions to retirement benefit schemes.

There was no arrangement under which a Director had waived or agreed to waive any emoluments during the current and prior years.

#### (b) Directors' material interests in transactions, arrangements or contracts

- (i) On 1 April 2021, the Company entered into an agreement (the "Master Consultancy Agreement") with Occasions Asia Pacific Limited ("Occasions"), to set out a framework for the provision of brand marketing and consultancy services by Occasions and its subsidiaries (the "Occasions Group") to the Group from time to time on a non-exclusive basis.

Since September 2020, Ms. Pansy Ho, who is the Group Executive Chairman and Managing Director as well as a substantial shareholder of the Company, has indirectly held 50% of the entire issued share capital of Occasions. Therefore, Occasions has become an associate of Ms. Pansy Ho and a connected person of the Company under the Listing Rules since September 2020.

The Master Consultancy Agreement is for a term of 3 years from 1 January 2021 to 31 December 2023. Subject to compliance with the requirements of the Listing Rules, the Master Consultancy Agreement may be renewed by the parties before its termination by mutual agreement in writing.

The Master Consultancy Agreement expired on 31 December 2023 and was renewed on 26 March 2024 for a further term of 3 years from 1 January 2024 to 31 December 2026.

- (ii) On 8 December 2022, the Company entered into a renewed master service agreement (the "Renewed MGM Agreement") with MGM Grand Paradise Limited ("MGM"), a company in which Ms. Pansy Ho holds an indirect beneficial interest. The Renewed MGM Agreement governs the terms for the provision of products and services, including but not limited to, the provision of dry cleaning and laundry services and property cleaning services, and the sale of cash vouchers from the Group to MGM and/or its subsidiaries (the "MGM Group") and the provision of rental of hotel rooms between MGM Group and the Group.

The Renewed MGM Agreement was for a term of 3 years from 1 January 2023 to 31 December 2025 and was renewable for successive terms of 3 years by mutual agreement in writing.

On 11 September 2025, the Company and MGM entered into an amendment agreement (the "Amendment Agreement") to increase the annual cap on revenue receivable by the Group for the products and services provided by the Group for the financial year ended 31 December 2025.

The Renewed MGM Agreement and Amendment Agreement expired on 31 December 2025.

## 7 BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

### (b) Directors' material interests in transactions, arrangements or contracts (Continued)

#### (ii) (Continued)

On 23 December 2025, the Company and MGM entered into a further renewed master service agreement (the "Further Renewed MGM Agreement") to renew the Renewed MGM Agreement for a further 3 years from 1 January 2026 to 31 December 2028. The Further Renewed MGM Agreement governs the terms for (i) the provision of products and services by the Group to the MGM Group, including but not limited to, the sale of cash vouchers, the provision of rental rooms at corporate rates, dry cleaning and laundry services and property cleaning services and (ii) the MGM Group's provision of rental of hotel rooms at wholesale room rates or intercompany rates and the sale of "Macau 2049" show tickets to the Group.

Save for the transactions mentioned in sub-paragraphs (i) to (ii) above, there were no other transactions, arrangements and contracts of significance subsisting at the end of the year or at any time during the year in relation to the Group's business to which the Company's subsidiaries or its holding companies were a party and in which a Director or its connected entities had a material interest, whether directly or indirectly.

### (c) Five highest paid individuals

Among the five highest paid individuals in the Group, four are directors (2024: four are directors) of the Company and the details of their emoluments have been disclosed above. During the year ended 31 December 2025, the emoluments of the individual not included above consisted of salaries, allowances and benefits of HK\$4,797,000 (2024: HK\$4,634,000).

## 8 FINANCE COSTS

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Interest on bank borrowings	<b>486,153</b>	665,502
Interest on lease liabilities	<b>3,121</b>	4,392
Other finance costs	<b>26,212</b>	25,199
	<b>515,486</b>	695,093

## NOTES TO THE FINANCIAL STATEMENTS

### 9 TAXATION

(a) Taxation in the consolidated income statement represents:

	2025	2024
	HK\$'000	HK\$'000
<b>Current taxation</b>		
Hong Kong profits tax		
— tax for the year	8,850	6,193
— over-provision in respect of prior years	(158)	(280)
Non-Hong Kong taxation		
— tax for the year	86,899	217,934
— (over)/under-provision in respect of prior years	(24)	67
— withholding income tax	1,051	1,383
	<b>96,618</b>	225,297
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	<b>(87,450)</b>	(139,382)
<b>Total tax expenses</b>	<b>9,168</b>	85,915

Hong Kong profits tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Non-Hong Kong taxation is calculated at tax rates applicable to jurisdictions in which the Group operates, mainly in Macao, the Chinese Mainland and Singapore at 12%, 25% and 17% (2024: 12%, 25% and 17%) respectively.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	2025	2024
	HK\$'000	HK\$'000
<b>Loss before taxation</b>	<b>(453,460)</b>	(663,647)
Less: share of results of joint ventures and associates	<b>484,172</b>	445,586
	<b>30,712</b>	(218,061)
Tax at the applicable tax rate of 16.5% (2024: 16.5%)	<b>5,067</b>	(35,980)
Income not subject to tax	<b>(95,045)</b>	(59,687)
Expenses not deductible for tax purposes	<b>119,440</b>	152,286
Recognition of tax losses not previously recognized	<b>(25,140)</b>	—
Utilization of tax losses and deductible temporary differences not previously recognized	<b>(12)</b>	(65)
Tax losses and deductible temporary differences not recognized	<b>40,242</b>	73,641
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(35,683)</b>	(44,445)
Over -provision in respect of prior years	<b>(182)</b>	(213)
Others	<b>481</b>	378
<b>Total tax expenses</b>	<b>9,168</b>	85,915

## 9 TAXATION (Continued)

### (c) Deferred tax assets and liabilities recognized

The movements in deferred tax assets and liabilities (prior to offsetting balances with the same taxation jurisdiction) during the year are as follows:

#### Deferred tax assets

	Accelerated accounting depreciation	Tax losses	Provision of assets	Provision for LAT	Lease liabilities	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	155	112,687	32,435	23,241	12,165	180,683
Exchange adjustment	(152)	(314)	(1,041)	(771)	(41)	(2,319)
Credit/(charge) to income statement	7	(25,237)	(1,248)	293	(3,002)	(29,187)
As at 31 December 2024	10	87,136	30,146	22,763	9,122	149,177
Exchange adjustment	—	1,258	1,431	1,104	(41)	3,752
Credit/(charge) to income statement	—	48,164	(1,251)	—	(4,482)	42,431
As at 31 December 2025	10	136,558	30,326	23,867	4,599	195,360

#### Deferred tax liabilities

	Accelerated tax depreciation	Revaluation of investment properties	Fair value adjustments on business combination	Recognition of revenue overtime	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	380,075	189,024	262,887	120,282	3,901	956,169
Exchange adjustment	(3,437)	(2,040)	(6,237)	(1,389)	(148)	(13,251)
Charge/(credit) to income statement	6,727	(59,125)	(18,110)	(96,240)	(1,821)	(168,569)
Credit to other comprehensive income	—	—	(5,048)	—	—	(5,048)
As at 31 December 2024	383,365	127,859	233,492	22,653	1,932	769,301
Exchange adjustment	5,450	1,006	10,310	955	234	17,955
Charge/(credit) to income statement	30,214	(42,277)	(10,616)	(23,608)	1,268	(45,019)
Credit to other comprehensive income	—	—	(2,768)	—	—	(2,768)
As at 31 December 2025	419,029	86,588	230,418	—	3,434	739,469

## NOTES TO THE FINANCIAL STATEMENTS

### 9 TAXATION (Continued)

#### (c) Deferred tax assets and liabilities recognized (Continued)

Deferred tax assets and liabilities are netted off when the taxes related to the same taxation authority and where the offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated balance sheet.

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Deferred tax assets	<b>119,301</b>	64,012
Deferred tax liabilities	<b>(663,410)</b>	(684,136)
	<b>(544,109)</b>	(620,124)

#### (d) Deferred tax assets unrecognized

Temporary differences have not been recognized as deferred tax assets in respect of the following items:

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Tax losses	<b>1,803,287</b>	1,738,207
Deductible temporary differences	<b>1,331</b>	1,397
	<b>1,804,618</b>	1,739,604

Included in the unrecognized tax losses of the Group are losses of HK\$180,179,000 (2024: HK\$200,896,000) that will expire on various dates through to 2030 (2024: 2029) from 31 December 2025. Other tax losses and deductible temporary differences of the Group may be carried forward indefinitely. Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

### 10 DIVIDENDS

The Board does not recommend the payment of any final dividend (2024: nil) in respect of the year ended 31 December 2025. No interim dividend was declared by the Board during the year ended 31 December 2025 (2024: nil).

### 11 LOSS PER SHARE

The calculation of basic loss per share is based on loss attributable to owners of the Company of HK\$478,227,000 (2024: HK\$823,951,000) and the weighted average number of 3,017,661,785 shares (2024: 3,017,661,785 shares) in issue during the year.

Basic and diluted loss per share were the same as the Company had no potentially dilutive ordinary shares in issue for the year ended 31 December 2025 (2024: same).

## 12 PROPERTY, PLANT AND EQUIPMENT

	Hotel land and buildings	Hotel buildings under construction	Leasehold land and buildings	Other assets	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cost</b>					
As at 1 January 2024	3,988,477	465,241	617,532	705,465	5,776,715
Exchange adjustment	(98,358)	(15,307)	(3,504)	(4,608)	(121,777)
Additions	1,406	29,309	—	31,030	61,745
Disposals	—	—	—	(3,120)	(3,120)
Transfer	479,243	(479,243)	—	—	—
As at 31 December 2024	<b>4,370,768</b>	<b>—</b>	<b>614,028</b>	<b>728,767</b>	<b>5,713,563</b>
Exchange adjustment	<b>181,183</b>	<b>—</b>	<b>5,122</b>	<b>7,975</b>	<b>194,280</b>
Additions	<b>5,084</b>	<b>—</b>	<b>—</b>	<b>38,583</b>	<b>43,667</b>
Disposals	<b>—</b>	<b>—</b>	<b>—</b>	<b>(21,667)</b>	<b>(21,667)</b>
Transfer to assets held for sale (note 24)	<b>—</b>	<b>—</b>	<b>(52,294)</b>	<b>—</b>	<b>(52,294)</b>
Adjustment of cost for renovation	<b>(11,836)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(11,836)</b>
As at 31 December 2025	<b>4,545,199</b>	<b>—</b>	<b>566,856</b>	<b>753,658</b>	<b>5,865,713</b>
<b>Accumulated depreciation and impairment</b>					
As at 1 January 2024	924,197	—	516,249	551,861	1,992,307
Exchange adjustment	(11,548)	—	(147)	(2,157)	(13,852)
Charge for the year (note 6)	61,087	—	1,336	46,346	108,769
Impairment	—	—	—	1,913	1,913
Disposals	—	—	—	(3,100)	(3,100)
As at 31 December 2024	<b>973,736</b>	<b>—</b>	<b>517,438</b>	<b>594,863</b>	<b>2,086,037</b>
Exchange adjustment	<b>18,614</b>	<b>—</b>	<b>270</b>	<b>4,077</b>	<b>22,961</b>
Charge for the year (note 6)	<b>65,938</b>	<b>—</b>	<b>1,349</b>	<b>47,946</b>	<b>115,233</b>
Disposals	<b>—</b>	<b>—</b>	<b>—</b>	<b>(20,331)</b>	<b>(20,331)</b>
As at 31 December 2025	<b>1,058,288</b>	<b>—</b>	<b>519,057</b>	<b>626,555</b>	<b>2,203,900</b>
<b>Net book value</b>					
As at 31 December 2025	<b>3,486,911</b>	<b>—</b>	<b>47,799</b>	<b>127,103</b>	<b>3,661,813</b>
As at 31 December 2024	3,397,032	—	96,590	133,904	3,627,526

## NOTES TO THE FINANCIAL STATEMENTS

### 12 PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) Other assets of the Group comprised mainly furniture, fixtures and office equipment, plant and machinery, operating supplies and equipment of the hotel and construction in progress.
- (b) Hotel land and buildings included freehold land in Singapore of net book value of HK\$1,484,510,000 (2024: HK\$1,399,582,000) and hotel buildings in Singapore, Hong Kong and the Chinese Mainland of net book value of HK\$685,411,000 (2024: HK\$661,917,000), HK\$446,442,000 (2024: HK\$467,207,000) and HK\$870,548,000 (2024: HK\$868,325,000) respectively.
- (c) For the financial performance of the Group's hotel business, the rebound of cross-border travelers has in general improved the occupancy rates during the year, while business performance is still dependent on the pace of economic recovery and the changing market environment. Management has carried out impairment assessments on hotel land and buildings, other hotel-related assets and the related prepaid premium for land leases and land use right disclosed in note 13 in Hong Kong, the Chinese Mainland and Singapore in accordance with HKAS 36 as at 31 December 2025. The recoverable amounts are determined based on the fair value less costs of disposal with reference to valuations performed by an independent professional valuer, Knight Frank Petty Limited ("Knight Frank"). The valuer had adopted income approach and/or direct comparison method for the valuation.

