



**KECK SENG INVESTMENTS  
(HONG KONG) LIMITED**

*Stock Code : 184*

**ANNUAL REPORT 2025** ANNUAL REPORT 2025



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# FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Total Assets	5,996,109	5,755,009
Total equity attributable to Equity Shareholders	3,535,158	3,307,131
Issued Share Capital	498,305	498,305
Revenue	1,616,423	1,692,023
Profit Before Taxation	428,533	466,616
Profit Attributable to Equity Shareholders	257,477	255,841
Basic Earnings Per Share (cents)	75.7	75.2
Dividends Attributable to the year (cents per share)	12.0	12.0

## CORPORATE INFORMATION

### DIRECTORS

HO Kim Swee @ HO Kian Guan – *Executive Chairman*

HO Cheng Chong @ HO Kian Hock  
– *Deputy Executive Chairman*

TSE See Fan Paul

CHAN Lui Ming Ivan

HO Chung Hui

\* HO Eng Chong @ HO Kian Cheong

\*\* KWOK Chi Shun Arthur

\*\* WANG Poey Foon Angela

\*\* YU Hon To David

\*\* Stephen TAN

HO Chung Kain @ HE Chongjing  
(*Alternate to HO Chung Hui*)

\* HO Chung Kiat Sydney @ HE Chongjie Sydney  
(*Alternate to HO Eng Chong @ HO Kian Cheong*)

\* *Non-executive Director*

\*\* *Independent Non-executive Director*

### AUDIT AND COMPLIANCE COMMITTEE

YU Hon To David – *Chairman*

KWOK Chi Shun Arthur

WANG Poey Foon Angela

Stephen TAN

### REMUNERATION COMMITTEE

WANG Poey Foon Angela – *Chairlady*

KWOK Chi Shun Arthur

YU Hon To David

Stephen TAN

TSE See Fan Paul

### NOMINATION COMMITTEE

KWOK Chi Shun Arthur – *Chairman*

WANG Poey Foon Angela

YU Hon To David

Stephen TAN

TSE See Fan Paul

### RISK MANAGEMENT COMMITTEE

Stephen TAN – *Chairman*

WANG Poey Foon Angela

YU Hon To David

TSE See Fan Paul

### AUDITORS

KPMG

(*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*)

8th Floor

Prince's Building

10 Chater Road

Central

Hong Kong

### SHARE REGISTRAR & TRANSFER OFFICE

TRICOR INVESTOR SERVICES LIMITED

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

### COMPANY SECRETARY

CHENG Ka Kit

### REGISTERED OFFICE

Room 2902 West Tower

Shun Tak Centre

168–200 Connaught Road Central

Hong Kong

### COMPANY'S WEBSITE

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

# CORPORATE INFORMATION (continued)

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For the year ended 31 December 2025

## Financial Calendar

Closure of registers of members <sup>1</sup>	Thursday, 28 May 2026 to Tuesday, 2 June 2026, both days inclusive
Annual General Meeting	Tuesday, 2 June 2026
Ex-dividend date for final dividend	Monday, 8 June 2026
Closure of registers of members <sup>2</sup>	Wednesday, 10 June 2026 to Monday, 15 June 2026, both days inclusive
Final dividend payable	Thursday, 25 June 2026
Announcement of 2026 interim results	August 2026

### Notes:

1. For ascertaining shareholders' entitlement to attend and vote at the Annual General Meeting
2. For ascertaining shareholders' entitlement to the proposed final dividend

# CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the results of the Group for the year ended 31 December 2025.

## RESULTS

The consolidated profit attributable to equity shareholders of the Company for the year 2025 amounted to HK\$257.5 million (HK\$0.757 earnings per share), as compared to HK\$255.8 million (HK\$0.752 earnings per share) in 2024.

## DIVIDENDS

The Board is recommending that a final dividend of HK\$0.09 per share (2024: HK\$0.07) be paid for the year ended 31 December 2025, subject to equity shareholders' approval of the final dividend at the forthcoming Annual General Meeting of the Company. An interim dividend of HK\$0.03 (2024: HK\$0.05) per share has already been paid. Total dividends in respect of 2025 would amount to HK\$0.12 (2024: HK\$0.12) per share.

## REVIEW OF OPERATIONS

In 2025, the global economy achieved moderate growth despite persistent headwinds. U.S. protectionist tariffs, uncertain interest rate trajectories, and escalating geopolitical tensions continue to disrupt supply chains, elevated energy and commodity costs, and intensified economic uncertainty for businesses and consumers. These pressures increased operational expenses, sustained inflationary expectations, and constrained investment activity across the board.

Our hotels delivered varying performances in 2025. Vietnam continued to see robust demand, while U.S. revenue faced pressure from renovation disruptions at our Sofitel New York, Canadian hotels maintained solid contributions, Japan capitalised on major events and yen depreciation, and China's secondary markets encountered softer corporate bookings alongside strong price competition.

Macau's property market exhibited residential leasing resilience, supported by tourism recovery and limited supply of new residential flats. In contrast, commercial and office segments faced persistent vacancies due to reduced commercial activities, relocations of government offices, changes in consumption patterns, and cross-border travel preferences.

Despite these challenges, the Group delivered satisfactory performance in 2025 amid ongoing uncertainties, with revenue of HK\$1,616.4 million, a 4.5% decline from HK\$1,692.0 million in 2024. Operating profit decreased to HK\$240.7 million (2024: HK\$432.2 million), primarily reflecting the absence of the one-off HK\$156.2 million hotel disposal gain recognised in 2024. On an adjusted basis excluding the prior-year disposal gain, operating profit declined modestly by HK\$35.3 million, consistent with lower revenues, while reflecting resilience in core operations. Profit attributable to equity shareholders was stable at HK\$257.5 million (2024: HK\$255.8 million).

A summary and analysis of the operations are as follows.

## Property Leasing and Management Operations

### Macau

Macau's economy continued its post pandemic recovery in 2025, achieving real GDP growth of 4.7% and reaching approximately 89.6% of 2019 levels. Growth was primarily driven by services exports, particularly gaming and tourism, with total visitor arrivals attaining a historic high of approximately 40.1 million, 14.7% above 2024 levels and surpassing the previous 2019 record. International visitors increased 13.7% year-on-year to around 2.76 million, led by mainland China, Hong Kong and Taiwan, complemented by solid growth from Korea and Southeast Asia. The unemployment rate remained low at 1.8%, supporting household spending capacity across housing and other expenditure categories.

## CHAIRMAN'S STATEMENT (continued)

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While Macau's tourism sector demonstrated robust recovery in 2025, the property market exhibited bifurcation across segments. Residential leasing remained resilient, with overall market rents increasing 2.1% year-on-year according to the Macau Statistics and Census Service (DSEC), supported by tourism recovery, constrained supply, low unemployment, and increased preference for renting amid market uncertainty. In contrast, office segments and commercial properties faced persistent challenges for reasons above-mentioned.

The residential sales market encountered headwinds from weak demands, elevated interest rates, post-pandemic price corrections, and investor caution, resulting in a 9.4% year-on-year decline in the overall property price index despite transaction volume growth supported by government stimulus measures.

Amidst divergent market dynamics, the Group's leasing income from Macau properties recorded moderate growth to HK\$90.2 million in 2025 (2024: HK\$87.1 million). This improvement primarily stemmed from higher occupancy in residential properties and serviced apartments, driven by ongoing expatriate repatriation and constrained high-end supply. While broader office demand softened, the Group's office portfolio maintained elevated occupancy levels, underscoring the quality, market positioning, and resilience of our premium assets amidst challenging sector conditions.

A net decrease in fair value of our investment properties of HK\$46.4 million (2024: net decrease of HK\$66.7 million) was recorded. Our investment properties are held as long-term investments to generate recurring rental income.

The Group maintains a positive long-term outlook for Macau, supported by enhanced regional connectivity and economic diversification. Key developments—the Macau Light Rapid Transit Hengqin Line (which opened in December 2024), Shenzhen-Zhongshan Link (which opened in mid-2024), rising Hong Kong-Zhuhai-Macau Bridge traffic, and Macau's fourth sea bridge between the peninsula and Taipa (which opened in October 2024)—bolster internal connectivity to new urban zones and further integrate Macau within the Greater Bay Area's one-hour economic circle. Concurrently, government policies promoting innovation, economic diversification, and international talent attraction are expected to expand growth drivers beyond gaming, collectively strengthening Macau's economic foundation and fostering sustained demand across residential and commercial property segments in the medium to long term.

Given these factors, alongside increasing visitor arrivals, resilient gaming revenues, Macau's low unemployment, mainland China's economic stabilisation, and high occupancy with improving rents at our properties, management maintains its strategic sales plan. The portfolio remains well-positioned to capitalise on future market opportunities, while the Group continues actively monitoring property market development to identify and pursue suitable transactions as conditions evolve.

Most of the Group's assets in Macau are held through Golden Crown Development Ltd, in which the Group maintains a 70.61% equity interest.

# CHAIRMAN'S STATEMENT (continued)

## Hotel Operations

	Occupancy		Average Room Rate	
	2025	2024	2025	2024
<b>The People's Republic of China</b>				
Holiday Inn Wuhan Riverside	41%	47%	RMB354	RMB391
<b>Vietnam</b>				
Sheraton Saigon Grand Opera Hotel (formerly known as Sheraton Saigon Hotel & Towers)	71%	80%	USD194	USD181
Caravelle Hotel	74%	74%	USD162	USD151
<b>Japan</b>				
Best Western Hotel Fino Osaka Shinsaibashi	87%	84%	JPY14,564	JPY11,766
<b>The United States</b>				
W San Francisco	66%	61%	USD362	USD328
Sofitel New York	59%	85%	USD451	USD389
<b>Canada</b>				
The Sheraton Ottawa Hotel*	N/A	60%	N/A	CAD195
Delta Hotels by Marriott Toronto Airport & Conference Centre	71%	73%	CAD180	CAD179

\* Sheraton Ottawa Hotel was disposed of on 29 February 2024, with figures reported up to that date.

In 2025, the Group's hospitality operations navigated a more mature phase of the post-pandemic recovery, delivering broadly stable results against a backdrop of softer global momentum and rising cost pressures. Sector fundamentals were supported by resilient leisure and event-driven demand, particularly in Japan and Vietnam, but performance has increasingly differentiated across markets as tariffs, geopolitical tensions, elevated operating costs and weaker business travel weighed significantly on sentiment and margins. In North America, slower economic growth, higher labor and utility expenses, and increased competition from alternative accommodation constrained operating leverage, while the Group's U.S. portfolio was further impacted by temporary reductions in available room inventory during renovation works at Sofitel New York. In mainland China, including Wuhan, intensified rate competition in the mid-scale segment and subdued corporate travel limited pricing power and occupancy recovery. By contrast, properties in Japan and Vietnam benefited from strong inbound tourism and solid domestic demand.

In 2025, hotel operations revenue declined modestly to HK\$1,509.0 million from HK\$1,584.1 million in 2024. The decrease primarily reflected temporary room inventory reductions during renovation programs in the U.S. and Vietnam segments, alongside the absence of contribution from a hotel property disposed of during 2024 that had generated HK\$11.1 million in the prior period. Japan provided a positive offset with improved performance, while these factors collectively moderated the portfolio's overall revenue growth amidst regional tourism recovery trends.

Profit for hotel operations amounted to HK\$309.8 million in 2025 (2024: HK\$350.9 million). The year-on-year decrease mainly reflected the absence of the HK\$156.2 million one-off gain recorded in 2024 on disposal of a Canadian hotel. This was partly offset by a higher reversal of impairment losses of HK\$267.0 million on a hotel property in 2025 (2024: HK\$170.0 million). Excluding these non-recurring and non-cash items, underlying performance also reflected temporary reductions in available room inventory due to renovation works, partially mitigated by stronger Japan room revenue driven by event-related demand.

## CHAIRMAN'S STATEMENT (continued)

### The People's Republic of China

China's economy achieved 5% GDP growth in 2025, meeting the government's annual target despite a challenging domestic and external environment, with services and advanced manufacturing providing key support while consumption and investment recovery remained uneven. The unemployment rate averaged 5.2%, within the government's target range, reflecting a generally stable labor market, while domestic tourism grew 16.2% year-on-year.

China's hospitality sector faces intensified competition amid slowing demand growth and ongoing supply expansion, resulting in price wars and margin pressure. Operators increasingly depend on promotions, online travel agencies, and discounts to maintain occupancy, eroding profitability and weakens brand positioning. In Wuhan, these challenges are amplified by rapid room supply growth and high concentration of midscale and upper-midscale hotels, creating oversupply in key submarkets. Hotels there experience reduced pricing power, shorter booking windows, and greater vulnerability to policy changes and macroeconomic shifts.

### *Holiday Inn Wuhan Riverside (Group's interest: 41.26%)*

Room revenue of the hotel decreased to RMB16.4 million in 2025 from RMB20.4 million in 2024. Occupancy rate fell to 40.8% in 2025, down from 46.6% in 2024, while the average room rate was RMB354 per room night in 2025, as compared to RMB391 per room night in 2024.

The hotel underwent renovation of eight guest room floors from 2024 to 2025 to strengthen its competitive positioning. The upgraded facilities are designed to enhance overall guest experience, modernise the product offering, and position the hotel to capture market rebound demand, supporting higher rates and occupancy over the long term. Management expects these improvements to reinforce the hotel's market positioning and drive stronger operating and financial performance as market conditions recover.

### Vietnam

Vietnam delivered one of Asia's strongest macroeconomic performances in 2025, with GDP growth of 8.02%, the second-highest annual rate in the 2011–2025 period after 2022, despite headwinds from a challenging global market and multiple natural disasters. This resilience was underpinned by robust manufacturing exports, sustained foreign direct investment (FDI) inflows, and vibrant services activity.

Vietnam's International tourism rebounded sharply in 2025, attracting approximately 21.2 million visitors nationwide, a 20% increase from 2024 and 19% above pre-pandemic 2019 levels, fueled by eased visa policies, expanded air connectivity, and effective targeted marketing efforts. Ho Chi Minh City spearheaded the recovery, attracting 8.5 million international visitors in 2025 a 40.3% year-on-year increase, supported by enhanced cultural tourism products, accelerated digital transformation, and green initiatives that reinforced its position as a premier destination.

In 2025, both Sheraton Saigon Grand Opera Hotel and Caravelle Hotel were recognised for their exceptional service and hospitality standards, each securing TripAdvisor's Travelers' Choice Award (top 10% globally). Sheraton Saigon Grand Opera Hotel was earned World Travel Awards nominations (Vietnam's Leading Hotel) and two consecutive years of Green Globe Certification, a global sustainability standard for responsible environmental practices. Caravelle Saigon received Vietnam's Best Luxury Hotel at the World Luxury Hotel Awards 2025, alongside the EarthCheck Platinum Certificate, marking over 13 consecutive years of sustainability recognition. These accolades reinforce both properties' strong brand reputation and premium market positioning in Vietnam.

## CHAIRMAN'S STATEMENT (continued)

### ***Sheraton Saigon Grand Opera Hotel (Group's interest: 64.12%) (formerly known as Sheraton Saigon Hotel & Towers)***

Sheraton Saigon Grand Opera Hotel's occupancy rate has decreased to 70.9% as compared to 79.6% in 2024, primarily attributable to reduced room inventory during the year's renovation period. On an available-rooms basis, effective occupancy reached approximately 84.5%, exceeding last year's level. Average room rate was at US\$194 per room night in 2025, as compared to US\$181 per room night in 2024.

Sheraton Saigon Grand Opera Hotel completed a comprehensive renovation of its Grand Tower during 2025, introducing fully refurbished guestrooms, suites and enhanced amenities to elevate the guest experience. The upgraded Grand Tower is expected to support stronger room rates, improved guest satisfaction and a reinforced competitive position in Ho Chi Minh City's upscale hotel market.

### ***Caravelle Hotel (Group's interest: 24.99%)***

Caravelle Hotel's occupancy rate has slightly increased to 73.8%, as compared to 73.6% in 2024. Average room rate was at US\$162 per room night in 2025, as compared to US\$151 per room night in 2024.

### **Japan**

Japan's economy recorded modest real GDP growth of around 0.2% in 2025, as elevated living costs and tariff uncertainty weighed on private consumption, while exports, corporate investment and government spending provided partial support.

The labor market remained tight, with the unemployment rate holding at 2.5%, among the lowest in advanced economies, reflecting persistent structural labor shortages. Inbound tourism surged to a record 42.7 million international arrivals in 2025, up 16% from 2024 and 10 million above 2019 levels, driven by a weak yen, enhanced air connectivity, and strong regional demand that boosted occupancy and room rates in major urban and resort markets. Osaka notably benefited from this boom and Expo 2025 Osaka-Kansai, which fueled exceptional lodging demand through high visitation, business travel, long-stays, and domestic leisure spillover to suburban areas. However, China's directives since late November 2025 restricting Japan-bound tourists have halved Chinese arrivals, compounded by persistent labor shortages and yen volatility, potentially moderating inbound demand in 2026.

### ***Best Western Hotel Fino Osaka Shinsaibashi (Group's interest: 100%)***

Hotel performance improved significant in 2025, with operating profit increasing sharply. Occupancy rose to 86.7%, up from 84% in 2024, while the average room rate increased to JPY14,564 per room night in 2025, as compared to JPY11,766 per room night in 2024, driven by robust Expo-related demand.

### **The United States ("US")**

The United States real GDP grew 2.2% in 2025, down from 2.8% in 2024 as tighter monetary policy, reduced fiscal support, heightened trade tensions, and geopolitical uncertainty, including ongoing conflicts in Ukraine and the Middle East, and Iran tension, alongside US-China frictions, restrained activity despite sustained consumer spending and business investment. Labor market conditions softened, with unemployment rate rising to around 4.4% by late 2025 amid the weakest job gains since the pandemic; elevated funding and wage pressure further squeezed service-sector profitability.

Amid an uncertain macroeconomic backdrop, U.S. hotel performance diverged regionally in 2025, with modest sector-wide revenue growth masking contrasting trends supported by stable domestic leisure demand despite softer international arrivals. New York City encountered headwinds from fewer high-spending international guests and rising operating costs. San Francisco, conversely, benefited from a revitalised convention calendar, major events, and municipal safety and cleanliness initiatives, which drove occupancy and rate gains.

## CHAIRMAN'S STATEMENT (continued)

The Group's New York and San Francisco hotels mirrored these dynamics. Sofitel New York's revenues and profitability were constrained by refurbishment-related room closures and elevated costs, though repositioning will enhance medium-term competitiveness and rate premiums post-renovation. W San Francisco capitalised on its strategic location and brand strength to capture recovering convention and corporate demand in 2025.

Both hotels continued to be recognised for service quality, including TripAdvisor Travelers' Choice awards, with Sofitel New York additionally receiving the AAA Four Diamond Award and Forbes Travel Guide Recommended Hotel designation, affirming their service excellence and resilient brand positioning.

### ***W San Francisco (Group's interest: 100%)***

W San Francisco's occupancy increased to 65.6% in 2025, as compared to 61.4% in 2024. Average room rate was US\$362 per room night in 2025, as compared to US\$328 per room night in 2024.

### ***Sofitel New York (Group's interest: 100%)***

Sofitel New York's occupancy rate decreased to 59.3% in 2025, as compared to 84.6% in 2024. This is mainly due to an ongoing renovation program during the year that temporarily reduced available room inventory. On an available-room basis, effective occupancy improved to approximately 89.7%, reflecting strong demand. Average room rate was US\$451 per room night in 2025, as compared to US\$389 per room night in 2024.

In 2025, Sofitel New York's benefited from sustained operating improvements and a strengthening market outlook, leading to an impairment reversal of HK\$267.4 million, following prior reversals of HK\$169.9 million in 2024 and HK\$58.3 million in 2023.

Sofitel New York substantially completed a comprehensive refurbishment in 2025, upgrading facilities and overall guest experience to reinforce its positioning as a premier luxury hotel in Midtown Manhattan.

## **Canada**

Canada's economy grew modestly in 2025, with real GDP rising approximately 1.7% amid trade headwinds, persistent inflation, and softer domestic demand. The labor market softened, with unemployment averaging around 6.8% as tariff impacts slowed manufacturing employment growth.

Canada's hotel sector encountered occupancy constraints for business travel amid tariff turbulence, economic uncertainty, and cautious spending. Toronto, a premier market with diversified demand sources, proved particularly sensitive to corporate transient and group booking declines due to trade disruptions, limiting occupancy recovery.

### ***The Sheraton Ottawa Hotel***

In February 2024, the Group disposed of its 85% interest in the Sheraton Ottawa Hotel. This disposal resulted in a profit before taxation attributable to the Group of HK\$156.2 million.

### ***Delta Hotels by Marriott Toronto Airport & Conference Centre (Group's interest: 25%)***

Occupancy rate of Delta Hotels by Marriott Toronto Airport & Conference Centre slightly decreased to 71.2% in 2025 as compared to 72.8% in 2024. Average room rate was C\$180 per room night in 2025 as compared to C\$179 per room night in 2024.

## **Other net losses**

Net exchange gains for 2025 amounted to HK\$20.9 million, as compared net exchange losses of HK\$16.0 million in 2024.

Net realised losses on derivative financial instruments amounted to HK\$2.1 million in 2025, as compared to net unrealised losses HK\$6.4 million in 2024.

## CHAIRMAN'S STATEMENT (continued)

Net unrealised losses on other non-current financial assets amount to HK\$8.8 million recognised in 2025, as compared HK\$1.9 million in 2024. These were mainly related to our investment in A2I Holdings S.A.R.L., which owns 6.51% (2024: 6.52%) equity shares of Essendi S.A. (formerly known as AccorInvest Group S.A.).

Net realised losses on trading securities for 2024 amounted to HK\$0.03 million, as compared to net unrealised loss of HK\$1.8 million in 2024.

### PROSPECTS

Looking ahead to 2026, the global economy faces moderating growth amid persistent challenges. U.S. tariff uncertainties, geopolitical tensions, and tighter financial conditions are expected to weigh on trade, investment, travel, and consumer spending. China's economy contends with property sector adjustments and weaker external demand, while the U.S. navigates high interest rates and protectionist policies. These uncertainties, alongside trade frictions and inflation persistence, point to a more cautious economic and business outlook that could impact consumer and corporate activity across regions.

Macau enters 2026 with strengthened tourism and gaming fundamentals following solid GDP growth and record visitor arrivals, alongside infrastructure developments, tourism rebound and limited new luxury supply that should help stabilise property demand and support pricing. Residential transactions will benefit from early-2026 government measures including stamp-duty waivers for first-time buyers and higher loan-to-value ratios following recent price declines, though commercial and office sectors face persistent vacancy from government relocations and weak corporate demand. Influenced by inflation, interest rates and China's recovery, the Group's diversified residential, office and commercial portfolio, underpinned by high occupancy, premier standards and competitive leasing strategies, remains positioned to enhance tenant retention, capture cyclical opportunities and deliver resilient cash flows.

The hospitality industry is expected to sustain its gradual recovery trajectory in 2026, supported by resilient inbound tourism and major events across key markets. However, rising operating costs, labor shortages, intensifying competition and uncertainties around geopolitical tensions, inflation and corporate travel budgets will continue to present challenges. Recovery pace will vary regionally, with tourism-reliant markets progressing steadily while those facing economic headwinds advance more gradually. Despite these disparities, the overall outlook remains cautiously optimistic as global conditions stabilise. The Group prioritises operational efficiency, post-renovation yield capture, and service excellence to strengthen competitiveness and drive profitability amid persistent market uncertainties.