Under the income approach, fair value is determined by discounting the projected cash flow streams of the properties using risk-adjusted discount rate. An exit or terminal value projected based on capitalization rate is also included in the projection. Projection for a period of greater than five years and not more than ten years in general may be used on the basis that a longer projection period represents the long-dated nature of the hotel properties and is a more appropriate reflection of the future cash flows generated from the hotel operations.

Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

Capitalization rates and discount rates are estimated by independent valuer and management based on the risk profile of the property being valued. The lower the rates, the higher the fair value.

Based on the assessments, the recoverable amounts of the hotels are HK\$5,011,300,000 and there is no impairment required for the hotel land and buildings for the year ended 31 December 2025. Sensitivity analyses on the key assumptions of the assessments for the Group's hotels are presented below for illustration purpose.

If the annual revenue growth rates for the first five forecasted years or the value per room decrease by 1%, or the discount rates increase by 0.5%, respectively, while holding all other variables constant, the carrying amounts of the hotels would decrease by HK\$12.8 million, HK\$2.0 million and HK\$28.2 million respectively.

- (d) Certain property, plant and equipment with net book value of HK\$2,833,505,000 (2024: HK\$2,752,437,000) were pledged to banks as securities for bank borrowings granted to certain subsidiaries of the Group (note 27).

## 13 RIGHT-OF-USE ASSETS

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Leasehold land	<b>2,722</b>	2,749
Buildings	<b>33,325</b>	58,680
Prepaid premium for land leases and land use right (note c)	<b>604,996</b>	600,833
	<b>641,043</b>	662,262

- (a) The Group obtains right to control the use of various leasehold land, buildings and prepaid premium of land leases and land use right for a period of time through lease arrangements. Lease arrangements for buildings are negotiated on an individual basis and obtain a wide range of different terms and conditions including lease payments and lease terms ranging from 24 to 72 months.
- (b) Additions to the right-of-use assets and lease liabilities during the year ended 31 December 2025 were HK\$9,080,000 (2024: HK\$11,117,000).
- (c) The balance included an amount of HK\$5,244,000 (2024: HK\$5,488,000) relating to a sub-lease agreement dated 26 June 2006, pursuant to which, the Airport Authority Hong Kong has granted a subsidiary of the Group the right to construct a hotel on the land adjacent to the AsiaWorld-Expo located next to the Hong Kong International Airport. Upon the completion of the construction, the Airport Authority Hong Kong has granted the subsidiary of the Group the right to have the possession and enjoyment of the hotel up to the year of 2047. Under the sub-lease agreement, upon expiry of the sub-lease term in the year of 2047, the ownership of the hotel (note 12) and leasehold land will be transferred to the Airport Authority Hong Kong.
- Contingent rental payment amounting to approximately HK\$18,807,000 (2024: HK\$17,914,000) is included in the consolidated income statement, which is charged with reference to revenue generated by the aforesaid subsidiary during the year.
- (d) As at 31 December 2025, right-of-use assets with net book value of HK\$204,039,000 (2024: HK\$204,083,000) were pledged to banks as securities for bank borrowings granted to certain subsidiaries of the Group (note 27).
- (e) During the year ended 31 December 2025, total cash outflow for leases amounted to HK\$62,621,000 (2024: HK\$55,855,000).
- (f) Right-of-use assets related to hotel properties were tested for impairment as described in note 12(c).



## 14 INVESTMENT PROPERTIES (Continued)

### Fair value measurements using significant unobservable inputs

Fair values of completed commercial properties, residential properties and carpark in Hong Kong, the Chinese Mainland and others are derived using direct comparison method or income approach.

Income capitalization method is based on the capitalization of the net income and reversionary income potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties.

Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

### Information about fair value measurements using significant unobservable inputs

	Fair value as at 31 December 2025	Valuation method	Range of significant unobservable inputs		
			Prevailing market rents per month	Unit price	Capitalization rates
	<b>HK\$'000</b>				
Completed investment properties located in Hong Kong					
— commercial	3,374,042	Income Approach	HK\$22 — HK\$89 psf	N/A	3.0% — 4.2%
— carpark	744,864	Income Approach	HK\$2,750 — HK\$3,750	N/A	2.9% — 4.0%
— carpark	581,200	Direct Comparison	N/A	HK\$1,140,000 — HK\$2,400,000	N/A
Chinese Mainland					
— commercial	2,441,045	Income Approach	HK\$7 — HK\$21 psf	N/A	4.5% — 6.0%
— commercial	617,271	Direct Comparison	N/A	HK\$2,610 psf	N/A
— carpark	16,689	Income Approach	HK\$1,602	N/A	4.5% — 4.75%
— carpark	174,789	Direct Comparison	N/A	HK\$147,976 — HK\$489,544	N/A
Others					
— residential	80,190	Direct Comparison	N/A	HK\$3,118 — HK\$3,962 psf	N/A
— commercial	749,000	Income Approach	HK\$81 psf	N/A	2.0% — 3.8%

## NOTES TO THE FINANCIAL STATEMENTS

### 14 INVESTMENT PROPERTIES (Continued)

Information about fair value measurements using significant unobservable inputs (Continued)

	Fair value as at 31 December 2024	Valuation method	Range of significant unobservable inputs		
			Prevailing market rents per month	Unit price	Capitalization rates
	HK\$'000				
Completed investment properties located in Hong Kong					
— commercial	3,412,106	Income Approach	HK\$22 — HK\$89 psf	N/A	3.0% — 4.1%
— carpark	666,356	Income Approach	HK\$2,700 — HK\$3,600	N/A	2.9% — 4.0%
— carpark	680,900	Direct Comparison	N/A	HK\$1,210,000 — HK\$2,660,000	N/A
Chinese Mainland					
— commercial	2,489,458	Income Approach	HK\$6 — HK\$21 psf	N/A	4.5% — 6.0%
— commercial	1,121,636	Direct Comparison	N/A	HK\$2,563 psf	N/A
— carpark	16,554	Income Approach	HK\$1,560	N/A	4.5% — 4.75%
— carpark	166,706	Direct Comparison	N/A	HK\$141,133 — HK\$466,906	N/A
Others					
— residential	83,680	Direct Comparison	N/A	HK\$3,282 — HK\$4,118 psf	N/A
— commercial	783,000	Income Approach	HK\$85 psf	N/A	2.0% — 3.8%

Prevailing market rents are estimated based on the independent valuers' view of recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Capitalization is estimated by the independent valuers based on the risk profile of the properties being valued and the market conditions. The higher the rates, the lower the fair value.

## 15 SUBSIDIARIES

Particulars regarding the principal subsidiaries are set out in note 42.

During the year, the fair value loss of investment properties, netted of deferred tax, attributable to the non-controlling interests amounts to HK\$63,504,000 (2024: HK\$61,641,000).

### Subsidiaries with material non-controlling interests

The residential portion of Nova City Phase V owned and developed by Nova Taiipa — Urbanizações, Limitada, a subsidiary of the Group ("NC5 Residential") has non-controlling interest material to the Group as the holder of the non-voting Class B share of Fast Shift Investments Limited is entitled to 29% of the economic benefits in or losses arising from NC5 Residential.

Ranex Investments Limited ("Ranex") is the subsidiary with non-controlling interests that are also material to the Group, with shareholding held by non-controlling interests of 49%.

Set out below are the summarized financial information for NC5 Residential and Ranex.

### Summarized balance sheet

	As at 31 December			
	NC5 Residential		Ranex	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Current</b>				
Assets	2,159,125	2,689,219	300,728	299,774
Liabilities	(653,106)	(196,911)	(39,871)	(39,080)
Total net current assets	1,506,019	2,492,308	260,857	260,694
<b>Non-current</b>				
Assets	50	1,900	2,762,000	2,846,000
Liabilities	(42,280)	(55,334)	(137,697)	(132,537)
Total net non-current (liabilities)/assets	(42,230)	(53,434)	2,624,303	2,713,463
<b>Net assets</b>	1,463,789	2,438,874	2,885,160	2,974,157

### Summarized statement of comprehensive income

	For the year ended 31 December			
	NC5 Residential		Ranex	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	540,290	1,030,691	74,354	75,108
Profit/(loss) before taxation	222,839	428,785	(31,314)	(51,226)
Taxation	(28,863)	(55,697)	(7,683)	(7,667)
Profit/(loss) after taxation	193,976	373,088	(38,997)	(58,893)
Other comprehensive loss	(19,081)	(37,021)	—	—
Total comprehensive income/(loss)	174,895	336,067	(38,997)	(58,893)
Profit/(loss) after taxation allocated to non-controlling interests	60,366	116,214	(17,939)	(27,091)
Dividends to non-controlling interests	333,480	110,200	23,000	—

## NOTES TO THE FINANCIAL STATEMENTS

### 15 SUBSIDIARIES (Continued)

#### Summarized cash flows

	For the year ended 31 December			
	NC5 Residential		Ranex	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cash flows from/(used in) operating activities</b>				
Cash generated from operations	<b>346,337</b>	978,214	<b>44,947</b>	53,824
Income tax paid	<b>(70,352)</b>	(30,097)	<b>(625)</b>	—
Net cash generated from operating activities	<b>275,985</b>	948,117	<b>44,322</b>	53,824
Net cash generated from investing activities	<b>12,427</b>	16,553	<b>6,769</b>	7,607
Net cash used in financing activities	<b>(634,000)</b>	(380,000)	<b>(50,000)</b>	—
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(345,588)</b>	584,670	<b>1,091</b>	61,431
Cash and cash equivalents as at 1 January	<b>1,043,523</b>	458,853	<b>260,603</b>	199,172
Cash and cash equivalents as at 31 December	<b>697,935</b>	1,043,523	<b>261,694</b>	260,603

### 16 JOINT VENTURES

	2025	2024
	HK\$'000	HK\$'000
Share of net assets	<b>9,758,316</b>	9,880,735

Particulars regarding the principal joint ventures are set out in note 42.

#### Summarized financial information of material joint venture

Basecity Investments Limited ("Basecity") is the Group's material joint venture which is engaged in property investment and hotel operating businesses in Macao.

Basecity is a private company and there is no quoted market price available for its shares.

## 16 JOINT VENTURES (Continued)

### Summarized financial information of material joint venture (Continued)

Set out below are the summarized financial information for Basecity which is accounted for using equity method of accounting.

#### Summarized balance sheet

	2025	2024
	HK\$'000	HK\$'000
<b>Current</b>		
Cash and cash equivalents	1,102,173	1,053,813
Other current assets (excluding cash)	341,768	336,545
Total current assets	1,443,941	1,390,358
Financial liabilities (excluding trade payables)	(289,619)	(290,719)
Other current liabilities (including trade payables)	(44,823)	(60,233)
Total current liabilities	(334,442)	(350,952)
<b>Non-current</b>		
Investment properties	7,967,000	8,300,000
Other assets	779,428	804,566
Total non-current assets	8,746,428	9,104,566
Other liabilities	(914,805)	(963,407)
Total non-current liabilities	(914,805)	(963,407)
<b>Net assets</b>	<b>8,941,122</b>	<b>9,180,565</b>

#### Summarized statement of comprehensive income

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Revenue	527,849	636,292
Depreciation and amortization	(39,536)	(36,918)
Interest income	18,410	26,591
Fair value changes on investment properties	(478,108)	(78,767)
Others	(299,491)	(287,150)
<b>(Loss)/profit before taxation</b>	<b>(270,876)</b>	260,048
Taxation	31,433	(32,338)
(Loss)/profit for the year	(239,443)	227,710
Other comprehensive income	—	—
Total comprehensive (loss)/income	<b>(239,443)</b>	227,710

## NOTES TO THE FINANCIAL STATEMENTS

### 16 JOINT VENTURES (Continued)

#### Reconciliation of summarized financial information

	2025	2024
	HK\$'000	HK\$'000
Opening net assets as at 1 January	9,180,565	8,952,855
(Loss)/profit for the year	(239,443)	227,710
Closing net assets as at 31 December	8,941,122	9,180,565
Interests in joint venture at 51%	4,559,972	4,682,088

Aggregate information of joint ventures that are not individually material:

	2025	2024
	HK\$'000	HK\$'000
Aggregate carrying amounts of individually immaterial joint ventures in the consolidated financial statements	5,198,344	5,198,647
Aggregate amounts of the Group's share of those joint ventures'		
Loss for the year (note)	(220,815)	(407,311)
Other comprehensive income/(loss)	230,013	(149,922)
Total comprehensive income/(loss)	9,198	(557,233)

There are no material contingent liabilities relating to the Group's interests in the joint ventures.

Note:

Included within the aggregate carrying amounts of the individually immaterial joint ventures are the Group's share of investment properties of HK\$5,866,272,000 (2024: HK\$5,935,680,000) and are measured at fair value. During the year, the Group's share of individually immaterial joint ventures' losses includes share of net fair value loss of investment properties, netted of deferred tax, amounting to HK\$188,997,000 (2024: HK\$186,110,000). The fair values of completed investment properties held by Basecity, Nextor Holdings Limited, Shanghai Huayan Real Estate Development Limited and Shun Tak Qiantan (Shanghai) Cultural Real Estate Company Limited were determined by Knight Frank, Jones Lang LaSalle Limited and Colliers, respectively, under income approach or direct comparison method.

## 17 ASSOCIATES

	2025	2024
	HK\$'000	HK\$'000
Share of net assets	<b>5,593,736</b>	5,499,183

There is no associate that is individually material to the Group. The contribution to an associate was unsecured, non-interest bearing and with no fixed term of repayment. The carrying amount of the amount due by an associate approximates its fair value.

Aggregate information of associates that are not individually material:

	2025	2024
	HK\$'000	HK\$'000
Aggregate carrying amounts of individually immaterial associates in the consolidated financial statements	<b>5,593,736</b>	5,499,183
Aggregate amounts of the Group's share of those associates'		
Loss for the year (note)	<b>(141,241)</b>	(154,408)
Other comprehensive income/(loss)	<b>72,703</b>	(126,306)
Total comprehensive loss	<b>(68,538)</b>	(280,714)

There are no material contingent liabilities relating to the Group's interests in the associates.

Note:

Included within the aggregate carrying amounts of the individually immaterial associates are the Group's share of investment properties of HK\$6,589,033,000 (2024: HK\$6,331,058,000) and are measured at fair value. During the year, the Group's share of associates' loss included share of net fair value loss of investment properties, netted of deferred tax, amounting to HK\$68,169,000 (2024: HK\$79,621,000). The fair values of completed investment properties held by the associates of the Group were determined by Savills under income capitalization method and by Colliers Appraisal and Advisory Services Co., Ltd. under discounted cash flow method and income capitalization method, while the fair values of investment properties under construction held by associates of the Group were determined by Colliers Appraisal and Advisory Services Co., Ltd. under residual method.

## NOTES TO THE FINANCIAL STATEMENTS

### 18 INTANGIBLE ASSETS

	Licences and other operating rights	Franchises and royalties	Total
	HK\$'000	HK\$'000	HK\$'000
<b>Cost</b>			
As at 1 January 2024, 31 December 2024 and 31 December 2025	<b>4,510</b>	<b>2,101</b>	<b>6,611</b>
<b>Accumulated amortization and impairment</b>			
As at 1 January 2024	3,083	1,394	4,477
Amortization for the year (note 6)	—	62	62
As at 31 December 2024	<b>3,083</b>	<b>1,456</b>	<b>4,539</b>
Amortization for the year (note 6)	—	<b>63</b>	<b>63</b>
As at 31 December 2025	<b>3,083</b>	<b>1,519</b>	<b>4,602</b>
<b>Net book value</b>			
As at 31 December 2025	<b>1,427</b>	<b>582</b>	<b>2,009</b>
As at 31 December 2024	1,427	645	2,072

### 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025	2024
	HK\$'000	HK\$'000
<b>Equity securities</b>		
Unlisted (note 39(e))	<b>1,522,617</b>	1,387,383
Listed		
— In Hong Kong	<b>183,542</b>	280,623
— Outside Hong Kong	<b>11,973</b>	11,040
	<b>195,515</b>	291,663
	<b>1,718,132</b>	1,679,046

**19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)**

The financial assets at FVOCI are denominated in the following currencies:

	2025	2024
	HK\$'000	HK\$'000
Hong Kong dollar	1,706,118	1,667,496
United States dollar	10,647	9,773
New Taiwan dollar	1,367	1,777
	<b>1,718,132</b>	1,679,046

The fair values of listed equity securities are determined on the basis of their quoted market prices at the balance sheet date.

Management has assessed the fair value of the Group's investments in accordance with the requirements under HKFRS 9. The key estimates and assumptions applied on the valuation are set out in note 39(e) of the consolidated financial statements.

**20 OTHER NON-CURRENT ASSETS**

	2025	2024
	HK\$'000	HK\$'000
Amounts due by joint ventures (note a)	343,080	260,080
Amounts due by associates (note b)	192,464	205,410
Loan to non-controlling interest (note c)	20,000	5,000
Deposits and prepayments	7,803	10,542
Properties held for sale (note d)	—	98,921
	<b>563,347</b>	579,953

## NOTES TO THE FINANCIAL STATEMENTS

### 20 OTHER NON-CURRENT ASSETS (Continued)

Notes:

- (a) Amounts due by joint ventures are interest free and repayable on demand. The balances are denominated in Hong Kong dollar.
- (b) Amounts due by associates are unsecured. An amount of HK\$150,882,000 (2024: HK\$150,882,000) carries interest at HIBOR plus 2% per annum on loan principal and repayable on demand (2024: same). The related interest income for the year amounted to HK\$3,984,000 (2024: HK\$5,296,000). As at 31 December 2024, an amount of RMB8,200,000 carried interest at 3.45% per annum on loan principal and was repayable by 4 January 2026. An amount of RMB4,000,000 carried interest at 5% per annum on loan principal and was repayable by 1 February 2026. The balances are reclassified to Trade and other receivables, deposits paid and prepayments under current assets as at 31 December 2025. The remaining balances are non-interest bearing and with no fixed term of repayment. The balances are denominated in Hong Kong dollar and Renminbi.
- (c) Loan to non-controlling interest is interest free and repayable on demand. The balance is denominated in Hong Kong dollar.
- (d) As at 31 December 2024, certain units of the properties held for sale in Singapore were prohibited for transaction by the Singapore Land Authority. During the year, the transaction prohibition for the properties held for sale was uplifted.

No properties held for sale (2024: HK\$98,921,000) were pledged to banks as securities for bank borrowings granted to subsidiaries of the Group (note 27).

- (e) The maximum exposure to credit risk as at 31 December 2025 is the carrying amounts, which approximate their fair values (2024: same).

### 21 INVENTORIES

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Properties held for sale	<b>8,382,991</b>	8,446,452
Others	<b>14,340</b>	17,445
	<b>8,397,331</b>	8,463,897

Properties held for sale of HK\$6,611,402,000 (2024: HK\$6,289,332,000) and other inventories of HK\$431,000 (2024: HK\$378,000) were pledged to banks as securities for bank borrowings granted to certain subsidiaries of the Group (note 27).

**22 TRADE AND OTHER RECEIVABLES, DEPOSITS PAID AND PREPAYMENTS**

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Trade receivables (note a)	<b>97,174</b>	528,937
Less: Provision for impairment of trade receivables	<b>(3,586)</b>	(3,332)
	<b>93,588</b>	525,605
Deposits for acquisitions of interests in land development rights (note b)	<b>500,000</b>	500,000
Other debtors, deposits and prepayments (note c)	<b>299,235</b>	260,039
	<b>892,823</b>	1,285,644

The carrying amounts of trade and other receivables approximate their fair values because of their immediate or short-term maturities. They are denominated in the following currencies:

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Hong Kong dollar	<b>618,518</b>	626,052
Macao pataca	<b>46,012</b>	53,323
Renminbi	<b>115,275</b>	88,587
Singapore dollar	<b>58,851</b>	478,728
United States dollar	<b>53,676</b>	38,494
Others	<b>491</b>	460
	<b>892,823</b>	1,285,644

Notes:

**(a) Trade receivables**

Trade receivables are managed in accordance with defined credit policies, dependent on market requirements and businesses which they operate. Subject to negotiation, credit is only available for major customers with well-established trading records. The Group offers general credit terms ranging from 0 day to 60 days to its customers, except for sales of properties the proceeds from which are receivable pursuant to the terms of the relevant agreements. The ageing analysis of trade debtors by invoice date is as follows:

	2025	2024
	<b>HK\$'000</b>	HK\$'000
0 — 30 days	<b>51,852</b>	491,831
31 — 60 days	<b>16,190</b>	18,079
61 — 90 days	<b>5,309</b>	6,413
Over 90 days	<b>23,823</b>	12,614
	<b>97,174</b>	528,937

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables.

## NOTES TO THE FINANCIAL STATEMENTS

### 22 TRADE AND OTHER RECEIVABLES, DEPOSITS PAID AND PREPAYMENTS (Continued)

Notes: (Continued)

(a) Trade receivables (Continued)

Movement in the loss allowance of trade debtors during the year is as follows:

	2025	2024
	HK\$'000	HK\$'000
As at 1 January	3,332	3,449
Exchange adjustment	—	(5)
Impairment loss recognized during the year	314	28
Uncollectible amount written off	(60)	(140)
As at 31 December	<b>3,586</b>	3,332

The other classes within trade and other receivables do not contain material impaired assets. The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(b) Deposits for acquisitions of interests in land development rights

These represent refundable deposits paid by the Group for acquiring interests in land development rights from a related company of HK\$500,000,000 (2024: HK\$500,000,000) in Macao. The transaction is further disclosed in note 34(b)(vii).

(c) Included within the balance of "other debtors, deposits and prepayments" as at 31 December 2025, the Group recognized an asset of HK\$3,391,000 (2024: HK\$6,031,000) in relation to sales commissions to obtain property sales contract. The Group capitalized the amount and amortized it when the property sales revenue or the forfeiture income from property sales deposits are recognized. During the year, HK\$13,469,000 (2024: HK\$124,993,000) are charged to the consolidated income statement.

An amount due by an associate of HK\$33,000,000 (2024: HK\$33,000,000) is unsecured, carries interest at 2.8% per annum on loan principal and repayable by 15 December 2026. The related interest income for the year amounted to HK\$462,000 (2024: HK\$463,000). An amount of RMB8,200,000 carries interest at 3.35% per annum on loan principal and is repayable by 4 January 2026. An amount of RMB4,000,000 carries interest at 3.35% per annum on loan principal and is repayable by 1 February 2026.

**23 CASH AND BANK BALANCES**

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Short term deposits	<b>5,124,929</b>	2,587,447
Cash and cash equivalents	<b>4,431,309</b>	5,222,432
Cash and bank balances	<b>9,556,238</b>	7,809,879

Short term deposits represent bank deposits with maturities over three months.

The carrying amounts of cash and bank balances approximate their fair values because of their immediate or short term maturities.