The Group maintains a robust financial position with HK\$1,351.6 million in cash, bank balances, and short-term bank deposits as of 31 December 2025. We remain focused on evaluating investment opportunities that deliver sustainable long-term shareholder value. Our acquisition strategy maintains a disciplined, pragmatic approach, targeting industries and regions where we possess established expertise and demonstrable competitive advantages.

# CHAIRMAN'S STATEMENT *(continued)*

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## ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our sincere gratitude and appreciation to the Group's management and staff for their dedication, tireless efforts and unwavering commitment throughout 2025. Their team spirit and pursuit of excellence have been instrumental in navigating challenges, particularly the hotel renovation projects, ensuring timely completion to high standards and strengthening our long-term competitiveness and long-term growth.

We also express our gratitude to our Board of Directors for their strategic leadership and guidance, as well as to our shareholders for their continued trust and support.

Additionally, we extend our sincere appreciation to the independent non-executive directors for their invaluable guidance and oversight. Their expertise and contributions have played a vital role in ensuring robust corporate governance and sustainable growth for the Group, and we are deeply grateful for their ongoing support.

**Ho Kian Guan**  
*Executive Chairman*

Hong Kong, 24 March 2026

# REPORT OF THE DIRECTORS

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

## PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries (the “Group”) are hotel and club operations, property investment and development and the provision of management services.

The principal activities of the Company are investment holding and those of its subsidiaries are set out in Note 12 to the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Group during the financial year are set out in Note 10 to the financial statements.

## BUSINESS REVIEW AND PERFORMANCE

Further discussion and analysis of the Group’s principal activities and business review as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing by the Group, indication of likely future developments in the Group’s business, analysis of the Group’s performance during the year and the material factors underlying its results and financial position, can be found in “Chairman’s Statement”, “Other Corporate Information” and “Corporate Governance Report” as set out on pages 4 to 11, 24 to 27 and 31 to 47 respectively, of this Annual Report. The environmental and social matters of the Group for the year ended 31 December 2025 is set out in the Company’s Environmental, Social and Governance (“ESG”) Report 2025, which is available on the Stock Exchange’s website and Company’s website. This discussion forms part of this “Report of the Directors”.

## ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

### ESG Governance

Sustainability and environmental conservation are important issues for our customers, suppliers, shareholders, employees and governments of respective countries, and the general public. The Group commits to the long-term sustainability of its businesses and communities where our stakeholders work and reside. We aim to do businesses fairly, ethically and in accordance with local laws that promote and safeguard fair competition between businesses. We seek to work with contractors and suppliers that behave in an economical, environmentally friendly and socially responsible manner.

The Group acknowledges sustainable development is crucial for its long-term success and considers that there is a close linkage between its ESG strategy and business operations. Our hotels strictly follow their hotel chains’ sustainability goals and targets which consist of reduction of environmental impact, community and employee development, and human rights initiatives. ESG strategy and policies facilitate the Group’s understanding of its exposure to emerging environmental and social risks, and its linkage to new commercial opportunities.

### ESG governance structure

ESG reporting is the process by which the Group gathers data to monitor, control, and manage its environmental performance and social responsibilities. To review the Group’s ESG performance, reporting is a regular agenda item in the Audit and Compliance Committee meeting and the Board meeting. The Board has overall responsibility to evaluate and manage material ESG issues identified, and as well as the progress on ESG issues for ensuring that appropriate and effective ESG risk management and internal control systems are in place. The local management of each major reporting entity is accountable for ESG management of the business units, with the scope as well as roles and responsibilities of ESG management being well defined in each entity.

## REPORT OF THE DIRECTORS (continued)

### Environment

The Group maintains a global perspective on managing our emissions, minimizing consumption of fresh water and energy. The local management of each major reporting entity is accountable to ESG management, performance and reporting. The Group (including its subsidiaries and associates) has complied with all environmental regulations and internal policies related to environmental responsibility. The Group aims to improve our performance continually in line with best practices, and to be prepared to respond to future challenges and opportunities on sustainable development.

The Group understands that the intensifying situation of climate change poses potential risks to our business and hence we must put resilience at our operations, be well-prepared and be vigilant to the potential damages. Such risks include physical and transition. In response to these, the Group has established a risk management system and procedures to monitor, manage and control climate change impacts. Particular measures include the preparation of disaster recovery plans to handle unexpected emergencies etc. The Group is aware that electricity is the major contributor of its energy usage. Thus, the Group had taken a proactive approach to implement energy-saving initiatives for both on-site operation and site offices of the Properties, from using low- impact LED lighting devices to switching off idling lightings and electrical appliances.

Our hotels actively participate in environment-friendly initiatives organized by their respective hotel chains. We aim to minimize emissions, waste production and use of resources.

### Emission

In alignment with our commitment to environmental stewardship, the hotels we invested adheres strictly to the local pertinent air quality and greenhouse gas (GHG) emission regulations. We are dedicated to our emission reduction goal which is minimizing emissions in our daily hotel operations. To achieve our goals, we've implemented centralized laundry systems to reduce operational times and emissions, upgraded boilers to more efficient steam generators, introduced electronic shuttle buses, installed air curtains in main kitchen areas to conserve air conditioning, and expanded our use of solar energy by installing additional panels on hotel and grand tower rooftops.

### Waste

In terms of wastes, all of our properties have been making their best efforts to reduce waste production and recycle as much waste as possible. The waste reduction measures include but not limited to:

- Engaging qualified waste management company for actual handling of wastes and disposal matters that is complying with applicable laws;
- Regularly and systematically collecting non-hazardous waste and hazardous waste;
- Asking the suppliers to recall the chemical barrels, ink cartridge; and
- Separating hazardous and non-hazardous wastes

Whilst waste-reduction efforts are made through recycling, wastes that cannot be recycled would either go to landfills (for non-hazardous waste) or be specially handled by third party contractors (for hazardous waste).

# REPORT OF THE DIRECTORS (continued)

## Use of Resource

Our property management and hotel operations produce wastes such as food scraps, oil and cleaning chemical disposals. In addition, a significant amount of water, electricity, diesel and gas need to be utilized for daily operations. The Group commits to put our best effort on achieving our resources saving goal, maximizing the efficiency of water and energy usage.

Continuous efforts have been made in three major categories (Waste recycling, Energy and water saving and Donation of unused materials or linens) by our properties to minimize our operations' impact on the environment and natural resources, therefore we are pleased to state that the Group is not aware of any significant impact on natural resources as a result of our operations.

## Customers

The Group maintain mutually beneficial relationship with the customers and strive to provide quality service. The Group's properties mainly provide property management, property sale and leasing, hotel room accommodation and food and beverage services.

The Group puts customers at the heart of our business. Product and service-related complaints from customers are replied and followed up promptly. Our management and staffs also ensure that such complaints are resolved in a satisfactory manner.

Our property management business in Macau (Ocean Gardens) is ISO9001:2015 certified. In order to achieve this accreditation, we are required to demonstrate our ability to provide services that meet customer needs and applicable regulatory requirements. Our hotel properties have stringent quality assurance procedures in place to ensure service provided is in accordance with international hotel chain requirements.

## Suppliers

Suppliers and contractors are selected based on work quality, stock delivery manner, cooperation and price. The Group seeks to work with contractors and suppliers that behave in an economical, environmentally friendly and socially responsible manner.

Where possible, the Group purchases environmentally friendly products from qualified vendors to reduce the negative effects on the environment.

## Employee

The Group treasures talent as it is the foundation of the Company's business growth and key for driving success and maintaining sustainable development. Since the Company invests in properties across the globe, we embrace workplace diversity in order to bring in the best talents, provide broader range of services, better cater to our customers' needs, and enable our employees to perform to their highest ability.

We also believe attracting and retaining loyal employees in the respective geographical areas of operations is key to our success. Salary and remuneration are competitive and are based on varying conditions in different countries in which the Company and its subsidiaries operate. Discretionary bonus is paid out according to the performance of the employees and the policies of the company. To help our employees develop their careers, employees with exceptional performance and the required experience are considered for promotion when such opportunities are available. We are also an equal opportunity employer and aim to provide a work environment that is respectful, challenging, rewarding and safe. We have policies covering training and development, labour practices, human rights and workplace health and safety. A policy of localizing as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. There are over 90% of our employees are locally employed. We pursue the highest standards of integrity and honesty from every employee in every process.

## REPORT OF THE DIRECTORS (continued)

### Community Investment

Social sustainability and community investments are essential to our responsible operation and are valued in our communities. The Group conducts business with honesty, integrity and respect for all people and communities, especially towards our employees. Dialogue between management and employees is integral to our work practices and takes place daily and directly in the respective local cultural environments.

### Compliance with relevant Laws and Regulations

The Group's principal activities are property investment and development. Other activities include hotel operations, building management and club operations. Operations are carried out mainly in Macau, Vietnam, the People's Republic of China, Canada, United States and Hong Kong. The law and regulation relating to the Group's operations include but not limited to the following:

Issues of Concern	Major laws or regulations
Environment and Emission	<ul style="list-style-type: none"> <li>• the Basic Environment Impact Assessment Law of Japan;</li> <li>• the Japan Air Pollution Control Law;</li> <li>• the Environmental Protection Law of the People's Republic of China;</li> <li>• the Air Pollution Prevention and Control Law of the People's Republic of China; and</li> <li>• Vietnam's Law on Economical &amp; Efficient Use of Energy, and regulations on hazardous waste management</li> </ul>
Labour & Workplace Safety	<ul style="list-style-type: none"> <li>• Macau Labor Law and Regulations;</li> <li>• Regulations of Hubei Province Concerning the Labor Protection of Female Staff and Workers (湖北省女職工勞動保護條例); and</li> <li>• Hubei Province Labor and Social Security Supervision Regulations (湖北省勞動與社會保障監察條例)</li> <li>• Decree No. 136/2020/ND-CP guiding the Law on Fire Prevention and Fighting of Vietnam;</li> <li>• Hubei Work Safety Regulations (湖北安全生產條例);</li> <li>• Law No. 84/2015/QH13 on Occupational Safety and Hygiene;</li> <li>• Vietnam Labor Code 2019;</li> <li>• Hubei Province Labor Contract Regulations (湖北省勞動契約規定); and</li> <li>• Occupational Health and Safety Act (OHSA);</li> </ul>
Product Responsibility	<ul style="list-style-type: none"> <li>• Vietnam Food Safety Law 2010 No: 55/2010/QH12</li> <li>• Trademark Law of the People's Republic of China</li> <li>• China Tourism Hotel Industry Standards</li> <li>• The Personal Information Protection and Electronic Documents Act (PIPEDA)</li> </ul>
Anti-Corruption	<ul style="list-style-type: none"> <li>• Law on Anti-Corruption No. 36/2018/QH14;</li> <li>• Corruption of Foreign Public Officials Act 1998; and</li> <li>• Macau CCAC Anti-corruption laws</li> </ul>

There is an adequate measurement and monitoring system employed to implement ESG strategy which indicates that the business operations have complied with the requirements of local laws & regulations (if required) and relevant hotel brands' rules & regulations on an ongoing process. During the year, there was no reported incident of non-compliance with the relevant laws and regulations that have a significant impact on Group's business.

# REPORT OF THE DIRECTORS (continued)

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025:

- (i) the aggregate amount of purchases (not including the purchases of items which are of a capital nature) attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases.
- (ii) the aggregate amount of revenue attributable to the Group's five largest customers represented less than 30% of the Group's total revenue.

## FINANCIAL STATEMENTS

The profit or loss of the Group for the year ended 31 December 2025 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 54 to 129.

## TRANSFER TO RESERVES

Profit attributable to equity shareholders, before dividends, of HK\$257,477,000 (2024: HK\$255,841,000) have been transferred to reserves. Other movements in reserves of the Company are set out in Note 24 to the financial statements.

## DIVIDEND

An interim dividend of HK\$0.03 per share (2024: HK\$0.05 per share) was paid on 30 October 2025. The Board now recommend the payment of final dividend of HK\$0.09 per share (2024: HK\$0.07 per share) in respect of the year ended 31 December 2025.

## CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$1,173,867 (2024: HK\$1,189,356).

## DIRECTORS

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

### Executive Directors

HO Kim Swee @ HO Kian Guan (*Executive Chairman*)  
HO Cheng Chong @ HO Kian Hock (*Deputy Executive Chairman*)  
TSE See Fan Paul  
CHAN Lui Ming Ivan  
HO Chung Hui  
HO Chung Kain @ HE Chongjing (*Alternate to HO Chung Hui*)

## REPORT OF THE DIRECTORS (continued)

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### Non-executive Directors

HO Eng Chong @ HO Kian Cheong

HO Chung Kiat Sydney @ HE Chongjie Sydney (*Alternate to HO Eng Chong @ HO Kian Cheong*)

### Independent Non-executive Directors

KWOK Chi Shun Arthur

WANG Poey Foon Angela

YU Hon To David

Stephen TAN

Mr. TSE See Fan Paul, Mr. CHAN Lui Ming Ivan, Mr. KWOK Chi Shun Arthur and Ms. WANG Poey Foon Angela will retire as Directors in accordance with Article 116 of the Articles of Association and being eligible, offer themselves for re-election at the Annual General Meeting.

Mr. KWOK and Ms. WANG, who have been serving as Independent Non-executive Directors of the Company for more than 9 years, have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. On the recommendation of the nomination committee, the Board form the view that the retiring Independent Non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules.

The Company has not entered into service contracts with any of the above Directors. However, the Company has entered into a letter of appointment as Director with each of the above Directors.

The Non-executive Directors are not appointed for a fixed period of term but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with Company 's Articles of Association.

### CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors an annual confirmation independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-executive Directors to be independent.

# REPORT OF THE DIRECTORS (continued)

## DIRECTORS OF SUBSIDIARIES

The names of directors who have served on the boards of the subsidiaries of the Company the year and up to the date of the report are set below:

*(In alphabetical order)*

CHAN Lui Ming Ivan  
HO Chung Hui  
HO Chung Kain  
HO Kian Guan  
HO Kian Hock  
HO Pansy Catilina Chiu King  
HOANG Hai Dang  
KU Mei Ki  
KWOK Chi Shun Arthur  
KWOK Wing Yee Sean Zee  
LEE Hwee Leng  
LEE Sek Yean  
LEUNG Wing Suet  
LING Wai Kit  
MAK Yam Sang  
NG Sing Beng  
NGUYEN Dinh Phu  
PENG Xing Wang  
Satoshi KISHIMOTO  
SITOU Tek Lam Johnny  
TAM Kwok Wai Anthony  
TSE See Fan Paul  
Wolfgang Bernd BOETTCHER  
WONG Lai Leng

## CONNECTED TRANSACTIONS

During the year under review, the Group had not entered into any connected transactions which are not exempt from the annual reporting requirement under Chapter 14A of the Listing Rules.

## RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group during the year under review in the ordinary course of business are set out in Note 28 to the financial statements. Such related party transactions are all exempt connected transactions under Chapter 14A of the Listing Rules.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

The Directors of the Company who held office as at 31 December 2025 had the following interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") at that date as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code"):

## REPORT OF THE DIRECTORS (continued)

### Number of ordinary shares (unless otherwise specified)

#### Long Positions:

Name of Company	Name of Directors	Personal Interests <sup>(1)</sup>	Corporate/ Other Interests	Total	% Interest
Keck Seng Investments (Hong Kong) Limited	HO Kian Guan	496,480	198,084,320 <sup>(2)</sup>	198,580,800	58.37
	HO Kian Hock	20,480	198,084,320 <sup>(2)</sup>	198,104,800	58.23
	HO Kian Cheong	55,160,480	–	55,160,480	16.21
	TSE See Fan Paul	288,720	–	288,720	0.08
	Stephen TAN	–	900,000 <sup>(3)</sup>	900,000	0.26
Lam Ho Investments Pte Ltd	HO Kian Guan	–	32,410,774 <sup>(4)</sup>	32,410,774	99.70
	HO Kian Hock	–	32,410,774 <sup>(4)</sup>	32,410,774	99.70
	HO Kian Cheong	96,525	–	96,525	0.30
Shun Seng International Limited	HO Kian Guan	–	83,052 <sup>(5)</sup>	83,052	83.05
	HO Kian Hock	–	83,052 <sup>(5)</sup>	83,052	83.05
	HO Kian Cheong	1,948	–	1,948	1.95
Hubei Qing Chuan Hotel Company Limited – paid in registered capital in US\$	HO Kian Guan	–	13,163,880 <sup>(6)</sup>	13,163,880	80.76
	HO Kian Hock	–	13,163,880 <sup>(6)</sup>	13,163,880	80.76
	HO Kian Cheong	1,017,120	–	1,017,120	6.24
	KWOK Chi Shun Arthur	–	489,000 <sup>(7)</sup>	489,000	3.00
Golden Crown Development Limited – common shares	HO Kian Guan	–	56,675,000 <sup>(8)</sup>	56,675,000	80.96
	HO Kian Hock	–	56,675,000 <sup>(8)</sup>	56,675,000	80.96
	HO Kian Cheong	1,755,000	–	1,755,000	2.51
	TSE See Fan Paul	50,000	–	50,000	0.07
Ocean Gardens Management Company Limited	HO Kian Guan	–	1,000,000 <sup>(9)</sup>	1,000,000	100.00
	HO Kian Hock	–	1,000,000 <sup>(9)</sup>	1,000,000	100.00
Shun Cheong International Limited	HO Kian Guan	–	4,305 <sup>(10)</sup>	4,305	43.05
	HO Kian Hock	–	4,305 <sup>(10)</sup>	4,305	43.05
	HO Kian Cheong	195	–	195	1.95
	KWOK Chi Shun Arthur	–	5,500 <sup>(11)</sup>	5,500	55.00
KSF Enterprises Sdn Bhd – ordinary shares	HO Kian Guan	–	31,705,000 <sup>(12)</sup>	31,705,000	100.00
	HO Kian Hock	–	31,705,000 <sup>(12)</sup>	31,705,000	100.00
KSF Enterprises Sdn Bhd – Redeemable Convertible Preference	HO Kian Guan	–	24,000,000 <sup>(13)</sup>	24,000,000	100.00
	HO Kian Hock	–	24,000,000 <sup>(13)</sup>	24,000,000	100.00
Chateau Ottawa Hotel Inc. – common shares	HO Kian Guan	–	9,000,000 <sup>(14)</sup>	9,000,000	100.00
	HO Kian Hock	–	9,000,000 <sup>(14)</sup>	9,000,000	100.00

## REPORT OF THE DIRECTORS (continued)

### Notes:

- (1) This represents interests held by the relevant Directors as beneficial owners.
- (2) This represents 101,437,360 shares held by Kansas Holdings Limited and 96,646,960 shares held by Goodland Limited. Both companies are subsidiaries of KS Ocean Inc., the controlling shareholder of the Company, in which each of HO Kian Guan and HO Kian Hock had 1/3 interest in its ordinary share and preference share, respectively.
- (3) This represents 180,000 shares held by Stephen Tan as one of the joint executors/administrators of the estate of Chan Yau Hing, Robin and 720,000 shares held by United Asia Enterprises Inc which is controlled corporation of Stephen Tan. On 27 March 2026, Stephen Tan sold 180,000 shares held by him as one of the joint executors/administrators of the estate of Chan Yau Hing, Robin.
- (4) This represents 29,776,951 shares (91.6%) indirectly held by the Company and 2,633,823 shares (8.1%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (5) This represents 75,010 shares (75.01%) indirectly held by the Company and 8,042 shares (8.04%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (6) This represents US\$8,965,000 (55%) indirectly contributed by the Company and US\$4,198,880 (25.76%) contributed by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (7) This represents interests held by AKA Project Management International Limited which was wholly owned by KWOK Chi Shun Arthur.
- (8) This represents 49,430,000 shares (70.61%) indirectly held by the Company and 7,245,000 shares (10.35%) held by various companies in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (9) This represents 1 quota of Ptc999,000 (99.9%) indirectly held by the Company and 1 quota of Ptc1,000 (0.1%) held by Goodland Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (10) This represents 3,501 shares (35.01%) indirectly held by the Company and 804 shares (8.04%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (11) This represents interests held by Ample Star Enterprise Limited, in which KWOK Chi Shun Arthur had a controlling interest.
- (12) This represents 7,926,250 ordinary shares (25%) directly held by the Company, 7,926,249 ordinary shares (25%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly and 15,852,501 ordinary shares (50%) held by Keck Seng (Malaysia) Bhd in which each of HO Kian Guan and Ho Kian Hock was a substantial shareholder and a director.
- (13) This represents 6,000,000 Redeemable Convertible Preference Shares (25%) directly held by the Company, 6,000,000 Redeemable Convertible Preference Shares (25%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly and 12,000,000 Redeemable Convertible Preference Shares (50%) held by Keck Seng (Malaysia) Bhd in which each of HO Kian Guan and HO Kian Hock was a substantial shareholder and a director.
- (14) This represents 7,650,000 common shares (85%) indirectly held by the Company; 1,350,000 common shares (15%) held by KSC Enterprises Ltd. in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.

Save as mentioned above, as at 31 December 2025, none of the Directors of the Company or any of their associates had interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code.

## REPORT OF THE DIRECTORS (continued)

### SUBSTANTIAL INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2025, the interests and short positions of those persons (other than the directors) 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 were as follows:

*Long Positions:*

Name	Capacity in which shares were held	Number of ordinary shares held	% of total issued share capital of the Company
KS Ocean Inc. (Note 1, 2)	Interests of controlled corporations	198,084,320	58.23
Pad Inc. (Note 1)	Interests of controlled corporations	96,646,960	28.41
Lapford Limited (Note 1)	Interests of controlled corporations	96,646,960	28.41
Kansas Holdings Limited (Note 1)	Interests of controlled corporations	96,646,960	28.41
Kansas Holdings Limited (Note 2)	Beneficial owner	101,437,360	29.82
Goodland Limited (Note 1)	Beneficial owner	96,646,960	28.41

Notes:

- (1) KS Ocean Inc., Pad Inc., Lapford Limited and Kansas Holdings Limited had deemed interests in the same 96,646,960 shares beneficially held by Goodland Limited.
- (2) KS Ocean Inc. had deemed interests in the same 101,437,360 shares beneficially held by Kansas Holdings Limited.

Save as mentioned above, as at 31 December 2025, the Company had not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

### MANAGEMENT ARRANGEMENTS

During the year, there existed the following arrangements:

- (1) Goodland Limited ("Goodland") acts as the project manager of Golden Crown Development Limited for its Ocean Gardens development in Taipa Island, Macau for a management fee and is also responsible for marketing the development.
- (2) Goodland provides management services to Ocean Incorporation Ltd in return for a management fee.

Messrs. HO Kian Guan and HO Kian Hock were interested in the above arrangements as they were directors and had 1/3 interest of Goodland indirectly.

# REPORT OF THE DIRECTORS (continued)

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed, if any, in the section entitled “Connected Transactions”, “Related Party Transactions” and “Management Arrangements”, no transactions, arrangements or contracts of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, whether directly or indirectly subsisted at the end of the year or at any time during the year.

## INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the company is currently in force and was in force throughout this year.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year, none of the Directors had any interests in certain businesses (apart from the business of the Company or its subsidiaries) which competes or is likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries conducted during the year, which would require disclosure under Rule 8.10(2) of the Listing Rules.

## CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in Director's biographical details up to the date of this report, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

With effect from 20 October 2025, Mr. HO Kian Guan resigned as an independent Director and the chairman of the board of directors of Parkway Trust Management Limited, which is acting as manager of Parkway Life Real Estate Investment Trust which its units are trading on Singapore Exchange Securities Trading Limited.

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

The updated biographical details of Directors and senior management are set out in the section headed “Profiles of Directors” in this annual report.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the year.

## BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group at 31 December 2025 are set out in Note 19, Note 22 and Note 28 to the financial statements.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

# REPORT OF THE DIRECTORS (continued)

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## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 130 of the Annual Report.

## PROPERTIES

Particulars of the properties and property interests of the Group are shown on page 131 to 132 of the Annual Report.

## PERSONNEL AND RETIREMENT SCHEMES

At 31 December 2025, the Group had approximately 1,821 employees. A policy of localising as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. Salary and remuneration are competitive and are based on varying conditions in the different countries in which the Company and its subsidiaries operate. The Group has defined contribution schemes in Hong Kong, Macau, the People's Republic of China, Vietnam, the United States, Canada and Japan.

All the directors' fees payable to the Directors were in respect of their services as directors of the Company and/or its subsidiary undertakings, and all the salaries, allowances, benefits-in-kind, discretionary bonuses and retirement scheme contributions payable to the Executive Directors were in respect of their services in connection with the management of the affairs of the Company and/or its subsidiary undertakings.

## AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

**HO Kian Guan**

*Executive Chairman*

Hong Kong, 24 March 2026

# OTHER CORPORATE INFORMATION

## FINANCIAL REVIEW

The Group's revenue was HK\$1,616.4 million for the year ended 31 December 2025, representing a slight 4.5% decline compared to 2024. The decline was primarily driven by lower contributions from Sofitel New York and Sheraton Saigon Grand Opera Hotel, both affected by ongoing renovation activities during the year.

The Group's operating profit for the year ended 31 December 2025 was HK\$240.7 million, down from HK\$432.2 million in 2024, primarily due to the absence of the one-off HK\$156.3 million hotel disposal gain recognised in the prior year.

Profit attributable to equity shareholders amounted to HK\$257.5 million as compared to the HK\$255.8 million in 2024.

## FINANCIAL RATIO

The debt to total assets ratio (defined as the percentage of bank loans over total assets) of the Group was 19.7% (2024: 21.0%), while the total liabilities as a percentage of total assets was 32.7% (2024: 33.0%).

## KEY PERFORMANCE INDICATORS (“KPIs”)

The Group sets a number of KPIs to support the delivery of its strategies with its performance as below:

### Operational KPIs:

Operation and investment	Country	Star rated	Currency	2025		2024	
				Occupancy Rate	ARR	Occupancy Rate	ARR
Sofitel New York	USA	5	USD	59%	451	85%	389
W San Francisco	USA	5	USD	66%	362	61%	328
Sheraton Saigon Grand Opera Hotel (formerly known as Sheraton Saigon Hotel & Towers)	Vietnam	5	USD	71%	194	80%	181
Caravelle Hotel	Vietnam	5	USD	74%	162	74%	151
Sheraton Ottawa Hotel*	Canada	4	CAD	N/A	N/A	60%	195
Delta Hotels by Marriott Toronto Airport & Conference Centre	Canada	4	CAD	71%	180	73%	179
Holiday Inn Wuhan Riverside	PRC	4	RMB	41%	354	47%	391
Best Western Hotel Fino Osaka Shinsaibashi	Japan	3	YEN	87%	14,564	84%	11,766

\* Sheraton Ottawa Hotel was disposed of on 29 February 2024, with data reported up to that date

- *Occupancy Rate (Total number of Rooms Nights booked relative to Total number of Available Rooms Nights for Guests over the year)*
- *Average Room Rate (Total Room Revenue divided by Total Room Nights Occupied)*

## OTHER CORPORATE INFORMATION (continued)

### Financial KPIs:

Strategy	KPIs	Calculation basis
To maintain a healthy liquidity ratio	Bank loan to Total assets ratio = 19.7% (2024: 21.0%)	Percentage of Total bank loans relative to the Total assets as at the respective year end
	Leverage ratio = 32.7% (2024: 33.0%)	Percentage of Total liabilities relative to the Total assets as at the respective year end
To maintain a healthy cash flow	Times interest covered by Profits = 4.9 (2024: 4.0)	Ratio of Profit for the year to Finance costs
	Times interest covered by Deposits and cash = 19.6 (2024: 17.0)	Ratio of Deposits and cash (including pledged deposits) to Finance costs

### PLEDGE OF ASSETS

As at 31 December 2025, hotel properties including land, and certain properties held for sale with an aggregate value of HK\$2,578.4 million (2024: HK\$2,120.7 million) were pledged to banks to secure bank loans and banking facilities granted to the Group.

### CONTINGENT LIABILITIES

As at 31 December 2025, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favour of the Macau SAR Government in respect of properties held for sale amounted to HK\$8.3 million (2024: HK\$8.3 million).

As at 31 December 2025, the directors do not consider it probable that a claim will be made against the Group under any of the guarantees. The Group has not recognised any deferred income in respect of any of the above guarantees as their fair value cannot be reliably measured and they were issued many years ago and their transaction price was Nil.

## OTHER CORPORATE INFORMATION (continued)

### MANDATE IN RELATION TO THE RENOVATION CONTRACTS FOR SOFITEL NEW YORK

References are made to the announcement and the circular of the Company dated 21 February 2025 and in relation to proposed mandate in relation to the renovation contracts for hotel. The Company is pleased to provide an update on the progress of the renovation works at Sofitel New York, pursuant to the Mandate granted by its shareholders. As part of its commitment to transparency, the Company discloses below the latest status of the Further Renovation Contracts, including details on major contractors, payment terms, and the current progress of each category of renovation work. This disclosure aligns with the Company's undertaking to monitor and report on the renovation in its interim and annual reports, as well as the annual review by the Independent Non-executive Directors to ensure compliance with the Mandate terms.

Category of renovation work	Budget for such category of renovation work	Amount contracted for as of 31 December 2025	Movements between 30 June 2025 and 31 December 2025	Remaining amount under the Proposed Mandate	Level of completion of such category of renovation work as of 31 December 2025
Professional fees for the design, architectural and engineering services	US\$3,300,000	US\$3,092,098	US\$199,802	US\$207,902	80%
Mock-up rooms	US\$1,000,000	US\$1,023,694	Nil	Nil	100%
General construction works including furniture, fixtures, and equipment	US\$43,400,000	US\$39,990,824	US\$6,182,833	US\$3,409,176	85%
Allowance for building repairs	US\$3,000,000	US\$1,580,330	(US\$330,495)	US\$1,419,670	90%
Allowance for New York City Department of Buildings permits/special inspections	US\$100,000	US\$160,102	US\$29,399	Nil	82%
Operating supplies and equipment for guestrooms, suites, meeting event space, public space, gym, restaurant and bar, and IT upgrades	US\$4,800,000	US\$2,753,113	US\$319,039	US\$2,046,887	95%
Contingency	US\$6,000,000	US\$83,796*	US\$29,399	US\$5,916,204	Not applicable
<b>Total</b>	<b>US\$61,600,000</b>	<b>US\$48,600,161</b>	<b>US\$6,400,578</b>	<b>US\$12,999,839</b>	

\* The amount of US\$83,796 exceeding the respective category was recognised as contingency fees.

## OTHER CORPORATE INFORMATION (continued)

**i) Disclosure of the identities of major contractors, consideration and payment terms for transactions amount of US\$3.5m and above**

(subsequent to 30 June 2025 and up to 31 December 2025)

Name of Contractor/Supplier	Category of renovation work	Contract/ PO Value	Payment Terms
Hunter Roberts Construction Group LLC (“Hunter Roberts”)	General construction works including furniture, fixtures, and equipment	US\$4,958,879	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by Hunter Roberts

Hunter Roberts is a company with principal place of business in New York, the United States. It is principally engaged in the provision of construction management services.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Hunter Roberts and its ultimate beneficial owner(s) are Independent Third Parties.

**ii) Disclosure of the number of contractors, the corresponding range of the transaction amount and payment terms for transactions with transaction amount of less than US\$3.5m**

(subsequent to 30 June 2025 and up to 31 December 2025)

Payment terms	No. of Contractors	Range of the transaction amount
100% upon Completion	8	US\$1,525 to US\$289,201
50% Upfront, 50% Upon Completion	7	US\$200 to US\$334,029
Progress Billings	6	US\$353 to US\$269,635

The Company remains on track to complete the renovation within the stipulated timelines and budgets. Further updates will be provided in subsequent reports as the project advances.

## PROFILES OF DIRECTORS

**Mr. HO Kian Guan**, aged 80, is the Executive Chairman of the Company and director/chairman/president of various companies of the Group. He was appointed as a Director of the Company on 5 December 1979. Mr. Ho is also the executive chairman and director of Keck Seng (Malaysia) Berhad (listed on the Bursa Malaysia Securities Berhad (the “BMSB”). With effect from 20 October 2025, Mr. Ho resigned as an independent Director and the chairman of the board of directors of Parkway Trust Management Limited, which is acting as manager of Parkway Life Real Estate Investment Trust which its units are trading on Singapore Exchange Securities Trading Limited (“SGX-ST”). Mr. Ho holds a Bachelor of Business Administration and Commerce. He is also a director of KS Ocean Inc., Pad Inc., Lapford Limited, Goodland Limited and Kansas Holdings Limited (all being substantial shareholders of the Company). He is brother of Mr. HO Kian Hock and Mr. HO Kian Cheong, and uncle of Mr. CHAN Lui Ming Ivan, Mr. HO Chung Kain, Mr. HO Chung Hui and Mr. HO Chung Kiat Sydney.

**Mr. HO Kian Hock**, aged 78, is the Deputy Executive Chairman of the Company and director/vice chairman of various companies of the Group. He was appointed as a Director of the Company on 19 December 1979. Mr. Ho is also the managing director of Keck Seng (Malaysia) Berhad (listed on the BMSB). He is also a director of KS Ocean Inc., Pad Inc., Lapford Limited, Goodland Limited and Kansas Holdings Limited (all being substantial shareholders of the Company). He is the father of Mr. HO Chung Kain and Mr. HO Chung Hui, brother of Mr. HO Kian Guan and Mr. HO Kian Cheong, and uncle of Mr. CHAN Lui Ming Ivan and Mr. HO Chung Kiat Sydney.

**Mr. TSE See Fan Paul**, aged 71, is an Executive Director of the Company, a Remuneration Committee member, a Nomination Committee member and a Risk Management Committee member of the Board and director/president/vice president/chairman/CEO/secretary of various companies of the Group. He was appointed as a Director of the Company on 5 December 1979. Mr. Tse is a director of KS Ocean Inc., Lapford Limited, Goodland Limited and Kansas Holdings Limited (all being substantial shareholders of the Company). He is a director of Macau Urban Renewal Limited. He is also a non-executive director of Banco Nacional Ultramarino, one of the two note-issuing banks of the Macau SAR, a member of the Chinese People’s Political Consultative Committee of Yunnan Province, China for the 10th & 11th sessions.

**Mr. CHAN Lui Ming Ivan**, aged 56, is an Executive Director of the Company and director of various companies of the Group. He was appointed as a director of the Company on 1 July 2006. Mr. Chan retired as director of Keck Seng (Malaysia) Berhad (listed on the BMSB) on 26 May 2023. Mr. Chan holds a Bachelor of Business Administration and a Master of Science degree from the National University of Singapore. He is also a director of KS Ocean Inc., Lapford Limited and Kansas Holdings Limited (all being substantial shareholders of the Company). He is a nephew of Mr. HO Kian Guan, Mr. HO Kian Hock and Mr. HO Kian Cheong, and cousin of Mr. HO Chung Kain, Mr. HO Chung Hui and Mr. HO Chung Kiat Sydney.

## PROFILES OF DIRECTORS (continued)

**Mr. HO Chung Hui**, aged 49, is an Executive Director of the Company and director/chairman of various Companies of the Group. He was appointed as a Director of the Company on 15 October 2008. He is also an alternate director of Keck Seng (Malaysia) Berhad (listed on the BMSB). Mr. Ho joined the Group in August 2003 as a director of a subsidiary for the Group's hotel related investments in China and Vietnam. Before joining the Group, Mr. Ho worked for a major US consulting firm on various practices of strategy, finance and business process reengineering and human capital in Singapore. Mr. Ho holds a Bachelor of Science in Economics from the London School of Economics. He is the son of Mr. HO Kian Hock, brother of Mr. HO Chung Kain, nephew of Mr. HO Kian Guan and Mr. HO Kian Cheong, and cousin of Mr. CHAN Lui Ming Ivan and Mr. HO Chung Kiat Sydney.

**Mr. HO Kian Cheong**, aged 76, is a Non-executive Director of the Company. He was appointed as a Director of the Company on 5 December 1979 and was re-designated as Non-executive Director on 17 April 2003. He is also a non-executive director of Keck Seng (Malaysia) Berhad (listed on the BMSB). He is the father of Mr. HO Chung Kiat Sydney, brother of Mr. HO Kian Guan and Mr. HO Kian Hock and uncle of Mr. CHAN Lui Ming Ivan, Mr. HO Chung Tao, Mr. HO Chung Kain and Mr. HO Chung Hui.

**Mr. KWOK Chi Shun Arthur**, aged 80, is an Independent Non-executive Director of the Company since 3 January 1995 and director of various companies of the Group. He is also the chairman of the Nomination Committee, an Audit and Compliance Committee member and a Remuneration Committee member of the Board. He is a professional architect with extensive architectural, town planning and interior design experience and has wide business interests in property development, merchandise retailing and wholesale.

**Ms. WANG Poey Foon Angela**, aged 68, is an Independent Non-executive Director of the Company since 28 September 2004. She is also the chairman of the Remuneration Committee, an Audit and Compliance Committee member, a Nomination Committee member and a Risk Management Committee member of the Board. Ms. Wang holds an LLB (Hons) degree from the National University of Singapore, and is an Advocate and Solicitor (Singapore), Solicitor (Hong Kong and United Kingdom). She has practised with major law firms in Singapore, Australia and Hong Kong and is currently a senior partner of a firm of solicitors in Hong Kong.

**Mr. YU Hon To David**, aged 77, is an Independent Non-executive Director of the Company. He was appointed as a Director of the Company on 1 April 2013. He is also the chairman of Audit and Compliance Committee, a Remuneration Committee member, a Nomination Committee member and a Risk Management Committee member of the Board. He is an associate member of The Hong Kong Institute of Certified Public Accountants ("HKICPA") and a fellow member of Institute of Chartered Accountants in England and Wales. Mr. Yu has extensive experience in the fields of auditing, corporate finance (including IPO advisory, mergers and acquisitions and financial restructuring), financial investigation and corporate management and is currently an independent non-executive directors ("INED") of China Resources Gas Group Limited, One Media Group Limited, Playmates Toys Limited and MS Group Holdings Limited, all listed on The Stock Exchange of Hong Kong Limited ("HKEx"). Mr. Yu is also a non-executive director of Haier Smart Home Co., Ltd. which is listed on Shanghai Stock Exchange and HKEx.

## PROFILES OF DIRECTORS (continued)

**Mr. Stephen TAN**, aged 72, is an Independent Non-executive Director of the Company. He was appointed as a Director of the Company on 6 June 2019. He is also the chairman of Risk Management Committee, an Audit and Compliance Committee member, a Remuneration Committee member and a Nomination Committee member of the Board. Mr. Tan is currently an executive director of Asia Financial Holdings Limited, an independent non-executive director of Pioneer Global Group Limited and China Motor Bus Company, Limited (all listed on HKEX). He also sits on the boards of Bank Consortium Trust Company Limited, BCT Financial Limited and AFH Charitable Foundation Limited. Mr. Tan serves as a Managing Director of The Chinese General Chamber of Commerce, the Incumbent Honorary President of Chiu Yang Residents Association of Hong Kong Limited, Honorary President of the Federation of Hong Kong Shantou Community Organisations, the Supervisor of Chiu Yang Por Yen Primary School and the Manager of Chiu Yang Primary School of Hong Kong. Mr. Tan is a member of the Board of Governor of Hong Kong Sinfonietta Limited, a voting member of Tung Wah Group of Hospitals, a trustee of Outward Bound Trust of Hong Kong, a charter member of The Rotary Club of The Peak and a founding member of Opera Hong Kong Limited. Mr. Tan is also the Chairman of Customs and Excise Service Children's Education Trust Fund Committee. Mr. Tan was educated in the U.S.A. and holds a bachelor's degree in Business Administration from Rutgers University, and a master's degree in Business Administration from St. John's University.

**Mr. HO Chung Kain**, aged 51, is an Alternate Director to Mr. HO Chung Hui and director of various Companies of the Group. He was appointed as a director of the Company on 15 October 2008. Mr. Ho joined the Group in 2001. He is also an alternate director of Keck Seng (Malaysia) Berhad (listed on the KLSE) and is a Board member of the Singapore Hotel Association. He started his career in a major Japanese Real Estate Company in Singapore and has over 20 years experience in the industry. He is currently responsible for corporate work, property development, township planning, construction and hotel related activities in Malaysia and Singapore. Mr. Ho holds a Bachelor of Business Administration degree from Murdoch University in Perth, Australia. He is the son of Mr. HO Kian Hock, brother of Mr. HO Chung Hui, nephew of Mr. HO Kian Guan and Mr. HO Kian Cheong, and cousin of Mr. CHAN Lui Ming Ivan and Mr. HO Chung Kiat Sydney.

**Mr. HO Chung Kiat Sydney**, aged 42, was appointed as Alternate Director to Mr. HO Kian Cheong with effect from 1 December 2018. He is presently an executive director of Hub Synergy (S) Pte Ltd, Leefon Corporation Pte Ltd and i.Contemporary Living Pte Ltd. Mr. Ho is responsible for the marketing and operations of a commercial building, supervision of the re-development of a 26-storey commercial building as well as its day-to-day operations, and marketing and leasing of warehouse lots in an industrial building. Previously, Mr. Ho was also involved in the development of a 49-unit, 30-storey residential project. Mr. Ho is also an Alternate Director to Mr. HO Kian Cheong in Keck Seng (Malaysia) Berhad (listed on BMSB). Mr. Ho holds a Master degree in Electrical and Electronic Engineering from the Imperial College of Science, Technology and Medicine, London. He is the son of Mr. HO Kian Cheong, nephew of Mr. HO Kian Guan and Mr. HO Kian Hock, and cousin of Mr. CHAN Lui Ming Ivan, Mr. HO Chung Hui and Mr. HO Chung Kain.

# CORPORATE GOVERNANCE REPORT

## CORPORATE CULTURE

Keck Seng Investments (Hong Kong) Limited (the “Company”) and its subsidiaries (together, the “Group”) prides itself on its core values of integrity, accountability, and adaptability. The Board and senior management strives to lead by example to instill these values into our corporate culture through best practices such as enforcing financial discipline, legal and regulatory compliance, as well as teamwork, open communication, ESG, staff well-being, and contribution to the communities in way of charitable donations, all while not forgetting the underlying mission of making profit for shareholders and stakeholders alike. Considering the corporate culture in a range of contexts, the Board is of the view that the culture and the purpose, value and strategy of the Group are aligned.

The mission of the Group is “To maximize and optimize profit while creating a better world and enhancing the communities that we are in”. To achieve this, the Group diversifies its operations all around the world with high degree of localization. The Chairman’s Statement in this annual report includes discussions and analyses of the Group’s performance, the basis on which the Group generates and preserves value in the longer term and delivers the Group’s objectives. The Group is increasingly focusing on sustainability; employee’s health and well-being; inclusion and diversity. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can also be found in the standalone ESG Report of the Group.

## CORPORATE GOVERNANCE PRACTICES

The board of directors (the “Board”) of the Company has committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). During the year, the Company has complied with the principles set out in the CG Code, save and except for deviations as explained below:

- Code Provision C.2.1, as the roles of chairman and chief executive officer of the Company are not separated.

Pursuant to Code Provision C.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company has not appointed a chief executive officer, since day-to-day operations of the Group were undertaken by the management teams in the respective geographical locations under the supervision of the Executive Directors. In respect of the management of the Board, the role was undertaken by Mr. HO Kian Guan, the Executive Chairman of the Company. The Board is of the view that this structure has served the Company well in past years and does not impair the balance of responsibility between the Board and the management of the business.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year 2025.

# CORPORATE GOVERNANCE REPORT (continued)

## BOARD OF DIRECTORS

The Board of the Company comprises the following Directors:

*Executive Directors:*

HO Kim Swee @ HO Kian Guan – *Executive Chairman*  
HO Cheng Chong @ HO Kian Hock – *Deputy Executive Chairman*  
TSE See Fan Paul  
CHAN Lui Ming Ivan  
HO Chung Hui  
HO Chung Kain @ HE Chongjing (*Alternate to HO Chung Hui*)

*Non-executive Director:*

HO Eng Chong @ HO Kian Cheong  
HO Chung Kiat Sydney @ HE Chongjie Sydney (*Alternate to HO Eng Chong @ HO Kian Cheong*)

*Independent Non-executive Directors:*

KWOK Chi Shun Arthur  
WANG Poey Foon Angela  
YU Hon To David  
Stephen TAN

The Board currently comprises 10 members, consisting of 5 Executive Directors (having 1 Alternate Director), 1 Non-executive Director (having 1 Alternate Director) and 4 Independent Non-executive Directors. The biographical information of the Directors are set out in the section headed “Profiles of Directors” on pages 28 to 30 of this annual report.

There is no relationship between members of the Board other than that Mr. HO Kian Hock is the father of Messrs HO Chung Kain and HO Chung Hui, Mr. HO Kian Cheong is the father of Mr. HO Chung Kiat Sydney while Messrs HO Kian Guan, HO Kian Hock and HO Kian Cheong are brothers who are also uncles of Mr. CHAN Lui Ming Ivan.

### Independent Non-executive Directors

During the year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Independent Non-executive Directors also serve the important functions of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each Independent Non-executive Director to be independent in character and judgment and that they all meet the specific independence criteria as required under the Listing Rules. The Company has received from each Independent Non-executive Director an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers such Directors to be independent. The Independent Non-executive Directors are explicitly identified in all corporate communications.

# CORPORATE GOVERNANCE REPORT (continued)

## Responsibilities, Accountabilities and Contributions of the Board and Management

The principal function of the Board is on setting the overall strategic direction and investment focus of the Group. The Board also monitors the financial performance and the internal controls of the Group's business activities. Day-to-day management of the Group's business is delegated to the management and the responsibilities and powers so delegated are periodically reviewed to ensure that they remain appropriate.

With wide respective professional experience in financial, architectural, legal and accounting fields, the Independent Non-executive Directors bring and contribute to the Board a balance of skills, independent judgment and insight into the setting of strategic direction, investment focus, performance evaluation, risk management of the Group through attendance at meetings of the Board, Audit and Compliance Committee, Remuneration Committee, Nomination Committee, Risk Management Committee and general discussions with the Executive Directors.