The carrying amounts of cash and bank balances are denominated in the following currencies:

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Hong Kong dollar	<b>1,724,884</b>	1,763,160
Macao pataca	<b>195,845</b>	169,815
Renminbi	<b>1,373,110</b>	1,373,874
Singapore dollar	<b>1,003,241</b>	1,025,996
United States dollar	<b>5,250,420</b>	3,477,007
Others	<b>8,738</b>	27
	<b>9,556,238</b>	7,809,879

As at 31 December 2025, cash and bank balances include amount of HK\$52,190,000 (2024: HK\$87,118,000) held under charge in favor of banks in respect of bank loan facilities (note 27). As at 31 December 2025, the balances can be utilized under specified conditions by the Group (2024: same).

## NOTES TO THE FINANCIAL STATEMENTS

### 24 ASSETS HELD FOR SALE

On 28 July 2025, Zhuhai Hengqin Shun Tak Property Development Company Limited ("Zhuhai Shun Tak"), an indirect wholly-owned subsidiary of the Company, and SJM — Investment Limited, an indirect subsidiary of SJM Holdings Limited, entered into a sale and purchase agreement. Pursuant to the agreement, Zhuhai Shun Tak has conditionally agreed to sell, and SJM — Investment Limited has conditionally agreed to buy, office units and a retail unit located in Zhuhai, PRC, for a consideration of RMB724.2 million. Subject to the fulfilment of conditions precedent including, among others, approvals by the relevant governmental authorities for the hotel conversion, settlement of consideration instalments, the disposal is expected to be completed in the second half of 2026.

The major classes of assets held for sale are as follows:

	2025
	<b>HK\$'000</b>
<b>Assets held for sale</b>	
Property, plant and equipment (note 12)	52,294
Investment properties (note 14)	528,374
	<b>580,668</b>

### 25 TRADE AND OTHER PAYABLES, AND DEPOSITS RECEIVED

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Amount due to a joint venture (note a)	1,958	1,958
Trade and other creditors, deposits and accrued charges (note b)	836,985	772,485
	<b>838,943</b>	774,443

The carrying amounts of trade and other payables approximate their fair values because of their short term maturities. The trade and other payables are denominated in the following currencies:

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Hong Kong dollar	301,723	203,854
Macao pataca	47,784	47,005
Renminbi	92,931	135,504
Singapore dollar	395,933	387,486
United States dollar	422	461
Others	150	133
	<b>838,943</b>	774,443

**25 TRADE AND OTHER PAYABLES, AND DEPOSITS RECEIVED (Continued)**

Notes:

(a) Amount due to a joint venture is unsecured, non-interest bearing and with no fixed term of repayment. The balance is denominated in Hong Kong dollar. The carrying amount approximates its fair value.

(b) The ageing analysis of trade payables by invoice date is as follows:

	2025	2024
	<b>HK\$'000</b>	HK\$'000
0 — 30 days	<b>203,253</b>	146,115
31 — 60 days	<b>1,680</b>	1,850
61 — 90 days	<b>1</b>	40
Over 90 days	<b>1,341</b>	1,104
	<b>206,275</b>	149,109

**26 CONTRACT ASSETS AND LIABILITIES**

The Group has recognized the following revenue-related contract assets and liabilities:

	2025	2024
	<b>HK\$'000</b>	HK\$'000
<u>Contract assets</u>		
Property sales (note a)	<b>502,136</b>	1,228,916
<u>Contract liabilities</u>		
Property sales (note b)	<b>96,473</b>	101,405
Hotel and club operations	<b>49,073</b>	48,552
	<b>145,546</b>	149,957
Less: non-current portion	<b>(43,713)</b>	(44,159)
Current portion	<b>101,833</b>	105,798

Notes:

(a) Contract assets consist of unbilled amount resulting from sale of properties when revenue recognized exceeds the amount billed to the buyer.

(b) The Group received payments from customers based on billing schedule as established in contracts. Payments are usually received in advance before the transfer of property.

## NOTES TO THE FINANCIAL STATEMENTS

### 26 CONTRACT ASSETS AND LIABILITIES (Continued)

Notes: (Continued)

- (c) The following table shows the amount of the revenue recognized in the current year that relates to contract liabilities balance at the beginning of the year:

	2025	2024
	HK\$'000	HK\$'000
Revenue recognized that was included in the contract liability balance at the beginning of the year		
— Property sales	89,243	70,950
— Hotel and club operations	4,134	4,355
	<b>93,377</b>	75,305

- (d) The following table shows the amount of unsatisfied performance obligations resulting from fixed price contracts with an original expected timing of revenue recognition in more than one year:

	2025	2024
	HK\$'000	HK\$'000
Expected to be recognized within one year	280,138	518,125
Expected to be recognized after one year	60,339	127,404
	<b>340,477</b>	645,529

For all other contracts with an original expected duration of one year or less or are billed based on time incurred, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### 27 BANK BORROWINGS

	2025	2024
	HK\$'000	HK\$'000
<b>Bank borrowings repayable as follows:</b>		
Not exceeding 1 year	2,715,380	5,617,689
More than 1 year but not exceeding 2 years	4,031,797	1,840,893
More than 2 years but not exceeding 5 years	9,061,786	7,820,101
More than 5 years	138,842	156,949
	<b>15,947,805</b>	15,435,632
Less: Current portion	<b>(2,715,380)</b>	(5,617,689)
Non-current portion	<b>13,232,425</b>	9,817,943

As at 31 December 2025, the balance comprises total principal amounts of bank borrowings of HK\$16,003,203,000 (2024: HK\$15,495,736,000) net of unamortized bank borrowing facilities fees of HK\$55,398,000 (2024: HK\$60,104,000).

**27 BANK BORROWINGS (Continued)**

Bank borrowings include secured bank borrowings of HK\$4,620,940,000 (2024: HK\$4,962,964,000) and are secured by the following pledged assets:

	2025	2024
	HK\$'000	HK\$'000
Property, plant and equipment (note 12)	2,833,505	2,752,437
Properties held for sale	—	98,921
Inventories (note 21)	6,611,833	6,289,710
Right-of-use assets (note 13)	204,039	204,083
Investment properties (note 14)	1,506,624	1,525,650
Cash and bank balances (note 23)	52,190	87,118
Other assets	28,131	25,121
	<b>11,236,322</b>	10,983,040

Out of the above secured bank borrowings, an aggregate amount of HK\$513,078,000 (2024: HK\$526,674,000) are also secured by pledges of shares of certain subsidiaries (note 42).

Bank borrowings amounting to HK\$464,192,000 (2024: HK\$483,015,000) are repayable by instalments.

Bank borrowings are interest bearing at floating rates with contractual interest repricing dates ranged within 6 months. As at 31 December 2025, the weighted average effective interest rate of the Group's bank borrowings is 3.3% (2024: 4.1%) per annum.

The carrying amounts of bank borrowings approximate their fair values and are denominated in the following currencies:

	2025	2024
	HK\$'000	HK\$'000
Hong Kong dollar	11,839,944	10,999,342
Renminbi	248,856	253,726
Singapore dollar	3,859,005	4,182,564
	<b>15,947,805</b>	15,435,632

**28 PROVISION FOR EMPLOYEE BENEFITS**

Provision for employee benefits represents cost of cumulative paid leaves that the Group expects to pay.

	2025	2024
	HK\$'000	HK\$'000
As at 1 January	6,739	7,318
Net amount provided during the year	4,633	237
Amount utilized and paid during the year	(4,460)	(816)
As at 31 December	<b>6,912</b>	6,739

## NOTES TO THE FINANCIAL STATEMENTS

### 29 LOANS FROM NON-CONTROLLING INTERESTS

Loans from non-controlling interests are expected to be repayable on demand. As at 31 December 2025, the loans amounting to HK\$50,000,000 (2024: HK\$35,000,000) are non-interest bearing and unsecured.

The Group did not provide any guarantee on loans from non-controlling interests in both years.

The carrying amounts of loans from non-controlling interests approximate their fair values and are denominated in Hong Kong dollar.

### 30 SHARE CAPITAL

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Issued and fully paid ordinary shares	3,017,661,785	9,858,250	3,017,661,785	9,858,250

### 31 SHARE OPTION SCHEME

At the annual general meeting of the Company held on 29 June 2022, the shareholders of the Company passed a resolution to adopt a new share option scheme (the "2022 Share Option Scheme") under which the Directors of the Company may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein.

No share options were granted under the 2022 Share Option Scheme since its adoption.

### 32 OTHER RESERVES

	2025	2024
	HK\$'000	HK\$'000
Capital reserve	11,118	11,109
Asset revaluation reserve (note a)	156,482	176,784
Legal reserve (note b)	68,390	66,982
Special reserve (note c)	(151,413)	(151,413)
Investment revaluation reserve (note d)	700,624	392,743
Hedging reserve	4,265	4,265
Exchange reserve	(474,286)	(1,270,264)
Retained profits	20,738,693	21,352,677
	<b>21,053,873</b>	<b>20,582,883</b>

Notes:

- (a) Asset revaluation reserve represents the fair value adjustment to the identifiable net assets acquired arising from acquisitions of subsidiaries, as related to the Group's previously held interests in them and is dealt with in accordance with the accounting policy adopted for business combination achieved in stages under HKFRS 3 "Business Combinations".
- (b) Legal reserve is a non-distributable reserve of certain subsidiaries, joint ventures and associates which is set aside from the profits of these companies in accordance with the rules and regulations in Macao and the Chinese Mainland.
- (c) Special reserve represents the difference between the fair value and the carrying amount of the underlying assets and liabilities attributable to the additional interest in a subsidiary acquired from non-controlling interests.
- (d) Investment revaluation reserve represents the cumulative changes in fair value of financial assets at FVOCI and is accounted for in accordance with the accounting policy adopted in note 2(j).

### 33 SEGMENT INFORMATION

#### (a) Description of segments

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different products or services and requires different marketing strategies.

The Group currently has four reportable segments namely property, hospitality and leisure, transportation and investment. The segmentations are based on the internal reporting information in respect of the operations of the Group that management reviews regularly to make decisions on allocation of resources between segments and to assess segment performance.

The principal activities of each reportable segment are as follows:

Property	—	property development and sales, leasing and management services
Hospitality and Leisure	—	hotel and club operations and hotel management
Transportation	—	passenger transportation services
Investment	—	investment holding and others

#### (b) Segment results, assets and liabilities

Management evaluates performance of the reportable segments on the basis of operating profit or loss before fair value changes on investment properties, non-recurring gains and losses, interest income and unallocated corporate net expenses.

Inter-segment transactions have been entered into on terms agreed by the parties concerned. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from 2024.

Segment assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of interests in joint ventures and associates, taxation recoverable, deferred tax assets and other corporate assets.

Segment liabilities include all liabilities and borrowings directly attributable to and managed by each segment with the exception of taxation payable, deferred tax liabilities and other corporate liabilities.

The accounting policies of the reportable segments are the same as the Group's principal accounting policies as described in note 2(d).

# NOTES TO THE FINANCIAL STATEMENTS

## 33 SEGMENT INFORMATION (Continued)

### (b) Segment results, assets and liabilities (Continued)

2025

	Property	Hospitality and Leisure	Transportation	Investment	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue and other income</b>						
External revenue (note e)						
Revenues from contracts with customers						
— Recognized at a point in time	934,442	166,945	—	28,763	—	1,130,150
— Recognized over time	173,671	516,449	—	—	—	690,120
	1,108,113	683,394	—	28,763	—	1,820,270
Revenues from other sources						
— Rental income	489,225	—	—	228	—	489,453
— Dividend income	—	—	—	105,214	—	105,214
	489,225	—	—	105,442	—	594,667
	1,597,338	683,394	—	134,205	—	2,414,937
Inter-segment revenue	2,348	1,714	—	—	(4,062)	—
Other income (external income and excluding interest income)	52,582 <sup>(i)</sup>	26,893	—	14,039	—	93,514
	1,652,268	712,001	—	148,244	(4,062)	2,508,451
<b>Segment results</b>						
Fair value changes on investment properties	(293,918)	—	—	—	—	(293,918)
Interest income						256,923
Unallocated expense						(155,759)
Operating profit						546,198
Finance costs						(515,486)
Share of results of joint ventures	(317,175)	(25,756)	—	—	—	(342,931)
Share of results of associates	(76,993)	(11,946)	(11,800)	(40,502)	—	(141,241)
Loss before taxation						(453,460)
Taxation						(9,168)
Loss for the year						(462,628)

Notes:

(i) Amount includes forfeiture income from property sales of HK\$37,700,000 (note 4).

**33 SEGMENT INFORMATION** (Continued)

## (b) Segment results, assets and liabilities (Continued)

**2025**

	Property	Hospitality and Leisure	Transportation	Investment	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets</b>						
Segment assets	22,843,048	4,604,864	225,375	1,791,348	—	29,464,635
Joint ventures	10,000,029	(241,713)	—	—	—	9,758,316
Associates	4,550,682	87,558	377,585	577,911	—	5,593,736
Unallocated assets						5,949,877
Total assets						50,766,564
<b>Liabilities</b>						
Segment liabilities	743,572	221,481	25	6,528	—	971,606
Unallocated liabilities						16,922,542
Total liabilities						17,894,148
<b>Other information</b>						
Additions to non-current assets (other than financial instruments and deferred tax assets)	257,739	60,396	—	651	—	318,786
Depreciation						
— property, plant and equipment	24,375	85,175	—	2,112	—	111,662
— right-of-use assets	7,029	28,588	—	2,915	—	38,532
Amortization						
— intangible assets	—	—	—	63	—	63
Impairment losses provided						
— trade receivables	267	47	—	—	—	314

## NOTES TO THE FINANCIAL STATEMENTS

### 33 SEGMENT INFORMATION (Continued)

#### (b) Segment results, assets and liabilities (Continued)

2024

	Property	Hospitality and Leisure	Transportation	Investment	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue and other income</b>						
<b>External revenue (note e)</b>						
Revenues from contracts with customers						
— Recognized at a point in time	1,089,215	164,210	—	30,673	—	1,284,098
— Recognized over time	2,208,738	482,077	—	—	—	2,690,815
	3,297,953	646,287	—	30,673	—	3,974,913
Revenues from other sources						
— Rental income	468,410	—	—	241	—	468,651
— Dividend income	—	—	—	101,987	—	101,987
	468,410	—	—	102,228	—	570,638
	3,766,363	646,287	—	132,901	—	4,545,551
Inter-segment revenue	618	1,125	—	5,011	(6,754)	—
Other income (external income and excluding interest income)	66,431 <sup>(ii)</sup>	12,610	—	9,205	—	88,246
	3,833,412	660,022	—	147,117	(6,754)	4,633,797
<b>Segment results</b>						
Fair value changes on investment properties	(400,019)	(179,438)	—	72,289	—	810,439
Interest income						247,380
Unallocated expense						(180,768)
Operating profit						477,032
Finance costs						(695,093)
Share of results of joint ventures	(235,170)	(56,008)	—	—	—	(291,178)
Share of results of associates	(89,943)	(15,335)	(8,174)	(40,956)	—	(154,408)
Loss before taxation						(663,647)
Taxation						(85,915)
Loss for the year						(749,562)

Notes:

(ii) Amount included forfeiture income from property sales of HK\$48,295,000 (note 4).

**33 SEGMENT INFORMATION** (Continued)

## (b) Segment results, assets and liabilities (Continued)

2024

	Property	Hospitality and Leisure	Transportation	Investment	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets</b>						
Segment assets	24,474,415	4,488,383	225,263	1,742,328	—	30,930,389
Joint ventures	10,118,986	(238,251)	—	—	—	9,880,735
Associates	4,401,848	101,217	387,077	609,041	—	5,499,183
Unallocated assets						3,893,591
Total assets						50,203,898
<b>Liabilities</b>						
Segment liabilities	686,667	227,884	25	14,032	—	928,608
Unallocated liabilities						16,542,903
Total liabilities						17,471,511
<b>Other information</b>						
Additions to non-current assets (other than financial instruments and deferred tax assets)	150,680	56,599	—	9,657	—	216,936
Depreciation						
— property, plant and equipment	16,655	86,874	—	1,246	—	104,775
— right-of-use assets	10,092	28,075	—	2,598	—	40,765
Amortization						
— intangible assets	—	—	—	62	—	62
Impairment losses provided						
— property, plant and equipment	—	—	—	1,913	—	1,913
— trade receivables	28	—	—	—	—	28

## NOTES TO THE FINANCIAL STATEMENTS

### 33 SEGMENT INFORMATION (Continued)

#### (c) Geographical information

The following table set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets (other than joint ventures, associates, financial instruments, deferred tax assets and other non-current assets). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of non-current tangible assets is based on the location of the assets. The geographical location of intangible assets and goodwill is based on the location of the operation to which they are located.

	Hong Kong	Macao	Chinese Mainland	Singapore	Others	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>2025</b>						
Revenue and other income from external customers	571,495	915,090	235,494	786,353	19	2,508,451
Non-current assets	5,224,646	863,515	4,748,616	2,247,178	—	13,083,955
<b>2024</b>						
Revenue and other income from external customers	553,602	1,364,648	223,046	2,492,189	312	4,633,797
Non-current assets	5,338,399	879,966	5,346,613	2,147,278	—	13,712,256

#### (d) Information about major customers

For the year ended 31 December 2025 and 2024, the revenue from the Group's largest external customer amounted to less than 10% of the Group's total revenue.

#### (e) External revenue

External revenue comprises revenue by each reportable segment and dividend income from financial assets at FVOCI (note 4).

**34 SIGNIFICANT RELATED PARTY TRANSACTIONS**

(a) Details of significant related party transactions during the year were as follows:

	Note	2025	2024
		HK\$'000	HK\$'000
<b>STDM Group</b>			
	(i)		
Dividend income from STDM		<b>94,896</b>	87,503
Fees received from STDM Group for provision of hospitality management and related services		<b>20,754</b>	20,089
Fees received from STDM Group for provision of property related services		<b>23,302</b>	15,539
Fees received from STDM Group for provision of business support services		<b>1,992</b>	1,987
Rental and related expenses paid to STDM Group		<b>14,287</b>	14,502
Amount reimbursed by STDM Group for staff expenses and administrative resources shared		<b>35,097</b>	37,355
<b>Joint ventures</b>			
Management and consultancy fee received from joint ventures		<b>9,485</b>	24,212
Sanitation/cleaning service income received from a joint venture		<b>13,679</b>	13,651
<b>Associates</b>			
Rental and related expenses paid to an associate		<b>9,288</b>	9,286
Insurance premium paid to an associate		<b>8,287</b>	7,645
Management fee received from an associate		<b>9,970</b>	5,272
<b>Key management personnel</b>			
Directors' emoluments	(ii)		
— Salaries and other short-term employee benefits		<b>31,560</b>	30,385
— Provident fund contributions		<b>1,172</b>	1,149
Marketing expenses paid	(iii)*	<b>1,278</b>	1,774

\* This related party transaction also constitutes a continuing connected transaction under Chapter 14A of the Listing Rules and the Company has complied with the requirements in that Chapter.

## NOTES TO THE FINANCIAL STATEMENTS

### 34 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) At the balance sheet date, the Group had the following balances with related parties:

	Note	2025	2024
		HK\$'000	HK\$'000
<b>STDM Group</b>	(i)		
Net receivable from STDM Group	(iv)	7,642	18,209
<b>Joint ventures</b>			
Amounts due by joint ventures	(v)	348,644	268,655
Amount due to a joint venture	(v)	3,308	1,958
<b>Associates</b>			
Amounts due by associates	(vi)	239,388	239,228
<b>Key management personnel</b>			
Deposit paid by a subsidiary to Sai Wu Investment Limited ("Sai Wu")	(vii)	500,000	500,000

Notes:

- (i) Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum, Directors of the Company, have beneficial interests in STDM. Ms. Pansy Ho and Mr. David Shum are directors of STDM. Ms. Daisy Ho is an appointed representative of Lanceford Company Limited, which is a corporate director of STDM. Ms. Maisy Ho is an appointed representative of the Company, which is a corporate director of STDM.
- (ii) Further details of Directors' emoluments are disclosed in note 7 to the consolidated financial statements.
- (iii) Ms. Pansy Ho, Director of the Company, has beneficial interest in Occasions. Occasions Group provided brand marketing and consultancy services to the Group from time to time on a non-exclusive basis.
- (iv) Net receivable from STDM Group comprises trade and other receivables and payables.
- (v) Amounts due by joint ventures and amount due to a joint venture are unsecured, non-interest bearing and with no fixed term of repayment.
- (vi) Amounts due by associates are unsecured. An amount of HK\$150,882,000 (2024: HK\$150,882,000) carries interest at HIBOR plus 2% per annum on loan principal and repayable on demand (2024: same). The related interest income for the year amounted to HK\$3,984,000 (2024: HK\$5,296,000). An amount of HK\$33,000,000 (2024: HK\$33,000,000) carries interest at 2.8% per annum on loan principal and repayable by 15 December 2026 (2024: same). The related interest income for the year amounted to HK\$462,000 (2024: HK\$463,000). An amount of RMB8,200,000 (2024: RMB8,200,000) carries interest at 3.35% per annum (2024: 3.45% per annum) on loan principal and is repayable by 4 January 2026. An amount of RMB4,000,000 (2024: RMB4,000,000) carries interest at 3.35% per annum (2024: 5% per annum) on loan principal and is repayable by 1 February 2026. The remaining balances are non-interest bearing and with no fixed term of repayment.

### 34 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) At the balance sheet date, the Group had the following balances with related parties:  
(Continued)

Notes: (Continued)

- (vii) On 11 November 2004, Shun Tak Nam Van Investment Limited ("Shun Tak Nam Van"), a wholly-owned subsidiary of the Group, entered into a conditional sale and purchase agreement ("SPA") with Sai Wu, a company now beneficially owned by the late Dr. Stanley Ho to acquire the interest in the land development right (note 22(b)). A refundable deposit of HK\$500,000,000 was paid by Shun Tak Nam Van to Sai Wu. Further on 1 November 2016, Shun Tak Nam Van, the Company and Sai Wu entered into a supplemental agreement in respect of (i) the extension of the long stop date of the SPA and (ii) the proposed transfer of entire share capital of companies holding the respective leasehold grant or promissory land replacement rights (the "Target Companies") and the assignment of relevant promissory land replacement rights held by Sai Wu to Shun Tak Nam Van (the "Transfer"), enabling the Group to have authority to directly negotiate on behalf of Sai Wu and the Target Companies in relation to the land sites and the promissory land rights. The Transfer was completed in 2018.

Depending on the results of such negotiation, Shun Tak Nam Van may (i) obtain the replacement site(s) to its satisfaction and pay the pro-rata consideration; or (ii) revoke the Transfer and request Sai Wu to return the deposit paid by Shun Tak Nam Van under the SPA.

### 35 RETIREMENT BENEFITS SCHEMES

The Group provides defined contribution provident fund schemes for its eligible employees in Hong Kong, including the Occupational Retirement (ORSO) scheme and the Mandatory Provident Fund (MPF) scheme. During the year, the ORSO scheme in Hong Kong was terminated.

The Group's contributions to the MPF scheme are based on fixed percentages of member's salaries, ranging from 5% of MPF relevant income to 10% of the basic salary depending on respective companies' scheme rules and the choice of the employees. Member's mandatory contributions are fixed at 5% of MPF relevant monthly income which is capped at HK\$30,000 (2024: HK\$30,000).

The Group also operates a defined contribution provident fund scheme for eligible employees in Macao. Contributions to the scheme are made either only by the employer ranging from 5% to 10% or by both employer and employees ranging from 5% to 10% of the employees' monthly basic salaries.

The eligible employees of the Company's subsidiaries in the Chinese Mainland are members of pension schemes operated by the Chinese local governments. The subsidiaries are required to contribute a certain percentage of their payroll costs to the pension schemes to fund the benefits.

The assets held under the MPF scheme and the other provident fund schemes are managed by independent trustees. The Group's contributions charged to the consolidated income statement for the year ended 31 December 2025 were HK\$22,596,000 (2024: HK\$22,508,000). Under the provident fund schemes other than MPF scheme, no forfeiture of employer's contributions was applied to reduce the Group's contributions for both years. Up to the balance sheet date, forfeited contributions retained in the ORSO and other provident fund schemes were HK\$3,912,000 (2024: HK\$11,049,000).