All Directors are updated on governance and regulatory matters. All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. Directors can obtain independent advice at the expense of the Company for the furtherance of their duties. The Company has also arranged appropriate director and officer liability insurance cover in respect of legal actions against its Directors.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board meets to review the overall strategic direction of the Group, to monitor the operations and to deal with any corporate and policy matters in respect of which its attention is required. The Executive Directors are responsible for drawing up and approving the agenda for each Board meeting. Notices of at least 14 days have been given to all Directors for all Board meetings. Directors can include matters for discussion in the agenda if necessary. Agenda and board papers in respect of Board meetings are sent out in full to all Directors at least 3 business days prior to the meetings. Draft minutes of all Board meetings are circulated to Directors for comment within a reasonable time prior to confirmation.

Minutes of the Board meetings and meetings of Board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to Board papers and related materials, and are provided with adequate information in a timely manner, enabling the Board to make informed decisions on matters under discussion.

## Continuous Professional Development of Directors

Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Since 2004, new Directors have been given, on appointment, an orientation package, including information on the Group's company structure, details of major investments, the Company's Articles of Association, and other relevant information to familiarise the new Directors with the corporate affairs and operations of the Group. They will receive, from time to time, formal, comprehensive and tailored induction to ensure full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

## CORPORATE GOVERNANCE REPORT (continued)

During the year, the training records of the Directors of the Company are as follows:

Directors	Attending seminar and/or conferences and/or forums	Reading journals, updates, articles and/or materials, etc
<i>Executive Directors</i>		
HO Kian Guan	✓	✓
HO Kian Hock	✓	✓
TSE See Fan Paul	✓	✓
CHAN Lui Ming Ivan		✓
HO Chung Hui	✓	✓
HO Chung Kain ( <i>Alternate to HO Chung Hui</i> )	✓	✓
<i>Non-executive Director</i>		
HO Kian Cheong	✓	✓
HO Chung Kiat Sydney ( <i>Alternate to HO Kian Cheong</i> )	✓	✓
<i>Independent Non-executive Directors</i>		
KWOK Chi Shun Arthur		✓
WANG Poey Foon Angela	✓	✓
YU Hon To David	✓	✓
Stephen TAN	✓	✓

Under Code Provision C.1.4, all directors should participate in continuous professional development to develop and refresh their knowledge and skills, and have regular updates on the changes of Listing Rules and industry sectors as continuous professional development. In addition, relevant reading materials including directors' manual, legal and regulatory update and seminar handouts have been provided to the Directors for their reference and studying.

### COMPANY SECRETARY

The Company Secretary is to support the Board by ensuring that there is good information flow and the board policies and procedures are strictly followed. The Company Secretary is responsible for advising the Board on governance matters and also facilitating the induction and professional development of Directors.

During the year, the Company Secretary took no less than 15 hours of the relevant professional training in compliance with Rule 3.29 of the Listing Rules.

# CORPORATE GOVERNANCE REPORT (continued)

## BOARD COMMITTEES

The Board has established 4 committees, namely, Audit and Compliance Committee, Remuneration Committee, Nomination Committee and Risk Management Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The majority of the members of each Board committee are Independent Non-executive Directors and the list of the chairman and members of each Board committee is set out below.

### Audit and Compliance Committee

The Audit and Compliance Committee of the Company was established in 1999. Its current members are:

YU Hon To David (*Chairman of the committee*)

KWOK Chi Shun Arthur

WANG Poey Foon Angela

Stephen TAN

All the members are Independent Non-executive Directors. The Board considers that each of the Audit and Compliance Committee members has broad commercial experience and that there is an appropriate balance of experiences and skills covering legal, business, accounting and financial management disciplines on the Committee. The composition and the membership of the Audit and Compliance Committee comply with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference covering the authority and duties of the Audit and Compliance Committee conform to the provisions of the CG Code.

The Audit and Compliance Committee deliberates and meets to review the reporting of financial and other relevant information to shareholders, the scheme of internal controls, the effectiveness of the internal audit function and the effectiveness and objectivity of the audit process. The Audit and Compliance Committee provides one of the important links between the Company and the Company's external auditors in matters within the Committee's terms of reference, and keep in view the independence and objectivity of the external auditors. The Audit and Compliance Committee also review the Company's policies and practices on corporate governance, compliance with legal and regulatory requirements and the Company's Environmental, Social and Governance activities and advise the Board on related matters.

The Audit and Compliance Committee has reviewed with the management and the external auditors the accounting principles and practices adopted by the Group, discussed financial reporting matters including a review of the financial statements for the year ended 31 December 2025 and review the effectiveness of the internal audit function.

During the year, three Audit and Compliance Committee meetings were held. The Audit and Compliance Committee met the Company's external auditors annually in the absence of management to discuss matters relating to any issue arising from audit and any other matters the external auditors may wish to raise. The Audit and Compliance Committee has also met regularly and from time to time with the representative of the internal audit team of the Company, which conducted independent reviews of the Group's risk management, internal control framework and systems.

# CORPORATE GOVERNANCE REPORT (continued)

## Corporate Governance Functions

The Board and the Audit and Compliance Committee is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the year, the Board with the assistance of the Audit and Compliance Committee and the management had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the CG Code and disclosure in this Corporate Governance Report.

## Remuneration Committee

The Remuneration Committee was established in 2005. Its current members are:

WANG Poey Foon Angela (*Chairlady of the committee*)  
KWOK Chi Shun Arthur  
YU Hon To David  
Stephen TAN  
TSE See Fan Paul

Membership of the Remuneration Committee is appointed by the Board. The majority of the members are Independent Non-executive Directors. The principal duties of the Remuneration Committee are to review and make recommendations to the Board on the remuneration packages of the Executive Directors, Non-executive Directors and senior management. The Remuneration Committee review and make recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management. The Remuneration Committee ensures that no Director or any of his/her associate is involved in deciding his/her own remuneration. The terms of reference of the Remuneration Committee conform to the provisions of the CG Code.

During the year, the Remuneration Committee held two meetings, during which the committee reviewed and discussed matters related to the remuneration policy and structure of the Company, and the remuneration packages of the Executive Directors and senior management and other related matters.

Details of the remuneration of each Director and senior management for the year ended 31 December 2025 are set out in Note 7 to the Financial Statements contained in this Annual Report.

## Nomination Committee

The Nomination Committee was established in 2012. Its current members are:

KWOK Chi Shun Arthur (*Chairman of the committee*)  
WANG Poey Foon Angela  
YU Hon To David  
Stephen TAN  
TSE See Fan Paul

## CORPORATE GOVERNANCE REPORT (continued)

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors. The terms of reference of the Nomination Committee conform to the provisions of the CG Code.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Nomination Policy and the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

During the year, the Nomination Committee held two meetings. It reviewed the Nomination Policy and the Board Diversity Policy and considered them remain effective and appropriate for the Company. It also reviewed the structure, size and composition of the Board in accordance with the Listing Rules, the Board Diversity Policy, and the Nomination Policy and considered that the Board consists of a diverse mix of members and has provided a good balance of skills and experience appropriate to the corporate strategy and goal of the Group. The Nomination Committee also assessed the independence of all the Independent Non-executive Directors and considered all of them to be independent having regard to their annual independence confirmation and the assessment of their independence with reference to the independence criteria set out in Rule 3.13 of the Listing Rules. It made recommendation to the Board on the re-election of the retiring Directors at 2025 annual general meeting of the Company.

### *Nomination Policy*

The Company has established a Nomination Policy which includes the following principles:

1. The Nomination Committee of the Board of Directors shall be responsible for identifying, receiving, reviewing and proposing individuals to be put forward to the Board of Directors for consideration in relation to the appointment of additional Directors to the Company.
2. The Nomination Committee shall establish the procedure for identifying, receiving and reviewing the qualification of candidates mentioned in (1) above.
3. The Nomination Committee shall consider, inter alia, the technical competencies, core skill levels, professional and other experiences, level of integrity, and other relevant factors in light of the strategic and operational issues faced by the Company in its review of candidates.
4. The Nomination Committee shall, inter alia, consider the diversity of backgrounds, perspectives, genders and qualifications of candidates in order to ensure optimal corporate governance.
5. The Nomination Committee shall from time to time review the structure and size of the Board of Directors and make recommendations for changes as and when appropriate or necessary.
6. The Nomination Committee shall make recommendations to the Board of Directors to ensure that the Company complies with relevant clauses in the Listing Rules with respect to Independent Non-executive Directors.

# CORPORATE GOVERNANCE REPORT (continued)

## **Board Diversity**

The Company adopted a Board Diversity Policy setting out the approach to achieve diversity of the Board members in 2013. The Company is committed to equality of opportunity and does not discriminate on the grounds of race, gender, age, disability, nationality, or any other factors. It also recognizes and embraces the benefits of diversity in Board members, and sees increasing diversity at the Board level as an essential element in maintain the Company's competitive advantage and believes that diversity of Board members can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience and other qualities. The Company takes into account these factors based on its own specific needs from time to time as well as the availability of suitable candidates in the market.

The Nomination Committee monitors the implementation of the Board Diversity Policy and reviews the same as appropriate. The Board consists of a diverse mix of Board members in terms of age, gender and tenure of office. Currently, the Board has a female Director out of 10 Directors and the Directors come from a variety of different backgrounds and have a diverse range of business, financial services and professional experience. The Company is committed to improving the diversity of the Board based on its needs and as and when suitable candidates are identified.

The Company has also taken, and continues to take steps to promote diversity at all levels of its workforce. The Group provides equal opportunity to all employees and does not discriminate on the grounds of gender, race, age, nationality, religion, sexual orientation, disability, and any other aspects of diversity. In 2025, our total workforce comprised 44% female and 56% male (2024: 43% female and 57% male). Further details of the Group's inclusive policy, please refer to "Our Workforce Diversity" section of ESG Report 2025.

## **Risk Management Committee**

The Risk Management Committee was established in 2020. Its current members are:

Stephen TAN (*Chairman of the committee*)

WANG Poey Foon Angela

YU Hon To David

TSE See Fan Paul

Majority of the members are Independent Non-executive Directors. The principal duties of the Risk Management Committee are to oversee the implementation and operation of the risk management system of the Group and to make recommendations on any matters related thereto where action or improvement is needed; and to identify, evaluate, mitigate and manage material risks faced by the Group; and to review the adequacy of the Group's policies and procedures regarding risk management system.

During the year, the Risk Management Committee held two meetings during which the committee reviewed and discussed the risk management system of the Group and to make recommendation to the Board; and reviewed the Company's risk profile and the Report of Risk Management Committee.

# CORPORATE GOVERNANCE REPORT (continued)

## ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board Committee meetings and the general meetings of the Company held during the year is set out in the table below:

Name of Director	Attendance/Number of Meetings					
	Board	Nomination Committee	Remuneration Committee	Audit and Compliance Committee	Risk Management Committee	Annual General Meeting
<i>Executive Directors</i>						
HO Kian Guan	4/4	-	-	-	-	1/1 <sup>^</sup>
HO Kian Hock	4/4	-	-	-	-	1/1 <sup>^</sup>
TSE See Fan Paul	4/4	2/2	2/2	3/3*	2/2	1/1
CHAN Lui Ming Ivan	4/4	-	-	-	-	1/1 <sup>^</sup>
HO Chung Hui	4/4	-	-	-	-	1/1 <sup>^</sup>
HO Chung Kain ( <i>Alternate to HO Chung Hui</i> )	3/3	-	-	-	-	1/1 <sup>^</sup>
<i>Non-executive Directors</i>						
HO Kian Cheong	4/4	-	-	-	-	1/1 <sup>^</sup>
HO Chung Kiat Sydney ( <i>Alternate to HO Kian Cheong</i> )	4/4	-	-	-	-	1/1 <sup>^</sup>
<i>Independent Non-executive Directors</i>						
KWOK Chi Shun Arthur	4/4	2/2	2/2	3/3	-	1/1
WANG Poey Foon Angela	4/4	2/2	2/2	3/3	2/2	1/1
YU Hon To David	4/4	2/2	2/2	3/3	2/2	1/1
Stephen TAN	4/4	2/2	2/2	3/3	2/2	1/1

\* Director is not the member of the Committee, only acts as the attendee of the Committee meetings.

<sup>^</sup> Directors participated the Annual General Meeting by video conference.

Apart from regular Board meetings, the Chairman also held meeting with the Independent Non-executive Directors without the presence of Executive Directors during the year.

# CORPORATE GOVERNANCE REPORT (continued)

## RISK MANAGEMENT AND INTERNAL CONTROL

### A. Risk Management

#### *Oversight of Risk Management & Framework*



The Board has overall responsibility for evaluating and determining the nature and extent of the risks and the effectiveness of internal controls in the Group’s business. The Audit and Compliance Committee and the Risk Management Committee of the Group assists the Board in providing oversight of risk management and internal control systems that reflects both the established risk appetite and the business objectives and reports to the Board annually their observations on any matters under their purview. The framework is not designed to eliminate risk but define and manage the type of risk and level of exposure we are prepared to take in pursuit of our strategic objectives to ensure decisions taken align with the Group’s risk appetite.

## CORPORATE GOVERNANCE REPORT (continued)

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The Board is responsible for overseeing the risk appetite of the Group and has overall responsibility for the Group's risk management framework. The Board also reviews the recommendations made to it by the Audit and Compliance Committee and Risk Management Committee.

The Group's Risk Management framework combines a bottom-up operational with a top-down strategic view process. Each business unit is responsible for identifying its own risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. They also need to ensure risk management process and mitigation plan follow established practices and guidelines. Each business unit is also responsible to formulate or execute policies and procedures and also ensure the standardisation and consistency among them.

The Board has established a Risk Management Committee to assist in overseeing the Group's risk management process, with the assistance of the Group Financial Controller. The main responsibility of the Risk Management Committee is to ensure various risks are properly managed and controlled to an acceptable level for the Group in the course of conducting business.

The Audit and Compliance Committee monitors the Group's risk management and internal control systems through the Internal Audit Department, who performs independent audits across the all business units across the Group. The Internal Audit Department's objective is to evaluate that such systems are functioning properly; This is an ongoing process where all material controls of the Group are evaluated for effectiveness. Internal Audit Reports are furnished to the Audit and Compliance Committee, highlighting material deviations (if any); and that all deviations are followed through by Management for rectification. A confidential whistle-blowing mechanism has been established to ensure all raised concerns are promptly responded and followed up by Internal Audit Department and Audit and Compliance Committee.

The Group has adopted an internal code on the protection of company's information, including the storage and the use of data is also subject to data privacy laws. The Group's Code of Corporate Conduct Policy prohibits its Directors and officers from dealing in listed securities of the Company while in possession of unpublished, material and price-sensitive information in relation to such securities and ensures that any potential inside information is promptly identified and reported to the senior management who will make timely decisions on dissemination of inside information as soon as practicable in according with applicable laws and regulations. The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealing in listed securities of the Company as set out above as part of the Group's risk management process.

Each member of our Executive Team is responsible for identifying and assessing key risks within their own business unit. They also report to Risk Management Committee where they collectively assess and monitor specific risks and agree mitigation actions.

# CORPORATE GOVERNANCE REPORT (continued)

## Group's Principal Risks

The following table provides what we consider to be the Group's principle risks, possible associated impacts and mitigation measures that are in place or under development.

Principal Risks	Possible impacts	Mitigation
1. Global Systematic Risk	Persistent economic volatility, geopolitical friction, private credit market difficulties, and U.S. tariff/policy shifts heighten hotel risks, undermining business confidence, travel demand, strategic planning, suppliers' credit terms, and overall financing access.	<ul style="list-style-type: none"> <li>Monitors geopolitical/trade shifts for real-time commercial adjustments</li> <li>Provide flexible leasing/booking options to maintain high occupancy.</li> <li>Strengthens supplier partnerships to manage risks and maintain stability.</li> <li>Stress-test operations against credit tightening or supplier disruptions</li> </ul>
2. Investment and Asset/Liabilities Management	<ul style="list-style-type: none"> <li><b>Market &amp; Economic Risks:</b> Economic slowdown, driven by U.S. tariffs, rising costs, combined with new hotel supply, softer MICE demand, and intense price competition, straining profitability.</li> <li><b>Currency Risk:</b> Fed rate cuts and geopolitical risks drive USD volatility, raising import costs, curbing tourist purchasing power, and undermining hotel price competitiveness.</li> <li><b>Political Risk:</b> Frequent Regulatory and policy shifts raise costs, heightening volatility, threaten hotel stability and impair long-term asset valuation.</li> <li><b>Property Risk:</b> Aging infrastructure requires capital upgrades to mitigate safety risks, reduce operational costs, and ensure long-term asset reliability.</li> </ul>	<ul style="list-style-type: none"> <li>Hotels diversify markets, strengthens domestic tourism, implement dynamic pricing; Enhance guest experiences with differentiated services to reinforce market position; Use competitive leasing for occupancy/tenant retention.</li> <li>Regularly monitor exchange rates, promptly adjust pricing and cost structures, diversify revenue markets, increase local sourcing to reduce dependence on volatile currencies.</li> <li>Actively monitor local policy developments and regularly assess their operational and financial implications; Establish local or alternative supply chains to strengthen operational resilience.</li> <li>Rigorous preventive maintenance; Risk-based capital planning; Weather-resilience protocols; Regular inspections, service recovery plans, and minimized disruptions scheduling safeguard assets.</li> </ul>

## CORPORATE GOVERNANCE REPORT (continued)

Principal Risks	Possible impacts	Mitigation
3. Hotel Operation	<ul style="list-style-type: none"> <li>Concern of mismanagement by the Hotel Managers.</li> <li>Risk of labour shortage and supply chain disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>Periodically review operating and financial information.</li> <li>Conduct internal audit of major operational and financial systems.</li> <li>Discuss with Hotel Managers and try to diversify the supplier base</li> <li>Attract and retain employees by offering competitive wages and benefits.</li> </ul>
4. Cybersecurity and Data Security	<ul style="list-style-type: none"> <li>System breakdowns and cyberattacks can disrupt hotels, leading to financial losses, delays, reputational damage, and litigation from non-compliance and data loss.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly review IT security, update system, conduct testing resilience.</li> <li>Strengthen IT infrastructure and recovery plans for hotels.</li> <li>Mandate comprehensive cybersecurity training for all personnel</li> </ul>
5. Health & Safety	<ul style="list-style-type: none"> <li>Neglecting health &amp; safety measures could cause injuries, loss of life, claims, and reputational harm to the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Review policies, procedures, audits, training, and reports, and implement robust precautionary measures, including enhanced cleaning and sanitization.</li> </ul>
6. Human Resources	<ul style="list-style-type: none"> <li>A senior &amp; middle management succession plan is necessary to ensure leadership continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure proper succession plans are in place to meet the future business needs.</li> </ul>
7. Environmental and Social Responsibility	<ul style="list-style-type: none"> <li>Waste/pollution breaches, climate vulnerabilities, labor non-compliance, safety gaps, and supply chain ESG failures risk fines, reputational harm, and disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>Implement certified waste/energy/water programs; HVAC/solar upgrades; regulatory audits; climate resilience measures; sustainable procurement and supplier ESG assessments</li> </ul>

### B. Internal Audit and Internal Controls

Whilst the responsibility of maintaining a good system of internal controls rests with the Management, the Group Internal Audit assess the robustness of the system through a structured internal audit programme.

Reporting to the Audit and Compliance Committee, the scope of the Group Internal Audit's review covers major operational and financial systems on a continuing basis and targets to cover all major operations within every division on a rotational basis. The scope of its review and its audit programme is approved by the Audit and Compliance Committee before the start of each financial year. Internal Audit reports are submitted directly to the Audit and Compliance Committee.

# CORPORATE GOVERNANCE REPORT (continued)

## C. Conclusion

The Audit and Compliance Committee reviewed the effectiveness of the Group's internal control systems covering all material controls, including financial, operational, compliance, information technology and risk management functions during the year and the resources allocated to the internal control operations. This is reported to the Board following each Audit and Compliance Committee meeting.

The Board reviewed, considered and is satisfied that the Group's internal control systems and risk management functions are effective, adequate and in compliance with the risk management and internal control code provisions of the Corporate Governance Code, for the year ended 31 December 2025. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

On the basis of the review, the Board, the Audit and Compliance Committee and the Risk Management Committee are satisfied as to the effectiveness of the Group's internal control and risk management and concluded that:

- a. the Group during the year has complied with the Code of Governance on internal control
- b. the Group has a framework of prudent and effective controls to identify, evaluate and manage the risks
- c. the Group has internal control and accounting systems which are reasonably efficient and adequate
- d. the Group has ongoing monitoring processes which identified, evaluated and managed significant risks that may influence its major business operations, and
- e. No significant control failings or weaknesses is identified during the Financial Year.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

In preparing the financial statements for the year ended 31 December 2025, the Directors have selected suitable accounting policies and applied them consistently, approved adoption of all applicable Hong Kong Financial Reporting Standards, made judgments and estimates which are fair and reasonable, and have prepared the financial statements on the going concern basis.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 48 to 53.

Where appropriate, a statement will be submitted by the Audit and Compliance Committee explaining its recommendation regarding the selection, appointment, resignation or dismissal of external auditors and the reasons why the Board has taken a different view from that of the Audit and Compliance Committee.

# CORPORATE GOVERNANCE REPORT (continued)

## AUDITORS' REMUNERATION

The remuneration paid to the external auditor of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 are set out below.

	2025 HK\$'000
Auditor's remuneration	
– Audit services	2,939
– Non-audit services (including tax advisory and other services)	1,622
	4,561

## DIVIDEND POLICY

The Company has approved and adopted a dividend policy to provide shareholders of the Company (the "Shareholders") with regular dividends (the "Dividend Policy"). Under the Company Law and our Articles of Association, all of our Shareholders have equal rights to dividends and distributions.

In formulating this policy, the Company has taken into consideration the varying objectives of:

- Providing part of the return to Shareholders in the form of dividend income from the Company;
- Maintaining sufficient free cashflow to finance ongoing company operations;
- Maintaining sufficient cash resources to finance company acquisitions which may come up from time to time;
- Maintaining sufficient cash resources to finance unforeseen cash requirements.

It has also taken into consideration the possibility of:

- Possible fluctuation in earnings from one financial period to another;
- Unforeseen global financial instability giving rise to systemic risk on a global basis;
- Unforeseen economic, social and political instability in the Company's various geographical locations;
- Possible cost-escalations resulting from inflation, structural cost adjustments, legal changes, and other unforeseen incidents;
- Possible reduction in revenue due to changing market conditions, consumption and spending patterns, legal changes, and other unforeseen factors.

## CORPORATE GOVERNANCE REPORT (continued)

Under the Dividend Policy, the Company intends to provide Shareholders with semi-annual dividends. Further, the intention is that such dividends should be in line with general movements in the Company's consolidated net income attributable to the Shareholders and general cashflow availability, subject to the Company's capacity to pay from accumulated and future earnings, anticipated liquidity position and future commitments at the time of declaration of dividend. The Dividend Policy will allow the Company to pay scrip dividends. The Dividend Policy will also allow the Company to declare special dividends from time to time in addition to the semi-annual dividends.

It is the view of the Board that Shareholders participate in the Company's profits, while recognising that it is important for the Company to maintain adequate cash reserves for covering current operations and funding future growth. The Company's capacity to declare dividends will depend upon, inter alia, the Company's current and future operations, liquidity position and capital requirements. It will also depend on dividends received and receivable from the Company's subsidiaries and associates. The payment of dividend is also subject to any restrictions under the Hong Kong law and the Company's Articles of Association.