## NOTES TO THE FINANCIAL STATEMENTS

### 36 COMMITMENTS

#### (a) Capital commitments

Except for the commitments disclosed elsewhere in the consolidated financial statements, the Group held the following capital commitments as at year end:

	Note	2025	2024
		HK\$'000	HK\$'000
Contracted but not provided for			
Property, plant and equipment	(i)	29,707	6,664
Investment properties		—	85
		<b>29,707</b>	<b>6,749</b>
Capital contribution to			
An associate	(ii)	412,571	579,048

Notes:

- (i) As at 31 December 2025, the outstanding commitments mainly include approximately HK\$27 million for development of an adventure zone at a theme park in Hong Kong (2024: HK\$3 million for development of hotel properties in Singapore).
- (ii) As at 31 December 2025, the outstanding commitment represents capital contribution of USD53 million (2024: USD75 million) to an associate for investing in real estate projects in the Chinese Mainland for healthcare usage, with hotel and/or retail components, complemented by healthcare-related amenities and mixed-use properties.
- (iii) The Group's share of capital commitment of joint ventures is HK\$13 million as at 31 December 2025 (2024: HK\$13 million).

#### (b) Future minimum lease payments receivable

The Group leases out properties under operating leases. The majority of the leases typically run for periods of 1 to 15 years. None of the leases include material contingent rentals.

The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	2025	2024
	HK\$'000	HK\$'000
Within one year	363,736	331,423
After 1 year but within 2 years	250,923	236,120
After 2 years but within 3 years	109,727	143,420
After 3 years but within 4 years	20,474	53,492
After 4 years but within 5 years	18,210	13,362
After 5 years	8,496	17,306
	<b>771,566</b>	<b>795,123</b>

### 36 COMMITMENTS (Continued)

#### (c) Property development commitments

The Group had outstanding commitments of HK\$24 million (2024: HK\$24 million) under various contracts for property development projects.

In addition to the above, the Group had commitments of payment up to HK\$250 million (2024: HK\$250 million) in cash and of issue of up to 148,883,374 (2024: 148,883,374) ordinary shares of the Company for the conditional acquisitions of the interests in the land development rights in respect of the property sites adjoining the Macau Tower in Nam Van, Macao (notes 22(b) and 34(b)(vii)).

### 37 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank borrowings	Finance costs payable	Lease liabilities	Loans from non-controlling interests	Dividend payable to shareholders	Dividend payable to non-controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2025	15,435,632	16,171	65,287	35,000	4,547	—	15,556,637
Cash flows	240,984	(509,637)	(37,398)	—	(9)	(242,927)	(548,987)
Exchange adjustments	266,483	—	—	—	—	—	266,483
Finance costs	—	512,365	3,121	—	—	—	515,486
Dividends declared	—	—	—	—	—	358,907	358,907
Loan facilities fee	4,706	—	—	—	—	—	4,706
Disposal to lease liabilities	—	—	(643)	—	—	—	(643)
Addition to lease liabilities (note 13 (b))	—	—	9,080	—	—	—	9,080
Other non-cash transactions	—	—	—	15,000	—	—	15,000
As at 31 December 2025	15,947,805	18,899	39,447	50,000	4,538	115,980	16,176,669

	Bank borrowings	Finance costs payable	Lease liabilities	Loans from non-controlling interests	Dividend payable to shareholders	Dividend payable to non-controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	15,541,176	17,190	100,901	50,361	4,566	—	15,714,194
Cash flows	92,137	(691,720)	(41,923)	(15,361)	(19)	(124,070)	(780,956)
Exchange adjustments	(198,426)	—	—	—	—	—	(198,426)
Finance costs	—	690,701	4,392	—	—	—	695,093
Dividends declared	—	—	—	—	—	124,070	124,070
Loan facilities fee	745	—	—	—	—	—	745
Disposal to lease liabilities	—	—	(9,200)	—	—	—	(9,200)
Addition to lease liabilities (note 13 (b))	—	—	11,117	—	—	—	11,117
As at 31 December 2024	15,435,632	16,171	65,287	35,000	4,547	—	15,556,637

## NOTES TO THE FINANCIAL STATEMENTS

### 38 CONTINGENCY AND FINANCIAL GUARANTEES

There was no material contingent liabilities of the Group at the year end. As at 31 December 2024, the Company had provided a corporate guarantee for securing a banking facility granted to an associate and the amount utilized was HK\$100 million.

### 39 FINANCIAL INSTRUMENTS

#### Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management. The management manages and monitors these risk exposures to ensure appropriate measures are implemented on timely and effective manners.

#### (a) Credit risk

The Group is exposed to credit risk on financial assets, that a loss may incur if the counterparties fail to discharge their obligation, mainly including amounts due by joint ventures and associates, trade and other receivables, deposit paid, contract assets, debt securities classified as financial assets at FVOCI, bank deposits and cash at banks.

The Group has policies in place to ensure that sales of properties are made to buyers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. If a buyer defaults on the payment, the Group is able to retain the buyer's deposits and sell the property to recover any amounts recognized. Unless the selling price would drop by more than the buyer's deposits received, the Group may not be in a loss position in selling those properties out. In this regard, the directors of the Company consider that the Group's credit risk related to property sale receivables and contract assets are largely mitigated.

Credit risk arises from cash and bank balances and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a sound credit rating are accepted. The Group manages credit risk arising from trade debtors in accordance with defined credit policies, dependent on market requirements and business which they operate. Subject to negotiation, credit is only available for major customers with well-established trading records. The Group offers general credit terms ranging from 0 day to 60 days to its customers, except for the proceeds from sales of properties which are receivable pursuant to the terms of the relevant agreements. In addition, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Management of the Group reviews regularly the recoverable amount of trade receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group's investment in debt securities are considered to be low risk because of their high credit ratings. The credit ratings of the investments are monitored for credit deterioration.

Amounts due by joint ventures and associates are granted taken into account of their financial position, past experience and other factors. The Group monitors the credibility of joint ventures and associates continuously.

**39 FINANCIAL INSTRUMENTS (Continued)**

## Financial risk management (Continued)

## (a) Credit risk (Continued)

**Summary quantitative data**

	2025	2024
	HK\$'000	HK\$'000
Other non-current assets (excluding prepayments)	559,150	478,390
Trade receivables, other receivables and deposits paid (excluding prepayments)	348,908	740,953
Cash and bank balances	9,556,238	7,809,879
	<b>10,464,296</b>	<b>9,029,222</b>

As at 31 December 2025 and 2024, the maximum exposure to credit risk is represented by the carrying amount of each financial asset. Except for the financial guarantees given by the Group as set out in note 38, the Group does not provide any other guarantees which would expose the Group or the Company to material credit risk.

Credit risk arising from the other financial instruments of the Group, which include mainly cash and bank balances and debt securities classified as financial assets at FVOCI, is limited because the counterparties are considered by the Directors to have high creditworthiness. The Directors assess the creditworthiness with reference to external credit ratings (if available) or to historical information about counterparty default rates.

Other non-current assets mainly include amounts due by joint ventures amounting to HK\$343 million (2024: HK\$260 million), which is contributed by two (2024: two) joint ventures, and amounts due by associates amounting to HK\$192 million (2024: HK\$205 million), which are contributed by two (2024: three) associates. Directors consider the balances could be recovered by the operations of joint ventures and associates in the future and consider the loss given default is minimal.

For the trade receivables, management considers the credit risk of the counterparties is not high. The Group maintains frequent communications with these counterparties. Management has closely monitored the credit qualities and the collectability of these receivables and consider that the expected credit risks of them are minimal in view of the history of cooperation with them and forward looking information.

The Directors of the Group consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the year. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at the balance sheet date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the company's ability to meet its obligations;
- actual or expected significant changes in the operating results of the company; and
- significant changes in the expected performance and behavior of the company, including changes in the payment status of the third party.

As at 31 December 2025 and 2024, management consider other receivables, mortgage loan receivable, other non-current assets, debt securities classified as financial assets at FVOCI and cash and bank balances as low credit risk as counterparties have a strong capacity to meet its contractual cash flow obligations in the near future. The Group has assessed that the ECL for these balances are immaterial. Thus, the loss allowance recognized during the year for these balances is close to zero.

## NOTES TO THE FINANCIAL STATEMENTS

### 39 FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management (Continued)

#### (b) Liquidity risk

The Group is exposed to liquidity risk on financial liabilities. It is the Group's policy to regularly monitor its liquidity requirements and its compliance with any lending covenants, and to secure adequate funding and sufficient cash reserves to match with the cash flows required for working capital and investing activities. In addition, banking facilities have been put in place for contingency purposes. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

#### 2025

	Less than 1 year or on demand	Later than 1 year and not later than 5 years	Later than 5 years	Total undiscounted cash flows	Carrying amount at 31 December
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-derivative financial liabilities</b>					
Lease liabilities	23,154	19,817	—	42,971	39,447
Bank borrowings	4,209,482	12,854,904	170,659	17,235,045	15,947,805
Trade and other payables	838,943	—	—	838,943	838,943
Loans from non-controlling interests	50,000	—	—	50,000	50,000
	<b>5,121,579</b>	<b>12,874,721</b>	<b>170,659</b>	<b>18,166,959</b>	<b>16,876,195</b>

#### 2024

	Less than 1 year or on demand	Later than 1 year and not later than 5 years	Later than 5 years	Total undiscounted cash flows	Carrying amount at 31 December
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-derivative financial liabilities</b>					
Lease liabilities	35,903	35,210	—	71,113	65,287
Bank borrowings	6,146,208	10,571,048	202,467	16,919,723	15,435,632
Trade and other payables	774,443	—	—	774,443	774,443
Loans from non-controlling interests	35,000	—	—	35,000	35,000
	<b>6,991,554</b>	<b>10,606,258</b>	<b>202,467</b>	<b>17,800,279</b>	<b>16,310,362</b>

**39 FINANCIAL INSTRUMENTS (Continued)**

## Financial risk management (Continued)

## (c) Market risk

**(i) Interest rate risk**

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities. It is the Group's policy to regularly monitor and manage its interest rate risk exposure, by maintaining an appropriate and comfortable level of mix between fixed and variable-rate financial assets and liabilities and by repaying and/or selling the relevant fixed and variable-rate financial assets and liabilities in case of significant unfavorable market interest rate movement.

**Summary quantitative data**

	2025	2024
	HK\$'000	HK\$'000
<b>Variable-rate financial assets/(liabilities)</b>		
Trade and other receivables, deposits paid and prepayments	68	64
Other non-current assets	151,374	151,438
Bank balances and deposits	8,696,953	6,940,324
Bank borrowings	(13,503,203)	(11,995,736)
	<b>(4,654,808)</b>	(4,903,910)
<b>Fixed-rate financial assets/(liabilities)</b>		
Trade and other receivables, deposits paid and prepayments	46,574	33,000
Other non-current assets	—	12,946
Bank borrowings	(2,500,000)	(3,500,000)
	<b>(2,453,426)</b>	(3,454,054)
Net interest-bearing liabilities	<b>(7,108,234)</b>	(8,357,964)

**Sensitivity analysis**

As at 31 December 2025, if interest rates had been 50 basis points (2024: 50 basis points) higher/lower with all other variables held constant, the Group's profit after taxation and equity after taking into account the impact of finance costs capitalized in hotel buildings under construction would decrease by HK\$21.5 million (2024: HK\$24.8 million)/increase by HK\$23.6 million (2024: HK\$22.5 million) arising mainly as a result of change in interest income, net on variable-rate financial assets/liabilities.

The sensitivity analysis has been prepared with the assumption that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for the relevant financial instruments in existence at that date. The changes in interest rates represent management's assessment of a reasonably possible change at that date over the period until the next annual balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS

### 39 FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management (Continued)

##### (c) Market risk (Continued)

###### (ii) Currency risk

The Group is exposed to currency risk on financial assets and liabilities that are denominated in United States dollar ("USD"), Macao pataca ("MOP"), Singapore dollar ("SGD") and Renminbi ("RMB").

The Group closely monitors and manages its exposure to currency risk, in particular the currency risk arising from those currencies that are not pegged to Hong Kong dollar ("HKD"), the functional currency of the Company.

While the Group has financial assets and liabilities denominated in USD and MOP, they are continuously pegged to HKD and these exposure to currency risk for such currencies is minimal to the Group. The Group's exposure to currency risk on financial assets and liabilities that are denominated in SGD and RMB are relatively insignificant. Since the currencies of financial assets and financial liabilities are primarily the functional currency of the respective company. The Group continuously monitors and manages such exposure to ensure they are at manageable levels.

###### **Sensitivity analysis**

As at 31 December 2025, if HKD weakened 10% (2024: 10%) against RMB and SGD with all other variable held constant, the Group's profit after taxation would increase by HK\$5.2 million (2024: HK\$6.3 million) and increase by HK\$0.2 million (2024: HK\$1.9 million) respectively. Conversely, if HKD had strengthened 10% (2024: 10%) against RMB and SGD with all other variables held constant, the Group's profit after taxation would decrease by HK\$5.2 million (2024: HK\$6.3 million) and decrease by HK\$0.2 million (2024: HK\$1.9 million).

The sensitivity analysis has been prepared with the assumption that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to the exposure to currency risk for the relevant financial instruments in existence at that date. The changes in foreign exchange rates represent management's assessment of a reasonably possible change in foreign exchange rates at that date over the period until the next annual balance sheet date.

The sensitivity analysis had not been prepared for the Group's exposure to currency risk arising from financial assets and liabilities denominated in USD and MOP. In view of the facts the HKD has been pegged with USD and MOP for many years and the respective government in Hong Kong and Macao have continuously committed not to amend the pegged rates, the management's assessment of reasonably changes in value of HKD against USD and against MOP at the balance sheet date over the period until the next annual balance sheet date is not material.

**39 FINANCIAL INSTRUMENTS (Continued)**

## Financial risk management (Continued)

## (c) Market risk (Continued)

**(iii) Price risk**

The Group is exposed to price risk on listed and unlisted securities.

The Group's policy is mainly to invest in financial assets with price risk by using its surplus funds in order to minimize the impact of the exposure to the Group's business operation and financial position and simultaneously, to enhance the return to the shareholders. The Group aims at holding the listed and unlisted securities for long term strategic purposes.

For its listed securities, the Group regularly monitors their performance by reviewing their listed price and announcements, including interim and annual reports. These investments are selected based on their respective investment potential and prospect and are diversified in different industries. For its unlisted securities, the Group monitors their performance by reviewing their reports, including management reports and annual financial statements, and recent transactions.

**Summary quantitative data**

	2025	2024
	HK\$'000	HK\$'000
<b>Financial assets, at fair value</b>		
Financial assets at FVOCI	<b>1,718,132</b>	1,679,046

**Sensitivity analysis**

As at 31 December 2025, if prices of the listed and unlisted securities, classified as financial assets at FVOCI, had been 10% (2024: 10%) higher/lower with all other variables held constant, the Group's investment revaluation reserve would have been HK\$171.8 million (2024: HK\$167.9 million) higher/lower and no change in loss for the year (2024: no change).

The sensitivity analysis has been prepared with the assumption that the change in price had occurred at the balance sheet date and had been applied to the exposure to price risk for the relevant financial instruments in existence at that date. The changes in price represent management's assessment of a reasonably possible change at that date over the period until the next annual balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS

### 39 FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management (Continued)

#### (d) Categories of financial instruments

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

	2025	2024
	HK\$'000	HK\$'000
<b>Financial assets</b>		
Financial assets measured at amortized cost (including cash and bank balances)	10,464,296	9,029,222
Financial assets at FVOCI	1,718,132	1,679,046
<b>Financial liabilities</b>		
Financial liabilities measured at amortized cost	16,876,195	16,310,362

#### (e) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

#### 31 December 2025

	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets</b>				
Financial assets at FVOCI				
— equity securities	195,515	41	1,522,576	1,718,132

#### 31 December 2024

	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets</b>				
Financial assets at FVOCI				
— equity securities	291,663	510	1,386,873	1,679,046

## 39 FINANCIAL INSTRUMENTS (Continued)

### Financial risk management (Continued)

#### (e) Fair value estimation (Continued)

##### Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity and debt investments classified as FVOCI.

##### Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Level 2 equity securities are valued based on the net asset value per share.

##### Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair values of derivative financial instruments are determined either by reference to mark-to-market values quoted by the independent financial institutions or the estimated future cash flows at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements. There were no significant changes in the business or economic circumstances that affect the fair values of the Group's financial assets and financial liabilities and there were no reclassifications of financial assets during the year.

Investment in STDM classified as level 3 equity securities are fair valued using market approach which is based on the capitalization of the dividend income expected from the investment by a capitalization rate, which is derived with reference to the dividend yields of comparable listed companies with similar business nature and business model, as well as the relative risk profile of the comparable listed companies and the investment itself.

## NOTES TO THE FINANCIAL STATEMENTS

### 39 FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management (Continued)

#### (e) Fair value estimation (Continued)

##### Information about fair value measurements using significant unobservable inputs

Fair value as at 31 December 2025	Valuation method	Range of significant unobservable inputs	
		Expected dividend stream per year	Dividend yield
HK\$'000 1,522,576	Market approach	HK\$80.6 million	5.29%

Fair value as at 31 December 2024	Valuation method	Range of significant unobservable inputs	
		Expected dividend stream per year	Dividend yield
HK\$'000 1,386,873	Market approach	HK\$76.4 million	5.51%

The determination of fair value of the investment using significant unobservable input involves a high degree of judgement and estimates. For illustration purpose, the sensitivity of the fair value of such investment as at 31 December 2025 and 2024 to hypothetical changes in the significant principal assumptions (while holding all other assumptions constant) is as follows:

#### 31 December 2025

	Change in assumptions	Impact on fair value and other comprehensive income	
		Positive impact	Negative impact
Expected dividend stream	Increase/decrease by 10% per year	Increase by HK\$152 million	Decrease by HK\$152 million
Dividend yield	Decrease/increase by 0.5%	Increase by HK\$159 million	Decrease by HK\$131 million

#### 31 December 2024

	Change in assumptions	Impact on fair value and other comprehensive income	
		Positive impact	Negative impact
Expected dividend stream	Increase/decrease by 10% per year	Increase by HK\$139 million	Decrease by HK\$139 million
Dividend yield	Decrease/increase by 0.5%	Increase by HK\$139 million	Decrease by HK\$115 million

**39 FINANCIAL INSTRUMENTS** (Continued)

## Financial risk management (Continued)

## (e) Fair value estimation (Continued)

**Information about fair value measurements using significant unobservable inputs** (Continued)

The movements of the carrying value of the unlisted investments which is categorized at Level 3 fair value hierarchy are as follows:

	<b>Financial assets at FVOCI</b>
	HK\$'000
As at 1 January 2024	1,253,858
Change in fair value recognized in other comprehensive income	133,015
As at 31 December 2024	<b>1,386,873</b>
Change in fair value recognized in other comprehensive income	<b>135,703</b>
As at 31 December 2025	<b>1,522,576</b>

**40 CAPITAL MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure. The Group manages its capital structure and makes adjustments to it taking into account current and expected debt and equity capital market conditions, the Group's investment strategy and opportunities, projected operating cash flows and capital expenditures, and general market conditions. To maintain or adjust the capital structure, the Group may adjust the level of borrowings, the dividend payment to shareholders, issue new shares, raise debt financing or repurchase own shares.

The Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. Net borrowing is calculated as total debt, which includes current and non-current borrowings, less cash and bank balances. Adjusted capital comprises all components of equity attributable to owners of the Company less hedging reserve. During 2025, the Group's strategy was to maintain a healthy net debt-to-adjusted capital ratio.

## NOTES TO THE FINANCIAL STATEMENTS

### 40 CAPITAL MANAGEMENT (Continued)

The net debt-to-adjusted capital ratio as at 31 December 2025 and 2024 was as follows:

	2025	2024
	<b>HK\$'000</b>	HK\$'000
Bank borrowings (note 27)	<b>15,947,805</b>	15,435,632
Less: Cash and bank balances (note 23)	<b>(9,556,238)</b>	(7,809,879)
Net borrowing	<b>6,391,567</b>	7,625,753
Equity attributable to owners of the Company	<b>30,912,123</b>	30,441,133
Less: Hedging reserve (note 32)	<b>(4,265)</b>	(4,265)
Adjusted capital	<b>30,907,858</b>	30,436,868
Net debt-to-adjusted capital ratio	<b>20.7%</b>	25.1%

#### Loan covenants

Certain subsidiaries of the Group are subject to loan covenants. For both 2025 and 2024, there is no non-compliance with those loan covenants.

As disclosed in Note 27, the entire non-current portion of bank borrowings is subject to certain covenants which the relevant subsidiaries/the Group are required to comply with. Under the terms of the loan agreements, the Group is required to comply with financial covenants applicable to certain bank borrowings, which include interest coverage ratio, ratio of total loans to total security value, equity attributable to the owner and the tangible net worth that are assessed at the end of each interim and/or annual period. Non-financial related covenants that the Group's entities must comply with are terms that are commonly applicable to borrowers based on the prevalent financial market practice and assessed on the date agreed upon with the lenders.

There is on-going requirement of a performance linked interest coverage ratio compliance ("ICR Compliance") conducted semi-annually for a subsidiary with the relevant bank loan amounting to HK\$997,514,000. In case the said ICR Compliance cannot be met, any shortfall would become payable if the relevant lender requires to do so. Notwithstanding that, the Group has sufficient financial resources to repay the loan if required.

Except for above, there are no indications that the Group entities would have difficulties complying with the covenants within 12 months after the end of the reporting period.

**41 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY**

## Balance sheet of the Company

	2025	2024
	HK\$'000	HK\$'000
<b>Non-current assets</b>		
Property, plant and equipment	441	555
Subsidiaries	675,116	670,116
Associates	377,850	387,250
Financial assets at fair value through other comprehensive income	1,499,942	1,366,257
Other non-current assets	15,166,078	16,453,323
	<b>17,719,427</b>	18,877,501
<b>Current assets</b>		
Trade and other receivables, and deposits paid	91,408	81,859
Cash and bank balances	5,613,069	3,595,649
	<b>5,704,477</b>	3,677,508
<b>Current liabilities</b>		
Trade and other payables, and receipts in advance	8,778,963	8,267,520
Provision for employee benefits	3,500	3,345
	<b>8,782,463</b>	8,270,865
<b>Net current liabilities</b>	<b>(3,077,986)</b>	(4,593,357)
<b>Net assets</b>	<b>14,641,441</b>	14,284,144
<b>Equity</b>		
Share capital	9,858,250	9,858,250
Other reserves (note (a))	4,783,191	4,425,894
<b>Total equity</b>	<b>14,641,441</b>	14,284,144

The balance sheet of the Company was approved by the Board of Directors on 30 March 2026 and was signed on its behalf

**Pansy Ho**  
Director

**Daisy Ho**  
Director

## NOTES TO THE FINANCIAL STATEMENTS

### 41 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Notes:

(a) The reserve movement of the Company is as follows:

	Capital reserve	Investment revaluation reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	10,855	(1,066,056)	5,588,419	4,533,218
Loss for the year	—	—	(238,363)	(238,363)
Fair value changes of equity investments as financial assets at FVOCI	—	131,039	—	131,039
As at 31 December 2024	<b>10,855</b>	<b>(935,017)</b>	<b>5,350,056</b>	<b>4,425,894</b>
Profit for the year	—	—	<b>223,613</b>	<b>223,613</b>
Fair value changes of equity investments as financial assets at FVOCI	—	<b>133,684</b>	—	<b>133,684</b>
As at 31 December 2025	<b>10,855</b>	<b>(801,333)</b>	<b>5,573,669</b>	<b>4,783,191</b>