Pursuant to Article 144 of the Company's Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. It should be noted that the Dividend Policy reflects the Board's current views on the projected operations and financial resources of the Company and its subsidiaries. It should also be noted that the Dividend Policy shall be reviewed from time to time by the Directors and management. Hence, there is no assurance or commitment that dividends will be paid in any particular amount for any given financial period. Even if the Board decides to recommend and pay dividends, the form, and amount will depend upon the operations and earnings, capital requirement and surplus, general financial condition, contractual obligations, prevailing economic condition, and other relevant factors.

Pursuant to Article 156 of the Company's Articles of Association, any dividend unclaimed after a period of twelve years from the date of payment of such dividend shall be forfeited and shall revert to the Company.

### CONSTITUTIONAL DOCUMENT

During the year under review, the Company has not made any changes to Articles of Association. An up to date version of the Company's Articles of Association is available on the Company's website and the Stock Exchange's website.

### SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election or re-election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

#### Convening A General Meeting/Right To Call A General Meeting

Pursuant to the Sections 566 and 568 respectively of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance")/Article 71 of the Company's Articles of Association, shareholder(s) representing at least 5% of the total voting rights of all Shareholders having the right to vote at general meetings can make a written request to convene a general meeting. Such request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the Company in hard copy form or in electronic form and must also be authenticated by the person or persons making it.

# CORPORATE GOVERNANCE REPORT (continued)

## Putting Forward Proposals at General Meeting

Pursuant to the Section 615 of the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all the shareholders or at least 50 shareholders can request the Company in writing to circulate to the shareholders a statement with respect to a matter mentioned in a proposed resolution to be dealt with at that meeting or other business to be dealt with at that meeting. The request may be sent to the Company in hard copy form or in electronic form and must identify the statement to be circulated. It must be authenticated by the person or persons making it and be received by the Company at least 7 days before such meeting.

## Putting Forward Enquiries To The Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company at the Company's address in Hong Kong or by email.

Note: The Company will not normally deal with verbal or anonymous enquiries.

## Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 2902, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong  
Email: enquiry@keckseng.com.hk

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The Chairman of the Board, all other members of the Board including Non-executive Directors, Independent Non-executive Directors, and the Chairmen of all Board committees (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries.

The Shareholders Communication Policy, which is available on the Group's website, sets out the framework in place to promote two-way communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed matter. In August 2022, the Shareholders Communication Policy was updated to elaborate on the multiple avenues available for shareholders to communicate with the Company. The Company has reviewed its prevailing Shareholders' Communication Policy during the year, and believes the Shareholders' Communication Policy is still appropriate and effective.

## PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year and up to and including the date of this Annual Report as required by the Listing Rules.

# INDEPENDENT AUDITOR'S REPORT

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## TO THE MEMBERS OF KECK SENG INVESTMENTS (HONG KONG) LIMITED

*(Incorporated in Hong Kong with limited liability)*

### OPINION

We have audited the consolidated financial statements of Keck Seng Investments (Hong Kong) Limited (“the Company”) and its subsidiaries (“the Group”) set out on pages 54 to 129, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

# INDEPENDENT AUDITOR'S REPORT (continued)

## KEY AUDIT MATTERS (continued)

### Valuation of investment properties

Refer to note 11 to the consolidated financial statements and the accounting policy at note 1(g).

#### The Key Audit Matter

The Group holds a portfolio of investment properties (primarily office and commercial premises) located in Macau which are stated at their fair values which totalled HK\$780 million and accounted for 13% of the Group's total assets as at 31 December 2025.

The fair values of the investment properties as at 31 December 2025 were assessed by the board of directors based on independent valuations prepared by an independent firm of professional surveyors with appropriate qualifications and experience in the location and category of property being valued. The net changes in fair value of investment properties recorded in the consolidated statement of profit or loss represented 11% of the Group's profit before taxation for the year ended 31 December 2025.

We identified the valuation of investment properties as a key audit matter because of its significance to the consolidated financial statements and because the valuation of investment properties can be inherently subjective and requires the exercise of significant judgement and estimation, in particular in determining the appropriate valuation methodology, capitalisation rates and market rents, which increases the risk of error or potential management bias.

#### How the matter was addressed in our audit

Our audit procedures to assess the valuation of investment properties included the following:

- obtaining and inspecting the valuation reports prepared by the independent professional surveyors engaged by the Group and on which the directors' assessment of the valuation of investment properties was based;
- assessing the qualifications of the independent professional surveyors and their experience in the properties being valued and considering their objectivity;
- discussing with the independent professional surveyors their valuation methodology and challenging the key estimates and assumptions adopted in the valuations, including capitalisation rates and market rents, by comparing the assumptions made in prior years with the current year's assumptions and current publicly available data, with the assistance of our internal property valuation specialists, and considering whether there was any indication of management bias in the selection of the assumptions; and
- comparing tenancy information, including committed rents and occupancy rates, provided by the Group to the independent professional surveyors with underlying contracts and related documentation, on a sample basis.

# INDEPENDENT AUDITOR'S REPORT (continued)

## KEY AUDIT MATTERS (continued)

### Recoverability of the carrying value of hotel properties owned by the Group

Refer to note 11 to the consolidated financial statements and the accounting policy at notes 1(h)(i) and 1(j)(ii).

#### The Key Audit Matter

The Group holds a number of hotel properties located in major cities in Asia Pacific and North America. These hotel properties were stated at cost less accumulated depreciation and impairment with carrying amounts totalling HK\$1,726 million and accounted for 29% of the Group's total assets as at 31 December 2025.

Reversal of impairment loss on a hotel property of HK\$267 million was recognised in the consolidated statement of profit or loss for the year ended 31 December 2025.

At the year end management assesses if there are any indicators of potential impairment of hotel properties or any indicators that an impairment loss recognised in prior periods for the hotel properties may no longer exist or may have decreased. Where indicators of potential impairment or reversal of impairment are identified, management assesses the recoverability of the carrying value of hotel properties based on higher of value in use and fair value less costs of disposal. The assessment of the recoverable amounts of hotel properties is inherently subjective as it involves significant management judgement and estimation, particularly given the diverse locations of the hotel properties and the particular economic and political circumstances at each location which can affect, inter alia, occupancy rates, average room rate and future growth rates.

We identified assessing the recoverability of the carrying value of hotel properties owned by the Group as a key audit matter because of its significance to the consolidated financial statements and because the determination of whether there is objective evidence of impairment involves significant management judgement and could be subject to potential management bias.

#### How the matter was addressed in our audit

Our audit procedures to assess the recoverability of the carrying value of hotel properties owned by the Group included the following:

- discussing triggering events and/or indicators of potential impairment or reversal of impairment loss of hotel properties with management and inspecting the operating results and cash flow forecasts of the respective hotels;
- where such triggering events or indicators of potential impairment or reversal of impairment loss were determined to exist, performing the following procedures in respect of each individual hotel property:
  - discussing with Group management and assessing the valuation methodologies adopted in the preparation of the impairment assessment with reference to the requirements of the prevailing accounting standards;
  - challenging the key estimates and assumptions adopted in the impairment assessment, including occupancy rates, average room rate, future growth rates and discount rate, by comparing these with market available data and the current year's operating results with the assistance of our internal valuation specialists.
- performing sensitivity analyses by making adjustments to the key estimates and assumptions adopted in the impairment assessments to assess risk of possible management bias in the selection of these assumptions; and
- performing a retrospective review by comparing the forecast operating results made in the prior year's impairment assessments with the current year's operating results to assess the historical accuracy of management's forecasting process.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

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

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

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

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

### **RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

The directors are assisted by the Audit and Compliance Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

## INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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

## **INDEPENDENT AUDITOR'S REPORT** (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Tsz Kei (practising certificate number: P07071).

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

24 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	3	<b>1,616,423</b>	1,692,023
Cost of sales		(144,363)	(155,107)
Other revenue	4(a)	1,472,060	1,536,916
Other net losses	4(b)	70,004	103,565
Gains on disposal of the Hotel Assets	25	(1,284)	(49,789)
Direct costs and operating expenses		–	156,237
Marketing and selling expenses		(677,226)	(707,091)
Depreciation	11(a)	(43,337)	(44,662)
Administrative and other operating expenses		(108,055)	(112,713)
		(471,479)	(450,285)
<b>Operating profit</b>		<b>240,683</b>	432,178
Net decrease in fair value of investment properties	11(a)	(46,400)	(66,700)
Reversal of impairment loss on a hotel property	11(b)	267,380	169,922
Finance costs	5(a)	461,663	535,400
Share of net profits of associates		(69,121)	(89,454)
		35,991	20,670
<b>Profit before taxation</b>	5	<b>428,533</b>	466,616
Income tax	6(a)	(90,471)	(113,161)
<b>Profit for the year</b>		<b>338,062</b>	353,455
<b>Attributable to:</b>			
Equity shareholders of the Company		257,477	255,841
Non-controlling interests		80,585	97,614
<b>Profit for the year</b>		<b>338,062</b>	353,455
<b>Earnings per share, basic and diluted (cents)</b>	9	<b>75.7</b>	75.2

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 24(b).

The notes on pages 60 to 129 form part of these financial statements.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>Profit for the year</b>	<b>338,062</b>	353,455
<hr/>		
Other comprehensive income for the year		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	–	67
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries and associates	(5,706)	(52,346)
– release of exchange reserve upon cessation of a subsidiary's business	–	18,114
<b>Other comprehensive income for the year</b>	<b>(5,706)</b>	(34,165)
<hr/>		
<b>Total comprehensive income for the year</b>	<b>332,356</b>	319,290
<hr/>		
<b>Attributable to:</b>		
Equity shareholders of the Company	262,047	232,977
Non-controlling interests	70,309	86,313
<b>Total comprehensive income for the year</b>	<b>332,356</b>	319,290

There is no tax effect relating to the above components of other comprehensive income.

The notes on pages 60 to 129 form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Investment properties		779,800	826,200
Property, plant and equipment		2,104,287	1,610,127
Land		765,118	765,623
Interest in associates	11	3,649,205	3,201,950
Other non-current financial assets	13	117,906	96,823
Deferred tax assets	14	130,732	126,513
	23(b)	399,220	423,556
		4,297,063	3,848,842
<b>Current assets</b>			
Trading securities	15	–	8,811
Properties held for sale	16	278,873	278,873
Inventories		4,237	3,780
Trade and other receivables	17	64,377	88,576
Derivative financial assets		–	2,052
Deposits and cash	18(a)	1,351,559	1,523,656
Taxation recoverable	23(a)	–	419
		1,699,046	1,906,167
<b>Current liabilities</b>			
Bank loans	19(a)	1,124,199	317,384
Trade and other payables	20	481,271	437,589
Loan from an associate	13	464	464
Loans from non-controlling shareholders	22	36,969	77,397
Taxation payable	23(a)	28,807	57,659
		1,671,710	890,493
<b>Net current assets</b>		<b>27,336</b>	<b>1,015,674</b>
<b>Total assets less current liabilities</b>		<b>4,324,399</b>	<b>4,864,516</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current liabilities</b>			
Bank loans	19(a)	57,974	888,949
Other liabilities	21	87,172	2,395
Loans from non-controlling shareholders	22	69,322	34,890
Deferred tax liabilities	23(b)	76,726	82,294
		<b>291,194</b>	<b>1,008,528</b>
<b>NET ASSETS</b>			
		<b>4,033,205</b>	<b>3,855,988</b>
<b>CAPITAL AND RESERVES</b>			
	24		
Share capital		498,305	498,305
Reserves		3,036,853	2,808,826
<b>Total equity attributable to equity shareholders of the Company</b>			
		<b>3,535,158</b>	<b>3,307,131</b>
Non-controlling interests		498,047	548,857
<b>TOTAL EQUITY</b>			
		<b>4,033,205</b>	<b>3,855,988</b>

Approved and authorised for issue by the board of directors on 24 March 2026.

**Ho Kian Guan**  
Executive Chairman

**Tse See Fan Paul**  
Executive Director

The notes on pages 60 to 129 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to equity shareholders of the Company							
	Share capital HK\$'000	Legal reserve HK\$'000	Exchange reserve HK\$'000	Fair value reserve (non-recycling) HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
<b>Balance at 1 January 2025</b>	498,305	19,511	(55,014)	2,818	2,841,511	3,307,131	548,857	3,855,988
<b>Changes in equity for 2025:</b>								
Profit for the year	-	-	-	-	257,477	257,477	80,585	338,062
Other comprehensive income	-	-	4,570	-	-	4,570	(10,276)	(5,706)
<b>Total comprehensive income for the year</b>	-	-	4,570	-	257,477	262,047	70,309	332,356
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	13,283	13,283
Fair value reserve (non-recycling) transferred to retained profits upon disposal	-	-	-	(2,818)	2,818	-	-	-
Dividends approved in respect of the previous year	-	-	-	-	(23,814)	(23,814)	-	(23,814)
Dividends declared in respect of the current year	-	-	-	-	(10,206)	(10,206)	-	(10,206)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(134,402)	(134,402)
<b>Balance at 31 December 2025</b>	498,305	19,511	(50,444)	-	3,067,786	3,535,158	498,047	4,033,205
<b>Balance at 1 January 2024</b>	498,305	19,511	(32,083)	2,751	2,629,896	3,118,380	621,418	3,739,798
<b>Changes in equity for 2024:</b>								
Profit for the year	-	-	-	-	255,841	255,841	97,614	353,455
Other comprehensive income	-	-	(22,931)	67	-	(22,864)	(11,301)	(34,165)
<b>Total comprehensive income for the year</b>	-	-	(22,931)	67	255,841	232,977	86,313	319,290
Dividends approved in respect of the previous year	-	-	-	-	(27,216)	(27,216)	-	(27,216)
Dividends declared in respect of the current year	-	-	-	-	(17,010)	(17,010)	-	(17,010)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(158,874)	(158,874)
<b>Balance at 31 December 2024</b>	498,305	19,511	(55,014)	2,818	2,841,511	3,307,131	548,857	3,855,988

The notes on pages 60 to 129 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Operating activities</b>			
Cash generated from operations	18(b)	416,801	330,569
Overseas tax paid (net)		(99,292)	(50,421)
<b>Net cash generated from operating activities</b>		<b>317,509</b>	<b>280,148</b>
<b>Investing activities</b>			
Payment for the purchase of property, plant and equipment		(317,417)	(143,191)
Proceeds from sale of property, plant and equipment		1,498	177
Proceeds from the disposal of assets classified as held for sale	25	–	246,404
Proceeds from disposal of trading securities		8,779	–
Proceeds from disposal of other non-current financial assets		3,409	–
Interest received		55,816	80,186
Decrease/(increase) in bank deposits with maturity more than three months		493,858	(327,655)
Dividends received from listed securities		510	574
Dividends received from associates		18,575	20,448
<b>Net cash generated from/(used in) investing activities</b>		<b>265,028</b>	<b>(123,057)</b>
<b>Financing activities</b>			
Proceeds from new bank loan	18(c)	58,721	–
Repayment of bank loans	18(c)	(84,658)	(162,540)
Repayment of loan from non-controlling shareholder	18(c)	–	(4,009)
Interest paid	18(c)	(65,173)	(86,325)
Dividends paid to the equity shareholders of the Company	24(b)	(34,020)	(44,226)
Dividends paid to non-controlling shareholders		(134,402)	(158,874)
<b>Net cash used in financing activities</b>		<b>(259,532)</b>	<b>(455,974)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>323,005</b>	<b>(298,883)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>959,685</b>	<b>1,275,382</b>
<b>Effect of foreign exchange rate changes</b>		<b>(1,244)</b>	<b>(16,814)</b>
<b>Cash and cash equivalents at 31 December</b>		<b>1,281,446</b>	<b>959,685</b>
<b>Analysis of the balances of cash and cash equivalents at 31 December</b>			
Deposits and cash	18(a)	1,351,559	1,523,656
Less: Bank deposits with maturity more than three months		(70,113)	(563,971)
		<b>1,281,446</b>	<b>959,685</b>

The notes on pages 60 to 129 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- trading securities and other non-current financial assets (note 1(e));
- derivative financial instruments (note 1(f)); and
- investment properties, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest (note 1(g)).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 29.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(m) or (n) depending on the nature of the liabilities.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (note 1(e)) or, when appropriate, the cost on initial recognition of an investment in an associate (note 1(d)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (note 1(j)(ii)), unless the investment is classified as held for sale.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (note 1(j)(ii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate (after applying the expected credit losses model to such other long-term interest where applicable (see note 1(j)(i))).

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (note 1(e)).

In the Company's statement of financial position, investments in associates are stated at cost less impairment losses (note 1(j)(ii)), unless classified as held for sale.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (e) Investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 26(f). These investments are subsequently accounted for as follows, depending on their classification.

#### *Investments other than equity investments*

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(s)(ii)(b)).
- fair value through other comprehensive income ("FVOCI") - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- fair value at profit or loss ("FVPL") if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

#### *Equity investments*

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 1(s)(ii)(c).

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (f) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

### (g) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(i)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 1(s)(ii).

### (h) Property, plant and equipment

#### (i) Hotel properties

Hotel properties are stated at cost less accumulated depreciation (note 1(h)(iii)) and impairment losses (note 1(j)(ii)).

#### (ii) Other property, plant and equipment

Other property, plant and equipment, including right-of-use assets arising from lease of underlying plant and equipment (see note 1(i)), except for construction-in-progress, are stated at cost less accumulated depreciation (note 1(h)(iii)) and impairment losses (note 1(j)(ii)). Construction-in-progress is stated at cost less accumulated impairment losses and not subject to depreciation.

Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (h) Property, plant and equipment (continued)

#### (iii) Depreciation

Depreciation is calculated to write off the cost of these assets, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings situated on freehold land are depreciated over their estimated useful lives of 30 to 48 years. Freehold land is not depreciated.
- The Group's interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and the buildings' estimated useful lives of 30 to 48 years.
- Motor vehicles 7 years
- Furniture, fixtures and equipment 3 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

#### (i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### (i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (i) Leased assets (continued)

#### (i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(h)(iii) and 1(j)(ii)).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost (see notes 1(e), 1(s)(ii) and 1(j)(i)). Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (i) Leased assets *(continued)*

#### (ii) *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(s)(ii).

### (j) Credit losses and impairment of assets

#### (i) *Credit losses from financial instruments*

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the financial assets measured at amortised cost (including deposits and cash, trade and other receivables, and loan to associates).

Financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (j) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (j) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(s)(ii)(b) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (j) Credit losses and impairment of assets (continued)

#### (ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than investment properties carried at revalued amounts); and
- investments in subsidiaries and associates in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

#### - Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

#### - Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

#### - Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (k) Inventories

#### (i) *Hotel and club operations*

Inventories are carried at the lower of cost and net realisable value. Cost represents purchase cost computed on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### (ii) *Property development*

Inventories in respect of property development activities are carried at the lower of cost and net realisable value for completed property held for sale. Cost and net realisable values for completed property held for sale are determined as follows:

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### (l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost using the effective interest method and including allowance for credit losses (see note 1(j)(i)).

### (m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (n) Trade and other payables

Trade and other payables (including interest-free loans from non-controlling shareholders) are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

### (o) 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 that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses in accordance with policy set out in note 1(j)(i).

### (p) Employee benefits

#### (i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

#### (ii) *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

### (q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (q) Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with note 1(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (r) Financial guarantees issued, provisions and contingent liabilities

#### (i) *Financial guarantees issued*

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

Subsequent to initial recognition, the amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 1(j)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (r) Financial guarantees issued, provisions and contingent liabilities *(continued)*

#### (ii) Provisions and contingent liabilities

Provisions are recognised when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

### (s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sales of properties, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the group's revenue and other income recognition process are as follow:

#### (i) Revenue from contracts with customers

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

##### (a) Sale of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under contract liabilities.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (s) Revenue and other income *(continued)*

#### (i) Revenue from contracts with customers *(continued)*

##### (b) Hotel and club operations

Hotel and club revenue from room rental and club membership income are recognised over time. Revenue from food and beverage sales and other ancillary services are generally recognised at the point in time when the services are rendered. The slot machine income represents proceeds earned from the operation of slot machines at one of the Group's hotels and is recognised at a point in time based on net receipts from the machines.

##### (c) Management fee income

Management fee income is recognised over time when the services are rendered.

#### (ii) Revenue from other service and other income

##### (a) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

##### (b) Interest income

Interest income is recognised as it accrues using the effective interest method.

##### (c) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

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

### (u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

# NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 1 MATERIAL ACCOUNTING POLICIES *(continued)*

### (v) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
  - (1) has control or joint control over the Group;
  - (2) has significant influence over the Group; or
  - (3) is a member of the key management personnel of the Group.
  
- (ii) An entity is related to the Group if any of the following conditions applies:
  - (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (3) Both entities are joint ventures of the same third party.
  - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (6) The entity is controlled or jointly controlled by a person identified in (i).
  - (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 MATERIAL ACCOUNTING POLICIES (continued)

### (w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3 REVENUE

The principal activities of the Group are hotel and club operations, property investment and development and the provision of management services.

Revenue represents the consideration expected to be received in respect of the transfer of goods and services in accordance with HKFRS 15, Revenue from contracts with customers, except for rental income derived from properties and hotels' shops which is recognised under the scope of HKFRS 16, Leases. Disaggregation of revenue from contracts with customers by nature is as follows:

	2025 HK\$'000	2024 HK\$'000
Hotel and club operations		
– Rooms	800,073	845,927
– Shops	36,318	27,373
– Food and beverage	271,063	269,360
– Slot machine income	337,114	361,795
– Others	70,359	85,810
	<b>1,514,927</b>	<b>1,590,265</b>
Rental income	93,383	90,302
Management fee income	8,113	11,456
	<b>1,616,423</b>	<b>1,692,023</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4 OTHER REVENUE AND OTHER NET LOSSES

#### (a) Other revenue

	2025 HK\$'000	2024 HK\$'000
Interest income	55,816	80,186
Dividend income from listed securities	510	574
Others	13,678	22,805
	<b>70,004</b>	<b>103,565</b>

#### (b) Other net losses

	2025 HK\$'000	2024 HK\$'000
Net exchange gains/(losses)	20,882	(16,013)
Net realised/unrealised losses on derivative financial instruments	(2,059)	(6,407)
Net unrealised losses on other non-current financial assets	(8,796)	(1,869)
Net realised/unrealised losses on trading securities	(32)	(1,750)
Losses on disposal of property, plant and equipment	(12,588)	(5,819)
Loss on release of exchange reserve upon cessation of a subsidiary's business	-	(18,114)
Others	1,309	183
	<b>(1,284)</b>	<b>(49,789)</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2025 HK\$'000	2024 HK\$'000
<b>(a) Finance costs</b>		
Bank loan interests	63,826	83,420
Discounting effect on loans from non-controlling shareholders	4,922	5,573
Other interest expenses	373	461
	<b>69,121</b>	<b>89,454</b>
<b>(b) Staff costs (note)</b>		
Salaries, wages and other benefits	635,436	621,496
Contributions to defined contribution retirement plans	13,148	12,743
	<b>648,584</b>	<b>634,239</b>

Note: During the year ended 31 December 2025, staff costs of HK\$195,796,000 (2024: HK\$193,581,000) are included in "Administrative and other operating expenses".

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5 PROFIT BEFORE TAXATION (continued)

#### Employee benefits

Summary of defined contribution retirement schemes participated by the Group by location is as follows:

Location	Defined contribution retirement schemes	Details of the scheme
Hong Kong	Mandatory Provident Fund scheme	5% of the employees' relevant income with a ceiling of HK\$1,500 per month by both employers and employees
Macau	Social Security Fund	MOP60 by employers and MOP30 by employees on a monthly basis
PRC	Central pension scheme	33.72% (2024: 33.72%) of the employees' salaries cost in accordance with the relevant regulations by employers
Vietnam	Social insurance fund scheme	At a prevailing rate of 21.5% of basic salaries by employers
United States	Voluntary Defined Contribution Program	Between 0% and 80% of the compensation to the plan subject to certain maximum limits on a pre-tax basis by employees and provisions for matching contributions, which are based on a portion of the participants' eligible compensation, by employers
Canada	Canadian Pension Plan	Employers and employees contribute at 4.95% each to an employee's earnings subject to certain maximum limits
Japan	Pension plan	Both employers and employees are required to contribute at 9.1% of the employee's monthly salary

The portion of employer's contributions to which the employees are not entitled and which has been forfeited can be used by the Group to reduce the future contributions in some countries. During the year ended 31 December 2025, HK\$Nil (2024: HK\$Nil) of employer's contributions, to which the employees are not entitled and are has been forfeited, can be utilised by the Group during the year. No forfeited contributions available to reduce the future contributions at 31 December 2025 and 2024.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5 PROFIT BEFORE TAXATION (continued)

	2025 HK\$'000	2024 HK\$'000
<b>(c) Other items</b>		
Cost of inventories	144,363	155,107
Auditors' remuneration		
– Audit services	4,416	4,613
– Other services	1,622	2,102
Government rent and rates (note)	50,447	48,311
Rentals income from investment properties less direct outgoings of HK\$773,000 (2024: HK\$829,000)	(29,532)	(29,066)
Rentals income from properties held for sale and other rental income less direct outgoings of HK\$1,588,000 (2024: HK\$1,787,000)	(61,490)	(58,620)
	<b>144,363</b>	<b>155,107</b>

Note: Government rent and rates are included in “Administrative and other operating expenses”.

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

#### (a) Taxation in the consolidated statement of profit or loss represents:

	2025 HK\$'000	2024 HK\$'000
<b>Current tax – Overseas</b>		
Provision for the year (note 23(a))	70,734	90,992
Under-provision in respect of prior years	130	282
	<b>70,864</b>	<b>91,274</b>
<b>Deferred tax (note 23(b))</b>		
Origination and reversal of other temporary differences	19,607	21,887
	<b>90,471</b>	<b>113,161</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(continued)

### (a) Taxation in the consolidated statement of profit or loss represents: (continued)

Notes:

- (i) No provision has been made for Hong Kong Profits Tax as the Company and all other entities comprising the Group that are incorporated in Hong Kong sustained a loss for taxation purposes or had unutilised tax losses to set-off against taxable income during the years ended 31 December 2024 and 2025.
- (ii) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.
- (iii) The usual income tax rate applicable to Vietnam enterprises before any incentives is 20% (2024: 20%) for the year ended 31 December 2025.
- (iv) The applicable PRC Enterprise Income Tax of the subsidiary established in the PRC is calculated at 25% (2024: 25%) of the estimated taxable profits for the year ended 31 December 2025. No provision has been made for PRC Enterprise Income Tax as the subsidiary sustained a loss for taxation purposes during the years ended 31 December 2025 and 2024.
- (v) Pursuant to the income tax rules and regulations of the United States, the applicable Federal and State Income Tax in respect of the subsidiaries operating in the United States are calculated at a rate of 21% (2024: 21%) and 10.79% (2024: 10.62%) respectively determined by income ranges for the year ended 31 December 2025. United States sourced interest income received by foreign entities are subject to withholding tax of 30% (2024: 30%) on all gross income received.
- (vi) Under the Japanese domestic law, the subsidiary established in Japan under the Tokumei-Kumiai arrangement is subject to Japanese withholding tax at the rate of 21.36% (2024: 21.36%) on all gross profit distributions from the subsidiary.
- (vii) Provision for Macau Complementary Tax is calculated at 12% (2024: 12%) of the estimated assessable profits for the year ended 31 December 2025. Macau Property Tax is calculated at 8% (2024: 8%) of the assessable rental income in Macau.
- (viii) Pursuant to the income tax rules and regulations of Canada, the applicable federal and provincial statutory tax rate is 26.5% (2024: 26.5%). The retained profits of the Canada subsidiary of the Group are subject to withholding tax at a rate of 5% upon the dividend distribution outside Canada.
- (ix) Movement in temporary differences included operating losses and asset impairment (note 11(b)) recognised as deferred tax assets in respect of hotel operations in the United States.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

#### (b) Reconciliation between tax expense and profit before taxation at applicable tax rates:

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	428,533	466,616
Notional tax on profit before taxation, calculated at the rates applicable to profit in the countries concerned	74,741	116,511
Tax effect of non-deductible expenses	29,601	25,758
Tax effect of non-taxable revenue	(18,305)	(33,736)
Tax effect of unused tax losses not recognised	4,610	5,273
Tax effect of recognition of unused tax losses not recognised in prior years	(421)	(5,711)
Under-provision in respect of prior years	130	282
Withholding tax on overseas dividend	177	5,087
Others	(62)	(303)
Actual tax expense	90,471	113,161

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	2025 Total HK\$'000
<b>Executive directors</b>					
HO Kian Guan	158	1,200	300	-	1,658
HO Kian Hock	109	1,269	317	-	1,695
TSE See Fan Paul	244	-	-	-	244
CHAN Lui Ming Ivan	109	600	150	-	859
HO Chung Hui	85	145	-	-	230
HO Chung Kain (alternate director to HO Chung Hui)	-	600	150	-	750
<b>Non-executive directors</b>					
HO Kian Cheong	85	-	-	-	85
Ho Chung Kiat Sydney (alternate director to HO Kian Cheong)	-	-	-	-	-
<b>Independent non-executive directors</b>					
KWOK Chi Shun Arthur	275	-	-	-	275
Stephen TAN	315	-	-	-	315
WANG Poey Foon Angela	315	-	-	-	315
YU Hon To David	315	-	-	-	315
	2,010	3,814	917	-	6,741

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7 DIRECTORS' EMOLUMENTS (continued)

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	2024 Total HK\$'000
<b>Executive directors</b>					
HO Kian Guan	158	1,200	311	-	1,669
HO Kian Hock	109	1,269	317	-	1,695
TSE See Fan Paul	244	-	-	-	244
CHAN Lui Ming Ivan	109	600	144	-	853
HO Chung Hui	85	209	-	-	294
HO Chung Kain (alternate director to HO Chung Hui)	-	600	120	-	720
<b>Non-executive directors</b>					
HO Kian Cheong	85	-	-	-	85
Ho Chung Kiat Sydney (alternate director to HO Kian Cheong)	-	-	-	-	-
<b>Independent non-executive directors</b>					
KWOK Chi Shun Arthur	275	-	-	-	275
Stephen TAN	305	-	-	-	305
WANG Poey Foon Angela	315	-	-	-	315
YU Hon To David	315	-	-	-	315
	2,000	3,878	892	-	6,770

The Company does not have any share option scheme for the purchase of ordinary shares in the Company. None of the directors have received any share based payments from the Company or any of its subsidiaries during the year ended 31 December 2025 (2024: Nil).

During the years ended 31 December 2025 and 2024, there were no amounts paid to directors and senior executives for the compensation for loss of office and inducement for joining the Group.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, none (2024: none) is a director whose emoluments are disclosed in note 7.

The aggregate of the emoluments in respect of the five (2024: five) other individuals is as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other emoluments	10,590	9,839
Discretionary bonuses	3,737	5,203
Retirement scheme contributions	203	176
	<b>14,530</b>	<b>15,218</b>

The emoluments of the five (2024: five) individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$1,500,001 – HK\$2,000,000	1	1
HK\$2,000,001 – HK\$2,500,000	1	2
HK\$2,500,001 – HK\$3,000,000	1	–
HK\$3,000,001 – HK\$3,500,000	1	1
HK\$3,500,001 – HK\$4,000,000	1	–
HK\$5,500,001 – HK\$6,000,000	–	1

### 9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$257,477,000 (2024: HK\$255,841,000) and on the 340,200,000 ordinary shares in issue during the years ended 31 December 2025 and 2024.

There are no potential dilutive ordinary shares during the years ended 31 December 2025 and 2024.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 10 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical locations. The Group has identified the following three reportable segments in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment.

- (i) Hotel segment is primarily engaged in the businesses of hotel room accommodation, provision of food and beverage at hotel restaurant outlets and operation of slot machines at one of the Group's hotels.
- (ii) Property segment is primarily engaged in the businesses of leasing of the Group's investment properties, which mainly consist of retail, commercial and office properties in Macau and of development, sales and marketing of the Group's trading properties in Macau.
- (iii) Investment and corporate segment is primarily engaged in the businesses of management of the Group's corporate assets and liabilities, non-trading and trading securities, financial instruments and other treasury operations.

### Segment results, assets and liabilities

Information regarding the Group's reportable segments is provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

Segment assets principally comprise all tangible assets, other non-current assets and current assets directly attributable to each segment with the exception of interest in associates.

Segment liabilities include all trade and other payables attributable to the individual segments and other borrowings managed directly by the segments with the exception of bank borrowings.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 10 SEGMENT REPORTING (continued)

### Segment results, assets and liabilities (continued)

#### (a) Analysis of segment results of the Group

	Revenue HK\$'000	Depreciation HK\$'000	Gain on disposal of the Hotel Assets HK\$'000	Decrease in fair value of investment properties HK\$'000	Reversal of impairment loss on a hotel property HK\$'000	Finance costs HK\$'000	Share of profit/ (loss) of associates HK\$'000	Income tax (expense)/ credit HK\$'000	Contribution to profit/ (loss) HK\$'000
<b>2025</b>									
Hotel	1,509,047	(106,671)	-	-	267,380	(66,722)	36,008	(75,853)	309,778
- Vietnam	678,426	(35,406)	-	-	-	-	27,989	(46,429)	211,456
- United States	758,828	(59,350)	-	-	267,380	(63,826)	-	(29,739)	91,422
- The People's Republic of China	29,897	(10,519)	-	-	-	(2,896)	-	-	(18,117)
- Canada	-	-	-	-	-	-	8,019	323	8,161
- Japan	41,896	(1,396)	-	-	-	-	-	(8)	16,856
Property									
- Macau	104,612	(1,286)	-	(46,400)	-	(373)	-	(3,054)	39,031
Investment and corporate	2,764	(98)	-	-	-	(2,026)	(17)	(11,564)	(10,747)
<b>Total</b>	<b>1,616,423</b>	<b>(108,055)</b>	<b>-</b>	<b>(46,400)</b>	<b>267,380</b>	<b>(69,121)</b>	<b>35,991</b>	<b>(90,471)</b>	<b>338,062</b>

	Revenue HK\$'000	Depreciation HK\$'000	Gain on disposal of the Hotel Assets HK\$'000	Decrease in fair value of investment properties HK\$'000	Reversal of impairment loss on a hotel property HK\$'000	Finance costs HK\$'000	Share of profit/ (loss) of associates HK\$'000	Income tax (expense)/ credit HK\$'000	Contribution to profit/ (loss) HK\$'000
<b>2024</b>									
Hotel	1,584,082	(111,377)	156,237	-	169,922	(87,075)	20,673	(101,634)	350,928
- Vietnam	712,048	(40,504)	-	-	-	-	15,326	(47,309)	203,840
- United States	790,768	(57,736)	-	-	169,922	(83,334)	-	(20,893)	42,775
- The People's Republic of China	37,842	(10,945)	-	-	-	(3,655)	-	-	(17,121)
- Canada	11,143	-	156,237	-	-	(86)	5,347	(33,427)	110,048
- Japan	32,281	(2,192)	-	-	-	-	-	(5)	11,386
Property									
- Macau	105,239	(1,245)	-	(66,700)	-	(426)	-	(341)	28,560
Investment and corporate	2,702	(91)	-	-	-	(1,953)	(3)	(11,186)	(26,033)
<b>Total</b>	<b>1,692,023</b>	<b>(112,713)</b>	<b>156,237</b>	<b>(66,700)</b>	<b>169,922</b>	<b>(89,454)</b>	<b>20,670</b>	<b>(113,161)</b>	<b>353,455</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10 SEGMENT REPORTING (continued)

#### Segment results, assets and liabilities (continued)

##### (b) Analysis of total assets of the Group

	Segment assets HK\$'000	Interest in associates HK\$'000	Total assets HK\$'000	Capital expenditure HK\$'000
<b>At 31 December 2025</b>				
Hotel				
– Vietnam	401,899	55,809	457,708	93,157
– United States	3,131,304	–	3,131,304	244,029
– The People's Republic of China	110,847	–	110,847	13,220
– Canada	442	57,988	58,430	–
– Japan	86,666	–	86,666	579
Property				
– Macau	1,621,862	–	1,621,862	1,119
Investment and corporate	525,183	4,109	529,292	57
<b>Total</b>	<b>5,878,203</b>	<b>117,906</b>	<b>5,996,109</b>	<b>352,161</b>

	Segment assets HK\$'000	Interest in associates HK\$'000	Total assets HK\$'000	Capital expenditure HK\$'000
<b>At 31 December 2024</b>				
Hotel				
– Vietnam	329,563	46,395	375,958	19,601
– United States	2,681,201	–	2,681,201	120,333
– The People's Republic of China	123,109	–	123,109	14,196
– Canada	27,133	46,308	73,441	–
– Japan	69,882	–	69,882	625
Property				
– Macau	1,915,720	–	1,915,720	1,642
Investment and corporate	511,578	4,120	515,698	–
<b>Total</b>	<b>5,658,186</b>	<b>96,823</b>	<b>5,755,009</b>	<b>156,397</b>

Investment and corporate segment assets and liabilities mainly represent financial instruments, cash and bank deposits and borrowings which are managed centrally by the Group treasury function.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 10 SEGMENT REPORTING (continued)

### Segment results, assets and liabilities (continued)

#### (c) Analysis of total liabilities of the Group

	Segment liabilities HK\$'000	Bank borrowings HK\$'000	Total liabilities HK\$'000
<b>At 31 December 2025</b>			
Hotel			
– Vietnam	189,682	57,974	247,656
– United States	294,379	1,124,199	1,418,578
– The People's Republic of China	84,503	–	84,503
– Canada	442	–	442
– Japan	3,406	–	3,406
Property			
– Macau	150,016	–	150,016
Investment and corporate	58,303	–	58,303
<b>Total</b>	<b>780,731</b>	<b>1,182,173</b>	<b>1,962,904</b>
	Segment liabilities HK\$'000	Bank borrowings HK\$'000	Total liabilities HK\$'000
<b>At 31 December 2024</b>			
Hotel			
– Vietnam	167,701	–	167,701
– United States	179,993	1,206,333	1,386,326
– The People's Republic of China	92,876	–	92,876
– Canada	22,687	–	22,687
– Japan	2,952	–	2,952
Property			
– Macau	171,206	–	171,206
Investment and corporate	55,273	–	55,273
<b>Total</b>	<b>692,688</b>	<b>1,206,333</b>	<b>1,899,021</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 11 INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND LAND

### (a) Reconciliation of carrying amount

	Property, plant and equipment					Land			Total HK\$'000
	Investment properties HK\$'000	Hotel properties HK\$'000	Other property, plant and equipment HK\$'000	Furniture, fixtures and equipment HK\$'000	Sub-total HK\$'000	Freehold land HK\$'000	Interests in leasehold land held for own use HK\$'000	Sub-total HK\$'000	
<b>Cost or valuation:</b>									
At 1 January 2025	826,200	3,192,535	104,162	905,340	4,202,037	702,446	164,724	867,170	5,895,407
Additions	-	53,030	-	299,131	352,161	-	-	-	352,161
Disposals	-	(21,038)	-	(40,970)	(62,008)	-	-	-	(62,008)
Deficit on revaluation	(46,400)	-	-	-	-	-	-	-	(46,400)
Exchange adjustments	-	(2,051)	(262)	(6,807)	(9,120)	1,445	3,578	5,023	(4,097)
At 31 December 2025	779,800	3,222,476	103,900	1,156,694	4,483,070	703,891	168,302	872,193	6,135,063
<b>Representing:</b>									
Cost	-	3,222,476	103,900	1,156,694	4,483,070	703,891	168,302	872,193	5,355,263
Valuation - 2025	779,800	-	-	-	-	-	-	-	779,800
	779,800	3,222,476	103,900	1,156,694	4,483,070	703,891	168,302	872,193	6,135,063
<b>Accumulated depreciation and impairment:</b>									
At 1 January 2025	-	1,705,942	93,070	792,898	2,591,910	-	101,547	101,547	2,693,457
Charge for the year	-	73,067	350	31,582	104,999	-	3,056	3,056	108,055
Written back on disposals	-	(20,734)	-	(27,188)	(47,922)	-	-	-	(47,922)
Reversal of impairment loss	-	(267,380)	-	-	(267,380)	-	-	-	(267,380)
Exchange adjustments	-	5,604	16	(8,444)	(2,824)	-	2,472	2,472	(352)
At 31 December 2025	-	1,496,499	93,436	788,848	2,378,783	-	107,075	107,075	2,485,858
<b>Net book value:</b>									
At 31 December 2025	779,800	1,725,977	10,464	367,846	2,104,287	703,891	61,227	765,118	3,649,205

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 11 INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND LAND (continued)

### (a) Reconciliation of carrying amount (continued)

	Property, plant and equipment					Land			Total HK\$'000
	Investment properties HK\$'000	Hotel properties HK\$'000	Other property, plant and equipment HK\$'000	Furniture, fixtures and equipment HK\$'000	Sub-total HK\$'000	Freehold land HK\$'000	Interests in leasehold land held for own use HK\$'000	Sub-total HK\$'000	
<b>Cost or valuation:</b>									
At 1 January 2024	892,900	3,193,624	104,690	851,866	4,150,180	709,643	167,855	877,498	5,920,578
Additions	-	68,752	-	87,645	156,397	-	-	-	156,397
Disposals	-	(10,256)	-	(10,462)	(20,718)	-	-	-	(20,718)
Deficit on revaluation	(66,700)	-	-	-	-	-	-	-	(66,700)
Exchange adjustments	-	(59,585)	(528)	(23,709)	(83,822)	(7,197)	(3,131)	(10,328)	(94,150)
At 31 December 2024	826,200	3,192,535	104,162	905,340	4,202,037	702,446	164,724	867,170	5,895,407
<b>Representing:</b>									
Cost	-	3,192,535	104,162	905,340	4,202,037	702,446	164,724	867,170	5,069,207
Valuation - 2024	826,200	-	-	-	-	-	-	-	826,200
	826,200	3,192,535	104,162	905,340	4,202,037	702,446	164,724	867,170	5,895,407
<b>Accumulated depreciation and impairment:</b>									
At 1 January 2024	-	1,837,873	92,584	788,095	2,718,552	-	99,940	99,940	2,818,492
Charge for the year	-	71,791	537	37,274	109,602	-	3,111	3,111	112,713
Written back on disposals	-	(4,531)	-	(10,191)	(14,722)	-	-	-	(14,722)
Reversal of impairment loss	-	(169,922)	-	-	(169,922)	-	-	-	(169,922)
Exchange adjustments	-	(29,269)	(51)	(22,280)	(51,600)	-	(1,504)	(1,504)	(53,104)
At 31 December 2024	-	1,705,942	93,070	792,898	2,591,910	-	101,547	101,547	2,693,457
<b>Net book value:</b>									
At 31 December 2024	826,200	1,486,593	11,092	112,442	1,610,127	702,446	63,177	765,623	3,201,950

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11 INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND LAND (continued)

#### (a) Reconciliation of carrying amount (continued)

Notes:

(i) Fair value measurement of investment properties

The investment properties were valued by Jones Lang LaSalle Limited, an independent firm of professional surveyors with appropriate qualifications and experience in the location and category of property being valued, using the income capitalisation approach and with reference to sales evidence as available in the market. The income capitalisation approach is the sum of the term value and the reversionary value by capitalising the contracted annual rent at the capitalisation rate over the existing lease period; and the sum of average unit rent at the capitalisation rate after the existing lease period.

The fair value of the Group's investment properties falls under Level 3 of the three-level fair value hierarchy as defined in HKFRS 13. The significant unobservable inputs were average unit rent per month ranging from HK\$14.0 to HK\$25.4 (2024: HK\$14.0 to HK\$25.8) per square foot and capitalisation rate ranging from 3.3% to 5.0% (2024: 3.1% to 5.0%) for the investment properties in Macau. The fair value measurement of the investment properties is positively correlated to the average unit rent per month and negatively correlated to the capitalisation rate.

The Group's senior management reviews the valuations performed by the independent valuers for financial reporting purposes. A valuation report with analysis of changes in fair value measurement is prepared at each interim and annual reporting date, and is reviewed and approved by the executive directors. Discussion of the valuation process and results are held between the senior management and independent valuer twice a year, to coincide with the Group's interim and annual reporting dates.

(ii) Land use rights were granted to the subsidiaries for their hotel properties in (a) Wuhan, the PRC with a period of 50 years after receiving an approval for extension of 20 years in 2004 in addition to the initial period of 30 years commencing on 21 August 1995, and (b) Ho Chi Minh City, Vietnam with a period of 48 years commencing on 7 May 1994.

(iii) A club house situated in Ocean Gardens is classified under property, plant and equipment.

#### (b) Reversal of impairment loss on a hotel property

The value of hotel properties is assessed at the end of each reporting period for indications of impairment with reference to valuations undertaken by management. These indications include continuing favourable changes in the local market conditions.

During the year ended 31 December 2025, the operating performance of one of the hotel properties of the Group in the United States, namely the Sofitel New York, significantly improved due to recovery of the hotel market in New York. The Group assessed that the recoverable amount was approximately HK\$1,829,099,000. Accordingly, a reversal of impairment loss previously made of HK\$267,380,000 was recognised in profit or loss. The recoverable amount of the hotel property was determined as the higher of its fair value less costs of disposal and its value in use. The key assumptions applied include (i) average room rate of US\$505 with long-term growth rate of 3%; (ii) long-term occupancy rates of 86%; and (iii) the use of discount rate of 8.5%. These key estimates and assumptions adopted by management are based on past performance and management's expectations for the market development with reference to publicly available market data. Changes in these estimates would result in additional impairment provisions or reversal of impairment in future reporting periods.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11 INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND LAND (continued)

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

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	2025 \$'000	2024 \$'000
Ownership interests in leasehold land held for own use, carried at cost, with remaining lease term of:	(i)		
– between 10 and 50 years		61,227	63,177
<hr/>			
Ownership interests in leasehold other property, plant and equipment held for own use, carried at cost, with remaining lease term of:			
– between 10 and 50 years		2,272	2,347
<hr/>			
Ownership interests in leasehold investment property, carried at fair value, with remaining lease term of:			
– less than 10 years		779,800	826,200
<hr/>			
		843,299	891,724
<hr/>			

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 \$'000	2024 \$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land	3,056	3,111
Ownership interests in leasehold other property, plant and equipment	76	76
<hr/>		
	3,132	3,187
<hr/>		

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11 INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND LAND (continued)

#### (c) Right-of-use assets (continued)

##### (i) Ownership interests in leasehold land held for own use

The Group holds ownership interests in several leasehold lands for its hotel and club operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments required by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

##### (d) Properties leased out under operating leases

The Group leases out hotels' shops and investment properties under operating leases. The leases typically run for an initial period of one to ten years, with an option to renew the lease after that date, at which time all terms are renegotiated. Lease payments are usually increased every two years to reflect market rentals. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	59,890	59,997
After 1 year but within 2 years	38,212	19,085
After 2 year but within 3 years	32,030	12,799
After 3 year but within 4 years	23,874	7,378
After 4 year but within 5 years	2,519	3,378
After 5 years	2,050	4,516
	<b>158,575</b>	<b>107,153</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12 INTEREST IN SUBSIDIARIES

The following list contains only particulars of subsidiaries which principally affected the results, assets or liabilities of the Group, all of which are controlled subsidiaries as defined under note 1(c) and whose results, assets and liabilities have been consolidated into the Group's financial statements. The class of shares held is ordinary unless otherwise stated.