## 42 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

	Place of incorporation/ principal place of operation	Issued and paid up capital/ registered capital	Percentage held by the Group		Principal activities
			2025	2024	
<b>Property — Hong Kong</b>					
Goform Limited	Hong Kong	Ordinary shares: HK\$2	100	100	Assets leasing and investment holding
Hocy Development Limited	Hong Kong	Ordinary shares: HK\$2	100	100	Property investment
Iconic Palace Limited	Hong Kong	Ordinary shares: HK\$20	100	100	Property investment
Megabright Investment Limited	Hong Kong	Ordinary shares: HK\$2	100	100	Investment holding
Ranex Investments Limited	Hong Kong	Ordinary shares: HK\$100	51	51	Property investment and development
Shun Tak Development Limited	Hong Kong	Ordinary shares: HK\$634,445,380	100	100	Investment holding
Shun Tak Property Investment & Management Holdings Limited	Hong Kong	Ordinary shares: HK\$2	100	100	Property investment and provision of management services
Shun Tak Property Management Limited	Hong Kong/Hong Kong and Macao	Ordinary shares: HK\$2	100	100	Property management and investment holding
Sonata Kingdom Limited <sup>^^</sup>	Hong Kong	Ordinary share: HK\$1	100	100	Property investment
Shun Tak Centre Limited <sup>#</sup> ("STCL")	Hong Kong	Ordinary Class A shares: HK\$100,000 Ordinary Class B shares: HK\$4,500 Ordinary Class C shares: HK\$5,500	(Note 1)	(Note 1)	Property investment and investment holding
<b>Property — Macao</b>					
Ace Wonder Limited	British Virgin Islands	Ordinary share: US\$1	100	100	Investment holding
Basecity Investments Limited <sup>^</sup>	British Virgin Islands	Ordinary shares: US\$10,000	51 (Note 2)	51 (Note 2)	Investment holding
Properties Sub F, Limited <sup>^</sup>	Macao	MOP1,000,000	51 (Note 2)	51 (Note 2)	Property investment, hotel owning and operation
Eversun Company Limited	Hong Kong/Macao	Ordinary shares: HK\$200	100	100	Property investment
Fast Shift Investments Limited ("Fast Shift")	British Virgin Islands	Ordinary Class A share: US\$1 Non-voting Class B share	100 (Note 3) (Note 4)	100 (Note 3) (Note 4)	Investment holding
Nova Taipa — Urbanizações, Limitada ("NTUL")	Macao	Quota capital: MOP10,000,000	(Note 4)	(Note 4)	Property development
Nextor Holdings Limited <sup>^</sup>	British Virgin Islands	Ordinary shares: US\$10	50	50	Investment holding
Viver Taipa Limitada <sup>^</sup>	Macao	Quota capital: MOP25,000	50	50	Property investment
Shun Tak Nam Van Investimento Limitada	Macao	Quota capital: MOP25,000	100	100	Property development
Winning Reward Investments Limited	British Virgin Islands	Ordinary share: US\$1	100	100	Investment holding

# NOTES TO THE FINANCIAL STATEMENTS

## 42 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Continued)

	Place of incorporation/ principal place of operation	Issued and paid up capital/ registered capital	Percentage held by the Group		Principal activities
			2025	2024	
<b>Property — Chinese Mainland</b>					
Shun Tak Real Estate (Beijing) Co. Ltd. * <sup>b</sup> 信德京匯置業(北京)有限公司	Chinese Mainland	RMB465,000,000 <sup>®</sup>	100	100	Property investment and hotel development
Guangzhou Shun Tak Real Estate Company Limited <sup>b</sup>	Chinese Mainland	HK\$50,000,000 <sup>®</sup>	60	60	Property investment
Perennial HC Holdings Pte. Ltd. #	Singapore	Ordinary shares: US\$323,279,900	30	30	Investment holding
Perennial Tongzhou Development Pte. Ltd. #	Singapore	Ordinary shares: S\$388,778,402	31.6	31.6	Investment holding
Shun Tak Cultural Centre Limited	Hong Kong	Ordinary shares: HK\$10	60	60	Investment holding
Sonic City Limited	Hong Kong	Ordinary share: HK\$1	100	100	Investment holding
Zhuhai Hengqin Shun Tak Property Development Co. Ltd * <sup>b</sup> 珠海橫琴信德房地產開發有限公司	Chinese Mainland	RMB1,410,000,000 <sup>®</sup>	100	100	Property investment and hotel development
Shun Tak Qiantan (Shanghai) Cultural and Real Estate Company Limited * <sup>Ω</sup> 信德前灘(上海)文化置業有限公司	Chinese Mainland	RMB3,000,000,000 <sup>®</sup>	50	50	Property investment, performing art centre management, hotel owning and operation
Shun Yin Limited	Hong Kong	Ordinary shares: HK\$100	100	100	Investment holding
Tak Hope Limited	Hong Kong	Ordinary shares: HK\$100	100	100	Investment holding
Shanghai Suzuan Investment Company Limited * 上海蘇鑽投資有限公司	Chinese Mainland	RMB2,529,880,000 <sup>®</sup>	100	100	Investment holding
Shanghai Tongxin Investment Company Limited * 上海潼信投資有限公司	Chinese Mainland	RMB2,270,120,000 <sup>®</sup>	100	100	Investment holding
Shanghai Huahe Real Estate Development Company Limited * <sup>Ω</sup> 上海華合房地產開發有限公司	Chinese Mainland	RMB25,507,698 <sup>®</sup>	50	50	Property development
Shanghai Huayan Real Estate Development Company Limited * <sup>Ω</sup> 上海華筵房地產開發有限公司	Chinese Mainland	RMB4,573,861,007 <sup>®</sup>	50	50	Property development

## 42 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Continued)

	Place of incorporation/ principal place of operation	Issued and paid up capital/ registered capital	Percentage held by the Group		Principal activities
			2025	2024	
<b>Property — Singapore</b>					
Shun Tak Somerset Investors Pte. Ltd.	Singapore	Ordinary shares: S\$343,501 Preference shares: S\$95,607,500	100	100	Investment holding
Shun Tak (Somerset) Pte. Ltd.	Singapore	Ordinary shares: S\$10,001	100	100	Property holding
Shun Tak Residential Development Pte. Ltd.	Singapore	Ordinary shares: S\$1,000,000	100	100	Property development
Shun Tak Cuscaden Residential Pte. Ltd.	Singapore	Ordinary shares: S\$2,000,000	100	100	Property development
<b>Hospitality and Leisure</b>					
Artyzen Hospitality Group Limited	Hong Kong	Ordinary share: HK\$1	100	100	Hospitality management and auxiliary services
Host Wise International Limited	Hong Kong	Ordinary share: HK\$1	100	100	Property investment for hotel operation
Shun Tak Property (Shanghai) Co., Ltd. * <sup>b</sup> 信德置業(上海)有限公司	Chinese Mainland	RMB880,000,000 <sup>@</sup>	100	100	Hotel owning and operation
Shun Tak Real Estate (Singapore) Pte. Ltd.	Singapore	Ordinary share: S\$1	100	100	Hotel owning and operation
Sociedade de Turismo e Desenvolvimento Insular, S.A. #	Macao	Capital: MOP200,000,000	34.9	34.9	Hotel and golf club operations
Union Sky Holdings Limited ^^	Hong Kong	Ordinary shares: HK\$10,000	70	70	Hotel owning and operation
<b>Transportation</b>					
Shun Tak — China Travel Shipping Investments Limited #	British Virgin Islands/ Hong Kong	Ordinary shares: US\$10,000	50 (Note 5)	50 (Note 5)	Investment holding
<b>Investment</b>					
Step Ahead International Limited	British Virgin Islands/ Hong Kong	Ordinary share: US\$1	100	100	General investment
Common Sense Limited	Hong Kong	Ordinary shares: HK\$100	100	100	General investment
Phoenix Media Investment (Holdings) Limited #	Cayman Islands	Ordinary shares: HK\$499,365,950	16.9	16.9	Investment holding
<b>Finance</b>					
Shun Tak Finance Limited	Hong Kong	Ordinary shares: HK\$2	100	100	Financing

## NOTES TO THE FINANCIAL STATEMENTS

### 42 PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Continued)

Notes:

1. The Group holds a total of 550 Class A Shares and 450 Class B Shares in the capital of STCL. The Group is entitled to the 55% profits and the net assets of the STCL group which comprises certain properties situated in Central, Hong Kong, and 100% assets of the STCL which are beneficially owned by the B Shares, respectively. The Group does not control STCL under the contractual agreement, the interest held is accounted for as an associate.
2. The Group holds more than 50% interests in these joint ventures. However, under the contractual agreements, the Group does not control these joint ventures as the decisions about relevant activities require the unanimous consent of the parties sharing the control.
3. Non-voting Class B share (representing 100% non-voting Class B shares) with no par value.
4. Save for one issued non-voting Class B share of Fast Shift which is held by a third party, the entire issued share capital of NTUL is owned by the Company indirectly through Shun Tak Development Limited, Nomusa Limited and Fast Shift. Pursuant to an investment agreement in relation to NTUL dated 3 January 2014, holder of the non-voting Class B share of Fast Shift is entitled to 29% of the economic benefits in or losses arising from the residential portion of Nova City Phase V owned and developed by NTUL.
5. On 16 July 2020, the Group completed the restructuring of STCT group. Since then the Group does not control STCT group under the contractual agreement, the interest held is accounted for as an associate.
6. The above table lists the principal subsidiaries, joint ventures and associates of the Group which, in the opinion of the Directors, principally affect the results and net assets of the Group.

@ Registered capital

# Associates

^ Joint ventures

^^ Shares of subsidiaries were pledged to banks as securities for bank loans granted to certain subsidiaries of the Group (note 27)

β Wholly-owned foreign enterprise (WOFE) registered under the Chinese Mainland law

α Equity joint venture registered under the Chinese Mainland law

\* For identification purpose only

### 43 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on 30 March 2026.

## FIVE-YEAR FINANCIAL SUMMARY

		2025	2024	2023	2022	2021
	Note	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)
<b>Consolidated Income Statement</b>						
Revenue		2,415	4,546	4,068	3,491	4,830
(Loss)/profit attributable to owners of the Company		(478)	(824)	(677)	(558)	962
<b>Consolidated Balance Sheet</b>						
Non-current assets		30,837	31,415	32,890	35,150	37,694
Current assets		19,930	18,789	18,931	19,872	21,861
Current liabilities		(3,933)	(6,889)	(5,211)	(6,583)	(4,172)
Non-current liabilities		(13,962)	(10,583)	(12,544)	(12,660)	(17,165)
Net assets		32,872	32,732	34,066	35,779	38,218
Share capital and other statutory capital reserve		9,858	9,858	9,858	9,858	9,858
Other reserves		21,054	20,583	21,857	23,534	25,507
Proposed dividends		—	—	—	—	—
Equity attributable to owners of the Company		30,912	30,441	31,715	33,392	35,365
Non-controlling interests		1,960	2,291	2,351	2,387	2,853
Total equity		32,872	32,732	34,066	35,779	38,218
Number of issued and fully paid shares (million)	1	3,018	3,018	3,018	3,020	3,020
<b>Performance Data</b>						
(Loss)/earnings per share (HK cents)						
— basic		(15.8)	(27.3)	(22.4)	(18.5)	31.9
— diluted		(15.8)	(27.3)	(22.4)	(18.5)	31.9
Dividends per share (HK cents)						
— interim		—	—	—	—	—
— final		—	—	—	—	—
— special		—	—	—	—	—
Dividend cover		N/A	N/A	N/A	N/A	N/A
Current ratio		5.1	2.7	3.6	3.0	5.2
Gearing (%)	2	20.7	25.1	28.1	28.3	28.0
Return on equity attributable to owners of the Company (%)		(1.5)	(2.7)	(2.1)	(1.7)	2.7
Net asset value per share (HK\$)		10.9	10.8	11.3	11.8	12.7
<b>Headcount by Division</b>						
		2025	2024	2023	2022	2021
Head Office		250	244	254	241	239
Property		649	665	712	657	640
Transportation		—	—	—	—	—
Hospitality		705	744	704	566	594
Investment		61	56	50	43	41

Notes:

- Number of issued and fully paid shares is based on the number of shares in issue at the balance sheet date.
- Gearing represents the ratio of net borrowings to equity attributable to owners of the Company.

信德集團

SHUN TAK HOLDINGS

**SHUN TAK HOLDINGS LIMITED**

Penthouse 39th Floor, West Tower  
Shun Tak Centre  
200 Connaught Road Central  
Hong Kong

信德集團有限公司

香港干諾道中二百號  
信德中心西座三十九頂樓

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