Details of the subsidiaries are as follows:

Name of company	Place of incorporation/ operation	Issued equity capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by subsidiaries	
Ocean Incorporation Ltd	Macau	Two quotas of Ptc9,999,000 and Ptc1,000 respectively totalling Ptc10,000,000	100%	100%	-	Property investment and investment holding
Golden Crown Development Limited ("Golden Crown")	Macau	70,000,000 shares of Ptc1 each	70.61%	-	70.61%	Property development and investment
Ocean Place Joint Venture Company Limited ("OPJV")	Vietnam	US\$29,100,000	64.12%*	-	70%	Operation of a hotel
Hubei Qing Chuan Hotel Company Limited ("Qing Chuan") #	PRC	US\$16,300,000	41.26%	-	55%	Operation of a hotel
KSSF Enterprises Limited	USA	26,000,000 common stock and 35,000,000 series A preferred stock of US\$1 each	100%	-	100%	Operation of a hotel
KSSNY, Inc.	USA	26,000,000 common stock and 69,000,000 preferred stock of US\$1 each	100%	-	100%	Operation of a hotel
Godo Kaisha TSM 107	Japan	JPY500,000	100%	0.54%	99.46%	Operation of a hotel

# Qing Chuan was established in the PRC as a Sino-foreign equity joint venture in 1995.

\* The Group's effective equity interest in OPJV of 64.12% is computed based on the shareholding held by the Company and its subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12 INTEREST IN SUBSIDIARIES (continued)

The following table lists out the information relating to Golden Crown and OPJV of the Group which have material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination:

	Golden Crown		OPJV	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
NCI percentage	29.39%	29.39%	45.04%	45.04%
Current assets	560,659	720,827	215,376	184,863
Non-current assets	660,216	698,422	314,554	272,730
Current liabilities	(138,213)	(148,383)	(173,354)	(167,735)
Non-current liabilities	(66,857)	(71,794)	(74,341)	–
Net assets	1,015,805	1,199,072	282,235	289,858
Carrying amount of NCI	298,545	352,407	165,801	160,156
Revenue	83,400	83,833	678,426	712,048
Profit for the year	26,733	26,309	182,620	187,666
Total comprehensive income	26,733	26,309	172,514	179,260
Profit allocated to NCI	7,857	7,732	82,252	84,525
Dividend paid to NCI	61,719	61,719	72,055	76,328
Cash flows from operating activities	9,974	13,615	105,560	111,253
Cash flows from investing activities	4,005	7,094	(47,452)	15,567
Cash flows from financing activities	(61,745)	(61,740)	(53,912)	(70,726)

### 13 INTEREST IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	114,263	93,187
Loans to associates	3,643	3,636
	117,906	96,823
Loan from an associate	464	464

Loans to associates are unsecured and recoverable on demand and are not expected to be recovered within one year. The management assessed that the allowance for expected credit losses is insignificant during the years ended 31 December 2025 and 2024.

Loan from an associate is unsecured, interest-free and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13 INTEREST IN ASSOCIATES (continued)

The following list contains the particulars of associates, all of which are unlisted corporate entities, whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation/ operation	Proportion of ownership interest		Principal activity
			Group's effective interest	Held by the Company	
KSF Enterprises Sdn Bhd ("KSF")	Incorporated	Malaysia	25%	25%	Investment holding (note (a))
Porchester Assets Limited ("PAL")	Incorporated	British Virgin Islands	49%	49%	Investment holding (note (b))

Notes:

- (a) KSF holds 100% interest in KSD Enterprises Ltd. ("KSD") which operates Delta Hotels by Marriott Toronto Airport & Conference Centre in Canada.
- (b) PAL holds 51% interest in Chains Caravelle Hotel Joint Venture Company Limited ("CCH") which operates the Caravelle Hotel in Vietnam. The Group's effective interest in CCH is 24.99%.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13 INTEREST IN ASSOCIATES (continued)

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	CCH	
	2025 HK\$'000	2024 HK\$'000
<i>Gross amounts of the associate</i>		
Current assets	237,883	227,722
Non-current assets	154,771	154,673
Current liabilities	(98,738)	(111,829)
Non-current liabilities	(23,980)	(15,211)
Equity	269,936	255,355
Revenue	538,296	513,411
Profit for the year	88,910	74,632
Total comprehensive income	88,910	74,632
Dividend received/receivable from the associate	18,575	20,448
<i>Reconciled to the Group's interest in the associate</i>		
Gross amounts of net assets of the associate	269,936	255,355
Group's effective interest	24.99%	24.99%
Carrying amount in the consolidated financial statements	67,457	63,813

Aggregate information of associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	46,806	29,374
Aggregated amounts of the Group's share of those associates'		
Profit for the year	13,772	2,019
Other comprehensive income	3,660	(1,577)
Total comprehensive income	17,432	442

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14 OTHER NON-CURRENT FINANCIAL ASSETS

	Note	2025 HK\$'000	2024 HK\$'000
<b>Equity securities designated at FVOCI (non-recycling)</b>			
– Listed outside Hong Kong		–	3,409
<b>Financial assets measured at FVPL</b>			
– Unlisted securities	(i)	130,732	123,104
		<b>130,732</b>	<b>126,513</b>

Notes:

- (i) At 31 December 2025, the Group owned 8.10% (2024: 8.10%) interest of A2I Holdings S.A.R.L.. A2I Holdings S.A.R.L. is a private limited liability company incorporated in Luxembourg which owns 6.51% (2024: 6.52%) equity shares of Essendi S.A. (formerly known as AccorInvest Group S.A.).

### 15 TRADING SECURITIES

	2025 HK\$'000	2024 HK\$'000
Equity securities listed outside Hong Kong, at market value	–	8,811

### 16 PROPERTIES HELD FOR SALE

The title and lease term of the properties held for sale by the Group is summarised as follows:

	2025 HK\$'000	2024 HK\$'000
Outside Hong Kong		
– freehold	8,599	8,599
– short term lease	270,274	270,274
	<b>278,873</b>	<b>278,873</b>

The rental income from properties held for sale is set out in note 5(c).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 16 PROPERTIES HELD FOR SALE (continued)

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	35,822	39,387
After 1 year but within 2 years	15,327	17,908
After 2 year but within 3 years	5,786	5,297
After 3 year but within 4 years	2,091	2,545
After 4 year but within 5 years	2,017	5
After 5 years	6,722	–
	<b>67,765</b>	<b>65,142</b>

### 17 TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	37,982	32,517
Other receivables, deposits and prepayments	26,395	56,059
	<b>64,377</b>	<b>88,576</b>

The Group's credit policy is set out in note 26(a).

	2025 HK\$'000	2024 HK\$'000
Amounts expected to be recoverable:		
– within one year	63,676	87,877
– after one year	701	699
	<b>64,377</b>	<b>88,576</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 17 TRADE AND OTHER RECEIVABLES (continued)

Included in trade and other receivables are trade receivables (net of loss allowance) with the following ageing analysis (by invoice date) as of the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	26,319	28,869
1 to 3 months	10,080	3,175
More than 3 months	1,583	473
	<b>37,982</b>	<b>32,517</b>

69% of trade receivables at 31 December 2025 (2024: 89%) were neither past due nor more than one month past due.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The general credit terms allowed range from 0 to 30 days. Trade customers with balances that are more than three months overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The management assessed that the allowance for expected credit losses is insignificant during the years ended 31 December 2025 and 2024.

### 18 DEPOSITS AND CASH

#### (a) Deposits and cash:

	2025 HK\$'000	2024 HK\$'000
Deposits with banks and other financial institutions	1,109,537	1,315,317
Cash at bank and on hand	242,022	208,339
	<b>1,351,559</b>	<b>1,523,656</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18 DEPOSITS AND CASH (continued)

#### (b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 HK\$'000	2024 HK\$'000
Profit before taxation		428,533	466,616
Adjustments for:			
Net decrease in fair value of investment properties	11(a)	46,400	66,700
Depreciation	11(a)	108,055	112,713
Interest income	4(a)	(55,816)	(80,186)
Dividend income from listed securities	4(a)	(510)	(574)
Net realised/unrealised losses on derivative financial instruments	4(b)	2,059	6,407
Net unrealised losses on other non-current financial assets	4(b)	8,796	1,869
Net realised/unrealised losses on trading securities	4(b)	32	1,750
Losses on disposal of property, plant and equipment	4(b)	12,588	5,819
Finance costs	5(a)	69,121	89,454
Reversal of impairment loss on a hotel property	11(b)	(267,380)	(169,922)
Gain on disposal of hotel assets	25	–	(156,237)
Release of exchange reserve upon cessation of a subsidiary's business		–	18,114
Share of net profits of associates		(35,991)	(20,670)
Foreign exchange differences		(21,423)	(3,759)
Operating profit before changes in working capital		294,464	338,094
(Increase)/decrease in inventories		(457)	751
Decrease in trade and other receivables		24,019	9,226
Increase/(decrease) in trade and other payables		98,775	(17,502)
Cash generated from operations		416,801	330,569

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18 DEPOSITS AND CASH (continued)

#### (c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans and other borrowings HK\$'000 (note (i))	Accrued interest HK\$'000 (note (ii))	Total HK\$'000
<b>At 1 January 2025</b>	1,319,084	5,979	1,325,063
<b>Changes from financing cash flows:</b>			
Proceeds from new bank loan	58,721	–	58,721
Repayment of bank loans	(84,658)	–	(84,658)
Interest paid	–	(65,173)	(65,173)
<b>Total changes from financing cash flows</b>	<b>(25,937)</b>	<b>(65,173)</b>	<b>(91,110)</b>
<b>Exchange adjustments</b>	<b>4,142</b>	<b>2</b>	<b>4,144</b>
<b>Other changes:</b>			
Capital contribution from non-controlling shareholders	(13,283)	–	(13,283)
Interest expenses (note 5(a))	4,922	64,199	69,121
<b>Total other changes</b>	<b>(8,361)</b>	<b>64,199</b>	<b>55,838</b>
<b>At 31 December 2025</b>	<b>1,288,928</b>	<b>5,007</b>	<b>1,293,935</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18 DEPOSITS AND CASH (continued)

#### (c) Reconciliation of liabilities arising from financing activities: (continued)

	Bank loans and other borrowings HK\$'000 (note (i))	Accrued interest HK\$'000 (note (ii))	Total HK\$'000
<b>At 1 January 2024</b>	1,488,917	8,425	1,497,342
<b>Changes from financing cash flows:</b>			
Repayment of bank loans	(162,540)	–	(162,540)
Repayment of loan from non-controlling shareholder	(4,009)	–	(4,009)
Interest paid	–	(86,325)	(86,325)
<b>Total changes from financing cash flows</b>	<b>(166,549)</b>	<b>(86,325)</b>	<b>(252,874)</b>
<b>Exchange adjustments</b>	<b>(8,857)</b>	<b>(2)</b>	<b>(8,859)</b>
<b>Other changes:</b>			
Interest expenses (note 5(a))	5,573	83,881	89,454
<b>Total other changes</b>	<b>5,573</b>	<b>83,881</b>	<b>89,454</b>
<b>At 31 December 2024</b>	<b>1,319,084</b>	<b>5,979</b>	<b>1,325,063</b>

Notes:

- (i) Bank loans and other borrowings consist of loan from an associate, bank loans and loans from non-controlling shareholders as disclosed in notes 13, 19 and 22.
- (ii) Accrued interest is included in “Payables and accruals” as disclosed in note 20.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19 BANK LOANS

(a) At 31 December 2025, the bank loans were repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year or on demand	1,124,199	317,384
After 1 year but within 2 years	17,392	888,949
After 2 year but within 5 years	40,582	–
	57,974	888,949
	1,182,173	1,206,333

At 31 December 2025, the bank loans were secured and unsecured as follows:

	2025 HK\$'000	2024 HK\$'000
Bank loans		
– Secured (note 19(b))	1,120,810	1,196,287
– Unsecured	61,363	10,046
	1,182,173	1,206,333

At 31 December 2025, except for the loan received by one of the Group's subsidiaries amounting to HK\$3,389,000 (2024: HK\$10,046,000) which bear fixed interest rates, all other bank loans bear interest at floating interest rates which approximate to market rates of interest.

- (b) At 31 December 2025, the banking facilities available to the Company and certain subsidiaries of the Group were secured by:
- (i) Properties held for sale with a carrying value of HK\$64,366,000 (2024: HK\$64,366,000), and
  - (ii) Hotel properties, including land, of the Group with aggregate carrying value of HK\$2,514,040,000 (2024: HK\$2,056,344,000).

Such banking facilities amounted to HK\$1,205,810,000 (2024: HK\$1,281,287,000) and were utilised to the extent of HK\$1,120,810,000 as at 31 December 2025 (2024: HK\$1,196,287,000).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19 BANK LOANS (continued)

- (c) Except for the loan received by one of the Group's subsidiaries amounting to HK\$3,389,000 (2024: HK\$10,046,000), all of the Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, depositing or prepaying the shortfall balance will be required. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 26(b).

Certain covenant ratios of two bank loans (referred as "Loan 1" and "Loan 2", respectively), amounting to HK\$1,120,810,000 (2024: HK\$1,196,287,000) entered into by two of the Group's subsidiaries deviated from the requirements as stated in the relevant loan agreements. For both Loan 1 and Loan 2, the Group has obtained waivers from the banks to waive the testing of the covenant prior to the end of the reporting periods of 2025 and 2024, respectively, and the waivers to exempt those covenants testing covered a period until the loan maturity in October 2026 (2024: covered a period of twelve months from 31 December 2024).

### 20 TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	106,783	119,354
Payables and accruals	186,049	141,844
Deposits, receipts in advance and other liabilities	188,439	176,391
	<b>481,271</b>	<b>437,589</b>

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	65,754	84,933
1 to 3 months	6,808	28,283
More than 3 months	34,221	6,138
	<b>106,783</b>	<b>119,354</b>

All of the payables and accruals are expected to be settled within one year.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 21 OTHER LIABILITIES

Other liabilities mainly comprise amounts received in advance under service contracts and other deferral balances. Amounts expected to be recognised in profit or loss after more than one year are presented as non-current liabilities.

## 22 LOANS FROM NON-CONTROLLING SHAREHOLDERS

At 31 December 2025, loans from non-controlling shareholders of subsidiaries for amounts of HK\$36,969,000 (2024: HK\$34,890,000) and HK\$69,322,000 (2024: HK\$77,397,000) were unsecured, interest-free and repayable on 30 April 2026 and 30 April 2030, respectively (2024: repayable on 30 April 2026 and 30 April 2025, respectively).

During the year ended 31 December 2025, certain loans from non-controlling shareholders are renewed. The amount of HK\$69,322,000 (31 December 2024: HK\$34,890,000) are classified as non-current liabilities as at 31 December 2025. Discounting effects on the renewed loans for amounts of HK\$13,283,000 were classified as “capital contribution from non-controlling shareholders”.

## 23 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

### (a) Current taxation in the statement of financial position represents:

	2025 HK\$'000	2024 HK\$'000
Provision for overseas tax for the year	70,734	90,992
Provisional tax paid	(41,927)	(51,629)
	<b>28,807</b>	39,363
Balance of overseas tax payable relating to prior years	–	17,877
	<b>28,807</b>	57,240
Taxation recoverable	–	(419)
Taxation payable	28,807	57,659
	<b>28,807</b>	57,240

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (continued)

#### (b) Deferred tax assets and liabilities recognised:

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Revaluation of investment properties HK\$'000	Tax losses recognised HK\$'000	Withholding tax HK\$'000	Depreciation allowance in excess of the related depreciation and others HK\$'000	Total HK\$'000
<b>Deferred tax arising from:</b>					
At 1 January 2024	90,431	(301,104)	(284)	(154,947)	(365,904)
(Credited)/charged to profit or loss (note 6(a))	(7,853)	(36,732)	-	66,472	21,887
Exchange difference	-	1,777	-	978	2,755
At 31 December 2024 and 1 January 2025	82,578	(336,059)	(284)	(87,497)	(341,262)
(Credited)/charged to profit or loss (note 6(a))	(5,568)	(60,982)	-	86,157	19,607
Exchange difference	-	(562)	-	(277)	(839)
At 31 December 2025	77,010	(397,603)	(284)	(1,617)	(322,494)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (continued)

#### (b) Deferred tax assets and liabilities recognised: (continued)

Deferred tax assets and liabilities recognised:

	2025 HK\$'000	2024 HK\$'000
Net deferred tax assets recognised in the statement of financial position	(399,220)	(423,556)
Net deferred tax liabilities recognised in the statement of financial position	76,726	82,294
	<b>(322,494)</b>	<b>(341,262)</b>

#### (c) Deferred tax assets not recognised:

Deferred tax assets have not been recognised in respect of the following items:

	2025 HK\$'000	2024 HK\$'000
Future benefit of tax losses	17,643	13,665

The Group has not recognised the deferred tax assets attributable to the future benefit of tax losses sustained in the operations of certain subsidiaries as the availability of future taxable profits against which the assets can be utilised is not considered to be probable at 31 December 2025 and 2024. The tax losses arising from Hong Kong operations do not expire under current tax legislation. The tax losses arising from Macau and PRC operations expire in three years and five years respectively after the relevant accounting year end date.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 24 CAPITAL, DIVIDENDS AND RESERVES

#### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below.

#### The Company

	Share capital HK\$'000	Exchange reserve HK\$'000	Fair value reserve (non- recycling) HK\$'000	Retained profits HK\$'000	Total HK\$'000
<b>Balance at 1 January 2024</b>	498,305	736	2,751	1,498,681	2,000,473
<b>Changes in equity for 2024:</b>					
Profit for the year	-	-	-	87,719	87,719
Other comprehensive income	-	-	67	-	67
Total comprehensive income for the year	-	-	67	87,719	87,786
Dividends approved in respect of the previous year (note (b))	-	-	-	(27,216)	(27,216)
Dividends declared in respect of the current year (note (b))	-	-	-	(17,010)	(17,010)
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>498,305</b>	<b>736</b>	<b>2,818</b>	<b>1,542,174</b>	<b>2,044,033</b>
<b>Changes in equity for 2025:</b>					
Profit for the year	-	-	-	49,450	49,450
Total comprehensive income for the year	-	-	-	49,450	49,450
Fair value reserve (non-recycling) transferred to retained profits upon disposal	-	-	(2,818)	2,818	-
Dividends approved in respect of the previous year (note (b))	-	-	-	(23,814)	(23,814)
Dividends declared in respect of the current year (note (b))	-	-	-	(10,206)	(10,206)
<b>Balance at 31 December 2025</b>	<b>498,305</b>	<b>736</b>	<b>-</b>	<b>1,560,422</b>	<b>2,059,463</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 24 CAPITAL, DIVIDENDS AND RESERVES (continued)

#### (b) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the year

	2025 HK\$'000	2024 HK\$'000
Interim dividend declared and paid of HK\$0.03 (2024: HK\$0.05) per ordinary share	10,206	17,010
Final dividend proposed after the end of the reporting period of HK\$0.09 (2024: HK\$0.07)	30,618	23,814
	<b>40,824</b>	<b>40,824</b>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 HK\$'000	2024 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.07 (2024: HK\$0.08) per ordinary share	23,814	27,216

#### (c) Share capital

	2025		2024	
	No. of shares '000	Amount HK\$'000	No. of shares '000	Amount HK\$'000
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January and 31 December	340,200	498,305	340,200	498,305

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 24 CAPITAL, DIVIDENDS AND RESERVES (continued)

### (d) Nature and purpose of reserves

#### (i) Legal reserve

The legal reserve is non-distributable and represents transfer from annual profits up to a maximum of 50 percent of the issued and paid up capital of the Macau subsidiaries in accordance with the Macau Commercial Code.

#### (ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(t).

#### (iii) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 1(e)).

### (e) Distributability of reserves

At 31 December 2025, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$1,560,422,000 (2024: HK\$1,542,174,000).

### (f) Capital management

The Group's primary 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 benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines net debt as total bank borrowings less deposits and cash (including pledged deposits). Adjusted capital comprises all components of equity less unaccrued proposed dividends.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 24 CAPITAL, DIVIDENDS AND RESERVES (continued)

The adjusted net debt-to-equity ratio of the Group at the end of the reporting period is as follows:

	Note	2025 HK\$'000	2024 HK\$'000
Bank loans	19	1,182,173	1,206,333
Less: Deposits and cash	18	(1,351,559)	(1,523,656)
Adjusted net cash		(169,386)	(317,323)
Total equity		4,033,205	3,855,988
Less: Proposed dividends		(30,618)	(23,814)
Adjusted capital		4,002,587	3,832,174
Adjusted net debt-to-equity ratio		N/A	N/A

Except for covenants relating to certain of the banking facilities of the subsidiaries of the Group as disclosed in note 19, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

### 25 ASSETS CLASSIFIED AS HELD FOR SALE

On 6 October 2023, Chateau Ottawa Hotel Inc. (the "Vendor"), an indirect non-wholly owned subsidiary of the Group entered into an agreement with an independent third party (the "Purchaser"), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, its interest in the hotel assets mainly comprise Sheraton Ottawa Hotel in Canada ("the Hotel Assets") at the consideration of CAD43,200,000 (equivalent to approximately HK\$246,685,000).

The disposal was completed on 29 February 2024 with a gain on disposal of CAD27,157,000 (equivalent to approximately HK\$156,237,000).

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, currency and interest rate risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Substantially all the Group's cash and cash equivalents are deposited with financial institutions in Hong Kong, Macau, the PRC, Singapore, the United States, Japan, Canada and Vietnam that are of high-credit quality to minimise credit risk exposure.

The Group's credit risk is primarily attributable to trade and other receivables. The Group has a defined credit policy. The general credit terms allowed range from 0 to 30 days. Trade customers with balances that are more than three months overdue are requested to settle all outstanding balances before any further credit is granted. The exposures to these credit risks (including loan to associates) are monitored on an ongoing basis.

The Group does not have significant concentration of credit risk.

### (b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

#### (b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Repayable within 1 year or on demand HK\$'000	Repayable more than 1 year but less than 2 years HK\$'000	Repayable more than 2 years but less than 5 years HK\$'000
Bank loans	1,182,173	1,234,347	1,170,904	20,225	43,218
Trade and other payables	354,360	354,360	354,360	-	-
Loan from an associate	464	464	464	-	-
Loans from non-controlling shareholders	106,291	118,675	37,669	-	81,006
<b>At 31 December 2025</b>	<b>1,643,288</b>	<b>1,707,846</b>	<b>1,563,397</b>	<b>20,225</b>	<b>124,224</b>

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Repayable within 1 year or on demand HK\$'000	Repayable more than 1 year but less than 2 years HK\$'000	Repayable more than 2 years but less than 5 years HK\$'000
Bank loans	1,206,333	1,306,414	374,855	931,559	-
Trade and other payables	320,893	320,893	320,893	-	-
Loan from an associate	464	464	464	-	-
Loans from non-controlling shareholders	112,287	116,238	78,630	37,608	-
<b>At 31 December 2024</b>	<b>1,639,977</b>	<b>1,744,009</b>	<b>774,842</b>	<b>969,167</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

### (c) Currency risk

The Group is exposed to currency risk primarily through deposits and cash that are denominated in a currency other than the functional currency of the operations to which they relate. As the Hong Kong dollar (“HKD”) is pegged to United States dollar (“USD”), the Group does not expect any significant movements in the USD/HKD exchange rate. The currencies giving rise to currency risk are primarily denominated in Singapore dollars.

#### (i) Exposure to currency risk

The following table details the Group’s significant exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into the Group’s presentation currency are excluded.

2025

	Exposure to foreign currency SGD HK\$’000
Deposits and cash	8,113
Net exposure arising from recognised assets and liabilities at 31 December 2025	8,113

2024

	Exposure to foreign currency SGD HK\$’000
Deposits and cash	2,232
Net exposure arising from recognised assets and liabilities at 31 December 2024	2,232

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

### (c) Currency risk (continued)

#### (ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise from foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between HKD and USD would not be materially affected by any changes in movement in value of USD against other currencies. Other components of equity would not be affected by changes in the foreign exchange rates.

	2025			2024		
	Increase/ (decrease) in foreign exchange rates %	Effect on profit after tax HK\$'000	Effect on retained profits HK\$'000	Increase/ (decrease) in foreign exchange rates %	Effect on profit after tax HK\$'000	Effect on retained profits HK\$'000
Singapore Dollars	10 (10)	811 (811)	811 (811)	10 (10)	223 (223)	223 (223)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax in the respective functional currencies, translated into HKD at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

#### (d) Interest rate risk

- (i) The Group is exposed to interest rate risk through the impact of rates changes on interest-bearing borrowings and income-earning financial assets. The following table indicates their effective interest rates at the end of the reporting period and the periods in which they reprice or the maturity dates, if earlier.

	Fixed/ floating	2025		2024	
		Effective interest rate	Amount HK\$'000	Effective interest rate	Amount HK\$'000
<b>Interest-bearing borrowings</b>					
Bank loans	Floating	5.02% – 6.35%	1,178,784	5.86% – 6.71%	1,196,287
Bank loans	Fixed	1.00%	3,389	1.00%	10,046
			1,182,173		1,206,333
<b>Income-earning financial assets</b>					
Cash at bank and on hand	Floating	0.00% – 4.00%	242,022	0.00% – 5.00%	208,339
Time deposits	Fixed	0.20% – 6.00%	1,109,537	0.20% – 5.88%	1,315,317
			1,351,559		1,523,656

#### (ii) Sensitivity analysis

At 31 December 2025, it is estimated that an increase/decrease of 1% in interest rates, with all other variables held constant, would decrease/increase the Group's results and retained profits by HK\$9,549,000 (2024: HK\$10,182,000) and HK\$11,053,000 (2024: HK\$11,345,000) respectively. Other components of equity would not be affected by changes in the interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to interest rate risk at the end of the reporting period. The analysis is performed on the same basis for 2024.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

### (e) Equity price risk

As of 31 December 2024, the Group is exposed to equity price changes arising from equity investments held for non-trading (note 14) and trading purposes (note 15). They have been selected taking reference to their longer term growth potential and are monitored regularly for performance. The Group has disposed of all listed equity investments during the year ended 31 December 2025.

At 31 December 2024, it is estimated that an increase/(decrease) of 5% in the relevant stock market index (for listed investments), the price/earning ratios of comparable listed companies (for unquoted investments) or the Company's own share price (for the conversion option of certain convertible bonds) as applicable, with all other variables held constant, would have increased/decreased the Group's profit after tax (and retained profits) and other components of consolidated equity as follows:

	2024		
	Effect		Effect
	on results		on other
	for the year		components
	and retained		of equity
	profits		of equity
%	HK\$'000		HK\$'000
<b>Change in the relevant equity price risk variable:</b>			
Increase	5	441	170
Decrease	(5)	(441)	(170)

### (f) Fair value measurement

#### (i) Financial assets and liabilities carried at fair value

The Group's listed securities are measured using market quoted price and therefore fall within the Level 1 fair value hierarchy as defined in HKFRS 13. All derivative financial instruments carried at fair value are categorised as falling under Level 2 of the fair value hierarchy. The unlisted securities carried at fair value are categorised as falling under Level 3 of the fair value hierarchy.

During the years ended 31 December 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### (ii) Valuation techniques and inputs used in Level 2 fair value measurements

The Group's derivative financial instrument of currency swap is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account current exchange rates and the current creditworthiness of the swap counterparties. This derivative financial instrument falls within the Level 2 fair value hierarchy as defined in HKFRS 13.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

#### (f) Fair value measurement (continued)

##### (iii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
Unlisted securities	Adjusted net asset value	Underlying assets' value	N/A
		Discount for marketability	25% to 30% (2024: 25% to 30%)

The fair value of unlisted securities is determined using adjusted net asset value, which is positively correlated to the underlying assets' values and negatively correlated to the discount for marketability. The following table indicates instantaneous changes in the Group's result if there is an increase/decrease in these two significant unobservable inputs, assuming all other variables remain constant.

Significant unobservable inputs	Increase/ (decrease) in significant unobservable inputs %	2025 Increase/ (decrease) on the Group's profit HK\$'000	2024 Increase/ (decrease) on the Group's profit HK\$'000
Underlying assets' value	5 (5)	6,537 (6,537)	6,155 (6,155)
Discount for marketability	1 (1)	(1,859) 1,859	(1,813) 1,813

The movements during the years in the balance of Level 3 fair value measurements are as follows:

	2025 HK\$'000	2024 HK\$'000
<i>Financial assets measured at FVPL:</i>		
<i>– Unlisted securities:</i>		
At 1 January	123,104	134,021
Changes in fair value recognised in profit or loss	(8,796)	(1,869)
Unrealised exchange gain/(loss)	16,424	(9,048)
At 31 December	130,732	123,104

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

#### (f) Fair value measurement (continued)

##### (iv) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 31 December 2024 and 31 December 2025.

### 27 COMMITMENTS

At 31 December 2025, capital commitments outstanding not provided for in the financial statements were as follows:

	2025 HK\$'000	2024 HK\$'000
Contracted for	23,435	52,607
Authorised but not contracted for	61,902	464,764
	<b>85,337</b>	517,371

### 28 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions, which were on commercial terms, with Mr Ho Kian Cheong ("KC Ho"), Goodland Limited ("Goodland") and Kansas Holdings Limited ("Kansas").

KC Ho is a non-executive director and a substantial shareholder of the Company at 31 December 2025 and 2024. Goodland holds 28% of the equity interest in the Company at 31 December 2025 and 2024. Kansas holds 30% of the equity interest in the Company at 31 December 2025 and 2024. Mr Ho Kian Guan and Mr Ho Kian Hock, executive directors of the Company, each had 1/3 indirect interest in Goodland and Kansas and are also directors of Goodland and Kansas. They are deemed to be interested in the following transactions.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 28 MATERIAL RELATED PARTY TRANSACTIONS (continued)

	Note	For the year ended 31 December	
		2025 HK\$'000	2024 HK\$'000
<b>(a) Transactions with Goodland</b>			
Rental income receivable	(i)	520	520
Management fee payable	(ii)	1,968	1,968
<b>(b) Balances with Goodland</b>			
Amount due to Goodland	(iv)	113	134
<b>(c) Balances with KC Ho</b>			
Loan from KC Ho	(iii)	11,594	12,525
Amount due to KC Ho	(iii)	605	592
<b>(d) Balances with Kansas</b>			
Loan from Kansas	(iii)	47,864	51,704
Amount due to Kansas	(iii)	1,584	1,543

Notes:

- (i) A subsidiary of the Company rented certain of its properties to Goodland and received rental income.
- (ii) Certain subsidiaries of the Company paid management fees to Goodland.
- (iii) At 31 December 2025, loans from KC Ho of HK\$8,712,000 (2024: HK\$9,805,000) and HK\$2,882,000 (2024: HK\$2,720,000) were unsecured, interest-free and repayable on 30 April 2030 and 30 April 2026 (2024: repayable on 30 April 2025 and 30 April 2026), respectively. Amount due to KC Ho of HK\$605,000 (2024: HK\$592,000) was interest-free, unsecured and repayable on demand.

At 31 December 2025, loan from Kansas of HK\$35,967,000 (2024: HK\$40,476,000) and HK\$11,897,000 (2024: HK\$11,228,000) were unsecured, interest-free and repayable on 30 April 2030 and 30 April 2026 (2024: repayable on 30 April 2025 and 30 April 2026), respectively. Amount due to Kansas of HK\$1,584,000 (2024: HK\$1,543,000) which was interest-free, unsecured and repayable on demand.

Loans from KC Ho and Kansas are included in loans from non-controlling shareholders (note 22). Amount due to KC Ho and Kansas are included in trade and other payable.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 28 MATERIAL RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

- (iv) At 31 December 2025, trade and other payables included amount due to Goodland of HK\$113,000 (2024: HK\$134,000) comprising:
- interest bearing accounts with certain subsidiaries of the Company amounting to HK\$51,000 (2024: HK\$75,000).
  - non-interest bearing accounts with certain subsidiaries of the Company amounted to HK\$62,000 (2024: HK\$59,000).

The balances are unsecured and repayable on demand.

The related party transactions above constitute connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the section "Related Party Transactions" of the directors' report.

## 29 ACCOUNTING ESTIMATES AND JUDGEMENTS

Note 26 contains information about the assumptions and their risk factors relating to financial instruments. Other significant sources of estimation uncertainty are as follows:

### (a) Key sources of estimation uncertainty

#### (i) Valuation of investment properties

Investment properties are included in the statement of financial position at their market value, which is assessed annually by independent qualified valuers, after taking into consideration the net income allowing for reversionary income potential. The assumptions adopted in the property valuation are based on the market conditions existing at the end of the reporting period, with reference to current market sales prices and the appropriate capitalisation rate.

#### (ii) Impairment of assets

The Group reviews internal and external sources of information at the end of each reporting period to identify indications that assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased. The Group estimates the asset's recoverable amount when any such indication exists. The recoverable amounts of an assets, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs of disposal and value-in-use. These calculations involve estimates and cash flow projections generated from the hotel operations. The projected cash flows involves the estimation of future revenue and operating costs which are based on reasonable assumption supported by information available to the Group. Changes in these estimates would result in additional impairment provisions or reversal of impairment in future years.

## **NOTES TO THE FINANCIAL STATEMENTS** (continued)

### **29 ACCOUNTING ESTIMATES AND JUDGEMENTS** (continued)

#### **(a) Key sources of estimation uncertainty** (continued)

##### **(iii) Fair value of unlisted securities**

The Group adopts the adjusted net asset value approach to assess the fair value of unlisted securities annually after taking into consideration the underlying assets' value and discount for marketability.

#### **(b) Critical accounting judgements in applying the Group's accounting policies**

The Group has temporarily leased out certain properties held for sale but does not consider these properties to be investment properties because it is not the Group's intention to hold them in the long-term for capital appreciation or rental income. Accordingly, these properties are still classified as properties held for sale.

### **30 CONTINGENT LIABILITIES**

- (i) At 31 December 2025, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favour of the Macau Special Administrative Region Government in respect of properties held for sale amounted to HK\$8,252,000 (2024: HK\$8,252,000).

At 31 December 2025, the directors do not consider it probable that a claim will be made against the Group under any of the guarantees. The Group have not recognised any deferred income in respect of any of the above guarantees as their fair value cannot be reliably measured and they were issued many years ago and their transaction price was Nil.

- (ii) The Company has undertaken to provide financial support to one of its subsidiaries in order to enable it to continue to operate as a going concern.
- (iii) The Company has undertaken to provide guarantee to banks in respect of bank loans granted to two of its subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		2,348	2,391
Interest in subsidiaries		2,701,919	2,335,299
Interest in associates		31,773	31,773
Other non-current financial assets		130,732	126,513
		<b>2,866,772</b>	<b>2,495,976</b>
<b>Current assets</b>			
Trading securities		–	8,811
Properties held for sale		10,727	10,727
Trade and other receivables		8,186	13,306
Deposits and cash		167,833	258,424
		<b>186,746</b>	<b>291,268</b>
<b>Current liabilities</b>			
Trade and other payables		7,859	7,667
Taxation payable		2,440	1,705
		<b>10,299</b>	<b>9,372</b>
<b>Net current assets</b>		<b>176,447</b>	<b>281,896</b>
<b>Total assets less current liabilities</b>		<b>3,043,219</b>	<b>2,777,872</b>
<b>Non-current liability</b>			
Amounts due to subsidiaries		983,756	733,839
<b>NET ASSETS</b>		<b>2,059,463</b>	<b>2,044,033</b>
<b>CAPITAL AND RESERVES</b>			
	24		
Share capital		498,305	498,305
Reserves		1,561,158	1,545,728
<b>TOTAL EQUITY</b>		<b>2,059,463</b>	<b>2,044,033</b>

Approved and authorised for issue by the board of directors on 24 March 2026.

**Ho Kian Guan**  
Executive Chairman

**Tse See Fan Paul**  
Executive Director

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 32 ULTIMATE CONTROLLING PARTY

As 31 December 2025, Kansas and Goodland hold 30% and 28% respectively of the equity interest in the Company. The directors consider the ultimate controlling party of the Group to be KS Ocean Inc., which is incorporated in Republic of Liberia. This entity does not produce financial statements available for the public use.

### 33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature – dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

#### **HKFRS 18, Presentation and disclosure in financial statements**

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

## FIVE YEAR FINANCIAL SUMMARY

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Consolidated statement of profit or loss</b>					
Revenue	1,616,423	1,692,023	1,738,354	1,429,488	482,878
Profit/(loss) before share of profits less share of results of associates	392,542	445,946	309,537	115,752	(230,448)
Share of results of associates	35,991	20,670	32,340	14,071	(11,628)
Profit/(loss) before taxation	428,533	466,616	341,877	129,823	(242,076)
Income tax	(90,471)	(113,161)	(28,021)	(5,624)	57,872
Profit/(loss) for the year	338,062	353,455	313,856	124,199	(184,204)
<b>Attributable to:</b>					
Equity shareholders of the Company	257,477	255,841	219,656	76,302	(194,724)
Non-controlling interests	80,585	97,614	94,200	47,897	10,520
	338,062	353,455	313,856	124,199	(184,204)
<b>Consolidated statement of financial position</b>					
Investment properties, property, plant and equipment and land	3,649,205	3,201,950	3,102,086	3,255,428	3,421,797
Interest in associates	117,906	96,823	98,196	85,891	84,645
Other non-current assets	529,952	550,069	601,657	557,594	496,697
Current assets	1,699,046	1,906,167	1,994,198	1,736,983	1,575,885
	5,996,109	5,755,009	5,796,137	5,635,896	5,579,024
Share capital	498,305	498,305	498,305	498,305	498,305
Reserves	3,036,853	2,808,826	2,620,075	2,438,494	2,409,335
Non-controlling interests	498,047	548,857	621,418	615,847	629,047
Non-current liabilities	291,194	1,008,528	1,257,604	244,050	1,322,060
Current liabilities	1,671,710	890,493	798,735	1,839,200	720,277
	5,996,109	5,755,009	5,796,137	5,635,896	5,579,024
<b>Other data</b>					
Basic earnings/(loss) per share (cents)	75.7	75.2	64.6	22.4	(57.2)
Dividends per share (cents)	12.0	12.0	11.0	5.0	4.0
Dividend cover (times)	6.3	6.3	5.9	4.5	N/A

# SCHEDULE OF PRINCIPAL PROPERTIES

At 31 December 2025

Properties	Group's interest	Type	No. of units	Gross floor area (sq. ft.)	Lease term
<b>Properties classified as investment properties</b>					
Luso International Bank Building 1, 3 and 3A Rua Do Dr. Pedro Jose Lobo, Macau	100%	Office	40	30,264	Short lease
Ocean Plaza, I & II Ocean Gardens, Macau	70.61%	Commercial	47	94,525	Short lease
Ocean Tower Ocean Gardens, Macau	70.61%	Office	19	49,703	Short lease
Ocean Tower Ocean Gardens, Macau	70.61%	Car parks	206	N/A	Short lease
<b>Properties classified as hotel properties</b>					
Delta Hotels by Marriott Toronto Airport & Conference Centre Toronto, Canada	25%	Hotel	433	447,380	Freehold
Caravelle Hotel Ho Chi Minh City, Vietnam	24.99%	Hotel	335	388,458	Medium lease
Holiday Inn Wuhan Riverside Wuhan, PRC	41.26%	Hotel	305	296,288	Medium lease
Sheraton Saigon Grand Opera Hotel (formerly known as Sheraton Saigon Hotel & Towers) Ho Chi Minh City, Vietnam	64.12%	Hotel	500	742,156	Medium lease
W San Francisco San Francisco, United States	100%	Hotel	411	292,168	Freehold
Sofitel New York New York, United States	100%	Hotel	398	294,000	Freehold
Best Western Hotel Fino Osaka Shinsaibashi Osaka, Japan	100%	Hotel	179	41,720	Freehold

## SCHEDULE OF PRINCIPAL PROPERTIES (continued)

At 31 December 2025

Properties	Group's interest	Type	No. of units	Gross floor area (sq. ft.)	Lease term
<b>Properties classified as properties held for sale</b>					
Ocean Industrial Centre Phase II Rua dos Pescadores, Macau	100%	Industrial	3	22,921	Short lease
Ocean Park 530 East Coast Road Singapore	100%	Residential	5	10,550	Freehold
Rose Court Ocean Gardens, Macau	70.61%	Residential	3	11,121	Short lease
Begonia Court Ocean Gardens, Macau	70.61%	Residential	4	10,548	Short lease
Orchid Court Ocean Gardens, Macau	70.61%	Residential	2	5,274	Short lease
Sakura Court Ocean Gardens, Macau	70.61%	Residential	23	85,261	Short lease
Lily Court Ocean Gardens, Macau	70.61%	Residential	28	51,008	Short lease
Aster Court Ocean Gardens, Macau	70.61%	Residential	40	113,200	Short lease
Bamboo Court Ocean Gardens, Macau	70.61%	Residential	40	113,200	Short lease
Ocean Gardens, Macau	70.61%	Car parks	743	N/A	Short lease
Keck Seng Industrial Building Avenida de Venceslau de Morais, Macau	100%	Car parks	3	N/A	Short lease

# SUSTAINABILITY EFFORTS AND AWARDS IN 2025

## 二零二五年可持續發展工作及獎項

### Our Properties

我們集團的物業



Sheraton Saigon Grand Opera Hotel, Vietnam (formerly known as Sheraton Saigon Hotel & Towers)  
越南胡志明市西貢大劇院喜來登酒店(前稱西貢喜來登酒店)



Caravelle Saigon Hotel, Vietnam  
越南胡志明市帆船酒店



Holiday Inn Wuhan Riverside, China  
中國武漢晴川假日酒店



Best Western Hotel Fino Osaka Shinsaibashi, Japan  
日本大阪心齋橋西佳酒店

# SUSTAINABILITY EFFORTS AND AWARDS IN 2025

## 二零二五年可持續發展工作及獎項

### Our Properties (continued)

我們集團的物業(續)



Delta Hotels by Marriott Toronto Airport & Conference Centre, Canada  
加拿大多倫多機場會議中心德爾塔萬豪酒店



Sofitel New York, USA  
美國紐約索菲特酒店



W Hotel San Francisco, USA  
美國三藩市W酒店

# SUSTAINABILITY EFFORTS AND AWARDS IN 2025

## 二零二五年可持續發展工作及獎項

### Our Properties (continued)

我們集團的物業 (續)



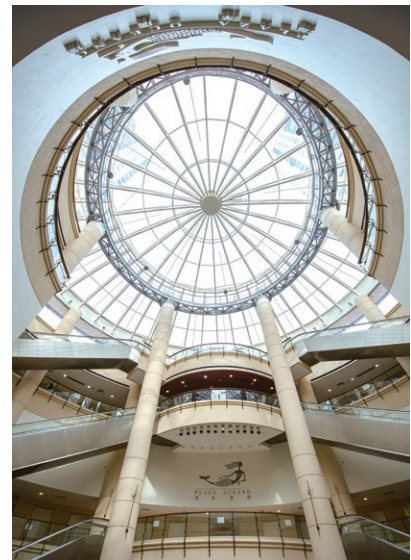
Ocean Gardens, Macau  
澳門海洋花園



Ocean Club, Macau  
澳門海洋會所



Ocean Tower, Macau  
澳門海洋大廈



Plaza Oceano, Macau  
澳門海洋廣場

# SUSTAINABILITY EFFORTS AND AWARDS IN 2025

## 二零二五年可持續發展工作及獎項

### Sheraton Saigon Grand Opera Hotel, Vietnam

越南胡志明市西貢大劇院喜來登酒店



Mid-Autumn Festival Charity – Giving mooncakes to Underprivileged children  
中秋慈善活動：向困境兒童捐贈月餅



Christmas Tree Lighting Day: Charity Dinner Event with Thu Duc Youth Village  
聖誕樹點燈日：與守德少年村慈善晚宴

### Caravelle Saigon Hotel, Vietnam

越南胡志明市帆船酒店



Blood Donation Events  
捐血活動



Love & Hope Teddy Bears Charity Sale  
愛心小熊義賣活動

# SUSTAINABILITY EFFORTS AND AWARDS IN 2025 (continued)

## 二零二五年可持續發展工作及獎項(續)

### Holiday Inn Wuhan Riverside, China

中國武漢晴川假日酒店



Charity Bazaar  
義賣



CTRIP 2025 Scenic  
Hotel Ranking  
携程武漢美景酒店榜

### Sofitel New York, USA

美國紐約索菲特酒店

# Sofitel New York

Parisian flavor near Fifth Avenue



VERIFIED LUXURY

2025 Forbes Travel Guide Recommended Award  
2025 福布斯旅遊指南推薦獎



2025 AAA Four Diamond Award  
2025 AAA 四鑽級獎項

# SUSTAINABILITY EFFORTS AND AWARDS IN 2025 (continued)

## 二零二五年可持續發展工作及獎項(續)

### Delta Hotels by Marriott Toronto Airport, Canada 加拿大多倫多機場會議中心德爾塔萬豪酒店



Coldest Night of the Year  
為無家可歸者籌款



Food Bank: Food Donations  
食物銀行－食物捐贈

### W San Francisco, USA 三藩市W酒店



2025 Leadership in Energy and Environmental Design (LEED) Platinum certification  
2025 能源與環境設計領導(LEED)鉑金認證



2025 AAA Four Diamond Award  
2025 AAA 四鑽級獎項